

LDWA MEETING AGENDA
7:00 pm THURSDAY, JANUARY 19, 2012
LDWA Office, 1901 Silver Reef Drive, Leeds, UT 84746

I. CALL TO ORDER

1. Welcome by Elliott Sheltman @7:02 pm
2. Pledge of Allegiance led by Elliott Sheltman
3. Prayer by Jim Vasquez

LDWA attendees: Board members Elliott Sheltman, Jim Vasquez, Danielle Stirling, Randy Stevens, with Ben Gorden absent. Staff attending: Janae Blake taking minutes with Sue Butikofer, Colin Korpi, and Mark Osmer in attendance.

Shareholder/public attendees: Susan Savage, Don Fuller, and Angie Rohr.

II. CONSENT AGENDA

Motion by Danielle Stirling, second by Jim Vasquez to approve the Meeting Minutes from Sept 15, October 20, November 17, & December 15, with all unanimous; **motion carried to approve the Sept. 15, Oct. 20, Nov. 17, & Dec. 15 Board Meeting Minutes.**

III. REGULAR BUSINESS

1. Field Report - Mark Osmer / Colin Korpi

- Colin will discuss and present Tank cleaning bid (Not done at last meeting)

Mark says the well has not been used since Oct. 2011 and everything is working, as it should. Danielle asked if they measure at the spring. Mark says he checks every week. Elliott asked about the water draining in the ditch at L-SRE-10. Mark said he talked to the person there and water is draining at night so Mark will shut off the water during the night so that there will not be a chance of it overflowing. Elliott said the easement will be in place until December 2013 or until they are done with their project.

Colin said if we will use the old piping and put in an adjustable overflow in the green tanks, we would never overflow the pink tank again. The cost for all the valving is about \$3,000 this will eliminate the bad valves. Right now, we have 17 valves and will run it down to 5 valves. There is the possibility of running the spring water through the piping system not through the creek, and overflowing into the irrigation water so we do not lose it to evaporation. Colin also said the tanks will be called 1,2,3,4, and 5 instead of pink, green, ECT.

Elliott said there will be a meeting with the irrigation board on Monday, Jan. 23, 2012 on the Pink Tank overflow and asked that the board and Colin be present. Elliott said the engineer has the drawing for this.

Randy asked about the legalities of taking all the water through our system. Colin said we are not taking the water we are just bringing it down. Randy was concerned because it is past the diversion box. Colin said the irrigation would get the water after the diversion box. Elliott said they would need to run this past the attorney. Elliott said that if all goes well with the irrigation company that all water will eventually be metered when it is done.

The overflow with PPI and the Forestry permits are still on the table.

Susan Savage asked for an understanding of the splitting of the water. Colin said the irrigation water comes down with the culinary and then is split. Danielle said we do not know how much water LDWA is taking because it is not metered, but some how we need to supplement that water back. Colin said that some day everything would be metered. Colin said they are exposing the pipes right now to find the valves. Elliott asked Jim to work on PPI and have them give a quote and get this moving along so that we can have it done within a month.

Elliott asked Colin how long we could wait to have the tanks cleaned and Colin said the tanks need to be done now. Danielle asked what the cost for the cleaning would be. Colin said it would be \$6500-\$7025 to clean the tank and \$375.00/hr for all epoxy repairs underwater. The bid is from Liquid Engineers. Danielle was concerned about additional charges that could apply should liquid Engineers find other things wrong other than what is on the bid and Colin said he didn't see that happening because the tanks are not that bad. He said mostly what there will be is scum. Danielle asked what the Angel Springs repairs were that were done and Colin said they only had 2 epoxy repairs done. **Danielle Stirling made a motion for Liquid Engineers to do the service cleaning for \$7025.00 and any repairs that need to be made will be brought to the board and will be acceptable in email form if possible will allocate funds from the project loan if not from the project then from the capital improvement funds. Jim Vasquez seconds the motion with all unanimous.**

