

LEEDS DOMESTIC WATERUSERS
ANNUAL SHAREHOLDER'S MEETING
February 12, 2008
7:00 PM

Present: Maurice Hall, Joanne Dawson, Don Fawson, Danielle Stirling, Ray Beal

Absent: Craig Sullivan

Meeting was opened at 7:02 PM by President Maurice Hall

Call to Order:

Welcome: Maurice Hall

Prayer: Don Fawson

Pledge of Allegiance: Danielle Stirling

Minutes: Minutes from the 2/8/07 Annual Shareholders Meeting were read. Danielle MOVED: To approve the minutes as read. Don SECONDED. MINUTES APPROVED.

NON-AGENDA ITEM

Town Ordinance 2008-01

After months of negotiations between the Town and LDWA, the Town presented a Town Ordinance that was not considered "in the nature of cooperative agreement." The verbiage of this Ordinance was unexpected and caused the shareholders/citizens of Leeds to voice their concern for better communication between the Town and LDWA. The Town said LDWA was not in compliance with the State's Public Service Commission, the Impact Fee Act, and not reporting to the Town. They accused LDWA of refusing to secure water reserves by not joining the Washington County Water Conservancy District's pooling agreement, and usurping the Town's power to regulate growth, development, health and welfare of the Town and its residents.

LDWA's By-Laws do not require reporting to the Town and couldn't understand why it would. LDWA is not under the auspices of the Public Service Commission of Utah and do not have to report to them, and being a private company LDWA does not have to comply with the Utah Impact Fee Act. LDWA's responsibility is to provide water to the town, as it is now constituted, and has nothing to do with its growth and development. The quality of their water is in compliance with Rural Water's requirements for testing and quality assurance. And through a Capital Facilities Plan are finding ways to better serve the town's residents, and ways to ensure water for emergencies.

The shareholders felt the Town's ordinance reflected a lack of understanding of water and how it works, and were equally concerned about the Town making itself exclusive authority in that area. The shareholders requested public involvement in the negotiations. Result: **A task force of volunteers was set up to define water conservation practices, research neighboring systems, study the Washington Water Conservancy District's pooling agreement, and provide ways to educate the public.** They will schedule a meeting with the shareholders to report their findings.

REPORTS

2007 Budget Review/Maurice Hall

There was a \$20,000 shortfall in projected income due to the shortage of purchased taps. Expenses were \$112,595 over-budget due to refurbishing the well. And current assets came in at \$283,207 instead of the projected \$405,977. Given the challenges of last year, LDWA did reasonably well, and now has a good well.

LDWA Shareholders Meeting Minutes

Profit and Loss Statement/Maurice Hall

Handouts of the Profit and Loss Statement, 2008 Operating Budget, and Challenges for 2008, were given to attending shareholders for review. The Profit and Loss Statement was discussed in the 2007 Budget Review report.

2008 Operating Budget/Maurice Hall

The projected balance of income and expense for 2008, is \$183,600. It is projected to have \$27,800 in a capital projects reserve, and \$16,710 in an emergency restoration reserve. Maurice asked the board for a motion to approve the budget. Ray Beal MOVED: To approve the budget as presented. Don Fawson SECONDED. BOARD VOTED UNANIMOUSLY IN FAVOR. BUDGET WAS APPROVED.

2007 Water Tests/Danielle Stirling

Leeds Domestic Waterusers Association met all State standards for water quality and testing of nitrate, lead, copper, and bacteria.

Accomplishments in 2007/Don Fawson

- Collapsed well was predrilled, cased, and stabilized.
- A water loan agreement was made with Leeds Irrigation Company to augment culinary water during that time.
- Critical management of water was given to meet the needs of the town.
- Worn well pumps were replaced with a new pump and pump lines.
- An automated pump control system was installed.
- A Capital Facilities Plan was commissioned.
- Vista View Subdivision II was brought online.

Challenges for 2008/Maurice Hall

- Maintaining a water supply for present shareholders plus reserved standby and floater taps.
- Obtaining a back-up water supply to the well.
- Negotiating an understanding between the Town and LDWA.
- Acquiring a Water Superintendent/Water Operator
- Funding an Emergency Restoration reserve, and a Capital Project reserve

ACTION ITEM

Repeal By-Law Amendment: Article 9

It was decided not to repeal the By-Law Amendment but to change the way it is written. It was not intended to require minor subdivisions to bring in wet water, and the Town needs to redefine subdivision/development. It was decided: **To put together the committee who volunteered the year before to revise the amendment. They will be asked to hold a meeting whereby shareholders can vote on the revision, then publish it according to the By-Laws.**

BOARD MEMBER ELECTIONS

Nominations from the floor were made for three new board members. Three judges were assigned to canvas the vote and tally the results: Donna Ricci, Susan Savage, and Gloria Parnell. Donna announced the winners. They were:

Danielle Stirling = re-elected for a 2 year term
Ben Gordon = newly elected for a 2 year term
Don Fawson = elected for a 1 year term

EXECUTIVE SESSION

Board members were given the Oath of Office. Elections were made among the board members for officers: Maurice Hall as President, Ben Gordon as Vice-President.

Meeting Adjourned 9:10 PM

Recorded by Joanne Dawson

**LEEDS DOMESTIC WATERUSERS
BOARD MEETING MINUTES
March 13, 2008**

Present: Maurice Hall, Joanne Dawson, Don Fawson, Danielle Stirling, Ben Gordon, Craig Sullivan.

Meeting was opened at 7:04 PM by President Maurice Hall.

Call to Order:

Welcome: Maurice Hall

Prayer: Ben Gordon

Pledge of Allegiance: Don Fawson

Minutes: Danielle MOVED: To approve 1/10/08 minutes. Don SECONDED. MINUTES APPROVED.

BUSINESS ITEMS

Item: Report From the Task Force Committee

The committee plans to meet each Tuesday at 7:00 pm through March and April, or until the board feels they have completed their task. They are re-working the agreement by clarifying the terms of the agreement between the town and LDWA. Their job is not to persuade the public's vote but to inform them of the advantages and disadvantages of LDWA remaining private. They plan to present these facts to the shareholders at a public meeting and answer any questions. Their goal is to help the shareholders make an informed decision. The committee feels the ballot should read as facts and considerations only so the shareholder can vote on what they feel is in their best interest and the interest of the town.

