

SAT 6PM
FILE SAT

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		

January 29, 2004

Leeds Domestic Waterusers Association Monthly agenda:

Those in attendance:

Welcome:

Prayer:

Pledge:

Minutes:

Financial Report:

Water Test: *OK*

Silver Reef Highlands Subdivision:

Merger with Silver Reef: Update

“ISO” Investigation on the Fire Hydrants

New Business:

Assignments for shareholders Mtg. (February 4th.) *GOALS FOR '04 SRH*

Old Business:

Jim Parnell was asked to check a water line at Susan Savage's place.

6:00 PM
FIRE STA.

Jim P. to work with Don Fawson on the fire hydrant meters.

Jim to check a fire hydrant in Eldorado Hills that is so high it can't be turned on.

Sandra & Jerry Browning asked to put together the water rights to be transferred to LDWA from Silver Reef.

Gary Tanner will turn over Silver Reef's files when he gets home from California.

Kayla Brown will turn over key to bulletin board in Silver Reef.

Sandra B. Floater tap owners to receive a refund. ✓

Sandra B. Certified letters and liens to be worked on for bad debt accounts. ✓

Read Meters for January ? Just the commercial taps?

Water Master's report:

Boardmember's reports:

Meeting adjourned.

GOALS '04

SILVER REEF HIGHLANDS
24" LINE (UP GRADE)
PUMP & TANK LEVEL CONTROLS
EMERGENCY PUMP
ISO

sect 03

MERGE
SILVER REEF
(WATER RIGHT)
UP GRADE OF LINES AIRVAE
EXTENDED THE LINE FROM MAIN ST. EAST OF FREEWAY

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January 29, 2004

Monthly Meeting of the Leeds Domestic Wateruser's Association

Place: Leeds Town Hall at 7 p.m.

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Penny Weston, Ray Beal, Jim Parnell, and Sandra Browning. Dallin Gardner from Silver Reef Highlands Subdivision was also present.

Welcome: President Scott Hayes

Prayer: President Scott Hayes

Pledge: Ray Beal

Minutes: The minutes were discussed and Ray Beal found the name Amy Jones was spelled incorrectly as "Any" Jones and Sandra Browning corrected this error. Scott Ricci felt it should be mentioned in the minutes that Lowry Snow, the Lawyer for Silver Reef Highlands was going to look into tiered billing to see if it is legal in a special zoning area and let us know his findings. This would allow LDWA to charge two different billing rates if we so desire.

Ray Beal moved to approve the minutes as corrected and Scott Ricci seconded the motion and all approved.

Financial Report: The financial statement, the profit and loss statement, and the check registry were discussed and they were all accepted when an "and" was added to help clarify the meaning of one sentence in the check registry. (Check written to Scholzen's Products for Kay Orgill's meter and misc. parts.)

Water Test: The water test was good for the month of January. Jim Parnell did a preliminary water test and then took water samples to Cedar City for testing.

Silver Reef Highlands Subdivision: Dallin Gardner handed out a revised application form from the BLM for the right of way for the new tank. Dallin stated that in the last

ten days he was told that approval from the Forest Service or a "permit" is also needed. Scott Hayes asked if this is just for the line coming down to the new tank of Silver Reef Highlands and then the line from the new tank to LDWA's tank? Dallin said that it was for the tank it's self. Scott Hayes mentioned there is one section between the gates and our tanks that is owned by the Forest Service. Also the line from the spring to the new tank is mostly Forest Service land.

Dallin Gardner apologized for not having a map of the area showing what land belongs to BLM and what is Forest Service land for he thought their engineer, Jim Raines, would be in attendance to this meeting with a map. Dallen did not feel this was a big issue for they have found a competent, but extensive consultant to do the environmental assessment.

And it appears they will be doing an assessment that will service both agencies. Most of the construction will be on the BLM land, but there will be some activity on the Forest Service land also. The engineering firm is out of Murray, Ut. called JVR Associates and they do a great deal of this kind of work for BLM and others, such as clearance for right of way for power lines and etc. Part of the reason for the change in the application was suggested by the consultants from Murraray to state in the application things this project is going to do to help fire flow and etc.

The LDWA Board took time to read through the application to get an idea of what Silver Reef Highland plans to do. Silver Reef Highlands will not start construction until all agencies are in full agreement with the subdivision.

Dallin Gardner showed Scott Hayes the new application that was filled out and Scott Hayes was asked to sign the document so Silver Reef Highlands could continue on with the preliminary work.

There are still 27 lots in the development. LDWA was told that a 12 inch line will be used instead of a 10 inch line.

Scott H. asked if Sitla plans to participate in the gallons in the new well and Dallen said that they were, but he wasn't sure of their plans. The master plan is 96 homes with 27 lots in the Silver Reef Highlands project and around 70 lots in the Sitla's plans when ever they decide to start. They definitely plan to do a project, but not at this time. The new water tank will provide water for the 27 lots in Silver Reef Highlands and the approximate 70 lots for Sitla. The tank size was decided upon by two acre feet of water for each lot or approximately 200 acre feet for the 96 lots.

Ray Beal voiced his concern about the additional demand these two developments will place on our water system, because the well goes down in the middle of the summer when the need for water increases and also there isn't enough water in the spring to service everyone. The 27 lots could cause a water shortage and when all the 96 homes are built there could be big problems.

Scott Hayes asked Ray Beal if he felt we need to look into the need for more water as part of the Silver Reef Highlands project. This is something we need to consider. We have the Eldorado Hills well that can be put on line if necessary or another option is to dig a new well.

Scott Ricci said what we need to find out is how much water we use in the summer time and how many hours the pumps run. This should be documented daily when the pump is started and when it is stopped. We need some log books to put down all these figures. This will give us an idea of what to plan for with the additional homes that we are anticipating.

Scott Ricci told the board it would be a good idea to look at installing automatic controls on our tanks and pumps to keep the water level at a proper height for fire flow. Silver Reef Highlands could share in this cost.

Fire Hydrants tested: There are about 80 hydrants in our system and Jim Parnell and some board members will test each hydrant. It takes about 15 to 20 minutes to do a water flow and a pressure test on the hydrants. This project needs to be accomplished by the end of February. A company called ISO has been hired by insurance companies to go out and check water systems and fire departments to make sure they have the true rating figures that they have been given for insurance premiums. There are three pages that need to be answered by the water company, on things like, tank size and pipe size and Scott Ricci was asked to fill in the three page form and he said that he would. The investigation of LDWA's hydrants will, in part, decide what our insurance rates will be. Don Fawson stopped by the Leeds Town Hall and said he would be glad to work on the fire hydrants with Jim Parnell, Ray Beal, and Scott Ricci this coming Saturday.

Water Testing: Scott Ricci was asked by President Scott Hayes to take over the water testing since Merle Gier resigned from the board. Scott Ricci said he would do the water testing.

Assignments for the 2004 Shareholder's Meeting

Penny Weston will give the opening prayer and the pledge at the shareholder's meeting.

Sandra Browning will read the 2003 minutes at the 2004 shareholder's meeting.

Scott Hayes will talk about the 2004 Budget and the Profit and Loss Statement.

Scott Ricci will report on the water testing for 2003 and he will tell the shareholders LDWA's accomplishments in 2003.

Ray Beal will talk of the goals LDWA would like to accomplish in 2004.

Merger with Silver Reef: Update

Sandra and Jerry Browning were asked to put together the water rights to be transferred to LDWA from Silver Reef.

Gary Tanner will turn over the Silver Reef's files when he returns from California.

Kayla Brown will turn over a key to the bulletin board at Silver Reef to LDWA.

Water master's report: Jim Parnell was asked to check a water line at Susan Savage's place that seemed to be leaking. Also Jim was asked to pull the meter to Susan Savage's cabin. If her floater water tap is to be considered a "floater" then she should not have a meter in place and Jim will pull the meter.

Jim was asked to work with Don Fawson on the fire hydrant meters.

Jim was asked to check a fire hydrant in Eldorado Hills that is so high it could not be turned on. Jim also read the meters at Silver Reef.

Jim reported that Steve Hansen put a fire hydrant in on Main Street in Leeds for his new home he is building.

Floater Taps: Sandra Browning will mail a refund check to the floater tap owners who have paid water fees in the past two years. The LDWA Board Members have decided there will be no obligation to pay any water fees on floater taps until they are activated. Sandra was also asked to start working on liens and certified letters to be sent to those shareholders who have not been paying their water bills.

Meter Readings for the month of January: It was decided to read only the commercial meters for the month of January. The residential meters will not be read until February.

Penny Weston consented to work with the meter readers.

It was decided that the meter reading job would be put up for bid on a yearly basis.

Ray Beal moved to adjourn the meeting.

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January 21, 2004

Dear New Customer;

Welcome to the Leeds Domestic Water users Association. It was official as of December 31, 2003.

Naturally, with the transition there will be some changes, mostly good we hope. The rate structure of the water billing will be as follows,

Residential monthly rate will be \$20.00 up to 30,000 gallons

Overage for Residential will be \$2.00 per thousand from 30,000 to 60,000 gal.

And \$3.00 per thousand over 60,000 gallons of water used.

Commercial Monthly Rates will be \$20.00 up to 20,000 gallons

Overage for Commercial will be \$2.00 per thousand from 20,000 to 60,000 gal.

And \$3.00 per thousand over 60,000 gallons of water used monthly.

The Standby tap is a vacant lot or an unoccupied home with the water turned off and must be approved by LDWA's board members. The charged for a standby tap is a monthly fee of \$10.00 that will be billed quarterly and in advance or \$30.00 every three months in advance. Any questions please feel free to give Scott Hayes, President or Sandra Browning, Secretary, a call.

In the next few months you will receive a Certificate of Water Document that you should keep in a safe place and will be asked to turn back to LDWA if you sell your home or lot.

We have enclosed a notice of LDWA's Annual Shareholders' Meeting, which will be held, Wednesday, Feb. 4th, 2004 at the Leeds Town Hall at 7 p.m. A resident from Silver Reef will be included as a member of LDWA's water board. Please put a reminder on your calendar and hope to see you there.

Sincerely,



Sandra Browning, Secretary, LDWA

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ATTENTION LDWA SHAREHOLDERS

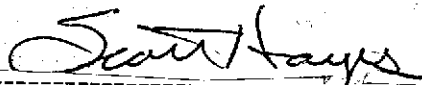
IN ACCORDANCE TO LDWA'S BY LAWS – THIS IS A NOTICE OF THE ANNUAL SHAREHOLDER'S MEETING TO BE HELD THE FIRST TUESDAY OF FEBRUARY. (BECAUSE TUESDAY, FEB 3RD. IS NOT AVAILABLE WE WILL MEET WEDNESDAY, FEB. 4TH.)

FEBRUARY 4, 2004 AT 7 P.M. IN THE LEEDS TOWN HALL.

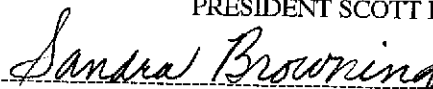
THERE WILL BE AN ELECTION OF THREE MEMBERS FOR THE BOARD OF DIRECTORS. ENCLOSED IS OUR 2004 BUDGET.

ALL SHAREHOLDER'S ARE ENCOURAGED TO ATTEND A ONCE A YEAR MEETING TO PARTICIPATE AND VOTE FOR THE PERSON OF THEIR CHOICE.

WE NEED TO CHANGE THE DATE AND TIME OF OUR ANNUAL MEETING BECAUSE THE FIRST TUESDAY IS NOT AVAILABLE AT THE LEEDS TOWN HALL. WE WILL VOTE ON A NEW DATE.



PRESIDENT SCOTT HAYES



SECRETARY SANDRA BROWNING

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February 4, 2004

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

PLACE: TOWN HALL AT 7 P.M.

SHAREHOLDERS SIGN IN. DISTRIBUTION OF BALLOTS AND PROFIT AND LOSS STATEMENT.

WELCOME: SCOTT HAYES

PLEDGE: PENNY WESTON

PRAYER: PENNY WESTON

MINUTES OF FEBRUARY 5, 2003 SHAREHOLDER'S MEETING READ BY SANDRA BROWNING.

APPROVAL OF THE MINUTES BY THE SHAREHOLDERS

SHAREHOLDERS VOTE ON DATE AND TIME OF SHAREHOLDER'S MEETING.

SINCE WE CAN NOT USE THE DATE AND TIME IN OUR BY-LAWS.

CHANGE FROM FIRST TUESDAY IN FEBRUARY AT 8 P.M. TO THE FIRST WEDNESDAY IN FEBRUARY AT 7 P.M.

THE 2004 BUDGET EXPLAINED PRESIDENT SCOTT HAYES

CORRECTED BUDGET PASSED OUT AT THE DOOR.

WATER TESTS.....SCOTT RICCI (?)

ACCOMPLISHMENTS OF 2003.....SCOTT RICCI

1. As of Dec. 31, 2003 – Silver Reef Special Service District has merged with LDWA.
2. LDWA bought 45 acre feet of irrigation water from Bert Leany.
3. We were asked by Casa Del Oro to provide emergency water for them should the time come that they run out of water. We agreed to provide water for them should this happen and we still have water.
4. We were taken to small claims court twice for water that a man claimed was his and his claim was defeated twice.

5. We had a special shareholder's meeting to see if LDWA's shareholders would like to take over Silver Reef's Special Service District and the response was in the negative.

GOALS FOR 2004.....RAY BEAL

1. Silver Reef Highlands Development.- 27 lots. New water tank to be installed.
2. Want to install automatic controls on tanks and pumps in our water system.
3. Jim Parnell, Ray Beal, and Scott Ricci will be testing and servicing the fire hydrants. And this will be done twice a year. We have about 80 hydrants.
4. Replace the water line that goes through Brant Jones' field.

SHAREHOLDER'S QUESTION AND ANSWER PERIOD – DO TO THE INTEREST OF TIME THE SHAREHOLER'S LIMITED TO TWO MINUTES PER COMMENT AND RESPONSE.

ELECTION OF THREE BOARD OF DIRECTORS THIS YEAR

SCOTT RICCI, PENNY WESTON, & MERLE GIER – TERMS HAVE EXPIRED.

SIX NAMES NOMINATED FOR THE THREE VANCANCIES ON THE LDWA BOARD OF DIRECTORS.

BALLOTS VOTED ON.

BALLOTS COLLECTED BY HELPERS APPOINTED BY SCOTT HAYES, PRES.