2. Financial Report - Danielle Stirling

Danielle pulled the profit and loss report from 2010 to 2011 and there were some discrepancies so will get with Karen Markovich and Shannon Eide and go over the bookwork and have a correct report for Feb.16, 2012 Board Meeting. Danielle pulled the check registry from Dec. 1- 31, 2011 said we are making money even though it is only \$492.00 its better than not making money. Danielle also pulled the payroll from 2009, 2010, 2011 and said that we have cut back on payroll, but we have the same consistent coverage. We are still operating within our budget and not going in the red every month; this appears to be working. For Feb. 16, 2012, meeting Danielle will compare 2009, 2010 and 2011 budget and will make sure that as we move forward with 2012 and 2013 we will consistently be on budget. Will make sure that we are not allocating expenses that we do not need. Elliott asked Danielle if they could have a check registry allocated and put in the packets for each month's meetings. Randy questioned the payroll from 2010-2011 profit and losses and wanted to know why there was not a report for payroll. Danielle said that she needed to get with Shannon to get the correct reports and that she would have these next month. Elliott requested that Danielle, Karen, and Shannon get together and go over the bookwork for the next meeting. Danielle said that if you look on the LDWA website that the budget is right where it needs to be for 2010-2011.

3. L-SRE-10 Easement Agreement

Elliott said there are some minor changes and customary fees in section 3. Elliott said the easement will be in place until December 2013 or until they are done with their project. Danielle spoke to the attorney and he said if the irrigation company abandons the ditch, we would have to get our own easements. Except for the attorneys changes everything looks good. **Randy Stevens motioned to accept the easement termination and grant of new (CPN 532-4955) of L-SRE-10. Danielle Stirling second the motion with all unanimous.**

The Board reviewed the easement again with Angie Rohr who asked for a review. Elliott wants to go over the easements with Colin and Mark again.

4. Well Drilling Status

Elliott said that he does not have confidence in the #3 well drilling any more. There have been many mistakes that have been made with this already. Gardener Brothers gave a rate total amount of \$100,000 if we get water when drilled. We are already out about \$175,000. Elliott said we should not continue we have tried twice and failed both times. Angie Rohr asked if there would be a problem with the current well if it were a drought year like it might be this year. Colin said the current well is producing 340 gal/min. and recovers in 10 minutes. He said there would not be a problem. The pump and motor are both new. Jim asked if we are still exercising it and Mark said it is being done every month. Danielle wanted to know if the telemetry we purchased is being used. Colin said yes, and that Mark was given a free computer program to monitor it from his

house. **Danielle Stirling motioned to abandon the #3 Well Drilling and request that Peter Rowley go to the site and document where the next drilling should have been. Jim Vasquez second the motion with all unanimous.** Danielle will call Peter Rowley to come and document the next drilling.

5. Pink Tank Overflow Status- already covered in the Field Report from Colin.

6. DDW Project: Setting Deadlines

Jim will contact PPI and Gardner Brothers. Colin said the quote should still be current with Allied Fence, but he will contact them and make sure. When the weather warms up he tanks will be painted with food grade paint; the tops will be painted white. Danielle asked Colin if this would be something he would want help with from a scout for and Eagle project; Colin said no. Elliott asked Colin to get a price for the cost of the materials within the next week. Elliott wanted to know about the easements and if we needed approval. Danielle said the Kurt Allen was supposed to file those and said that they should be checked to make sure they were filed.

7. Annual Shareholder's February Meeting Details

Feb. 7, 2012 will be the Annual Shareholder's Meeting located at the Leeds Town Hall. An announcement of the meeting will be on February's billing statements. Danielle said there was a certain amount of days that the shareholders needed to be advised about the meeting. Susan Savage said she thought the shareholder's are suppose to be notified with a mailer 10 days prior to the meeting. Board will check the bylaws to make sure of the correct procedure. Karen will be in charge of taking care of this. There also needs to be a change in the bylaws for the time listed as 8 pm to 7 pm for the meeting to begin.

IV. COMMENTS

Don Fuller said there have been a lot of concern for the cost of the increase in the water bills since the project began. He wanted to know if these fees are going to continue. Elliott said there is a \$20.00 fee for project upgrade for 30 years and \$20.00 for the water. The surplus has not changed and that about 1 year ago we knocked off \$5.00 from the bills in trying to cut cost. Danielle said that it has been about 80 years since anything has been done with the water system and that we are playing catch up of pipes. This has been very beneficial. Don Fuller wanted to know if there is anyway to have a sliding scale for people who have to use the culinary water for outside use when the irrigation water is turned off during the winter months. Elliot said a sliding scale could be possible but that there are so many things on the list right now that need to be done that a sliding scale is something that could be looked at in a year or so. Don wanted to know if there would be any grant money left when they are done with the project. Elliot said that when we are done we would have used most of the money.