Discussion Items Between The Committee and The Board:

- Having LDWA consider compliance to the State and County standard of .89 for residential water allocation instead of the current 1.2, to create additional connections to the system and less reliance on the water conservancy.
- Town being bound to the Washington County Water Conservancy District (WCWCD) and their fee structure.
- Possible rate increase for long-term pipeline replacement costs, and for building reserves. Also a two-tiered water rate, one for people on the old system, and one for those with the town (WCWCD). - One town water board for two water companies and the structuring of that water board.
- How and if the Town Council's final decision will affect the water board's recommendations. - Water board members as elected or appointed, staggering their terms, and how to ratify their replacements. .
- Re-working the agreement to include legal representation and language from LDWA's attorney.
- The town, if part of WCWCD, taxing the shareholders as town citizens for parts of the conservancy's water even if they are not using the conservancy's water.
- Possibility of LDWA purchasing water shares from the conservancy through the town.
- LDWA's assets, and keeping them separate from the town's general fund.

Not refunding money to the shareholders in the event of merging, even if there is excess, due to the size and age of the system, and there not being enough money in reserve for replacement or maintenance.

- Municipalities trying to condemn private companies, and how to override condemnation by petition.

Martha Hamm suggested the town and LDWA talk to the water manager of WaterPro, Inc., a private water company in Draper, Utah. She said Draper has a separate sewer company, a separate trash company, and 2 water companies. She said Water Pro contracts with the Jordan River Water Conservancy and pays a 6% franchise fee to the town of Draper. She felt it to be an interesting organization and model to

use for our town and gave their website address: www.waterpro.net . She said the manager for WaterPro is available for questions.

The committee will update the board at the next board meeting, April 10°.

NON-AGENDA ITEMS

Caselle Billing

Maurice asked to have the billing program returned in-house, keeping only a portion of the accounting with the accounting firm. Don MOVED: To take the Caselle billing back in-house. Craig SECONDED. MOTION PASSED.

Water Tanks

The two green water tanks have begun to undermine from rain water washing under the tanks and creating a void underneath them. Concrete needs to be pumped under each tank, then a berm placed around both tanks. It could cost between \$3,000 - \$5,000 for the repair. Danielle MOVED: To proceed with the repair of the tanks and hire someone professional to do it. Maurice SECONDED. MOTION PASSED.

Water Superintendent

LDWA can not afford the individual first considered for the job. There has been a change of requirements for the opening and therefore needs to be put out for bid again. The individual must meet the town council's approval as well. The job ad will be advertised locally this time. Ben MOVED: That an advertisement be placed in the Spectrum, and with Utah Workforce Services for a Water Superintendent position. Don SECONDED. MOTION PASSED. Joanne was asked to place the ad and change the wording to say "must have either a Class H Operator's License or have the ability to get one within 6 months." She was also asked to post the opening on Rural Water's website.

LDWA Website

Danielle requested a website for LDWA. Shareholders can check our By-Laws, and Articles of Incorporation. If a pipe is broken the website will say where it is broken and when it will be repaired, creating documentation. Shareholders will be able to check out the agreement if we merge, and any other information such as meeting dates and times. It will also be good source for feedback. Karen Markovich will set up the website for \$375.00. Danielle MOVED: To obtain a website for LDWA. Don SECONDED. THE BOARD VOTED UNANIMOUSLY IN FAVOR. MOTION PASSED.

Meeting Adjourned: 8:39 PM

Recorded by Joanne

Dawson

LEEDS DOMESTIC WATERUSERS
BOARD MEETING
April 10, 2008
7:00 PM

Present: Maurice Hall, Joanne Dawson, Don Fawson, Danielle Stirling, Ben Gordon

Absent: Craig Sullivan

Meeting was opened at 7:06 PM by President Maurice Hall

Call to Order:

Welcome: Maurice Hall

Prayer: Danielle Stirling

Pledge of Allegiance: Maurice Hall

Minutes: Ben MOVED: To approve 3/13/08 minutes. Danielle SECONDED. MINUTES APPROVED.

BUSINESS ITEMS

Item: Report From the Task Force Committee/Joy Cooney

Joy presented the committee's findings in the form of a mailer to be sent to each shareholder/citizen. She thanked LDWA for their patience in the committee's attempt to educate themselves, and for funding the mailer. She said a letter will accompany the mailer announcing a meeting for Thursday, April 17th, at the Fire Station, at 7:00 pm, where all the shareholders will be invited to comment, to support, or challenge anything in the mailer. She read the mailer to the board, line by line, and asked for possible interjections of change. The facts were divided into two options. Option 1, merging LDWA with a new Leeds Town Water Department (TWD). And Option 2, LDWA remaining private:

- First paragraph under Option 1 where it reads "the town council will be able to overturn a TWD Board's decision." To change the language to reflect the town's intention to do so only in extreme cases or if the State requires it.

- Second paragraph under Option 1, leave out the line "The TWD would be able to use WCWCD water anywhere within the Town's service area," in order to imply the intent of avoiding the mix of water as long as possible. Implication is made further in the paragraph, "plans call for using WCWCD water for new development while using existing LDWA water for LDWA users."

Additional Items of Discussion:

- The eventual mixing of water for emergency use.
 - Checking the quality of other water sources before mixing with LDWA's water.
 - LDWA designing the ballots.
 - Sending documents with the ballots for voting clarification, and posting the same documents on LDWA's website.
 - Having an accounting firm canvass the ballots to ensure a fair and unbiased vote.
- Joy said the committee will meet on the 22nd and the 29th to discuss suggestions for LDWA should the shareholders decide to keep it private, and suggestions for the Town should the shareholders decide to merge. They'll make a final report on the 30th.

Item: Water Superintendent

Board reviewed 15 resumes for the position. They discussed the interviewing process and criteria for hiring. Four candidates were chosen to interview. Interviews were scheduled for Tuesday, April 15th, starting 6:00 pm, at the Fire Station.

Craig Sullivan resigned as member of LDWA's board.

Meeting Adjourned: 9:05 PM

Recorded by Joanne Dawson

LEEDS DOMESTIC WATERUSERS
BOARD MEETING
May 8, 2008
7:00 PM

Present: Maurice Hall, Joanne Dawson, Don Fawson, Danielle Stirling

Absent: Ben Gordon

Call to Order: President Maurice Hall

Minutes: To be approved later.