RESULT OF THE ABOVE VOTE

ADJOURN OF MEETING

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

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February 4, 2004

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

PLACE: TOWN HALL AT 7 P.M.

24 SHAREHOLDERS SIGNED IN AND COLLECTED THEIR VOTING BALLOTS,
PROFIT AND LOSS STATEMENT, THE NEW BUDGET FOR 2004

THOSE IN ATTENDANCE: BOARD MEMBERS PRESIDENT SCOTT HAYES,
VICE PRESIDENT SCOTT RICCI, PENNEY WESTON, RAY BEAL, SANDRA
BROWNING, JIM PARNELL, AND GLORIA PARNELL REPRESENTATIVE FROM
THE TOWN OF LEEDS. THERE WERE ALSO 26 PEOPLE ATTENDING THE
MEETING.

WELCOME: SCOTT HAYES

PLEDGE: PENNY WESTON

PRAYER: PENNY WESTON

MINUTES OF FEBRUARY 5, 2003 SHAREHOLDER'S MEETING WERE READ BY
SANDRA BROWNING. SCOTT RICCI MOVED TO APPROVE THE MINUTES AS
READ AND PENNY WESTON SECONDED THE MOTION AND ALL APPROVED.

SHAREHOLDERS VOTE ON DATE AND TIME OF SHAREHOLDER'S MEETING.
SINCE WE CAN NOT USE THE DATE AND TIME IN OUR BY-LAWS.
CHANGE FROM FIRST TUESDAY IN FEBRUARY AT 8 P.M. TO THE FIRST
WEDNESDAY IN FEBRUARY AT 7 P.M.

THE 2004 BUDGET EXPLAINED PRESIDENT SCOTT HAYES SAID THE
FINANCIAL STATEMENT AND THE INCOME STATEMENT ARE BOTH IN THE
BLACK.

CORRECTED BUDGET PASSED OUT AT THE DOOR. THE FINANCIAL
STATEMENT AND THE PROFIT AND LOSS STATEMENT

SCOTT HAYES ASKED IF THERE WERE ANY QUESTION ON THE BUDGET AND DON GODDARD ASKED WHAT THE \$5000.00 TO THE IRRIGATION COMPANY WAS FOR. SCOTT EXPLAINED, LDWA HEARD THAT THERE MIGHT BE AN ASSESSMENT FOR THE IRRIGATION COMPANY TO PUT IN SOME WATER LINES.

DON GODDARD ASKED HOW MUCH WATER THAT WE BOUGHT FROM BERT LEANY. THE IRRIGATION WATER WAS 6.67 ACRE FEET OF WATER. MERLIN SULLIVAN ASKED WHAT WE SPENT ON THE B WATER AND HE WAS TOLD \$4000.00.

THE MAJOR CONCERNS THAT WE BUDGETED FOR ARE OUR WATER LINE IMPROVEMENTS, OLD LINES AND AND DEAD END LINES.

WOODY FILLMORE ASKED THAT THOSE PEOPLE SPEAKING TO TALK LOUDER. SCOTT H. ASKED EVERYONE TO SPEAKUP FOR WOODY.

WATER TESTS.....SCOTT RICCI
AS FAR AS THE TESTING OF THE WATER IT HAS BEEN VERY GOOD AND WE HAVEN'T HAD ANY PROBLEMS, BUT SCOTT R. FOUND TODAY THAT LDWA HAS MISSED A COUPLE OF TESTS THIS YEAR AND WE ARE GOING TO MAKE THEM UP AS SOON AS POSSILBE.

ACCOMPLISHMENTS OF 2003.....SCOTT RICCI

1. GETTING THE MERGER SETTLED WITH SILVER REEF SPECIAL SERVICE DISTRICT. IT IS ABOUT 99% DONE. THERE IS PAPER WORK GOING THROUGH THE COUNTY THAT IS NOT QUITE DONE. THE 36 TAPS ARE INCLUDED IN OUR SYSTEM NOW.
2. WE ALSO KEEP NEGOTIATING WITH THE SILVER REEF HIGHLANDS OR THE BRENNEN DEVELOPMENT. NOW THERE ARE 27 LOT IN THEIR SUBDIVISION.
3. WE HAVE HAD PRELIMINARY TALKS WITH DON LEAVITT WHO IS A REPRESENTIVE FROM SITLA ON THEIR PROPERTY BETWEEN SILVER REEF AND ELDORADO HILLS. THEY ARE THINKING OF A COMPLETE BUILD OUT OF 97 LOTS ON THE 200 ACRES. THERE IS NOTHING FIRM AS TO WHEN THEY WILL START.
4. WE PURCHASED THE 6.67 IRRIGATION WATER OR 40 ACRE FOOT FROM BERT LEANY AND WE ALSO RECEIVED 1/2 LOT ON THE SOUTH SIDE OF HIS PROPERTY.

5. WE UPGRADED A PORTION OF THE LINE BETWEEN THE CEMENT TANK ON THE SILVER REEF ROAD TO MAIN STREET SO THAT THE TANK COULD BE MORE EFFICIENTLY USED. WE ARE MOVING THE LINE BELOW THE PRESSURE REDUCING VALVE AND HOPEFULLY IT WILL BE MORE EFFICIENTLY USED.
- A. SCOTT HAYES MENTIONED THAT CASA DE ORO HAS ASKED FOR US TO PROVIDE EMERGENCY WATER FOR THEM. TO ACCOMMODATE SOME OF THEIR REGULATIONS WITH THE STATE. THE WATER WILL BE PROVIDED BY TANK OR TRUCK IF NEEDED. AND WE SIGNED AN AGREEMENT TO PROVIDE WATER.
- B. SCOTT TOLD THE SHAREHOLDERS THAT TERRY PRISBERY TOOK US TO COURT TWICE FOR WATER HE SAID THAT HE IS ENTITLED TO AND HE HAS LOST TWICE NOW TO LDWA.

GOALS FOR 2004.....RAY BEAL

1. WE PLAN TO REPLACE AND UPGRADE THE 2 OR 3 INCH LINE THAT GOES OUT THROUGH BRANT JONES FIELD AND THE NEW LINE WILL PROBABLY BE AN 8 INCH LINE AND IT WILL BE IN A NEW LOCATION.
2. THE OFFICERS OF THE BOARD OF LDWA WILL CONDUCT AN ISO INVESTIGATION. ISO MEANS INSURANCE SYSTEMS OFFICE. THE INVESTIGATION IS DONE BY CHECKING EACH FIRE HYDRANT FOR FLOW AND PRESSURE AND IS ONE OF THE MANY THINGS THAT SET OUR FIRE INSURANCE RATE AND HOW MUCH WE HAVE TO PAY FOR FIRE INSURANCE. THIS NEEDS TO BE DONE SOON.
3. METER READINGS WILL BE PUT OUT FOR BID YEARLY FOR WE HAVE HAD SOME PROBLEMS AND THIS MAY HELP. IF INTERESTED CONTACT A MEMBER OF THE BOARD.
4. SILVER REEF HIGHLAND SUBDIVISION MAY COME ON LINE THIS YEAR.
5. WE WANT TO PROVIDE CLEAN AND GOOD TASTING WATER TO OUR SHAREHOLDERS.

SHAREHOLDER'S QUESTION AND ANSWER PERIOD – DO TO THE INTEREST OF TIME THE SHAREHOLDER'S LIMITED TO TWO MINUTES PER COMMENT AND RESPONSE.

A SHAREHOLDER ASKED HOW MANY HOMES THAT SITLA IS PLANNING TO BUILD IN THEIR SUBDIVISION AND SCOTT RICCI TOLD HIS THAT RIGHT NOW THERE ARE LOOKING AT 71 HOMES. THEY HAVE NOTHING DEFINATE, BUT IT WILL BE IN THEIR FUTURE.

SILVER REEF HIGHLAND WILL BE THE FIRST TO START WITH 27 HOMES.

DON GODDARD: 97 HOMES IS A LOT OF WATER AND NOW THE WEIR CAN HANDLE IT, BUT SOMEDAY IT COULD GO DRY. DON ASKED IF ANYONE HAS TALKED TO THE COUNTY COMMISSIONER AS SEE IF WE CAN TIE UP SOME OF THAT WATER THAT IS GOING THROUGH TOWN. SCOTT H. SAID THAT HE TALKED TO RON THOMPSON AND RON SAID THAT THERE WOULD BE WATER AVAILABLE. BUT HE WILL NOT SIGN ANY CONTRACT AT THE PRESENT TIME. THE BOARD IS NOT READY TO SIGN A CONSTRUCT WITH RON THOMPSON AS YET. RAY BEAL STATED THAT LDWA MAY NOT WANT TO ABIDE BY THE WASHINGTON COUNTY CONSERVANCE, REQUIREMENTS ALSO. WE NEED TO BE CAREFULL.

THREE BOARD MEMBER'S TERM HAS EXPIRED. PENNY WESTON, SCOTT RICCI, AND MERLE GIER.

ELECTION OF THREE NEW BOARD MEMBERS THIS YEAR.

SIX PEOPLE WERE NOMINATED FOR TO VOTE ON.

SCOTT RICCI, PENNY WESTON, MERLE GIER, DAVID STIRLING, GARY TANNER, AND RON WHITMER..

VOTE

BALLOTS VOTED ON AND COLLECTED BY HELPERS APPOINTED BY SCOTT HAYES, PRESIDENT. AND COUNTED. SUSAN SAVAGE, ELDON STIRLING, AND FRED FRIESE WERE ASKED TO ASSIST.

RESULT OF THE ABOVE VOTE: DAVID STIRLING, RON WHITMER, AND SCOTT RICCI. WERE VOTED ON THE BOARD.

ADJOURN OF MEETING

BOARD TO MEET IN EXECUTIVE SESSION FOR NEW OFFICERS TO TAKE THE OATH OF OFFICE. DAVID STIRLING, AND RON WHITMER TOOK THE OATH OF OFFICE. SCOTT HAYES WAS ELECTED PRESIDENT AND SCOTT RICCI ELECTED VICE PRESIDENT.

LDWA WILL MEET WITH THE TOWN OF LEEDS, THURS., FEB. 26TH AT 6 P.M. IN THE TOWN HALL TO DISCUSS THE SILVER REEF HIGHLANDS SUBDIVISION.

EXECUTIVE MEETING ADJOURNED.

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March 25th, 2004

Leeds Domestic Waterusers Association's Monthly Agenda

Those in attendance:

Welcome: President Scott Hayes

Prayer:

Pledge:

Minutes:

Financial Report:

Water Test:

Silver Reef Special Service District Update: Kayla Brown

Silver Reef Highlands Subdivision: Dallin Gardner

Old Business:

1. Update on hydrant tests
2. Liens and certified letters to delinquent customers

New Business:

1. Bids for the yearly meter reader's job.
2. Taxes on property we bought from Bert Leany
3. Leaky valve at the cement Tank
4. Assign board member to be in charge of meter readers .
5. Assign board member to get an estimate on LDWA's new building.

TANK 3/16/04 CAL

*NEXT MEETING
TYPE & SIZE*

Water Master Report:

Board Members Reports:

Scott Ricci

Ray Beal

David Stirling

Ron Whitmer

Meeting to be adjourned

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March 25th, 2004

Monthly Meeting of LDWA

Place: At the Leeds Town Hall

Time: 7 p.m.

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Ray Beal, David Stirling, Ron Whitmer, Jim Parnell, Gloria Parnell, Sandra Browning, Kayla Brown, Dallin Gardner, Lowry Snow, and two engineers from Bush and Gudgell.

Welcome: Scott Hayes

Prayer: Ray Beal

Pledge: Scott Ricci

Minutes: The minutes were discussed and no errors were found, Scott Ricci moved to approve the minutes and Ray Beal seconded the motion and all approved.

Financial Statement: The profit and loss statement and the check registry were discussed and Scott Ricci moved to approve the profit and loss statement and the check registry and David Stirling seconded the motion and all approved.

Scott Ricci asked if we keep the billings separate on the amount spent on the different projects. Sandra told Scott R. most of the invoices are marked as to what project the materials were used on. Such as the 4 inch line. Scott R. said to keep the capital improvement separate. Scott R. said Jim Parnell needs to be checking the invoices as they come in and keep an accounting of how many lengths of pipe and the parts used on each project. Scott R. said the pipe that is sitting out by the cement tank should be protected.

The Water test: Scott Ricci reported the water test was good for March.

Silver Reef Special Service District Update: Kayla Brown told the LDWA's Board she was sorry that Silver Reef has been so slow in turning over their bank accounts and records to LDWA. Gary Tanner, President, has been in California and will be there for several months. Kayla said they have gotten their refund check back from their insurance company. So the money can be transferred now.

Kayla needs LDWA's approval for her to receive a check for \$200.00 as petty cash to finish up the business in Silver Reef.

Since Silver Reef is annexed into Leeds (#1) an Architectural Control Committee needs to be established as to the terms of the annexation. (A vote will need to be taken for the persons who will serve on the Committee. The money will pay for mailings to the home owners twice and will include postage, envelopes and copies made. She will account for all the money she uses. (#2) Silver Reef will need to amend their yearly CCR's. There are two Bank accounts, namely, an operation account and an assessment account that will be turned over to LDWA around April 1st. Kayla explained that she will go with us to pick up the files of Silver Reef Special Service District in Gary Tanner's garage that are to be turned over to LDWA.

When Gary Tanner comes back from California, he will sign the forms and have them notarized so the water rights will be turned over to LDWA. This will be done at First American Title on April 2nd. and will cost LDWA \$125.00. Then the documents will be turned over to LDWA to proof up the water.

Scott Ricci recommended that a list of all items received from Silver Reef Special District by LDWA be recorded. Sandra Browning will make a list of items already received and Kayla Brown will record items to be received.

A motion was made by Ron Whitmer for Kayla Brown to receive a \$200.00 check to finish the business left to be accomplished for Silver Reef. Scott Ricci seconded the motion and all approved.

Kayla Brown brought two packets from the file in Gary Tanner's garage. They were old maps of the original water system and then the upgrade of the water system.

Silver Reef Highlands Subdivision: Lowry Snow wanted to bring LDWA up to date on the procedure Silver Reef Highlands has had with the Town of Leeds. They have been before the planning commission on more than one occasion and before the town council for final plat approval and it was tabled at the last official town meeting and then they had a work meeting with the Town about two weeks ago. Scott Hayes and Scott Ricci were at the work meeting and it went well and most of the issues are resolved. There are a few issues pertaining to the park and should be resolved at the next Town council

meeting. One of the issues the Town is concerned with is where we are in regards to LDWA with the tank and infrastructure.