Susan asked how many irrigation shares that LDWA owns. Elliott said we own approximately 7.87 shares and that LDWA will try to sell them to help cut cost as much as possible but that we have to move slow and have a good reason to sell. Susan said that the explanation of the cost of water was very helpful and that it is best if we all invest in the good of the future.

Don said it would be good to have LDWA and the irrigation company working together on the water system. Don offered his assistance to LDWA.

V. EXECUTIVE SESSION

VI. ADJOURN BOARD MEETING

Randy motioned to adjourn the meeting at 8:12 pm and Danielle seconds the motion.

LEEDS DOMESTIC WATERUSERS ASSOCIATION
ANNUAL SHAREHOLDERS MEETING MINUTES
TUESDAY, February 7, 2012

held at Leeds Town Hall, 218 North Main Street, Leeds, UT

PRESENT

LDWA Board members : Elliott Sheltman, Jim Vasquez, Danielle Stirling, Randy Stevens, Peter Aurigemma.

LDWA Staff: Colin Korpi, Mark Osmer, Janae Blake, Susan Butikofer.

Shareholder/public attendees: 23 members in attendance.

I. CALL TO ORDER

- Welcome - Elliott Sheltman
- Prayer - Jim Vasquez
- Pledge of Allegiance - Elliott Sheltman

II. APPROVAL OF MEETING MINUTES

Motion by Randy Stevens, second by Jim Vasquez with all unanimous to approve the Annual Shareholder Meeting Minutes dated February 1, 2011.

III. ANNUAL REPORT - Elliott Sheltman.

- This past year, LDWA reduced salaried payroll and benefits under operating overhead in efforts to reverse LDWA's annual deficit which began four years ago. While these were difficult decisions to make, we have been successful in bringing down 2011 year-end Ordinary Operating Expenses, resulting with a net gain for the first time since 2008.
- Installation of a remote auto-check deposit machine was completed at the beginning of the year. This save's LDWA over \$300.00 month in employee's salary, fuel and auto expenses driving to town three times a week to make bank deposits. The cost of the machine is \$30.00 month. The one small disadvantage is we can no longer accept cash, but that has not proven to be a negative factor for shareholders.
- This past summer 2011, LDWA's well was off line for several days due to an unexpected failure of the pump's motor. Our certified water operators Colin Korpi and Mark Osmer were successful in securing competitive prices for the needed equipment and supplies, saving LDWA just under \$3,000.00. Elliott & the Board thank Colin and Mark for their dedication working diligently to bring the well back on line in the shortest period of time, while also working within our budget. Elliott also thanked the volunteers who worked to dismantle and rebuild the pump house to allow access by the heavy-duty crane and equipment necessary to complete the repairs.
- Elliott discussed the revised Shareholder Payment Policy in compliance with LDWA bylaws. Payments of invoices are due in full upon receipt of the bill, and a late fee is assessed if the payment is received after the 30th of the month. The minimum late fee is \$5.00 or 10% of the unpaid balance, whichever is greater. Late fees can no longer be reversed without the LDWA Board's approval. For more information, please visit the website at www.ldwautah.org.
- LDWA has implemented a new policy that includes a levy of an assessment on foreclosed properties and on accounts when an outstanding balance due exceeds 90 days. The meter is removed from the property and the water share is cancelled, with a \$2,500.00 Water Share Reinstatement fee placed on the property.

IV. ANNUAL FINANCIAL REPORT

- Treasurer Danielle Stirling reported this year's net gain of \$20,302.24, the first year operating in the black since 2008. Danielle discussed the budget and asked for shareholder input.