AGENDA ITEMS

Report By Task Force Committee/Joy Cooney

Joy read the Task Force's final recommendations to LDWA. They included:

- Updating the bylaws with specific items of change and seeking counsel by attorney with regards to those updates.
- Being meticulous and ethical in providing accurate information.
- Presenting the Capital Facilities Plan to shareholders in a meeting with opportunity for discussion.
- Providing an informational pamphlet with the shareholders certificate.
- Providing shareholders with a newsletter to be included with their water billings.
- Continue providing an electronic notice of board meetings and agendas.
- Negotiating with the town for new development (which is able to provide water) and annexation into LDWA service area.
- Being open in communications among the citizens/shareholders and the Town Council.
- Welcoming volunteer participation.
- Offering conservation information and incentives. And,
- Ensuring the Water Company Assignment and Assumption Agreement is printed in its entirety and accompanies the mail-in ballot.

Status of the Agreement Between the Town and LDWA

Maurice asked for the board's consent to sign an extension to the agreement so the town and LDWA have time to study issues, rewrite the agreement, and prepare a mailing of the ballot. The Town set the time for signing the agreement by the end of May. Don Fawson MOVED: To sign an extension. Danielle Stirling SECONDED. MOTION PASSED.

Water Superintendent's Report/Scott Hayes

- The well house is painted inside and out.
- The job of repacking dirt and gravel under the two green tanks is almost complete.
- Rust spots are being sanded and repainted.
- The old trailer off Silver Reef Rd has been cleaned out and will be removed for salvage.
- Old files found are being consolidated and organized.
- Cell phones are being tested for best signal. And,
- The Board is still shopping for a company vehicle.

Scott will be working with Colin Korpi until the end of the month.

Danielle is waiting for Tracy Comas' decision to serve as a board member.

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Task management, expenditure reports, communications, calendar items, and correspondence with Scott, the office, and the board, will now be through **Microsoft Outlook**. Maurice will centralize Outlook from one location.

Agenda Items Review Will Serve Letter, and Review Employment Agreement were not discussed.

Meeting Adjourned: 8:01 PM

Recorded by Joanne Dawson

LDWA & TOWN COUNCIL
WORK MEETING MINUTES
May 21, 2008

The Work Meeting convened at 5:35 pm, purpose was to review the recommendations submitted from the Water Task Force Committee. Present were LDWA Board Members Maurice Hall, Danielle Stirling, Angie Rohr, Scott Hayes (Water Manager), Joanne Dawson (recording meeting), Mayor Trudy Law and Council members Jared Westhoff, Keith Sullivan. Also present were former LDWA Board member Susan Savage and Water Task Force Committee Chair Joy Cooney.

Maurice Hall asked Jared Westhoff to update on the status of the possible water purchase. Jared said the asking price far exceeded that of the market value and the Town was not pursuing negotiations with the sellers at this time. Jared said the price was based on usable water, and was three to four times higher at the asking price of \$11,000 per acre share than compared to Ron Thompson (WCWCD) water at about \$3,000 per acre share. Banking of water rights was discussed and the possibilities of rather than “use or loose” the water, banking rights to use it later.

The recommendations to the Town were:

Update wet-water requirement to conform to Utah League of Cities and Towns, in which:

- a) Town determines during annexation procedures whether it is prepared to provide water to new development on an equal basis, and
 - b) If unable to provide water, developers are required to bring in wet water, or
 - c) If able to provide water, Town may accept paper water in order to help finance infrastructure.
- Mayor and Council members should take responsibility to provide sources for all statements of information, definition, or policy to ensure accuracy of facts.
 - Conduct a properly announced public hearing prior to the establishment of any ordinance or policy affecting the public in general.
 - Revise/update/establish a land-use plan or general plan to guide all decisions. This general plan should serve as a handbook of rules, not suggestions, or be changed (according to Utah Code).
 - Clarify the parameters of the Water Enterprise Fund, specifically real estate or other non-liquid assets.
 - Involve more task-force/study group volunteerism.
 - When applicable, use the Utah League of Cities and Towns, refer to Utah Code, and use other resources to ensure that decisions meet Utah law.
 - Ensure that the Water Company Assignment and Assumption Agreement printed in its entirety accompanies the mail-in ballot.
 - Invite residents to participate in public dialogue concerning any locally relevant issues via an open forum (chat room) link available on the Town’s Website

Changes to the Agreement and review of the recommendations were as follows:

1. Mayor Law discussed including wet-water requirements in the preliminary plat when annexing land into the Town of Leeds.
2. TC & LDWA agreed to include a copy of the final Water Company Assignment and Assumption Agreement with the ballots and will be mailed to shareholders to vote ‘in favor of’ or ‘against’ the Agreement, and was added to paragraph 5.2 of the Agreement.
3. Paragraph 7.1 was revised to include the following:
 - To qualify as a member of the Water Board, a person must be a registered voter within the Town of Leeds.
 - Should the Town Council not agree with the recommendation from the Water Board the Water board will review and forward additional names until approved by the Town Council.
 - The town, through its governing body, shall delegate and authorize the Water Board to adopt a regular meeting schedule and its own policies and procedures with public review through open public meetings. Any changes shall require the same procedure.

4. Paragraph 7.2 of the Agreement was revised to include "assets or" in the following paragraph to read: Voluntarily agrees to restrict the use if all revenue generated from the retail sale of culinary water or the sale of any portion of the Culinary Water System to expenditures relating to the operation, expansion, improvement, or maintenance of the Culinary Water System or the reduction of culinary water rates. By making this covenant the Town expressly agrees not to use assets or revenues generated from the Water Department or the sale of the assets comprising the Culinary Water System for any general fund purpose of the Town as provided for in the Uniform Fiscal Procedures Act for Utah towns (Utah Code Ann. § 10-5-101 *et seq*), or for any other enterprise fund maintained by the Town.
5. A requirement to hold a public hearing was added to the Agreement in the paragraph following Sec. 7.2. Recommendations from the Water Task Force Committee to LDWA would be addressed in the event the LDWA remains a separate entity (to be determined after voting is completed).

APPROVED BY THE TOWN COUNCIL ON THE _____ DAY OF _____, 2008.

Trudy Law, Mayor

ATTEST:

Joanne Dawson, LDWA Secretary
on behalf of
Karen Markovich, Leeds Clerk/Recorder (absent)

LEEDS DOMESTIC WATERUSERS
BOARD MEETING
June 10, 2008
7:00 PM

Present: Maurice Hall, Joanne Dawson, Don Fawson, Danielle Stirling, Ben Gordon, Angela Rohr, Scott Hayes

Meeting was opened at 7:05 PM by President Maurice Hall

Call to Order:

Welcome: Maurice Hall

Prayer: Maurice Hall

Pledge of Allegiance: Don Fawson

Minutes: Don MOVED: To approve 4/10/08 and 5/8/08 minutes. Angela SECONDED. MINUTES APPROVED.