Scott Hayes and Scott Ricci met with Bush and Gudgell's engineers last Monday to go over the design and plans of the tank and line placement. At that time some problems were worked out. The water tank will be a 316,000 gallon tank and this larger size will be up and over the size needed for the 27 lots subdivision. The plan is to install a 12 inch plastic pipe, C900 PVC with sand bedding, in the water system. It is important to find the size of the water lines in Silver Reef Special Service District and also how deep they are so the two lines can be connected.

The engineers from Bush and Gudgell presented the utility drawings of the water lines and tank placement to the LDWA's board members. Scott Ricci said that we can not accept the water lines and tank placement until certain things are changed. The placement of a by pass valve will solve one problem. The stand pipe will not take the flow so a bigger pipe needs to be used on the overflow. LDWA told the engineers what was lacking and things that LDWA had questions about and the engineers will take these things back with them to research and correct the problems.

Lowry Snow asked if LDWA would approve the ~~maps~~ ^{Engineering utility drawings,} now with the knowledge that the problems will be corrected before any work is started. Then Silver Reef Highlands can meet with the Town of Leeds and get them to accept the development and go forward. At this time LDWA did not accept the maps.

It was also agreed that the water tanks will be automatically gauged and Silver Reef Highland will pay for this feature.

There were some other issues that Silver Reef Highlands wanted to discuss with LDWA. Silver Reef Highland would like to provide .85 acre feet of water with their lots instead of the 1.2 acre feet that LDWA now provides for their customers. LDWA felt that it might not be legal to provide less water for this new subdivision than what they provide for current customers. Lowry Snow researched our By-laws and our Articles of Corporation and found that since we are a private water company we are not under any regulations. We should be able to allocate the amount of water or use a water duty to provide water as we want. Mr. Rick Hafen, a water lawyer, was contacted and he agreed with Silver Reef Highlands opinion. The .85 acre feet of water does meet state standards.

The Silver Reef Highland lots will be 10,000 - 15,000 sq. ft.

They will have a natural habitat and will restrict development on each lot for water conservancy. The soil can not be disturbed.

The homes minimum square footage is 3,000 sq. ft.

Scott H. and Scott R will attend another meeting on March 31st. with the Town of Leeds and Silver Reef Highlands.

It was stated that Sitla is interested in the water left over from Silver Reef Highland's development.

Ron Whitmer asked if these issues could be discussed in a closed meeting with just the board members. And Scott Hayes said that we can table this discussion for a later time with just the board members.

Update on hydrant tests: All the meters have been tested in our water system. There was some damage done from the water running from the hydrants and Jim Parnell has gone around replacing dirt and rocks that the flushing of the hydrants washed away. There was quite a bit of damage done to Frank Jackson's home from a water leak at the time when the hydrants were checked. Mr. Jackson feels LDWA's hydrant testing blew his water line and did quite a bit of damage. We do not know if there was that much pressure to his line to cause it to break. Ron Whitmer moved to credit Mr. Jackson with \$500.00 worth of water overage this summer for damages done to his home. David Stirling seconded the motion and all approved except Ray Beal who abstained from voting.

Ray Beal said the hydrant at the Jackson's home is in a bad area behind a locked fence and should be moved 400 feet from where it is located now to the other side of the fence.

Liens and certified letters to delinquent customers: Sandra Browning explained how to put a lien on a home or a piece of property. Then Scott Hayes asked for a volunteer from the board to be in charge of Liens and certified letters to delinquent customers and David Stirling consented to work on this project.

Bids for meter Reader's job: We received two bids for the meter reader's job and the board opened the bids and discussed each bid

Motion: Ron Whitmer moved that Steve and Kelly Johnson retain the meter readers job with their promise that they would improve on certain matters, such as to be more careful in reading the meters and call Sandra Browning to see if any meters need to be reread, Scott Ricci seconded the motion and all approved. Their bid was .50 a meter.

A letter of thanks will be sent to Mr. R.E. Ford for his bid. He bid .60 a meter.

Scott Hayes asked for a board member to be a volunteer over the meter readers and the meter readings. Ron Whitmer said he would do this assignment. Ron will put together a job description as to what is expected from our meter readers. Also a contract should be put together and signed by the Johnson's.

Leaky Valve at the cement tank:: There has been water running for over a week at the cement tank. Jim Parnell was told to stop the leak and if the valve he just put in needs to be replaced then have Scholzen's get us another valve.

Taxes on Property: The board was told that we owe \$120.95 in taxes on the land we purchased from Bert Leany. The land was green belt land and there was a five year roll back charge when the land was taken off green belt. We have to get it in the mail by March 28th to Washington County.

Estimate on LDWA's new building: Scott Hayes asked the board members if some one would be in charge of getting estimates and designs for LDWA's new building. It will eventually consist of an office, storage area, conference room, and rest room. Scott Hayes asked all of the board members to do some research on the design, size, and cost of our new building and we will discuss this matter at the next monthly meeting. Scott Hayes does not think that the property we bought from Bert Leany is in a commercial area and so we will have to meet before the planning commission to get the zoning changed.

Water Master's Report: The Forest Service people told Jim Parnell that we have some exposed lines that need to be covered up with rock and dirt, before they are damaged. The Spring is flowing approximately 62 gallon per minute.

Jim said that we need to check the diversion point of Silver Reef's Wet Sandy Weir.

Ray Beal volunteered to check it out. The #2 pump at the well house had a stuck PRV *and needs to be fixed -* that needs to be replaced. \$125.00 for parts, plus labor. *was hooked up wrong*

Jim found that we are missing a hydrant valve between Ned Sullivan's to Frank Jackson's. Jim smoothed out the Madison's back driveway that was washed out by the hydrant test. Jim is now a Class #2 Water Treatment Water Master.

Board members reports:

Ron Whitmer asked if we as a water company are interested in going along with Silver Reef Highlands and only allow .85 acre feet of water for each lot in their subdivision.

Ron suggested that we talk about the .85 acre feet of water next month. Ron was concerned about the Silver Reef Highland's tank getting all of the spring water. Scott Ricci stated that we ^{will bypass} have a ^{lines} valve on our ~~tank~~ that will not allow Silver Reef H. to use the spring water, but only the well water, unless we turn on the valve. Their water is in the well and so they should only be able to use the well water.

Ron told the board that one of the reasons he got on the LDWA water board was to help the two companies to get along. There are some old timers on the Irrigation Company, but he feels that we can get along.

Scott Ricci: We have water sources that need "proof of beneficial use". Wet Sandy Weir, the Gunter water 11 acre ft., Silver Reef's Water, and etc. Plus, we need to have the Source Protection done on the well in November 2004. *It is due Dec 31, 04.*

Ray Beal: Ray feels that we need a copy of the letter that the Fire Department received from the "ISO" pertaining to the fire hydrant tests. Scott H. said that he will put a letter together to be sent to the Fire Chief.

Also Lowry Snow asked that we write a letter to the Fire Department asking them to compose a letter to the Forest Service stating that it is an emergency situation to have their new tank okayed for the Silver Reef area does not have the fire flow necessary incase of a fire in that area. Scott H. will work with Sandra Browning on these two letters.

Ray Beal moved to adjourn the meeting.

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Vice President	Scott Ricci	879-2150	Ray Beal	879-2238
Secretary/Treasurer	Sandra Browning	879-2345	Ron Whitmer	879-1968
Water Master	Jim Parnell	879-2854		

April 22, 2004

Monthly Meeting of LDWA's agenda

Place: Leeds Town Hall 7 p.m.

Those in attendance:

Welcome:

Prayer:

Pledge:

Minutes:

Financial Statement:

Water Test: Scott Ricci

Silver Reef Special Service District:

Silver Reef Highlands:

LDWA accepting placement of tank and water lines in subdivision.

Old Business:

Leaky Valve at the cement Tank:

Hydrant Tests

Meter readers

New Business:

Estimate on LDWA's new Building

Water master's report

Letter to Fire Department

Board members report:

Meeting adjourned.

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Water Master	Jim Parnell	879-2854		

April 22, 2004

Leeds Domestic Waterusers Association's Monthly Meeting

Place: At the Leeds Town Hall

Time: 7 p.m.

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Ray Beal, Ron Whitmer, Jim and Gloria Parnell, and Sandra Browning, David Stirling was excused because they had a new baby girl. Dallin Gardner, Lowry Snow, and an engineer from Bush and Gudgel were present and representing Silver Reef Highlands. Bailey Muir, a shareholder, also attended.

Welcome: President Scott Hayes

Prayer: Ron Whitmer

Pledge: Sandra Browning

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

Financial Report: The profit and loss statement and the check registry were discussed and Scott Ricci moved to approve the profit and loss statement and the check registry and Ron Whitmer seconded the motion and all approved.

Water Test: Scott Ricci said the water tests all passed and LDWA is up to date on the testing.

Silver Reef Special Service District update: Kayla Brown was given approval to receive a check in the amount of \$200.00 which Kay Kent will write from Silver Reef's checking account, to finish up the business so the merger with LDWA can be completed. The two bank accounts totaling \$31,488.21 (\$30,399.97 and \$1,088.24) were turned over to Sandra Browning in the form of two cashier checks and were deposited April 14, 2004 in LDWA's account. Sandra Browning received the accounting materials from Kay Kent. LDWA has not received the filing cabinet and materials of Silver Reef from Gary

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Tanner's garage, however, Kayla did bring a bag of maps of the original water system and the upgrade of their system to the meeting. Kayla said that she will go with us to get the filing cabinet.

On April 2nd. Mr. Tanner signed the forms and had them notarized at American Title Co. so the water rights could be turned over to LDWA. Scott Ricci received the documents and went to Cedar City to proof up the water. He signed the papers and paid a \$75.00 fee, which was reimbursed by LDWA, to complete the transaction. We have received a letter from the State of Utah stating that they accepted the check.

Sandra Browning is compiling a list of the items that were turned over to LDWA.

Silver Reef Highland Subdivision:

At the March Monthly Meeting, Silver Reef Highlands explained to LDWA that a letter was needed from the Leeds Fire Department to the Forest Service to explain how vital it is for the Forest Service to accept the new water tank location that Silver Reef Highland plans to build on. Thus providing enough fire flow protection for Silver Reef Highland and also Silver Reef Special Service District area which does not have enough fire flow protection at the present time.

Scott Hayes contacted the Fire Chief, Steve Lewis, for a letter. Dallin Gardner, representing Silver Reef Highland, also worked with the Fire Chief in putting the letter together and Mr. Gardner said the letter has been finished and sent in. LDWA has not received a copy of the letter yet.

The next item that Silver Reef Highland wanted to discuss is their desire to provide their subdivision with .85 acre feet of water per lot instead of the 1.2 acre feet that LDWA provides for their shareholders. At the last meeting with Silver Reef Highland Mr. Snow presented LDWA with three documents. 1. Silver Reef Highland's letter to LDWA regarding the legal issues involved in allowing SRH a reduction of duty. 2. A letter from Rick Hafen explaining LDWA can legally reduce the amount of water provided to a water customer. And 3. a water calculation document explaining how their .85 acre foot would be sufficient for their project with the home structure and landscaping that is planned. (A copy of the water calculation document will accompany the minutes).

The amount of water use per connection per year is 146,000 gallons for indoor use.

.45 AF for indoor use per connection

.40 AF for outdoor use per connection

There will be .85 acre feet of water per lot in this development of 27 lots. The open area amount is approximately two acres. The minimum home square footage is 3,000. The maximum is 6,000 square feet.

The primary restriction is South West Dessert landscape with low moisture. Promoting conservation of water by the landscaping.

3

Ron Whitmer asked the approximate size of the lots and was told 9704 SF is the average disturbable building area. One quarter acre is all that the lot owners are allowed to irrigate.

A home owner's association will have to police any CCR's they may have.

Ron Whitmer asked if Silver Reef Highland uses all the allotted .85 water, then would they be drawing off LDWA's other system? Scott Hayes answered that they would.

Scott Ricci explained this happens in the town when the big water users take more than their shares and are billed an overage charge. Overage will be charged to those who use more than the amount allotted to them in the Silver Reef Highlands Subdivision. Ron Whitmer suggested that we use the figure of .90 instead of .85 for the acre feet required for a lot in SRH Subdivision. It was felt that SRH has already done their calculation using the .85 and we should use this figure.

Ron Whitmer asked for a brief history of Silver Reef Highland. A few years ago a Mr. Doyle through Mr. Dallin Gardner wanted to put in a subdivision on the north /west corner of Leeds. After a short time Mr. Doyle turned over this land and water to a Mr. Brennen, a previous partner and Dallin Gardner and Lowry Snow were asked to pursue this project for Mr. Brennen. And they met with LDWA and talked about continuing the 40 acre project. Mr. Brennen traded water in exchange for land next to his development from Sitla, the State School Land Trust, to make their development 27 lots instead of 18 lots.

Scott Hayes asked if there was any other discussion on the .85 AF per lot, if not we will open for a motion.

Motion:

Scott Ricci made a motion that we tentatively accept the .85 acre feet of water per lot on the Silver Reef Highland Subdivision contingent upon our attorney's report approving a separate water billings to this subdivision and upon the transfer of the sufficient amount of water promised LDWA for this subdivision (27 x .85) Ron Whitmer seconded the motion. And all approved.

Hydrant Tests: Scott Hayes talked to the Fire Chief about the hydrant tests which LDWA did and The Fire Chief said he probably would not hear back about the tests for six monthly or so. Ray Beal said there should be a letter back from the hydrant tests to tell us what should be done. Ray said this project should be a yearly project. The Fire Chief told Scott Hayes that he did receive a letter about the tests and what we should do and he will get Scott H. a copy. We do not have to test every hydrant meter every year. We do need to have a schedule of maintenance and checking the hydrant meters.

~~Two of the Silver Reef Special Service District's fire hydrants did not pass the hydrant tests.~~

There were questions on the Silver Reef Hydrants

A

Hydrant Meters: Ray Beal was assigned by Scott Hayes to check with other water companies and cities in the area to see whose responsibility it is to check into a diversion of water flow and if there is an attachment or a "Y" for erosion purposes as fire hydrants are tested. (To make sure it is our responsibility.) Also find out how often the other water companies test their hydrants. Also what they use to keep the water from washing the driveways away.

Meter Readers: Ron Whitmer called St. George City to find out who was in charge of the meter readers and what their job description was. Ron found out they did not have a job description, but they do give them three warnings before they fire them. Also the meter readers in St. George are given a button down shirt to wear when they read the meters. We could give our meter readers a shirt, a hat, or vest so people would know who they are as they read the meters.