- Shareholder Don Fawson asked who completes entries of payments and deposits. Danielle replied that our Corporate Secretary, Karen Markovich, was responsible for LDWA's accounts receivable & accounts payable in the office, with an outside CPA firm completing year-end taxes. Now with Karen's resignation, LDWA has hired Susan Butikofer and Janae Blake to input the A/R, and outsourced A/P including payroll and payroll taxes to a private Certified Public Accountant. Danielle added that LDWA had been very blessed to have Karen working for LDWA to successfully manage all aspects of administration. With Karen's departure, we now have several people in place who plan to cross train and share LDWA's internal duties. Don reassured the board he did not mean to imply he had 'trust issues' with employees, he just wanted to make sure correct procedures were followed.

V. OPEN FORUM FOR SHAREHOLDERS COMMENTS / QUESTIONS

- Stephanie Martini asked if the new staff employees could resume emailing her statement to her as Karen had done in the past and Elliott said it would not be a problem.
- Don Fawson said he knows there is a requirement to flow and flush the hydrants each year, and asked when he planned to complete that for the year. Colin replied they are in the process of implementing a schedule with Terry Smith, Circuit Rider for the Rural Water Association (RWAU). The RWAU provides ongoing education for certified operators. Hydrants in the past were only spot-checked, but now our new field operator Mark Osmer is working with Fire Chief Steve Lewis to identify and comply with the ISO requirements. The fire hydrants are also in the process of being re-numbered. Colin said that they have divided the town into 5 distinct zones and the hydrants in each zone are to be numbered for that specific zone.

VI. ELECTION OF 3 BOARD DIRECTORS FOR TWO-YEAR TERMS

- Nominations of Board Members. Peter Aurigemma - and Danielle Stirling are willing to continue to serve. Shareholders nominated: Denise Johnson , Gene Martin, David Stirling, and Bob Breskin.
- Comments from nominees - Peter expressed his desire to continue serving on the board even though he had only been on the board for a couple of weeks after filling the seat vacated by former member Ben Gordon. Peter said he had background in water supply and genuinely enjoys serving our community. Donna Ricci supported Peter noting his work ethics, competence, and knowledge and is a great asset to LDWA.
- Angie Rohr spoke on behalf of Denise Johnson who was unable to be present for the meeting. Denise formerly served on the Town of Leeds Planning Commission, is very professional, thorough and conscientious. She would be an excellent addition for the LDWA board.
- With all ballots submitted, votes were counted by board-appointed volunteers Donna Ricci, Dave Harbour, and Ange Rohr.
- Elliott announced the results of the voting as follows: Danielle Stirling, Peter Aurigemma and Denise Johnson were elected for one term each.

VII. ADJOURN SHAREHOLDERS MEETING

Motion to adjourn Shareholder Annual Meeting by Randy Stevens at 7:59 pm.

Meeting minutes completed on February 2, 2013
by Karen Markovich, Administrative Manager/Corporate Secretary

LDWA MEETING AGENDA MINUTES
7:00 pm THURSDAY, FEBRUARY 16, 2012
LDWA Office, 1901 Silver Reef Drive, Leeds

I. CALL TO ORDER

1. Welcome by Elliott Sheltman @ 7:05
2. Pledge of Allegiance by Elliot Sheltman
3. Prayer by Jim Vasquez

BOARD MEMBERS PRESENT

Elliott Sheltman, President
Jim Vasquez, Vice President
Denise Johnson
Peter Aurigemma

EXCUSED - Danielle Stirling, Treasurer

STAFF PRESENT

Janae Blake, recording minutes
Mark Osmer, Field Operations
Colin Korpi, Field Operations Supervisor

GUESTS. Karl Rasmussen, Engineer, Pro Value Engineering; Ryan Lefler, requestor; Angie Rohr, Town Council member.

II. CONSENT AGENDA – scratched

III. REGULAR BUSINESS

1. **FIELD REPORT.** For the benefit of new board members, Elliott provided a brief background of the bid for the tank overflow project as presented to LDWA by Kurt Allen last fall. The plans for control of the overflow required access approval from the US Forestry to cross their land, and cost for materials and labor were estimated at \$17,000.00.

Karl Rasmussen, Engineer with PRO Value Engineering, presented an alternative plan, which will accomplish the same goals for controlling overflow from the tanks, with total cost estimate of \$10,000.00.