BUSINESS ITEMS

Item: Bank Presentation/Will Jones

Mr. Jones presented the status of our sweep account. At the beginning of the year the federal reserve began to aggressively lower the interest rate. These rates have declined to an interest rate of .615%. Bank fees charged versus the interest earned is a wash. Don MOVED: To suspend the sweep account and put reserves into a money market savings. Angela SECONDED. BOARD IN FAVOR. MOTION PASSED.

Item: Reallocating Water

Scott Hayes was asked to check subdivision plat maps from the recorder's office to check the status of our standby taps for Eldorado, Bonanza, Silver Meadows, Vista, Highlands, and Silver Reef. If we take our water rights according to our Capital Facilities Studies, the number of services we are committed to, and the total usage of water based on allocation, we are completely tapped. According to our By-Laws we cannot issue anymore water taps.

Item: By-Law Amendment, Article IX, Section 5

Susan Savage, Bailey Muir, and anyone else they would like to serve with them, volunteered to form a committee and work with Don Goddard, the author of the amendment. The committee was asked to define "new development" and to differentiate major and minor subdivisions; to study and rewrite the current amendment and report within 30 days. A special meeting will be held to address this issue.

Item: Water Assignment and Assumption Agreement

A copy of the final draft with changes was issued to those present. Edits were made:

1. Page 3, paragraph 5.1, last sentence, change the word "will" to "must."
2. Page 3, paragraph 5.2, 4th line down, change a) to 1).
3. Page 3, paragraph 5.2, 8th line down, define quorum requirement.
4. Page 3, paragraph 5.2, 10th line down, should include "accompanied by a copy of this Agreement..."
5. Page 4, top of page, 1st line, include "Notice has been disseminated and the Public Hearing..." Also drop the letter "s" to read shareholder.
6. Page 4, 1st paragraph 10th line, place "(Accounting Firm)" to follow Hinton, Burdick, Hall & Spilker.
7. Page 5, paragraph 7.1, needs to be divided into 2 categories: "Water Board Terms," and "Organization of Policies and Procedures." A mechanism is needed to define how members are chosen and how many years they serve. 14th and 15th line, change word "nominee" to "an appointee."

8. Page 6, paragraph 9, state a time certain for dissolution of LDWA, i.e. 30 days after the date all the assets have been transferred over to the Town.
9. Page 4, paragraph 5.6, request made to change the wording so disclosure of a request or recount can be made after the voting process.
10. Page 3, paragraph 5.4, change to "will" send a second notice to all.
11. Page 4, paragraph 5.2, 8th line, eliminate "self-addressed envelope" and change to "addressed, stamped envelope."

Item: Terry Prisbrey

We are facing a legal action with Mr. Prisbrey, July 30th. He felt we might be able to resolve the problem out of court, If We:

- 1) have the easement to his property abandoned and relocate the water facilities to the public right of way.
- 2) give him a water connection. He said he paid \$500 towards it and has presentments to back this up.
- 3) abide by the law when he makes these presentments by crediting his account towards that connection.
- 4) resolve these issues, he will drop charges.

The Board agreed to take his requests under advisement and examine his presentments. If proven correct, to apply the \$500 towards a connection fee, and to relinquish easement. Have our attorney, Mr. Hafen, write a letter stating these facts with conditions, and have it to him within 15 days.

Meeting Adjourned: 9:40 PM

Recorded by Joanne Dawson

**LEEDS DOMESTIC WATERUSERS
BOARD MEETING MINUTES
July 10, 2008
7:00 PM**

Present: Danielle Stirling, Maurice Hall, Don Fawson, Angie Rohr, Ben Gordon, Joanne Dawson, Scott Hayes

Meeting was opened at 7:00 PM by President Maurice Hall

Call to Order:

Welcome: Maurice Hall

Prayer: Danielle Stirling

Pledge of Allegiance: Maurice Hall

Minutes: Don MOVED: To approve 6/10/08 minutes. Danielle SECONDED. MINUTES APPROVED.

BUSINESS ITEMS

Item: Research Report for By-Law Amendment, Article IX, Section V/Susan Savage

The Committee reported it best to wait for the outcome of the voting to merge before dealing with the issue. The Committee was asked to meet one more time to: 1) consider Maurice's suggested amending of the amendment if it will help; 2) have something in place should LDWA remain private; and 3) have it ready to report by next board meeting.

Item: Update on the Public Hearing

Item was dismissed. A "pre-hearing" meeting is planned for July 15, 2008, the day before the public hearing.

Item: Prisbrey

A response from Rick Hafen was issued to the Board regarding our protest to the water Prisbrey is claiming to have. Our protest has been acknowledged by the State Department of Natural Resource and Water Rights. They will notify LDWA of any hearing to be held.

Item: Superintendent's Report/Scott Hayes

- Old trailer off Silver Reef Drive has been removed and recycled.
- Some air vacs have been leaking and replaced. Next year all remaining vacs should also be replaced.
- Tested hydrants: 1) a new hydrant has been installed below the Highland tank for fire protection, and 2) a hydrant by Vista has been repaired.

Scott was given permission to cover with concrete an exposed 4" steel pipe that comes from the spring next to the road.

Meeting Adjourned: 7:40 PM

Recorded by Joanne Dawson

Leeds Domestic Wateruser's Association & Town of Leeds
July 16, 2008, 7:00 p.m. - Leeds Fire Station
730 North Main Street, Leeds, Utah
PUBLIC HEARING
MTG MINUTES

Present and Representing LDWA: President Maurice Hall, Don Fawson, Ben Gordon, Danielle Stirling, Angela Rohr, Scott Hayes

Present and Representing Town of Leeds: Mayor Trudy Law, Attorney Heath Snow, Keith Sullivan, Frank Lojko

Meeting Opened: 7:05 p.m.

1. Welcome: LDWA President Maurice Hall

2. Introduction and History: Maurice Hall

Background information was read listing events leading to the exploration of a merger with the Town Water Company and LDWA.

Ben Gordon **MOVED:** To open the Public Hearing. Don Fawson **SECONDED. MOTION PASSED.**

Don Goddard **MOVED:** The public be allowed more than 1-1/2 minutes to be heard. Gary Davis **SECONDED. MOTION PASSED.**

COMMENTS

Leslie Budd Against merge. Town has too much control. Does not want the Mayor appointing water board members. Does not want to lose shareholder's rights and power.

Dick Higgins Serves on the Town's Board of Adjustments. Against merge. Merge will not improve quality of life. Lacks confidence in the governing party of the Town.

Margaret Eggers Represented former Mayor Norma Gier. Against merge. Water will be given to the larger populations first then Leeds. Margaret representing herself, against merge.