Estimate on LDWA's new building: David Stirling and board members.

The size of the building

Materials used in building, such as cinder block.

Placement of the building, driveway, landscaping, drainage (Need for engineering)

Commercial front

Look of professionalism

The board plans to build our building a section at a time.

Water Masters: Report: Jim Parnell

Jim spent a good portion of his time looking for the six inch line up at Silver Reef. Dick Freeman said the six inch line ends at the cul de sac. There is a dead end line down by the Nelsons (the last home on the line.). Jim will meet with the Bush and Gudgeon Engineers next week to look for the six inch line.

Scott Hayes said that if we can not find the six inch line by Silver Reef then we may have to install 500 feet of additional water line and need to come up with a price for this new water line. Hopefully, Silver Reef Highland will pay for part of the water line since it effects installation of their water system.

There was a broken line at the Tithing House that needed to be fixed. They used agricultural pipe when the line was first put in.

At the cement tank the water flow goes down 1 or 2 inches a day. Jim fixed the leaky valve at the cement tank and put a cover over the valve.

Jim called a electrician to fix the wiring on one of the pumps at the well.

Jim Parnell checked the pressure reducing valves at the spring and they were working okay.

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The Town of Leeds: The town of Leeds wants to know what they need to do to be able to use LDWA's one water irrigation share. Scott Hayes told Gloria Parnell that the town needs to pay our yearly water assessment and they can use our irrigation share. The board agreed.

Board members report:

Ray Beal stated that there are some fire hydrants that need to be numbered. Ray checked the meter at the spring and the flow was 72.

Ron Whitmer: Ron Whitmer stated that he would like to amend his motion that he made last month on the Jackson water break and the reason for the amendment is that issues were brought up that made him realize that Mr. Jackson pressure reducer should have done the job and if it failed then it was the valve not LDWA at fault. And because other people in the area were not effected, and we can not set a precedence and we do not want to admit fault when there was no proof that it was LDWA's fault. Scott Ricci seconded the motion and all approved. (Ray Beal did not vote because he abstained from voting on the first vote last month.)

Scott Ricci: Before we can accept placement of the tank and water lines in the Silver Reef Highland Subdivision, we need to see a approved set of utility drawing from their engineers. What is also needed is an automatic control for the balancing of the tanks. And Silver Reef Highland has agreed to pay for this addition.

Ray Beal moved to adjourn the meeting.

Silver Reef Highlands

Water Rights Calculations

Water Rights	0.85 AF per connection	
Indoor Use: 146000 Gal per connection =	0.45 AF per connection	Table 203-1
Remainder for Outdoor Use:	0.40 AF per connection	
Zone 6 Irrigation Demand	3.26 AF per irrigated acre	Table 203-3
Allowable Irrigated Acres per connection:	0.123 Acres	
Conversion of Acres to Square Feet:	5370 SF	
Average Disturbable Building Area:	9704 SF	
Minimum main level footprint	3000 SF	
Probable Driveway, Patios and Decks:	1500 SF	
Area remaining for Irrigation	5204 SF	

enforced.

R309-203-6 Water Conservation.

This rule is based upon typical current water consumption patterns in the State of Utah. They may be excessive in certain settings where legally enforceable water conservation measures exist. In these cases the requirements made in this section may be reduced on a case-by-case basis by the Executive Secretary.

Guidance: Drinking water systems are encouraged to use the water resources of the state wisely. Conservation measures such as low flow toilets and low water demand landscaping (xeriscaping) may significantly reduce the demands on water systems.

R309-203-7. Source Sizing.

(1) Peak Day Demand and Average Yearly Demand.

Sources shall legally and physically meet water demands under two separate conditions. First, they shall meet the anticipated water demand on the day of highest water consumption. This is referred to as the peak day demand. Second, they shall also be able to provide one year's supply of water, the average yearly demand.

Guidance: If the above two criteria are met, the source(s) can be relied upon to adequately serve the system under most, if not all, conditions. The term "legally", above, refers to what is permitted by the owner's water right. The design engineer should fully investigate the available water rights for a system. Water rights vary in the way they are written. Some are written in "cfs", others are written in terms of "AF". Still others are written in terms of allowable acreage or livestock. Furthermore, water rights may be restricted to certain times of the year, or certain uses (e.g. irrigation). Consult the Division for assistance in determining how many connections a specific water right may support.

(2) Estimated Indoor Use.

In the absence of firm water use data, Tables 203-1 and 203-2 shall be used to estimate the peak day demand and average yearly demand for indoor water use.

Table 203-1 Source Demand for Community Water Systems (Indoor Use)		
Type of Connection	Peak Day Demand	Average Yearly Demand
Residential	800 gpd/conn	146,000 gal./conn
Other	800 gpd/ERC	146,000 gal./ERC

TABLE 203-2 Source Demand for Non-Community Water Systems^(a) (Indoor Use)	
Type of Establishment	Peak Day Demand (gpd)
Airports	
a. per passenger	3
b. per employee	15

Table 203-3 Source Demand for Irrigation (Outdoor Use)		
Map Zone	Peak Day Demand (gpm/irrigated acre)	Average Yearly Demand (AF/irrigated acre)
1	2.26	1.17
2	2.80	1.23
3	3.39	1.66
4	3.96	1.87
5	4.52	2.69
6	4.90	3.26

(4) Accounting for Variations in Source Yield.

The design engineer shall consider whether flow from the source(s) may vary. Where flow varies, as is the case for most springs, the minimum flowrate shall be used in determining the number of connections which may be supported by the source(s). Where historical records are sufficient, and where peak flows from the source(s) correspond with peak demand periods, the Executive Secretary may grant an exception to this requirement.

Guidance: The design engineer is cautioned to thoroughly investigate spring behavior. During dry periods, springs (particularly those at higher elevations) may drastically decrease in flow. In assessing minimum flowrates of springs, watersheds should be assumed to have received only 80% of normal precipitation.

R309-203-8. Storage Sizing.

(1) General.

Each storage facility shall provide:

- (a) equalization storage volume, to satisfy peak day demands for water for indoor use as well as outdoor use,
- (b) fire suppression storage volume, if the water system is equipped with fire hydrants and intended to provide fire fighting water, and
- (c) emergency storage, if deemed appropriate by the water supplier or the Executive Secretary, to meet demands in the event of an unexpected emergency situation such as a line break or a treatment plant failures.

DAV HMA

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Water Master	Jim Parnell	879-2854		

May 27, 2004

Agenda of LDWA's Monthly Meeting for May

Place: Leeds Town Hall - 7 p.m.

Those in attendance:

Welcome: President Scott Hayes

Prayer

Pledge

Minutes:

Financial Statement:

Water Test: Scott Ricci

Silver Reef Highlands:

Old Business:

1. LDWA accepting placement of SRH's tank & water lines.
2. Get filing cabinet from SRSSD.
3. Estimate cost of LDWA's new building.
4. Uniforms for meter readers.

New Business:

1. Ron Thompson and Developers for sewer
2. Pressurize irrigation system *DIV TO POND*
3. Assessment for irrigation water from Bert Leany (water bill)
4. Town of Leeds' desire to secure LDWA's water Company

Water master's report:

Board member's reports:

Meeting adjourned.

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May 27, 2004

FREMAN
-RADIATION SLIDES
-BACTERIOLOGIC
-ARTICLE OF INCORPORATION
CALL DAVE
879-2004

Monthly meeting of the LDWA

Place: Leeds Town Hall

Time: 7 p.m.

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Ray Beal, David Stirling, Jim and Gloria Parnell, Sandra Browning, Dallin Gardner of Silver Reef Highlands, Kayla Brown a shareholder and Jake Porter also a shareholder with concerns about the water leak in front of his home.

Welcome: President Scott Hayes

Prayer: Sandra Browning

Pledge: Scott Hayes

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

Financial Statement: The profit and loss statement and the check registry were discussed by the board and Ray Beal moved to approve the profit and loss statement and the check registry and Scott Ricci seconded the motion and all approved.

Water Test: Scott Ricci told the board that our water test for the month of May was good. The lead and copper tests were late, but Scott Ricci wrote a letter of apology to the Division of Drinking water and they accepted our tests.

Silver Reef Highlands: Dallin Gardner came to the LDWA's monthly meeting to show the board members the finished construction drawings of their development and to get the approval from LDWA and obtain the signature from Scott Hayes on the drawings. The drawings need four signatures of approval, which consist of Pope Engineering, The Leeds Fire Chief, The Town of Leeds, and LDWA. These drawings with the signatures will be presented to the Town of Leeds for their approval. The drawings were looked over and

then approval was given by the LDWA Board and Scott Hayes signed the drawings. Scott H. was given a copy of the drawings for our records.

The tank and water line drawings are not finished at this time so LDWA could not approve them. Dallin said that these drawings will be ready for a signature in the near future.

Scott Ricci explained that we need to see the official drawings of the gauges and valves that will be used in this project. Dallin Gardner said the gauges and valves would be on the tank and water line drawings.

A letter from Lowry Snow as to how LDWA can legally reduce the amount of water allotted to the Silver Reef Highlands subdivision was discussed. Board members were asked to study the three approaches in reducing the amount of water that was presented in the letter.

1. The reduction of water duty for each lot in the development could be reflected in the issuance of a fraction of a share of stock in the association for each connection, instead of issuance of a full share for each. The by-laws would have to be altered.
2. The certificate issued would state clearly on the certificate that residence of this subdivision would have a reduced share of water for service consistent with and not to exceed the water duty assigned to such residence by the Board of Directors.
3. To create a distinct shareholder classes: This third option would require the extensive amendment to the bylaws and possibly the Articles of the Association to create separate and distinct classes of shareholders. (This may not be the best option for the current situation due to the time and cost involved with such an undertaking.)

David Stirling was asked to look over the options and report as to his feeling at the next meeting.

The six inch line at Silver Reef SSD was found and also an abandon 4 inch line was found. We will have to put in more water lines than we anticipated to connect their six inch line to LDWA's lines. It is hoped that Silver Reef Highlands will participate in this additional cost for it will effect their water lines also. *FILE PROTECTIN*

Receiving the filing cabinet from SRSSD: Scott Hayes told the board that we have not yet received the filing cabinet and documents from Gary Tanner's garage. Kayla Brown, who was in attendance at the meeting, told the board that she would get a key and go over to Gary Tanner's garage with a LDWA member to get them. Jim Parnell has a pickup and so he said he would go with Kayla Brown and get the filing cabinet. He will call her when he is free to go.

Estimate cost of LDWA's new building: This item was tabled for no research has been done in finding the proper building materials and cost.

Uniforms for meter readers: The board members talked about getting the meter readers a vest to wear when they are reading meters. David Stirling said he would go over to Scholzen's Product and see if they have a catalog to find a proper vest to order. Also David will contact Ron Whitmer and work with him on this project.

Meeting with Ron Thompson: Ron Thompson and Developers met with LDWA, The Irrigation Company, and the Town of Leeds. Tuesday, May 25th. at 3:30p.m. at the Town hall. The reason for the meeting was to discuss sewer and water availability for the East side of Leeds. Ron Said he felt that the town of Leeds should take over LDWA Water Company. He also said he would not sell water to any subdivision that is not putting in a sewer system. If the subdivision puts in a sewer system then Ron will sell water to LDWA and they can in turn sell water to subdivision..

The Mayor of the Town of Leeds stated that they would like to secure LDWA as the town's water company . Ron Thompson wants to meet with Scott Hayes, but Scott H. stated that he wants the whole board present at the meeting.

Pressurize Irrigation System: At the irrigation meeting that was held, May 25th, 2004, the shareholders voted to take the pressurized water ^{FROM} to the diversion to the pond. Scott Hayes said we should do some research about the pressurized water system now that we have some extra time. LDWA would like to convince the shareholder's to accept the pressurized water system. As a pressurized water system we can reduce the amount of water used. LDWA will look into the benefits for all the shareholders. Scott Hayes feels that the pressurized water system will be a big benefit for LDWA. David Stirling stated that the big users could purchase water shares from the irrigation water owners. One share is approximately an acre foot of water and could keep the trees alive along the old irrigation ditch.

Kayla Brown told LDWA that the irrigation company needs to work with the Silver Reef and Eldorado Hills areas. There is a lack of communication and instead of using lawyers it would be cheaper to communicate.

Assessment for irrigation waterbought from Bert Leany: We received a water assessment from the Leeds Water Company for the irrigation water we purchased from Bert Leany. Scott H. asked the LDWA Board for approval to pay this assessment and after some discussion Scott R. made a motion to pay it.

Motion: Scott Ricci moved to accept and pay the water assessment from The Leeds Water Company of \$202.18 for 7.67 shares and David Stirling seconded the motion and all agreed.

The bill had the wrong name of the ditch on it and David Stirling said he would try to correct this problem. (It should be Silver Farm's Ditch).

Also Bert Leany told Scott H. that he is willing to reduce the amount of money we owe him for his A water that we purchased, since the Irrigation Company will not allow LDWA to transfer Bert's Irrigation water to the Spring. It was decided that LDWA would table this issue until we see what our options really are and if any changes could effect the value of our irrigation water.

Letter from the Leeds Fire Department: The letter from ISO about the testing of the fire hydrants in Leeds has not been received and probably will be sent in the next six months. The letter will give us an idea how we need to proceed with the water tests of the fire hydrants in the future.

Water Master's Report: There is a leak on main street in front of Jake Porter's home and Jim was told to get the water leak fixed as soon as possible, hopefully by tomorrow.

Jim Parnell mapped the line from the pink tank to the meter box. Jim gave the secretary, Sandra Browning, a copy for a backup.

Jim tested the PRV and check valves with Ray Beal and again with Scott Ricci and one test seemed good and the other not as good. We need someone who can be hired to check and adjust these valves.

LDWA needs to get the keys to the Silver Reef water tank and it was suggested that Jim cut the lock off and put a new padlock on the Silver Reef Tank. The board agreed that Jim should cut off the old lock.

Board member's reports:

David Stirling told the board that he needs to flush out his water line that is a dead end line. Scott Hayes told David that Jim Parnell will help him flush out the line. Scott H. said that David should take a sample to Quail Creek for testing to make sure there is no bacteria.

Ray Beal moved to adjourn.

WED.
7:15
TOWN HALL
ACCOUNT, PRESS. PR.