Karl reported the drain line located inside the pink tank needs to be repaired to bring it up to state code requirements. The repair includes installation of a compression fitting on the pipe that can be adjusted (turned) to control the water flow, providing a consistent flow of water into the tank. Randall Stout provided a quote for \$950.00 to repair the pipe, bring it up to state code requirements and includes cost of materials, labor, welding equipment, and tools necessary to complete the work.

Karl will provide LDWA with a set of comprehensive plans, detailed itemization of costs for all materials, an As-Built map, and an estimated time frame to complete the project. Colin & Mark will submit costs for time and labor. Karl will provide his written bid by email for Board approval.

If the proposal is approved by the Board, Mark & Colin will drain the tanks by February 21, 2012 and Randall will begin work the following day [February 22].

Motion by Jim Vasquez, second by Peter Aurigemma, with all unanimous to approve Randall Stout's bid of \$950.00 to replace and repair the pipe inside the tank. (Danielle Stirling was excused from meeting.)

Karl offered to oversee the project at a cost of \$640.00; Colin and Elliott will be the project managers for the work. Elliott will have Karen contact Gary Kobzeff, DDW, to discuss reimbursement for this work through the Project Loan #3F138. Colin added any scrap metal that is removed will go to recycling for LDWA.

2. FINANCIAL REPORT. *scratched (Danielle excused)*

[Note: Tape recorder was not started until 3/4 through the following segment.]

3. REQUEST FOR WATER SERVICE – RYAN LEFLER (see below Preface)

Preface. Background & history for new Board members – Excerpts from original requests Mr. Lefler request May 19, 2011 & Jun 16, 2011, excerpts:

May 19, 2011.

Kurt Allen spoke on behalf of Ryan Lefler. Ryan's request is to transfer 1.97 acre-feet of Hogan Spring water (allocated as 1-acre foot domestic and .97-acre-foot irrigation) to LDWA in lieu of paying the water right, impact & connection fee to LDWA. Kurt Allen said it typically takes two (2) shares of irrigation water to constitute one (1) share of domestic water. He will retain his water right to his pond at Hogan Springs to fill his pond.

Randy said our bylaws require someone to bring or buy water & he doesn't see a problem with it. Danielle said there is nothing stopping Ryan, then, from using and filling his pond with the water he intends to trade to LDWA.

Ben asked if the Board if he could relay the message to Ryan that the Board is comfortable with the principle of trading water shares, but wants to work out the details.

Danielle said she does not think that is wise, and we need to talk with an attorney before putting anything on the table. We need everything in black and white before we make a decision.

Elliott agreed with Danielle, and said the numbers are not adding up for the value of what we would be getting. We should not say anything positive or negative in the interim.

Motion by Danielle Stirling second by Randy Stevens, with all unanimous to have Ryan Lefler contact and hire a water rights attorney, preferably Rick Hafen, to give us a definite idea of how much culinary water we will bring into our system by trading the acre-feet.'

Jun 16, 2011. Ryan Lefler discussed his request for a water connection with LDWA. Danielle said the fire hydrant would need to be replaced and relocated, and we cannot add substandard lines to our water delivery system. Ryan agreed to talk to the State regarding the requirements.

Elliott, Danielle and Jim agreed that they would not allow a one-inch line to be installed, as it is substandard and we have just upgraded our system. Danielle said we must comply with State requirements including a record of water use records for 12 months before the Board makes a decision on the request.

Ryan Lefler returned with his request for a water service connection for his residence located on Mulberry Lane. The State Engineer told Ryan that approximately 75 percent of his water rights in Hogan Springs could be transferred. Ryan asked how many acre-feet constitute one water share; Elliott said it is about 1.2 acre feet. Colin suggested it would be less complicated to transfer spring water to spring water (ie: Angell Springs). Ryan hadn't realized that was an option and agreed to look into it.

Elliott said LDWA can sell Ryan a water share and make the connection; however there are the costs of application for water, impact, connection, water right fees, new fire hydrant/relocation with installation of a 6" pipeline. Elliott reminded Ryan that the fire hydrant is presently 150' from his residence and with the residence at a dead end road, the water lines cannot be flushed. This could potentially cause a health hazard. While LDWA would appreciate a new shareholder, it is not cost-

effective to pay for a 6" line, new fire hydrant and infrastructure necessary to satisfy the new State requirements. Karl Rasmussen, engineer, added the new fire codes now require 8" lines to most fire hydrants. Elliott said the estimated cost for installation of a 6" line, a new fire hydrant & relocation would be about \$13,000. Ryan said he received an estimate for \$8,000 from Precision Pipeline Inc. (PPI).