Ron Cundick Against merge. Discussed 1) LDWA's Articles of Incorporation versus their By-Laws. 2) Washington County Water Conservancy District (WCWCD)'s support to merge or condemn LDWA. 3) WCWCD requiring a franchise from the Town and a franchise fee. 4) Felt the Town has declared war on LDWA and agreement is hostile. 5) Lacks confidence in Town 6) Town designating itself as exclusive provider of water to future developments and their civil penalties and fines if opposed. 7) Entering the Pooling Agreement and having to comply with the municipality of WCWCD. 8) Felt private ownership better than government ownership. 9) Requested summary for and against the merger on the ballot.

Rhonda Aurigemma Against merge. Town does not listen to the community, used Arroyo Regal Subdivision as example. Questioned using the accounting firm Philip Peine (a shareholder) works for.

Wants voting to be unbiased and protected. Felt Attorney Heath Snow abused the law by representing both a developer and the Town.

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RESPONSES

Maurice Hall Mayor does not appoint a water board member without the Water Board's recommendations.

Ben Gordon Under the Agreement the majority of votes cast control the outcome. Articles of Incorporation require the majority of shareholders. Issue will be addressed and the Agreement amended.

Heath Snow, Atty Conflict of Interest was waived and signed by both the Town and Developer.

Mayor Trudy Law Explained: 1) Merge or not, higher fees and lower allocation will change in the future. 2) WCWCD will not immediately operate the water company. Town has the option to choose them as a water provider, or operator. 3) Intent of Town is to stay with LDWA for billing services and operations. 4) Pooling Agreement allows the Town to access water (if needed) from WCWCD, but does not require the Town to provide water to WCWCD. 5) The original water ordinance regarded as "hostile," was changed.

Maurice Hall Accounting firm knows Philip Peine cannot have any involvement with the voting process whatsoever.

Don Fawson Change can be good. Silver Reef Special District joining LDWA has been good for the community as a whole. Suggested a 5-year term for LDWA board members, and invited community involvement. Board felt the exploration of a merge important enough to bring to the shareholders for their vote.

COMMENTS

Bob Breskin Against merge. Town Council has the final word and can overrule the water board. LDWA has managed itself well for 75 years. Concerned about the \$1,000 a day fine imposed by the Town if LDWA gives an unauthorized water tap. Not comfortable having the Town run LDWA.

Margaret Malm Against merge. WCWCD attempted to build a pipeline 15 years ago that would have taken water from Springdale, Virgin, Rockville, and Hurricane. Merge is WCWCD's "version 2" for controlling all the water in Washington County. Merge is a mistake.

Pete Aurigemma Against merge. Attended a meeting and wondered if Heath Snow was representing Arroyo Regal Subdivision instead of Town. Suggested "the clock start" after the amendment is made.

Cyntha Wright Against merge. Does not want the Town to have control over her water share. Against development, likes the country atmosphere.

Kayla Koeber Table the vote. Thanked those volunteering on the Town Council and LDWA. Neighbors first, not opposing factions. Let the residents be heard, compromise, and work together. Felt the action is premature, needs a consensus, and a general plan. Requested to know where LDWA's board members stand on the issue.

Don Goddard Against merge. The merge has been tried 5 times in past 45 years. Was rumored the Town Council hadn't read the agreement but voted on it. Wanted to know LDWA's stand on the issue. Feels Shareholders have nothing to gain. Questioned how the Town plans not to co-mingle monies if merged. Felt the agreement is lousy, and the attorney should be in jail.

Public Hearing
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Peter Mills Table the vote. Moving too fast and not ready. Take months or years if necessary. Wants to see LDWA left intact. Have more water companies, if necessary, and learn to co-exist. If LDWA is tapped out, we should not grow but learn to work together.

Paul Millet (Representing the Schweers) Against merge. Confirmed the need to amend the Agreement. Concerned about the Town raising fees later if they decide to, or giving up allocation if Town deems it necessary. Shareholders losing their power to vote.

RESPONSES

Maurice Hall Will seek legal counsel. If legal, the voting process will not start over but continue. LDWA and Town had many meetings going over the Agreement word by word before it was passed.

Heath Snow, Atty Utah Fiscal Act requires Town Treasurers to keep Enterprise Funds separate and are audited every year. Town cannot co-mingle water-related monies unless public is notified. Shareholders/ taxpayers have the power to challenge the Town.

Maurice Hall Attended a training meeting on Enterprise Funds. Funds cannot be used for anything but their intended purposes.

Don Fawson LDWA felt the time historically right to consider a merge. Merging Silver Reef with LDWA spread the economy and the Fire Station and other amenities resulted. Future cannot be predicted. Need to keep unity.

Ben Gordon LDWA can change fee structure without vote. Board felt that sharing their opinions would influence the public and duly influence the outcome.

COMMENTS

Susan Savage Against merge. Concerned about condemnation. Articles of Incorporation should have been researched. Require "wet water" from Developers. Asked who signed conflict of interest waiver.

Questioned integrity of “outside” help. More than one water company in a town is common. Too much emphasis on well going down; things need upgrades and repairs. Differs with the Capital Facilities Plan; there is enough water but not for new development. Asked if there is recourse for shareholders. Need an appeals process without going to court. Questioned how ballot signatures can be verified.

Maurice Hall Intervened. Asked public to stop attacking Mr. Snow and the Town Council. Agreement was written by Mr. Snow and reviewed by LDWA’s attorney as well.

Carl Bruner Against merge. Allocation dropped to 30,000 gallons per month during drought, asked when it will be 40,000 gallons again.

Maurice Hall Answered. The rate structure is set for 30,000 gallons. The reference to 40,000 gallons is the amount of water that needs to be held in reserve for summer use.

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RESPONSES

Heath Snow, Atty Use eminent domain as last option. Articles of Incorporation are filed with the State, if contradict the By-Laws, the Articles of Incorporation prevail. Cannot approve annexation without water or LDWA’s will-serve letter. 95% of failures are private companies as opposed to being under a municipality umbrella. Both governing bodies in Leeds are citizens of same town. Control is a matter of election.

Angela Rohr Heard from many well informed people about the issues, encouraged public to share information with neighbors. Listed points in Section 5.2 of the Agreement that include contents of the ballot, and voting procedures. Numbered ballots for voting verification.