LEEDS DOMESTIC WATERUSERS

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

President	Scott Hayes	879-2457	David Stirling	879-2090
Vice President	Scott Ricci	879-2150	Ray Beal	879-2238
Secretary/Treasurer	Sandra Browning	879-2345	Ron Whitmer	879-1968
Water Master	Jim Parnell	879-2854		

June 29th, 2004

Agenda of LDWA's Monthly Meeting for June

Place: Leeds Town Hall - 7:30 p.m.

Those in attendance:

Welcome: President Scott Hayes

Prayer:

Pledge:

Minutes:

Financial Statement:

Water Test: Scott Ricci

Alberta Pace Developer:

Trust Lands Administration: Curt Gordon "Cibolo Estates".

40 AC PL WATER
70 LOTS

Old Business:

1. LDWA accepting placement of SRH's tank and lines.
2. Cabinet from SRSSD.
3. Uniforms for meter readers.
4. Pressurized water system: July 6 meeting?

New Business:

1. Water service for Erick Pitsenberger.
2. Letter from Don Fawson on hydrant tests.

Water master's report:

Board member's reports:

Meeting adjourned.

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June 29,2004

Monthly meeting of the Leeds Domestic Water Users Association

Place: Leeds Town Hall

Time: 7:30 p.m.

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Ray Beal, Ron Whitmer, Jim and Gloria Parnell, Sandra Browning. Curt Gordon and associates from the Trust Lands Administration, Alberta and Neal Pace, and Bart and LuJean Weber. David Stirling asked to be excused.

Welcome: President Scott Hayes

Prayer: President Scott Hayes

Pledge: Ray Beal

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

Financial Statement: The check registry and the profit and loss statement were discussed and then Ray Beal moved to approve the check registry and the profit and loss statement and Scott Ricci moved to seconded the motion and all approve the motion.

Water Test for June: Scott Ricci explained that our water test for June failed, there for, we had to take four more water tests and they all passed. Next month we will be required to take five water tests throughout the Town of Leeds.

Alberta Pace Developer: Alberta told the water board she bought property that was in two pieces and she is now selling the same two pieces on the north end of town to a spa company (one lot is around five 1/2 acres and the other is around 21/2 acres . Alberta Pace explained that the Spa Company is planning to purchase both pieces. The Leeds Fire Chief has already designated where three fire hydrants should be placed on this property. Alberta has to do a "lot line adjustment" on the property, The Town of Leeds requested that she contact LDWA and see if water is available for this property.

Scott H. said water is available at this time for the two piece lot if the lot stays as it is. Alberta said she will need a letter from LDWA. Scott H. asked Sandra Browning to write a letter to the Town of Leeds explaining that water is available at this time for the property. (If it stays as it is.) He also suggested that when the property is sold that the new owners meet with the LDWA to explain their water needs.

Trust Lands Administration: Curt Gordon representing the "Cibolo Estates" (Sitla) explained to the LDWA Board about their proposed development consisting of approximately 150 acres divided into 70 lots and the lots will vary in size from 1 to 4 acres. The project will border the Silver Reef Highlands Project. Mr. Gordon said they met with the public in a hearing once about a week ago. The public (neighbors) suggested they enlarge the lot size of the development and Mr. Gordon said they have enlarged their lot sizes, because of this meeting. He explained that part of the development is in the city limits of Leeds and the rest is in the process of being annexed into the town. Drawings were displayed to show the board the layout of the proposed project. They asked if LDWA would service their project and also provide about 40 acre foot of water that is needed for their project. They purchased about 40 acre feet of water from Silver Reef Highland, but need around 40 acre feet more. Scott Hayes told Mr. Gordon that our bylaws require subdividers to provide their own water for their projects. Scott Hayes explained that Ron Thompson could provide water for their project, but he also requires sewers systems in the areas that he provides water. Ron is planning a new tank sight in the area to make more water available. Mr. Gordon said Ron Thompson did not tell him that he required sewer systems. Ron Thompson has already contacted Ashcreek to provide a sewer system to serve the growth on the East of the Town of Leeds. Mr. Gordon also asked LDWA to allow them to use the duty ratio of .85 of water for their customers as we allowed Silver Reef Highlands, instead of the 1.02 acre feet of water that LDWA provides for their shareholders.

Silver Reef Highlands and Cibolo Estates (Sitla) plan to split the costs of the two developments. They plan to have similar CCR's as the Silver Reef Highlands.

Jim Parnell asked the amount of water taps we provide water for at the present time, and Secretary, Sandra Browning, said that we provide water for about 250 or 260 taps monthly. Then Scott H. asked if that included Silver Reef Highland's 70 additional taps and he was told that it did not. The figures show that we will be providing water for about 30 percent more people. Jim P. said that we will be running our pumps all summer to provide an adequate amount of water for our customers. This 30 percent is definitely an impact on our water company even with the new tank that SRH will bring in. Scott H. said that our by-laws state that any impact a new development creates will have to pay for that impact. Ray Beal suggested that a new well may be needed to provide water for

all the new growth. Scott Ricci said that he agrees. Scott Ricci said we really need to find out what our current water capacity is by talking to our engineers.

Mr. Gordon said that Ron Thompson will furnish the additional water they need if LDWA will not provide it.

Mr. Gordon asked Scott H. what LDWA would like from them. Scott H. said that he would like a proposal letter from them explaining about their project, such as, the amounts of lots they intend to have and the size of the lots. Also in this letter Scott H. would like to be told the source of their additional water needed and any requirements placed on them for this water. Then we will figure the impact on our system.

LINE AND TANK PLACEMENT OF SRH: LDWA could not accept the lines, valves, and tank placement in Silver Reef Highlands' project for they did not bring the drawings to our monthly meet^{ing} so we could study and accept them. Hopefully, when all of the drawings are completed, they will show an automatic system. When the pump is turned on it will purge the system automatically.

SRSSD's cabinet: Jim has not picked up the cabinet in Gary Tanner's garage. Also Mr. Katz of Eldorado Hills has a large filing cabinet that belongs to LDWA that should be picked up.

UNIFORMS FOR THE METER READERS: David Stirling was not at the meeting to give us an update on the vests that we planned to provide for our meter readers. Ron Whitmer will check on this assignment. We will provide four vests in a large or extra large size and they would be ordered at Scholzen's Product in Hurricane.

Pressurized water system: A letter will be sent out by the Leeds Irrigation System to shareholders to announce a meeting to be held on July 6th. to discuss the pressurized water system.

WATER SERVICE : Erick Pitsenberger wants a water service for the lot he purchased from Keith Steele. Before Scott H. signs an agreement for a water tap, he wants to make sure that this lot is not part of a mini subdivision.

Don Fawson of the Fire Department provided a letter to each board member about the service that is required to keep the fire hydrants updated and working. Flushing the hydrants is required twice a year. The ISO, a rating agency, will send us a letter telling what our insurance rating is and this rating is figured in regards to the hydrant testing that was done a few months ago.

Town of Leeds: Gloria Parnell announced that the Town of Leeds is having a flag raising ceremony, parade, and a breakfast on the July 3rd. From 8-10 a.m.

Water Master Report: The problem with the PRV on the south of the Town of Leeds seems to be solved. There was also a leak on main street that was fixed. Apparently the gas company did not mark their line correctly and Russ Peine hit the line so Blue Stakes will pay to have the line fixed for they gave the gas company the wrong coordinates. Jim turns on the well pumps about every three days. Also there is about 120 acre feet coming down the from the spring.

Board member reports:

Ron Whitmer: No items to discuss.

Scott Ricci: Dave Harbour wants a copy of LDWA's Articles of Corporation and the By-Laws. Scott Ricci, Dave Harbout, and Mike Empey are on a committee to put together information to convince the LDWA shareholders to join with the Town of Leeds. Kayla Brown wrote a letter about Richard Freeman and a copy was given to each of the board members. We received a letter from an engineering company that wants to do our Source Protection which is due this Fall.

Ray Beal: Ray needs to turn in his mileage and a bill for the water deflector he purchased to be used on the fire hydrants.

There is not as much air in the water line . Ray wants an agenda before each meeting. We need to reduce the amount of time that people can get on the agenda so the board members can get a copy of the agenda earlier and be ready to discuss the agenda items.

Scott Hayes said we need to set a date for an executive meeting. It was decided to meet, July 7^h. at 7 :30 p.m. at the town hall.

Ray Beal moved to adjourn.

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Water Master	Jim Parnell	879-2854		

July 7, 2004

LDWA's July Executive Meeting at the Town Hall
Time: 7 p.m.

Welcome: Vice President Scott Ricci
Prayer:

Those in attendance:

1. Irrigation meeting at 6 p.m.
 2. Bert Leany's proposal in regards to lowering the amount owed to LDWA, because the Irrigation Company will not let us transfer this water to the spring.
 3. Proof up on water rights.
 - 1, Silver Reef water rights (Wet Sandy – check with Bush & Gudgel. Water in our well.
 2. Gunter Water rights
 3. .Other water rights
 4. Water source protection update.
 4. Silver Reef's concern about Richard Freeman.
 5. RATE CHANGE FOR SRH CHANGE RATE 12/95 FOR COMMERCIAL
- Meeting adjourned by
5. FLUSHING FIRE HYD.
 6. WATER MASTER JOB

Leeds Area Fire & Rescue

P.O. Box 460901
730 North Main Street
Leeds, UT 84746

To: All Area Water Companies

Subject: Summary of ISO Yearly Hydrant Testing and Maintenance Requirements .

Date: 6/13/04

1. Flush all hydrants at least 2 times each year at generally equal intervals.
 - a. Remove all caps, wire brush threads, place spot of grease on threads.
 - b. Grease hydrant zirk located either on top of valve stem or under hex plug.
 - c. Open hydrant completely and flush until water runs clear.
 - d. Exercise (close and reopen) hydrant street valve.
 - e. Close hydrant valve slowly.
 - f. Verify that water is draining out of hydrant barrel.
 - g. Replace hydrant caps.
 - h. Record date and person completing flush.
 - i. Give copy of yearly data to Fire Chief.
 - j. Maintain flushing records for at least 5 years.

2. "Flow Test" all hydrants at least once per year as per flushing instructions.
 - a. Complete flow test.
 - b. Adjust water system pressure to bring all hydrants to a minimum flow of 1000 gpm.
 - c. Record flow results, date and persons completing flow tests.
 - d. Give copy of yearly data to Fire Chief.
 - e. Maintain flow testing records for at least 5 years.

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July 29th, 2004

Monthly Meeting Agenda

Place: Leeds Town Hall @ 7 p.m.

Those in attendance:

Welcome: President Scott Hayes

Prayer:

Pledge:

Minutes:

Financial Statement:

Water Test for July: All five tests were good.

High Water Charges complaint: Mr. Haskell and Mr. Von Cannon

Old Business:

Decide which approach LDWA will use in reducing water amount for the Silver Reef Highlands Subdivision.

LDWA to service Trust Lands Administration

Delinquent Accounts:

LDWA has not seen the drawing of SRH's placement of tank and water lines.

New Business

By-law change to be able to work with Ron Thompson

Water Master's report:

Board member's report:

Meeting adjourned:

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July 29, 2004

Monthly Meeting of the Leeds Domestic Waterusers Association

Place: The Leeds Town Hall at 7 p.m.

Those in attendance: President Scott Hayes, Ray Beal, David Stirling, Jim Parnell, Sandra Browning, Shareholders Michael D. Haskell and Hazen Muir were also present. Scott Ricci was out of town and was not able to attend.

Welcome: President Scott Hayes

Prayer: Ray Beal

Pledge: David Stirling

Minutes: The minutes were discussed and one error was corrected. Ray Beal moved to approve the minutes as corrected and David Stirling seconded the motion and all approved.

Profit and Loss Statement and Check Registry: The Profit and Loss Statement and the Check Registry were looked over. Then David Stirling moved to approve the Profit and Loss Statement and the Check Registry and Ray Beal seconded the motion and all approved.

Water Testing for July: There were five good water tests done in July

Shareholder's concern about high water charge: Michael Haskell came before the board to protest his high water bill. No one was in the home at the time of the overage and this was back in February of 2004. The board deleted 78 dollars overage charge from his water bill; for they felt it was a faulty meter reading. Mr. Haskell did pay the late fee of \$15.00 for he took several months to pay his bill.

Mr. Jerry Von Cannon asked to be put on the agenda to discuss concerns about his water bill, but he did not attend. Sandra Browning told the board that Jerry Voncannon did not pay his water bill for five months which totaled \$100.00, and a late fee of \$15.00 was added. Mr. Voncannon protested the \$15.00 late fee. The board agreed that since his bill

was not paid for five months that a late fee should be charged. Scott Hayes told Sandra Browning to give Jerry Von Cannon Scott's phone number and tell him he is welcome to call him. Also the section of the Bylaws regarding water payments was sent to him.

What approach will LDWA use to reduce the amount of water provided for the Silver Reef Highlands Subdivision and The Trust Lands Administration. The Trust Lands Administration wants to use the same reduced figures as the SRHS of .85 of an acre foot of water, instead of the amount used by LDWA which is 1.2 acre feet of water per water service.

The LDWA Board favors approach number two in the letter received from Silver Reef Highlands' lawyer, Lowry Snow, which contains three legal approaches to reduce the water duty for the Silver Reef Highlands Subdivision. The #2 approach reads "Restrictions on face of stock certificate issued". The second option would be to continue issuing one share of stock per connection for each lot in the Development, but to make a representation on the front of the stock certificate issued to the lot owner that clearly states the share represents only the reduced amount of water. Such as, This certificate entitles the owner of the appurtenant real property to a reduced share of water for service of a residence consistent with and not to exceed the water duty assigned to such residence by the Board of Directors." This approach may be the easiest and best for it will probably not require any change to the Bylaws in order to implement it.

By-Laws: Scott Hayes asked Sandra Browning to make him a copy of LDWA's Bylaws and she said that she would.

Questions about the .85 water duty for SRH. Is the amount of .85 of reduced water duty for SRH using 30,000 gallons or 40,000 gallons. Ray Beal said that we need to check to make sure that the basic gallons would be 30,000 and not 40,000 gallons. The 40,000 gallons may still be in existence. Scott Hayes asked Ray Beal to check out the figures in past minutes and the by-laws. Sandra Browning said that back in 1994-5 LDWA's by-laws were changed. She will also check on this.

We need to check with Rick Hafen about the reduced water duty for SRH that we have chosen and Rick Hafen could also help us if we need to change the Bylaws if we buy water from Ron Thompson or any other water company. Since Scott Ricci is not here we need to assign him to contact Rick Hafen, the water lawyer, in our area.

The School Trust Lands did not come right out and tell us that if we do not furnish water for their subdivision that Ron Thompson will furnish their water, but they did say that Ron Thompson said he can furnish them the water they need.

LDWA needs to decide what we will do for them. What the impact will be on our system and whether Ron Thompson's engineers can actually feed their water into the School Trust Land's System. With the existing plans Scott H. does not think Ron Thompson's water line can connect into LDWA. The only way this could be accomplished is for them to bring their water line up behind Don Goddard's place and connect to our water line and this could cause back pressure and it would not work.

Also we could be tying in to both water systems and Scott H. is not ready to do that right now. David Stirling asked if Ron's water quality is different from LDWA and Scott H. said it was. There is not much difference in the two well's quality, however, the Cottam Well is not as palatable.

We can purchase water from Ron Thompson for certain subdivisions and certain areas in Town, but the subdivisions must have a sewer system.

The Next Executive Meeting: To be held on August 12th. 2004 at 6:30 p.m. at the Leeds Town Hall. Sandra Browning will type up an agenda of the items that need to be discussed. Such as, letter from Kayla Brown about Dick Freeman, bad debts, letter to be written to Rick Hafen, about the water allocation for the two new subdivisions and Alberta Pace's development to use Ashcreek' sewer system.

Alternative sewer systems for the small subdivisions should be looked into and the Town of Leeds needs to encourage these smaller sewer systems.

Water Master: Jim Parnell – He has been testing water hydrants and he is about one third done. He has been checking the valves and flushing the fire hydrants and keeping accurate records. He is running the pump about every third day for 24 to 36 hours. He chlorinates the system about twice a week. in the summer, and puts in about one and one half per million chlorine to shock the system. He does not chlorinate in the winter. He cleared weeds out around the spring and extended some of the air vacs so the water would not leak.

Ray Beal moved to adjourn.

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August 12, 2004

Special Executive Meeting of the Leeds Domestic Waterusers Association

Time: 8 p.m. at the Leeds Town Hall

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Ray Beal, David Stirling, and Sandra Browning and Ron Whitmer.

Purpose of the Meeting is to discuss options for implementing water duty reduction for SRH. The water master duties. Water meters' vests.

The LDWA Board Members received a letter from Snow, Jensen, and Reece pertaining to the feasibility of reduction of water duty on the lots in SRH. They had contacted Kendrick Hafen, representing LDWA, in an attempt to discover the best way to implement a water duty reduction for the Silver Reef Highlands Development. LDWA Board Members were given a copy of three proposals that Kendrick Hafen submitted to accomplish this feat. The Board Members were asked by President Scott Hayes to study these proposals and be prepared to discuss them. At this meeting the board would decided upon the proposal that LDWA would accept. The board members discussed the different options and decided that the seconded approach is the best and the board members will make a motion at the next LDWA Monthly Meeting that will be held August 26th. 2004, to approve the second approach.

The LDWA Board discussed the problems with our water master.

Ron Whitmer said that there is a lack of communication between the board and the water master. Professionalism should be used as we work with him. He needs to be treated with respect. A water master should enjoy his job. The board felt it was important that someone be incharge of the water master and Scott Hayes asked that a board member volunteer to contact or meet with the water master once a week. Ray Beal and David Stirling were considered to do this job.

There was concern that he is working for the Town of Leeds and not for the water company. An agenda should be put together for the things that the board feels need to be done. Such as checking the tank and the well. Check on overages and leaks. Clean

around the spring and flush the hydrants as needed. There is a dead end line down by Walton's Plaza that should be flushed out once a month.

Work orders should be used.

Scott Ricci felt that an inventory of basic items should be purchased and stored for use with approval of the board members so the water master will not have to make so many trips to town or to Scholzen's for parts.

It was also felt that the water master should have a good relationship with the shareholders and he should communicate quickly to board members any problems or concerns that the shareholders have. Customer service is very important.

Another problem we have is that we do not have access to a backhoe as we did when Russell Peine had one in town. We need to find a licensed backhoe operator that is willing to do the work for our company. Brett Comas has a backhoe and could be an answer to our problem.

Ron Whitmer told the board that he has been working with the meter readers and Cory Johnson is the one who is doing most of the meter reading. Ron also will order six vest for the meter readers to wear when they are reading the meters. They will be a mesh material and light weight to wear. Three vests were given to the meter readers and Ron kept three for the board to use when they work for LDWA.

Ray Beal moved to adjourn the meeting.

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August 26th. 2004

LDWA's monthly meeting agenda:

At the Leeds' Town Hall @ 7 p.m.

Those In attendance:

Welcome: President Scott Hayes

Prayer:

Pledge:

Minutes:

Financial Statement and check registry:

Water Test: Scott Ricci

Silver Reef Highlands: Attorney Lowry Snow – Topic for discussion will be water connection fee for a park that is owned by the Town of Leeds.

Also Mr. Ence will be present to discuss the transfer of water from Silver Reef Highlands to LDWA.

Old Business:

Vote on Bert Leany's offer to reduce the amount owed by LDWA on his Irrigation water.

Assignment to a board member to get a bid on new water line by Brant Jones.

Revise the Bylaws : Assignment to go over Article 1 and 2.

Contract for backhoe work with certified operator.

Research to find out if there is a water line under the highway .(1-15)

Research the water duty reduction for Silver Reef Highlands. *SR*

Assignments to board members:

New Business:

Letter from Kayla Brown about the pressurized water system. Hand out her letter to the board members. (Lack of communication with Silver Reef about the Pressurized Water Line. A letter should be written to Silver Reef about the irrigation company and the pressurized water system.

Watermaster report: Jim Parnell

Board of Directors comments and discussions.

Meeting adjourned.

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August 26, 2004

Monthly Meeting of the Leeds Domestic Waterusers Association

Place: Leeds Town Hall @ 7 p.m.

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Ray Beal, Ron Whitmer, Jim Parnell, and Sandra Browning. David Stirling was excused. Dallin Gardner and Lowry Snow from Silver Reef Highlands were also in attendance. A shareholder, Mrs. June Schweer, attended for a time.

Welcome: Scott Hayes

Pledge: Ray Beal

Prayer: Sandra Browning

Minutes: The minutes were discussed and Ray Beal made a motion to approve the minutes with Scott Ricci seconding the motion and all approved.

Financial Statement: The Profit and Loss Statement and the check registry were discussed and questions asked. Sandra was asked what parts were on the Scholzen Products statement. She will check back and bring a copy of the invoices to the next monthly meeting. Scott Ricci moved to approve the financial statement and the check registry Ray Beal seconded the motion and all approved the motion.

Water testing for the month of August. Scott Ricci said the water test for August was good. The Nitrite test will be taken next month and the Radionuclides must be taken four times in one year every five years. And of course we have the regular monthly water tests. Scott H. expressed his thanks to Scott R. for his dedication in keeping up and doing these water tests.

Silver Reef Highlands:

Lawyer Lowry Snow was given the floor.

He said that there are two issues that need to be discussed. One is the contract that SRH is proposing to serve as the vehicle to transfer Mr. Brennen's water rights in exchange for certificates of water. These will be issued to lot owners in the development.

To update the LDWA Board on SRH's progress. The official Platt was approved by the Town of Leeds and has been recorded so the lots are now a matter of record and the

improvements to the lots are now underway. Construction, excavation and the other improvement should take about 60 days to complete. **Number two item** is the improvements for the water system which has been put out for bid and the contract is about to be awarded in a matter of days to a company call Sunland Construction. So the project is under way. Now SRH would like to get the water rights in the name of the company. So the last page of this agreement is a form of conveyance, a special warranty deed. The letter from Mr. Hafen maybe a little confusing, because he was responding to a prior draft that SRH had sent to him to review. So when you read his letter he talks about certain changes that he would recommend being made and the agreement you have in front of you reflect those changes. As you go through his letter he says that this is a good vehicle to transfer the water and issue shares. The agreement provides for the transfer of ownership of water by Mr. Brennen for the issuance of 21 stock shares, or certificates. Those shares will be held by the developer, Mr. Brennen and his holding company which is called SRH or Silver Reef Highlands. As they sell a lot to a buyer that certificate would be surrendered to the district and a new certificate would be issued by the district, pertinent to a particular property. So however you document it, when the purchaser gets his certificate it would indicate which lot he owns on the certificate. In addition, SRH incorporated in the contract the restrictive language which would appear on each certificate restricting their use to .85. ^{As per} We do not control the issuance of the stock, so SRH assumes that would be an internal control on LDWA's part.

Scott Hayes told Mr. Snow that in our by-laws the stocks certificates are designated to pieces of land. We could give Mr. Brennen 21 stock certificates without the lot number. Mr. Gardner said what they are trying to accomplish is to minimize the confusion in issuing the certificates. Mr. Snow was asked what happened to the other 6 lots. And he said that if you look at the agreement, when the 4.95 feet of water is transferred to LDWA there will be six more water shares issued to LDWA. SRH will give LDWA six numbers for the six lots that will not be sold in the original 21 lots. These six will be held until the 4.95 feet of water is turned over to LDWA. Sandra Browning asked if LDWA is going to issue the certificates or is SRH. Mr. Snow said that they would do anything they could to help with the certificates and it would be fine if LDWA issued the certificates, but what is important is to use the language that was agreed upon on the certificates. Mr. Snow reminded LDWA that each new certificate would have a vote with their share of water.

LDWA questioned giving water certificate stocks to Mr. Brennen's Company before the land is sold. LDWA, when dealing with a developer in the past, has issued the certificates to the new owner of the land and not the developer.

Mr. Snow was asked if Mr. Brennen was planning to add an impact fee to the buyers of the lots to compensate for improvements made. Mr. Snow stated that he is not asking for that at this point. He is building the system to your specifications and the ownership of that system will be turned over to LDWA. He is transferring the water shares to LDWA and is asking that you commit to a "connection fee" for those people that buy those lots.

He is not asking for a return on your impact fees or your connect fees that is essentially your revenue.

Mr. Snow said he understands that the LDWA Board has just seen the agreement and Mr. Hafen's letter is based on divisions that the board has not been able to do any comparisons, but Mr. Snow is asking the LDWA Board to consider approving the agreement, subject to receiving follow up communication from Mr. Hafen that his recommendations have been built in to the final agreement. He has approached this on behalf of LDWA and represents LDWA. And he has had a lot of input into the drafting of this agreement and of the preparation of the original conveyance and asked that it be changed to a special warrant deed.

Scott Hayes told the board that Mr. Snow wants approval tonight of the agreement, subject to the condition that Mr. Hafen communicates in writing to LDWA his final approval of the draft.

Motion: Scott Ricci made a motion to approve the transfer of water from SRH to LDWA subject to the condition that Rick Hafen, LDWA's Attorney, communicates in writing to LDWA his final approval of the draft. The motion was seconded by Ron Whitmer and all approved.

Mr. Gardner asked if LDWA knows what their additional fees will be to the new shareholders of SRH. Scott H. told Dallin the figure was not decided upon. Mr. Gardner said it was important that the new shareholders know the additional cost that LDWA will be charging so there will be not surprises.

The LDWA Board members discussed the amount of impact we should charge the SRH shareholders as they buy their lots. The amount was decided upon was \$5000.00. And it was decided that we should take this figure to our lawyer to make sure that it is not a double charge or an overcharge. Scott Ricci and Ray Beal were assigned to make an appointment to meet with Rick Hafen. Also Scott Ricci was assigned to talk with Rick Hafen about the water transfer from SRH. And now Mr. Hafen will be sending his approval of the water transfer from SRH to LDWA.

New Park for the SRH. Subdivision: The park will be less than an acre of land. Mr. Lowry Snow told the board that Mr. Brennen had to post a \$9600.00 bond for the improvements for the new park area.. The park will be across the street from the subdivision. The town is working on the design of the park. The subject of water to the park is a requirement that the town is wanting for a water fountain. Mr. Brennen will pay for the water lines stubbed in to the place where the fountain will be placed. He does not feel that he should have to pay a \$5000.00 connection fee and has asked LDWA to waver the connection fee to the park. The park will be as natural as possible and the more natural it is the less improvements and maintenance will have to be done.

LDWA needs to meet with the Town of Leeds about the water fountain that they are requiring the development to include. Mr. Snow asked to be notified when LDWA is meeting with the Town of Leeds so he can attend.

Mr. Ence was on the agenda, but did not attend our August meeting to discuss the transfer of water from Silver Reef Highlands to LDWA.

Bert Leany's offer to reduce the amount owed by LDWA on his irrigation "A" water.

The Leeds Board of Directors met in a special executive meeting on August 12th. at 8 p.m. and discussed Bert Leany's proposal which was to reduce the amount charged to LDWA for his irrigation "A" water by \$30,000.00 because the Leeds Irrigation Company will not allow LDWA to transfer the water up to Oak Grove Springs.

Motion: By Scott Ricci. I move that we accept Bert Leany's offer dated, February 23, 2004 and Notarized March 25th. 2004 with one exception. That being if the Irrigation shares can be moved to Oak Grove Springs for culinary use within five years this agreement will be null and void, reverting back to the original contract dated, June 9, 2003. The motion was seconded by Ray Beal and all approved.

AMT REMAINING \$30,000
CORRECTED BY SCOTT RICCI

New water line by Brant Jones place.

Ray Beal was asked to get three bids from contractors to dig and to put in the water line by Brant Jones' place. (The old line cuts across Brant's field and is so shallow that Brant often hits the water line when he plows his field.) It is approximately 1900 feet long. The cost could be around \$60,000.00. Ray talked to one contractor and he said that he could do the work in November.

Contract for backhoe work with certified operator. Since Russell Peine has sold his backhoe, LDWA has had a hard time finding someone to dig our water lines. We have used Calvin Jessop, but he will be working with another contractor and is not available at the present time. It was suggested to contact Brett Comas and to see if he is a licensed backhoe operator. Ron Whitmer will call Brett Comas about doing our backhoe work.

Research to find out if there is a water line under highway 1-15.

We do not have a water line going under the highway, but we do have an 18 inch pipe (conduit) to run a water line in, under 1-15 when we need a water line on the West side of the highway. A Mr. Clint Peterson is planning to build some storage buildings on the west side of the highway and he does need water to his business. Mr. Peterson has three standby water services and he would like to return one certificate to LDWA for a refund.

Revise the by-laws: Scott Hayes assigned the LDWA Board to read Article One and Article Two in the by-laws and make any changes that they think should be made. Scott

H. said that the board members will need a copy of the Articles of Incorporation to understand these two articles. It was suggested that we put a committee together to go over the by-laws and update them.