COMMENTS

Elliot Sheltman Against merge. Concern for water development surcharges by WCWCD and assessing it’s customers the cost of its pipeline infrastructure. Not time to join municipalities; developments experiencing a decline in sales (171% foreclosures in St. George). Felt Town’s general plan was based on false or overly optimistic projections. Town did not study growth trends, chose to give up rules and ordinances for Arroyo Regal. Plans to keep his (shareholder) rights. Encouraged continued unity of the community. Citizens are boss.

Maurice Hall Entertained a motion to close public hearing.

Don Goddard **MOVED:** To close the meeting. Members (unknown) of audience: **SECONDED.**

MOTION PASSED.

Meeting Adjourned: 9:10 PM

Recorded by Joanne Dawson, LDWA Secretary

**LEEDS DOMESTIC WATERUSERS
BOARD MEETING MINUTES
August 14, 2008
7:00 PM**

Present: Maurice Hall, Angie Rohr, Don Fawson, Scott Hayes

Meeting was opened at 7:05 PM by President Maurice Hall

Call to Order:

Welcome: Maurice Hall

Prayer: Scott Hayes

Pledge of Allegiance: Maurice Hall

Minutes: Not reviewed.

BUSINESS ITEMS

Item: Task Force Presentation for Bylaw Amendment, Article IX, Section V/Susan Savage

The task force recommend:

- 1) Changes made to LDWA By-Laws or Amendments require a vote of the shareholders.
 - 2) Proposed changes be reviewed by a qualified attorney.
 - 3) Intended clarifications be in the body of the amendment itself rather than adding additional material.
 - 4) Against the alternative of bringing paper water to the pumping demands of LDWA's present well.
 - 5) Change Paragraph (1), 1st line, "Developers (addition) **of 5 or more lots** provide the Association....."
- Sentence added at the end of paragraph (1): "**Developers of 4 or fewer lots may be provided through LDWA according to current Bylaws and according to water availability.**"

Changes as given accepted and signed by each member of the task force.

Offer by Susan Savage to participate in or oversee a committee to address ideas for better efficiency of water.

Item: Next Steps with the Water Assignment and Assumption Agreement

M. Sean Sullivan, of Brindley Sullivan, PC, (a legal firm) reviewed the Agreement, the ballot, and package as it would go to the shareholders. He recommended canceling the Agreement. According to his reading of LDWA's By-laws and State Statues, a mail-in ballot requires **every** ballot be returned to make a quorum. If any one member fails to submit a vote, there is no quorum and the voting matter has no effect. Angie Rohr **MOVED:** That we cancel the Water Assignment and Assumption Agreement with the Town based on Attorney Sullivan's recommendations, and to allow the President of LDWA's Board to sign the recession. **ALL VOTED IN FAVOR. MOTION PASSED.**

Item: General Discussion

Items discussed:

- 1) Making changes to the Bylaws and Articles of Incorporation.
- 2) The judicious tracking and monitoring of the well for early maintenance.
- 3) Adding another well but in a different geological strata.
- 4) Reallocation.
- 5) Possible conversion of irrigation water into culinary water.
- 6) Trading LDWA shares of irrigation water, or volunteers opting to have .6 acre feet each of culinary and irrigation water.
- 7) The pumping of the 3 wells down Grapevine Wash and it's affect on our well.
- 8) Difference between Bylaw allocation of 40,000 gallons a month for 1.2 acre feet of water per connection, and 30,000 gallons allocated for use without overage charge.

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9) LDWA managing the Town's water company.

10) Using a water reserve in WCWCD's pipeline for emergency situations and helping reallocation.

Susan Savage asked for volunteers to serve on her Committee: Dick Higgins, Terry Danielson, Don Goddard, Joy Cooney.

Meeting Adjourned: 9:20 PM

Recorded by Joanne Dawson

LEEDS DOMESTIC WATERUSERS
Monthly Meeting Agenda
September 11, 2008
7:00 PM, Town Hall

- I. Call to Order
 1. Welcome
 2. Prayer
 3. Pledge of Allegiance

- II. Approval of Minutes

- III. Board Business
 1. Manager's Report
 - A. GPS
 - B. Hydrant
 - C. Eldorado Tank
 2. Susan Savage's Committee Report
 3. Purchase Policy

- IV. Executive Session

- V. Adjourn

LEEDS DOMESTIC WATERUSERS
BOARD MEETING MINUTES
September 11, 2008
7:00 PM

Present: Maurice Hall, Don Fawson, Danielle Stirling, Ben Gordon, Angela Rohr, Scott Hayes, Joanne Dawson

Meeting was opened at 7:02 PM by President Maurice Hall

Call to Order:

Welcome: Maurice Hall

Prayer: Ben Gordon

Pledge of Allegiance: Maurice Hall

Minutes: Don MOVED: To approve 8/14/08 minutes. Danielle SECONDED. MINUTES APPROVED.

BUSINESS ITEMS

Item: Manager's Report/Scott Hayes

- Sent in radionuclide test and waiting for results.
- Discussed shut off notices and delinquencies.
- Scheduled GPS for the end of the month. Will GPS the fire hydrants, valves, and air vacs. Working with the fire department on latitude and longitude mapping of the system.
- Waterline for Cemetery and Leeds Storage on hold for another month, will need new bids to cover

increase in material costs.

- Discussed bringing the Eldorado Tank on line for additional water storage and capacity. Ben **MOVED:** To authorize Scott to contact Sunrise Engineering, and any other engineering firms he feels appropriate, to get bids for the repair and other work necessary to bring the Eldorado Tank on line. Angela and Don **SECONDED. BOARD VOTED UNANIMOUSLY IN FAVOR. MOTION PASSED.**

Item: Office Status Report/Joanne Dawson

- Completed a Workforce Service audit.
- Exported Caselle's customer information into Excel.
- Organized share certificates by year, area, and certificate number, then filed.
- Organized LDWA Water Rights into numerical order and filed.
- Requested a proposal from Wells Fargo Bank for an ACH service for customer autopay.

BOARD ASSIGNMENT: To set up an email billing service and put out a notice in the next billing that email billing is available for any customer wanting this service.

Item: Financial Information/Angela Rohr

- Mountain America Credit Union: Requires a \$125.00 minimum to open an account and everyone signing on the account present at the same time. A money market with a \$100,000 account balance pays 3.11% and a 6-month CD pays 3.3%.
- America First Credit Union: Money market pays 3.11%, a 3-month CD pays 3%, and a 6-month CD pays 3.25%.
- Wells Fargo Bank: A savings and a checking account pays 1.75%, a 3-month CD pays 1.75%, and a 6-month CD pays 2.15%. Their money market pays .75%.

Danielle requested outside financial planning and advice. Don requested a monthly financial report from Scott.

BOARD ASSIGNMENT: 1) Email QuickBooks backup to Maurice for an Expenditure Report. 2) Have Danielle find an outside financial planner to advise LDWA, and 3) have Scott submit a monthly financial report.

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Item: Committee Report/Susan Savage

Their purpose:

- To be a support to LDWA.
- To have a colored copy of the Capital Facilities Plan. (Maurice will email a copy to the Committee)
- Find more efficient ways to distribute water within infield areas.
- Define LDWA's service area.

Response from Board:

- Welcome any ideas or recommendations from shareholders.
- Want the Committee to look into a backup system for the well, maintain an emergency reserve yet protect the shareholders' needs.
- "Fix" issues with LDWA Bylaws; to make the bylaws coincide with the Committee's recommendations.
- Find ways to reallocate the water so more customers can be served, and so service areas can be defined.
- Research grants available to private companies.

Maurice asked to meet with the Committee.

Item: Purchase Policy

Set up a purchase policy to:

- Have a water manager manage the water company's day to day business and approve it's normal expenditures.
- Change the bylaws to authorize the water manager to sign checks.
- Set up spending limits, guidelines, and keep dual signatures.
- Have the water manager prepare a detailed budget for Board approval.
- Approve and authorize the water manager to sign checks for those expenditures, and to have the manager approach the Board for things outside that budget.

BOARD ASSIGNMENT: Have Don obtain the school district's purchase policy to use as a guide in

formulating a purchase policy for LDWA.

Other Items:

Scott discussed the cost of purchasing a new fire hydrant versus repairing one. Don **MOVED:** To authorize Scott to spend up to \$2,000 to put in a hydrant on Center Street. Ben **SECONDED.** **BOARD VOTED UNANIMOUSLY IN FAVOR.** **MOTION PASSED.**

Angela requested an official notice stating there isn't going to be a ballot, and the agreement merger has been cancelled. **BOARD ASSIGNMENT:** Have Joanne prepare a notice for Angela's approval, then post it at the Post Office.

Maurice spoke of House Bill 51 passed last year and said Rick Hafen will report on this issue at our next board meeting. Agenda item for next month: House Bill 51.

Scott asked about delinquency payments, authorization to lock meters, and having the ability to lien properties going into foreclosure or auction. Ben **OFFERED, THEN ASSIGNED:** To look into a utility lien ordinance and put together some forms for LDWA.

Ben proposed the creation of a Policies and Procedures document to better manage the company and to consolidate the purchasing policy, as well as the shut off policy, into that document. **BOARD ASSIGNMENT:** Have Scott look into the policies and procedures of other water companies and bring recommendations to the Board. Agenda item for next month: Policy Procedures.

Meeting Adjourned: 8:35 PM
Recorded by Joanne Dawson

LEEDS DOMESTIC WATERUSERS
BOARD MEETING
October 9, 2008
7:00 PM

Present: Maurice Hall, Angie Rohr, Don Fawson, Danielle Stirling, Joanne Dawson
Absent: Scott Hayes, Ben Gordon

Meeting was opened at 7:00 PM by President Maurice Hall

Call to Order:

Welcome: Maurice Hall

Prayer: Don Fawson

Pledge of Allegiance: Danielle Stirling

Minutes: Don **MOVED:** To approve 9/11/08 minutes with a change to Item 1 in Manager's Report.
Angela **SECONDED. MINUTES APPROVED.**

BUSINESS ITEMS

Item: Potential Water Purchase/Roger Sanders

Mr. Sanders is a water attorney for the Central Iron County Water Conservancy District representing water rights available for purchase in the Sand Hollow area. There are 1500 acre feet he has been asked to find purchasers for. Extensive geologic studies show these rights can be moved to Leeds and as far as Pintura and still be from the same aquifer. A piece LDWA was looking at was for 40 acre feet. The asking price for this piece is \$6,500 an acre foot, the price being negotiable. Funding is available through the Rural Development Agency (RDA) as they provide funding for the acquisition of water rights. Mr. Sanders also offered to work with our attorney in putting together a contract.

Another potential water purchase comes from an individual in Leeds who owns 30 acre feet of underground water rights. His asking price is \$5,000 an acre foot. The board discussed the purchase of 8 of those 30 acre feet. Maurice presented an expenditure report to the board and felt there was enough funds available to purchase the 8 acre feet.

He proposed we reallocate our water, change the amendment to allow people to bring in water and pay a fee, or buy water that we have purchased. He proposed fees that would allow people to do this. He also named individuals within our service area that would be willing to purchase water from us. He feels if we are going to be in the water business we need to change our by-laws to allow us to buy water for resell.

Danielle **MOVED:** To research the water right for the 8 acre feet of water. Don **SECONDED.** Maurice **ADDED TO THE MOTION:** That we purchase the 8 acre feet of water and give our attorney the power of negotiation with the stipulations of what we want. Angela **AMENDED THE MOTION:** To acquire 10 acre feet of water. Danielle **SECONDED. ALL VOTED UNANIMOUSLY IN FAVOR.**

Item: House Bill 51/Rick Hafen

House Bill 51 was passed by the legislature and went into effect the first part of May of this year. This bill made amendments to Statue 73, which says if you don't use water for 5 consecutive years you may forfeit your water. This bill protects specific entities from forfeiting a water right because of nonuse. The entity LDWA falls under is defined as a "public water supplier." It is an entity that supplies water, directly or indirectly, to the public for municipal, domestic, or industrial use. It is also a water corporation; a community water system that supplies water to at least 100 service connections used by year-round residents whose voting members own a share in the community water system and pay the rate set by the community water system. The bill says that a water corporation includes every corporation in person: lessees, trustees, and receivers, owning, controlling, operating, or managing any water system for public service. Rick says we qualify because 1) we are a water corporation and, 2) we supply water for municipal, domestic, and

industrial use.
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The nonuse application is now good for seven years. It requires that judicial action for forfeiture be filed within 15 years from the end of the last period of 7 years of nonuse. In order to be forfeited, legal action has to be filed within 15 years after the date that the water starts to begin use. If water usage stops for seven years subjecting it to forfeiture but no one files legal action, and usage starts again within that 15 years, the water becomes reinstated.

Basically LDWA is safe. He said if water rights are subject to an approved change application and we maintain all of our water rights under an approved change application to our well, and if our water allocation is reduced and our excess water is held for future growth, our rights cannot be forfeited.

Item: Policies and Procedures

This item was tabled for another time.