Assignments for Board Members:

Ron Whitmer was assigned to check with a silk screening place to see if they could put LDWA on the back of our meter reader vests that he ordered from the Locker Room. Scott Ricci was asked to study the water duty reduction for SRH.

New Business: Kayla Brown wrote a letter to the State of Utah and a copy was sent to LDWA, about the pressurized water system that the Irrigation Company is putting in. A letter was handed out to each of the board members and Scott Hayes read the letter to the board. The board felt that Kayla has been misinformed for she stated that LDWA was going to donate money to the irrigation company to put in the pressurized water system. LDWA can not furnish money for the pressurized water system for it will not benefit all of LDWA's Shareholders. LDWA feels that there is a lack of communication with Silver Reef about the Pressurized Water Line. Scott Hayes feels that a letter should be written to Silver Reef about the irrigation Company and the pressurized water system.

Water Master's report: Jim Parnell has been doing some fire hydrant testing, flushing and lubricating the fire hydrant meters in town and is about two thirds done. He told the board that he fixed a leak on 72 N. Main Street between Olney and Porters. He also fixed a leak by Ray Beal's meter on Main St..

Jim asked the board for a pay raise of three dollars an hour. He said that he would leave to give the board time to discuss his proposal and he will come back to close the building. Jim also suggested that we raise the amount charged for the use of the hydrant meter from \$1.23 to \$2.00 per thousand gallons.

Scott Ricci suggested that LDWA call surrounding towns and take an average of what they charge for the use of the hydrant meters. And we will use that figure to charge per thousand gallons used by the hydrant meter. The board accepted Scott's proposal.

Board of Directors comments and discussions:

Ron Whitmer: Ron told the board that he has ordered six vests for the meters readers. (Sizes X large and X X larges. He will check with the company that he ordered the vest from to see if they could put letters "LDWA" on the vests.

Ray Beal moved to adjourn the meeting.

LEEDS DOMESTIC WATER USERS ASSOCIATION

P. O. BOX 627

LEEDS, UTAH 84746

8-26-2004

FORM TO BE USED IN MAKING A MOTION AT L.D.W.A. MONTHLY MEETING:

I Move: THAT WE ACCEPT BEAT LEAHY'S OFFER DATED FEB. 23, 04
AND NOTARIZED MARCH 25, 2004 WITH ONE EXCEPTION.
THAT BEING IF THE IRREGULAR SHARES CAN BE MOVED
TO OAK SPRINGS FOR COLLECTIVE USE WITHIN FIVE YEARS
THIS AGREEMENT WILL BE NULL AND VOID, REVERTING
BACK TO THE ORIGINAL CONTRACT DATED JUNE 9, 2003

Moved by

Scott Price

Seconded by

Ray Bull

LEEDS DOMESTIC WATERUSERS

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

President	Scott Hayes	879-2457	David Stirling	879-2090
Vice President	Scott Ricci	879-2150	Ray Beal	879-2238
Secretary/Treasurer	Sandra Browning	879-2345	Ron Whitmer	879-1968
Water Master	Jim Parnell	879-2854		

September 16, 2004

Special Executive Meeting for the Leeds Domestic Water Users Association
Time 8 p.m. at the Leeds Town Hall

The reason for the special meeting is for board members to discuss and make decisions on different proposals SRH has made to LDWA.

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Ray Beal, Ron Whitmer, and Sandra Browning, Dallin Gardner and Lowry Snow representing SRH were also in attendance. David Stirling was out of town.

Welcome: Scott Hayes

Ron Whitmer wanted to know what items we paid over \$500.00 for to Scholzen's Product and Sandra Browning said that she would bring the statement to the next monthly meeting of LDWA for the board members' review.

The new park at the SRH's development: Mr. Lowry Snow asked what LDWA's decision was about the park and if we had met with the Town of Leeds. Scott Hayes told Mr. Snow we have not met with the Town of Leeds and we do not know of their long range plans, but plan to meet with the Town in the near future. Mr. Snow asked to be notified when a date is set up for he would like to attend.

Mr. Snow told the board that Mr. Brennen is holding in trust a \$5000.00 bond with Mr. Snow for the water needed for the new park.

Mr. Snow is asking that LDWA reserve a tap for a water service for the park. Mr. Brennen will stub in the meter box and put the line and yoke in for the park. Therefore, all that LDWA will have to do is drop in the meter and if needed a pressure reducer. The Town and LDWA should work out the water problems themselves and not involve Mr. Brennen. Such as, if the town will have to pay for a water certificate and what the Town will be required to pay for water fees for the water fountain. LDWA is in agreement to

provide culinary water and a small water usage using a 3/4 inch water line for minimum use for the fountain for the park. This needs to be addressed to the Town of Leeds.

Mr. Brennen plans to extend the water line across the street to the park area and will put in the connection but asks that LDWA wave the impact fee to the park for Mr. Brennen. As far as the water tap is concerned this should be a concern of the town and LDWA. Dallin Gardner will meet with Sandra Browning and compose a letter that will be approved by LDWA and SRH to the Town of Leeds as to the agreements made tonight by LDWA and SRH.

There is also a permit for the Forest Service that LDWA needs to fill out and Sandra Browning will take care of that, plus a yearly fee will be paid by Mr. Brennen and both sent in to the Forest Service Office.

Copies of a letter from Mr. Rick Hafen, was passed out to the board members, expressing his agreement of the draft written by Mr. Brennen's Attorney Lowry Snow and dated, August 31, 2004. Mr. Hafen suggested in the letter that in the agreement a special warrantee deed should be in the draft, plus, a signature page at the end of the agreement. **Mr. Snow said that he has the original warrantee deed that has been signed by Mr. Brennen and has been notarized and is ready to be recorded. Mr. Dallin Gardner will record the warrantee Deed and return the original to LDWA. LDWA to keep the original and Dallin Gardner will take a copy of the deed.**

Lowry Snow said that he realizes that the LDWA Board has not talked with Mr. Hafen about the draft letter, but asked that LDWA accept the draft and sign the signature page knowing that it will not be legal until Mr. Hafen will send a letter to LDWA with his approval of said draft. LDWA approved this procedure. On the document it says that the draft will be recorded and returned to Rick Hafen and he will send it back to LDWA.

Water Certificates for SRH: Dallin Gardner told the board that of the 27 certificates; the certificates numbering 1 through 6 will be held out and not issued until the water has been properly transferred to LDWA. If one of these lots 1 through 6 is sold earlier than expected, then another lot number will be held back, so there will still be six lots in reserve.

Update LDWA as to the status of the pipe line:

Dallin Gardner stated that he knows that LDWA has been interested in the specification required in installing the water lines. He did not bring it tonight, but he has the County Specification Booklet for installing water lines and he feels that the booklet is applicable to this situation if anyone would like to read it. Scott Ricci explained that LDWA agrees to go by St. George's standard in installing water lines. Scott R. felt it was also important that a warrantee bond or a letter of credit of ten percent of the contract price be put

together for our safety when the project is completed. We will need a copy of SRH contract to install the water lines. We also need a verification that the contractor is licensed.

Scott Hayes never has seen a blue print of the pipe line and feels he should see a blue print before the installation starts.

It was stated that Bush and Gudgell and Landmark are to inspect the installation of the water lines. The contractor will not cover the water lines until inspected. A copy of the standard practices to use this pipe should be available. **LDWA will also need to spot check the lines as they are being installed.**

The BLM will also be watching over the installation "environmentally" as the project progresses.

LDWA asked SRH to include telemetry, balancing and connecting all the tanks together in the early stages of our meeting with SRH. It monitors the whole water system. Jason, an enigeer from Bush and Gudgell is going to see if he can find a system that has telemetry and see if he can find a figure for a system and how well it works. He will check with Rural Water of Utah. We feel that it is important to have telemetry to help reduce the impact to our water system by automatically monitoring our tanks instead of having our water master running up to check the tank all of the time. We feel that SRH should pay for the initial cost of this program.

We need to research and find out what is available, get a actual cost and contact an actual system that has telemetry. Mr. Snow stated that if telemetry is used in our system, then our system will be worth more and so it would be worth it for LDWA to pay for this feature. Jason of Bush and Gudgell will check and see what he can find out.

Ray Beal moved to adjourn the meeting.

LEEDS DOMESTIC WATERUSERS

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Water Master	Jim Parnell	879-2854		

October 28, 2004

The Leeds Domestic Waterusers Association meeting agenda:
At the Leeds Town Hall at 7 p.m.

Those in attendance:

Welcome:

Prayer:

Pledge:

Minutes:

Financial Reports:

Water Testing for the month of October: Scott Ricci

Don Goddard: To discuss the water rights being placed in LDWA's Well for the Brennen Development or Silver Reef Highlands.

Going under the umbrella of the Town of Leeds: Discussion by the board

Update on Silver Reef Highlands: Board members assignments

Irrigation pipe line: Forest Service will not accept the irrigation pipe line going into the same ditch as Silver Reef Highlands water lines.

New Park for the Town of Leeds update.

Leaks on Main Street:

Forest Service Letter:

Old Business:

Ray Beal: Replacement of water line by Brant Jones' land.

Licensed backhoe operator: Ron Whitmer to contact Brett Comas.

An letter to be put together to be sent to Silver Reef shareholders.

Vote on water master's raise:

Water Master's report:

Adjourn meeting;

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October 28, 2004

The monthly meeting of the Leeds Domestic Waterusers Association

Place: At the Leeds Town Hall

Time: 7 p.m.

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Ray Beal, Ron Whitmer, Jim Parnell, and Sandra Browning. Don Goddard was also present.

Welcome: Scott Hayes

Prayer: Ron Whitmer

Pledge: Scott Ricci

Minutes: The minutes were discussed and one correction was made. Scott Ricci moved to approve the corrected minutes and Ray Beal seconded the motion and all approved.

Financial Statement: After the board discussed the Profit and Loss Report and the Check Registry; Scott Ricci made a motion to approve both reports and Ray Beal seconded the motion and all approved.

Water Testing: The water tests for the month of October were all good. We did a nitrite test and all of the bacterial tests were good.

Water Rights: Don Goddard asked to be put on the agenda to protest the water rights of Silver Reef Highland being put into LDWA's well. He said a Developer should provide water and not water rights when they become a part of LDWA. He feels that eventually our well will run dry and also the surrounding wells in the area. Don has a well that he is concerned will run dry as water rights are added to LDWA's well.

He wants it known that he is protesting the water rights being put into LDWA's well and that he has a lawyer secured and if the wells in the area dry up he will place a lawsuit against the water company.

He explained that water rights and water are two different things. He said that he has a well recovery report from 1995 for the LDWA's well and the recovery rate was not as fast as it should be and he feels the available water in the well is declining. He thinks that somewhere in the by-laws or LDWA's documents there is a statement to the effect that developers should provide their own water and not water rights. He will research this out.

Going under the umbrella of the Town of Leeds: Scott Hayes said that the mayor of Leeds, Norma Gier, asked LDWA to consider becoming apart of the Town of Leeds. Meaning to turn over all the water rights, system, and everything to the town and letting the town run LDWA. Scott Hayes said LDWA has a responsibility to their shareholders and the shareholders are entitled to vote to approve or reject the merger. Scott H. told the mayor that he felt the merge would not be approved at this time unless the town made a big sales pitch to convince the shareholders. He suggested that LDWA could go under the umbrella of the Town if that was possible

Ron Whitmer asked what were the pros and cons of this proposal. The board members discussed the proposal and felt at the present time it was not good for the shareholders or the water company to make this move.

Scott Ricci told the board he was put on a committee by the town to research and then write a letter to explain the advantages for LDWA to combine with the Town of Leeds and he found there was no advantage for LDWA to join with the town. The town needs more revenue and our culinary company could give them more revenue.

Ray Beal said no one could convince him that LDWA should join with the town. He felt the water rates would go up and the amount of water allotted would go down if the town took over the water system.

It was asked if there was a possibility that one of the big irrigation owners could sell their water shares out of the town, leaving Leeds with less irrigation water shares. It was agreed that this could happen.

Scott H. told the board that he had a meeting with the Irrigation company at his home and Ray Beal and Scott R were present. They asked the Irrigation Company to give LDWA the first option to buy any excess water that come available. The irrigation company said that was something they would look into. Scott H. did not know if the irrigation company has done anything about the offer. Scott H. said we could purchase the excess water and put it in trust for future growth of the town.

Ron Thompson told Scott H. that he would be willing to work with us to provide water for developments in the area if LDWA would manage the systems. Scott H. said that a two water system in the area was a good way to go.

We have an ideal water system where the water is gravity fed to our shareholders.

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Also we have the irrigation water shares that we purchased from Bert Leany and in the future if there are chances for us to transfer that water up to the spring or buy or trade water that could be transferred to the spring we would have made a great accomplishment. Then we could get control of the spring and improve it to get more water out of the spring if the water line could handle it. There is water available out there that is not associated with the irrigation company that could be transferred to the spring or traded for the Leany water to be put into the spring.

Update on Silver Reef Highlands: Dallin Gardner met with Sandra Browning and filled out a special use permit to the Forest Service and Dallin Gardner wrote a check for the cost of the permit of \$90.00 and hand delivered it to Cedar City.

In regards to an impact fee: Scott Ricci talked with the State of Utah Division of Water and found that an impact fee can't be charged unless there is a capitol cost such as, building the well, water lines, and etc. Mr. Brennen is providing all of this for us so we have no expenses to charge an impact fee.

Scott Ricci said we need to decide how we are going to charge these people in the new subdivisions that have a different rate structure for they are only receiving .85 acre foot of water instead of our 1.2 acre feet charged to the rest of LDWA. We could charge them 70% of 30,000 gallons. The overage would have to be high to control their usage.

It was asked if this would be a bookkeeper's nightmare to figure the billings. Sandra Browning said that we may need a newer computer program with more memory or a new computer. Rural Water has a programmer that could help with a new program and a new computer.

Scott Hayes suggested while a new accounting system is being considered that we look into an automated water system meter reading program to be used in the new developments. This is an impact and we can charge them an impact fee if we put in the automated meter water system. We can also replace ten automated meters in our main system a year. Jim will know the meters that need to be replace. Also Scott H. said we also need to consider the automated valves that can be automatically closed to transfer water to an area where there is a fire or something of that nature.