Meeting Adjourned: 8:40 PM

Recorded by Joanne Dawson

LEEDS DOMESTIC WATERUSERS
BOARD MEETING
November 13, 2008
7:00 PM

Present: Maurice Hall, Don Fawson, Ben Gordon, Angela Rohr, Scott Hayes, Joanne Dawson
Absent: Danielle Stirling

Meeting was opened at 7:07 PM by President Maurice Hall

Call to Order:

Welcome: Maurice Hall

Prayer: Scott Hayes

Pledge of Allegiance: Maurice Hall

Minutes: Angela MOVED: To approve 10/9/08 minutes with changes. Don SECONDED. MINUTES APPROVED.

BUSINESS ITEMS

Item: Research Committee Status Report/Susan Savage

To date the committee has:

- Studied how water works in the State and with water companies here locally.
- Studied the Capital Facilities Plan.
- Researched water rights.
- Reviewed House Bill 51, and checked for compliance.
- Studied Maurice's proposal.
- Recommended By-Law changes be reviewed by an attorney with knowledge of corporate and state laws.

With these studies they feel ready to accomplish the two things required of them: 1) Using our water more efficiently, reallocating, and maintaining reserves; and 2) changing the By-Laws.

Some items of discussion were:

- Clarifying our service area and including infill lots for allocation.
- Goddard's Amendment
- Capital Facilities Plan
- Available aquifers and their boundaries
- Shares of irrigation water owned by LDWA
- Town's negotiation with Washington County Water Conservancy District and the Town's ability to defer any services to LDWA.

BOARD REQUEST: 1) Change the language in the By-Laws (Section 1, #7) from "reserve" (for each shareholder) to "holding for future growth." 2) Change the "wet water" agreement to facilitate option to buy and resell water. 3) Come back with ideas of whether LDWA can also be the water operator/manager for the town's water company.

Item: Water Superintendent's Report/Scott Hayes

Scott has:

- Talked with the State and our attorney about "proofing up" our water. (The State does not count water until it's in the tank, and does not count water held in "reserve.") Requested again changing the By-Laws.
- Completed the town's GPS and is now able to locate the PRV's, air vacs, meters, hydrants, and water shut off valves. The County has an aerial of our system. It is now being mapped.
- Reported several breaks and leaks in the lines that have been fixed and brought up to code.
- Put in a fire hydrant on Center Street. (Scholzen's donated some parts to keep the cost within the \$2,000

allocated for the job.)

- Cemented around the shut off valves for the new hydrants.
- The water purchase agreement signed for the 8 acre feet of water.
- Joanne scheduled for QuickBooks training at Hinton, Burdick, to prepare payroll and payables in-house.

BOARD ASSIGNMENT: 1) Tell the Johnson's to fasten down the meter lids after reading the meters, and 2) ask them what they will charge to insulate each meter.

Meeting Adjourned: 8:30 PM

Recorded by Joanne Dawson

**LEEDS DOMESTIC WATERUSERS
BOARD MEETING MINUTES
December 11, 2008
7:00 PM**

Present: Maurice Hall, Angie Rohr, Don Fawson, Scott Hayes, Joanne Dawson

Absent: Danielle Stirling, Ben Gordon

Meeting was opened at 7:20 PM by President Maurice Hall

Call to Order:

Welcome: Maurice Hall

Prayer: Don Fawson

Pledge of Allegiance: Angela Rohr

Minutes: Don **MOVED:** To approve 11/13/08 minutes. Angela **SECONDED. MINUTES APPROVED.**

BUSINESS ITEMS

Item: Research Committee Report/Susan Savage

Susan Savage was unable to attend. She assigned Angela to report the committee's needs:

- A clearer definition of our service area.
- The report of the Task Force which included:
 - Their recommendations for change to the By-Laws
 - Their request for binders with our By-Laws and Articles of Incorporation.
- Audience discussion included:
 - Definition of our service area. (No need to define; the Town defaults whomever they choose for LDWA to serve, and our service capacity is presently where we have water lines.)
 - Preparing a written agreement between the town and water company for legal clarification of service area.
 - LDWA representing the Town's water board, and servicing the Town's water company.
 - Refreshing/recharging our aquifers.
 - Recourse to the pumping of the 3 wells in Grapevine Wash should it affect our water levels.
 - Clarifying the misconception that a 40,000 gallon allocation is owned by each shareholder and tied to their water bill.

Item: Discuss By-Law Changes

Discussion included:

- Removing the 40,000 gallon allocation in the By-Laws.
- Removing the "Wet Water" By-Law Amendment so we can purchase water rights for resale and ensure company growth by:
 - Having water to supply our infills.
 - Having enough revenue to maintain our company, to pay for repairs, and to support the infrastructure of our system. (Raising rates is not enough)
- Availability of 40 acre feet of water for \$2,000 an acre foot, originally priced at \$7,000 an acre foot.

Update: A check for \$8,000 was issued 10/31/08, with \$500.00 of it non-refundable, for a water purchase. If the water cannot be transferred the seller will return \$7500 to LDWA. This transaction will be monitored by our attorney. There is a 30-day window allowed for any possible protests to the purchase.

To date Johnson's have not given Scott an estimate for insulating meters.

Item: Discuss Budget for 2009

Maurice assigned Scott to prepare the 2009 budget for the Annual Shareholder's Meeting and offered his assistance. Assignments for the Annual Shareholder's Meeting, February 3, 2009, are as follows:

- Projected 2009 Budget - Scott Hayes
- Report of 2008 Water Tests - Danielle Stirling
- Accomplishments in 2008 - Scott Hayes
- Challenges for the Year 2009 - Angela Rohr

Ballots will be prepared to replace 3 board members: Maurice, Don, and Angela.

Non-Agenda Item: Letter to Shareholders

The State doesn't want LDWA to draw up anymore water for our well because they say we aren't using it anyway. We can hold water in reserve but it cannot be held in reserve for each shareholder, especially 40,000 gallons. LDWA is at risk for losing water if we continue to maintain the By-Laws as written.

Angela **MOVED:** That Rick Hafen draw up By-Law changes that will make it appropriate for LDWA to use the new water they are wanting to bring in. Don **SECONDED. ALL VOTED UNANIMOUSLY IN FAVOR. MOTION PASSED.**

A letter to the shareholders will accompany January's billing prior to the Annual Shareholder's Meeting and it will address:

- Member vacancies
- Misconceptions
- By-Law changes as drafted by our attorney Rick Hafen

After receiving a copy of Hafen's By-Law draft for preview, Don Fawson will prepare the letter. Maurice asked to read and approve the letter before sending.

Meeting Adjourned: 8:30 PM

Recorded by Joanne Dawson