Dallin Gardner approached Jim Parnell and asked if there was anything that could help in putting in the water pipes . Jim told Dallin that he had not seen any chlorine container around and since the pipes have been flooded with water and mud there is bacteria in the lines and chlorine needs to clean the lines. Also Jim said that at the area the tank will be placed does not seem to have enough room to drive around the tank when Maintenance work needs to be done. Jim suggested that the board take a look to see what they think. Scott H. said to get the dimensions of the tank and then add the ten feet for driving around the tank. This will give you the answer if there is enough space to drive around the tank for maintenance.

It was also suggested that we check to see if we have a separate warrantee on our new tank with SRH.

The Silver Reef Highlands contractors did not put the proper bedding down for the water lines when they first started to lay the water lines and LDWA had them stop and correct this problem. Scott R. told the board that the contractors were using a 4 inch screen to put the rock through to bed the pipe. Earlier there had been an agreement with SRH that they would go by St. George specifications and that is using a 1 inch screen. Scott R. made it clear to the construction people that the agreement was to go by St. George Specifications.

There should be density reports taken at the construction sight, but Scott H.. told the board that he has not received any test so far.

Letter from the School Trust Lands: Scott Hayes received a letter from the School Trust Lands. Mr. Curt Gordon of Sitla said in the letter that they plan to cut back the amount of lots to sell from 80 to 44 lots. They would like to have the same agreement with LDWA for .85 acre feet of water per lot as SRH has with us, instead of the original 1.2 acre fee the rest of the shareholders have. He also said that he hired an engineer, a Mr. Kent Miller, and from his findings LDWA has enough water in the well to provide water for Sitla's development also. His development will be called "Sibolo Estates". The research that Mr. Miller did was to find some tests that LDWA had done years ago and these tests are not current.

Irrigation Pipe Line: The irrigation company of Leeds wanted to place their water line in the same ditch with SRH, but the Forest Service will not accept this proposal. The paper work would have to be redone to include the Irrigation Company and then approval given for this move. Dallin Gardner told Scott Hayes this was impossible at such a late date.

The starting date for the Irrigation Company to put in their pressurized water system is December 5, 2004, but Ron Whitmer has not heard if that is still the plan.

New Park for the Town of Leeds: At LDWA's last Executive Meeting SRH and LDWA discussed the New Park that is being put in for the Town of Leeds. SRH felt they should not be required to furnish the water for the park for it would benefit the Town and not the SRH. LDWA agreed to provide 10,000 gallons of water per month and any overages would have to be paid by the town. Also there would not be a water certificate provided for the Town. SRH agreed to run a water line under the road and stub in the water line to the place where the water fountain will be placed. They will also put in the meter box and the yoke so it will be read for the meter which LDWA will provide for the

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Town of Leeds. A letter was written to the Town of Leeds to express LDWA and SRH's intentions and the board all approved the letter to be sent to the Town of Leeds.

Leaks on Main Street: LDWA has had six leaks on main street in the past few weeks. It seems to be caused by rocks under the water line and splits in the line. The water line is inferior pipe but has lasted for many years. The board is considering to replace the line along main street if the breaks continue to occur.

Letter from ISO: We received a letter from the ISO that explained how we were rated on our last servicing of the water hydrants in 2003. Sandra Browning will make copies of the letter for Scott Ricci and Jim Parnell.

Old Business:

Ray Beal expressed his opinion that the water line that crosses Brant Jones's property should not be replaced even though it was put in the 2004 budget, Brant does not feel the water line is of any value and will not participate in the replacement of the line.

Licensed Backhoe Operator: Brett Comas has been doing some of LDWA's backhoe work in correcting the water leaks on main street. But he is not a certified operator if there is such a thing as being "Certified". Ron Whitmer will contact Russell Peine and see if there is a certification program that Mr. Comas can take. We would like to have a contract with Mr. Comas to do our backhoe work if possible.

Voting on the water master's raise: Ray Beal made a motion to approve the one dollar an hour raise for our water master which would increase from \$13.00 an hour to \$14.00 an hour. And Ron Whitmer seconded the motion and all approved. The raise will be retroactive to the first of October 2004.

Water Master's Report: Jim Parnell fixed two leaks at 30 and 40 Main St. Also Jim fixed a leak at Ed Leany's place. He walked the line in the new subdivision (SRH) Jim did a draw down on the well and it was very consistent. Water sits at 209 ft. and it draws down to two feet and comes right back up.

Ron Whitmer: Mr. Jerry VonCannon is not pleased that LDWA only gave him one half of his overage in credit. He does not agree with the decision of the board and Ron suggested for "P R" for this time only, we credit him the full overage back. He told Mr. Voncannon we would not credit any amount to his account in the future. The board agreed to give him back all of his overage credit this one time.

Scott Ricci: Scott R. attended a meeting with Ron Thompson of the Water Conservancy District. He is setting up a water pool and people are charged for only the water they use. Plus a 5 % sir charge. Scott R. was given a copy of the water conservancy draft to have for reference in the future.

Ray Beal moved to adjourn the meeting.

1
3
12/20
6
11
11/15/04

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Water Master	Jim Parnell	879-2854		

November 18, 2004

Those in attendance:

Welcome: Scott Hayes

Prayer: DAUG

Pledge: ROW

Minutes:

Financial Statement:

Water Tests for November: Scott Ricci

Sitla: Drake Howell will attend to give a presentation 44 lots

Meeting with Ron Thompson on water pooling:

Water Master Report: Jim Parnell

Board member Reports

Scott Ricci:

Ron Whitmer: Check with Russell Peine about a certification program for the backhoe.

Ray Beal:

David Stirling:

Meeting to be adjourned:

Sp. & Gen. Pump Costly WHAT TYPE

LEEDS DOMESTIC WATERUSERS

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

President	Scott Hayes	879-2457	David Stirling	879-2090
Vice President	Scott Ricci	879-2150	Ray Beal	879-2238
Secretary/Treasurer	Sandra Browning	879-2345	Ron Whitmer	879-1968
Water Master	Jim Parnell	879-2854		

November 19, 2004

Those in attendance: President Scott Hayes, Vice President Scott Ricci, Ray Beal, David Stirling, Ron Whitmer, Jim Parnell, Sandra Browning, and Drake Howell, Kirt Gordon, and Ken Miller representing the Sitla development.

Welcome: Scott Hayes

Prayer: David Stirling

Pledge: Ron Whitmer

Minutes: The minutes were discussed and changes made. Ron Whitmer moved to approve the corrected minutes and Scott Ricci seconded the motion and all approved.

Financial Statement: The profit and loss statement and the check registry were discussed. Scott Ricci moved to approve the profit and loss statement and the check registry and David Stirling seconded the motion and all approved.

Ron Whitmer asked if Sandra Browning would get the cost per hour for the backhoe work done by Brett Comas and Dirt Works Backhoe. She said that she would get this information to him.

Water tests for November: Scott Ricci explained to the board that two preliminary water tests failed before we got a good test. But the water test taken to Cedar City was negative (No bacteria). Jim Parnell chlorinated the water. Scott R. suggested we obtain some type of an injection pump so chlorine can be injected into individual dead end areas in our water system. Scott H. asked Scott R. to check out sizes and cost of an injection pump for our system and report back to the board.

Sitla: Drake Howell explained that Sitla had planned a development with 71 lots in it, but because they do not have enough water for the 71 lots; they are reducing the development to 44 lots. The lots will range in size from 1 acre to 3 1/2 acres. A map was showed to the LDWA Board of this subdivision. Mr. Howell stated that Sitla has

contributed to Mr. Brennen's subdivision, Silver Reef Highlands, monies to enlarge the size of the new tank and upgrade the system.

Sitla requests the same water duty ratio and landscape water use restriction that Mr. Brennen obtained for his development. Sitla will make these a part of the restrictive covenants for their subdivision. Mr. Howard said they are buying water from Mr. Brennen and he feels sometime around the first of the year this application will be approved. Scott Hayes asked the size of the new tank Sitla is contributing to build. Scott H. was told Sitla was not sure of the tank size, but the minimum size required was a 250,000 gallon tank. Scott H. observed that not only was the tank lowered, but the size of the tank was enlarged. Scott H. asked Scott R. if he has seen drawing on the tank. Scott R. stated we have requested drawings and information on the tank, but have not received anything on the tank. We need to know the direction the tank will drain when it over flows and so forth. A member of Sitla stated the information they received from the Engineering Firm was that the tank will be 317,000 gallons and that would be enough to provide water for their 71 lots and not just the 44 lots they plan to develop at this time. Sitla said the new water tank will provide more volume and storage for fire protection. Scott H. asked for drawings and elevations as far as the property is concerned and Mr. Howell suggested they keep the drawing they brought for it does have the contours on it. Scott R. stated their development will put more stress on LDWA's system even though their calculations stated other wise. Our water master will be worked more and we are providing water from our spring to fill our tanks for virtually nothing. Now these new development come along and we will be servicing 30% more lots than we have in the city right now and this is going to require more work for our water master to check our tanks. He doesn't have to check the tanks every day, but once everyone comes on line it will be a daily process to make sure everyone has water. Also we will be running the pumps which we are not doing right now. It will be a long time impact forever. A big problem is the peak demands on our system. What we feel the new subdivisions should provide are new automatic controls to run the system and we are having a hard time convincing them to provide this for us.

Sitla asked what impact they would be on our system and Scott H. told them that with the new Sitla development we are looking into installing automatic meter reading and equipment which will help lower the impact to the system.

Another concern is that we are looking at people around the area threatening to sue LDWA if their wells run dry because of the additional water use in these subdivisions. Sitla suggested we talk to our attorney about the possibility of a litigation and also talk with those who are threatening litigation.

At an earlier meeting Sitla stated that from engineering draw down tests from our well there should be plenty of water for both new subdivision. Scott R. told the Sitla people that last summer during the drought we actually could not pump enough water for our

tanks to start to fill. The tanks were going down as we were trying to pump more water in. This is the first time we have had this problem and a great concern to LDWA. It did not last a long time, but people were using culinary to water their trees so they would not die. Adding the new tank should help in this respect.

When and if the Irrigation Water Company does put in a pressurized water system there should be enough water. Until then we need to look into options such as, a larger pump, and using Ron Thompson's water for new developments. Mr. Howard said that Sitla knows they are an impact on LDWA and they would be glad to do their part to lessen this impact. They would like to know the problems so they can work on these problems and if possible meet with LDWA in January.

David Stirling asked if there was any way LDWA can use the spring water and the new developments use the well water or the Water Conservancy District water and he was told Scott R. made sure that Leeds does get the spring water first and the new tank by design draws off of the well. Scott H. said that eventually we may have to mix the water. Ron Thompson of the Water Conservancy District told Scott R. that he could not sign a contract with LDWA for we are not a municipality, but he would have to work with the Town of Leeds.

Meeting with The Water Conservancy District: Scott R. attended a meeting with the Water Conservancy District and they suggested pooling all the water that the different water systems are buying from the Water Conservancy be pooled together and then the water companies use only the water that they need. There will charge fees in connection with this service.

Water Master's Report: Jim Parnell – The overflow line to the Eldorado Hills tank seems to have a leak in it and needs to be checked out and repaired. This could be a possible bacteria problem. It was suggested to clean out the line and see if this leak can be fixed. Then if needed the tank can be emptied out and any problem fixed and refilled with water.

Jim was asked to make a list of items needed for his job and Jim presented the board with the list. It has been hard to fix all the leaks without proper tools to work with. The board will shop for these items for LDWA. We need to get the best items we can afford for they will last longer. Some tools needed are a generator, 1000 watt inverter, saws all, hand drill, hand saw and etc.

There is also a water leak in Silver Reef by the new home being constructed for John Allen that will need to be fixed.

Board Member's Report:

Scott Ricci: The Silver Reef Highlands Contractors were supposed to be using the inspection company, Landmark, to check out the quality of the work being done and to provide weekly reports to LDWA. So far, neither Scott H. nor Scott R. have received any information on the progress and quality of the job. Scott R. suggested, with the boards approval, that he contact the contractor of the project which is Sunland Construction and ask about the weekly reports LDWA was to receive or call Landmark, the company that was to conduct the inspections and ask for an update. The board was in favor of Scott R. finding out about the reports.

There was concern about the water lines being contaminated and not chlorinated. Scott R. told the board that there is a proper way to hookup a new water line and it will be purged and chlorinated long before it goes into the tank. There are certain rules the Health Department requires to be fulfilled before the water goes into the tank. There is a schedule of inspections and there should also be paper work as to the dates and what was installed. Everything should be documented. Scott Hayes asked Jim to read their hydrant meter and Sandra was to send the contractor a bill for the hydrant meter.

Scott Hayes: A couple of months ago we approved a purchase of SCBA masks and tanks from the fire department (two units) incase we have to go down into a hole or a tank that might have gas or fumes in it. The fire board decided to give them to us. This will be a safety precaution in case we come across a problem that the equipment is needed. The tanks do need to be static tested every now and then. Scott H. can train anyone on the units. We need a place to store them. We appreciate the Fire Department's equipment.

Ron Whitmer: Ron checked with Russ Peine about a certification program for backhoe operators and found there is no certification program for a backhoe operator. St. George does require a card if an operator will be working for them and they do some training. Russ Peine said an operator should have "Underground Insurance". LDWA is in need of a backhoe operator to be available to dig up lines when we have a leak. Bret Comas said he would be available to do our work. LDWA feels that he will need to be insured if he does our work. Scott H. suggested that we could "Contract" him with a \$500.00 retainer yearly, plus an hourly wage. The \$500.00 would pay for his insurance.

Ray Beal: Ray asked about the shareholders bad debt that the board members were going to check on. Sandra Browning said that so far payments have not been made.

David Stirling: Dave told the board that the Irrigation Water Company is getting bids for the pressurized water system. The bids will have to be under \$800,000.00 to be approved. Some of the bids would cause the amount of the project to be over the \$800,000.00 and will have to be redone. Dave talked to Elaine Murphy and she said that LDWA should pay a part of the cost of the new pipe line that will go through the Town of Leeds if they plan to upgrade some of their water lines on main street, when the pressurized water line is put in on Main Street. LDWA wants to find out the cost per lineal before they participate in this project.

Frank Jackson contacted David Stirling and wants \$500.00 for the pressurize reducer valve that broke and put water into his home and also the mess that was left on his property when a loop was put in through his property and was not cleaned up. If we do not do something he is going to sue LDWA. Dave Stirling will contact Mr. Jackson and have him come to the next water meeting and discuss this problem.

Motion made to adjourn by Ray Beal

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Motion made to adjourn by Ray Beal