Peter Aurigemma asked Ryan what his motivation was for wanting to buy a water share from LDWA. Ryan said there are a couple of reasons: (i) their spring water is quite hard and clogs sink drains, and (ii) power outages cause severe reduction of water pressure. Upgrading to an LDWA water connection would add to the value of their home in the event they were to sell. Colin suggested adding a magnet to his line would reduce the hardness of the water and is an inexpensive fix in the interim.

Ryan thanked the Board, as he wanted a clear understanding as to why installation of a 6" line is now required [rather than 2"] to purchase a standby tap. It is not economically feasible at this time, but at some point in the future Ryan would like to purchase water from LDWA. Elliott thanked Ryan and suggested he talk further with Colin if he had additional questions.

4. EMERGENCY RESPONSE PLAN REVISION - UPDATE CONTACT INFORMATION.
Board review & adoption is required to add new contacts information in the event of an emergency. Elliott said he would send out an email of the Emergency Response Plan and asked that the board review the updates and email approval.

IV. COMMENTS

V. EXECUTIVE SESSION

VI. Motion by Denise Johnson, second by Jim Vasquez to adjourn the meeting at 8:21 pm

Meeting minutes reviewed by Karen Markovich, Corporate Secretary
Per request from Elliott Sheltman, LDWA President

**LEEDS DOMESTIC WATERUSERS ASSOCIATION
BOARD MEETING MINUTES APRIL 12, 2012**

I. CALL TO ORDER: Elliott Sheltman

1. ROLL CALL: BOARD MEMBERS: Elliott Sheltman, President; Jim Vasquez, Vice President; Danielle Stirling, Treasurer; Peter Aurigemma, Denise Johnson. STAFF: Karen Markovich, Mark Osmer. GUESTS: John Markovich, Ron Cundick, Ange Rohr.

2. PLEDGE: Elliott Sheltman

3. PRAYER: Jim Vasquez

II. ANNOUNCEMENTS - none.

III. APPROVAL OF TONIGHT'S CONSENT AGENDA.

Motion by Peter Aurigemma, **second** by Jim Vasquez with **all unanimous** to approve Consent Agenda for tonight's Agenda and Mtg minutes dated Nov 17, Dec 15, 2011; Jan 19, Feb 16, 2012; Executive Sessions dated Dec 15, 2011, Jan 28 & Mar 6, 2012; updated Emergency Response Plan for 2012; Job Descriptions for Customer Service/Billing & Corporate Secretary.

IV. REGULAR BUSINESS

FIELD REPORT. Mark Osmer reported that the project to redirect the overflow from the Pink Tank has been completed. With the redirection of water overflow, accidental uncontrolled water flowing onto properties downstream is no longer a safety & liability concern for LDWA. Mark completed the clean up around the tanks; Karl Rasmussen, with Pro Value Engineering, has provided the as-builts and we are moving forward to have the USDA Forest Service approve the location and materials to be used for the security fencing. With the new system completed, there has not been a need to run the pump at the well and the spring water is serving the Town of Leeds. All PRV's are operating correctly, all five Zones are routinely checked once a week.

Danielle asked Mark how much water we are taking from the spring. LDWA is guaranteed 60 gallons per minute and Leeds Irrigation Water Company (LWC) is to receive 40 gallons per minute. Mark said there are times when LDWA takes 100 gallons per minute and that it does fluctuate. Danielle asked Mark to compile his records and she will create a graph or chart to review with the LWC. Elliott said given we began monitoring the water use to LWC a few months ago, he would now like to meet with the Irrigation Board members and discuss the upgraded system for water allocation. Danielle said LDWA does not have the right to take 75% of the spring water during this season because the Irrigation Company needs it.

CEMENT TANK CONVERSION. **Motion** by Peter Aurigemma, **second** by Denise Johnson, with **all unanimous** to **approve expenditure of \$1,100.00 entry door, garage door, installation, wood, materials for cement tank on Silver Reef Road.** Karen said she could submit the expenses for review to the DDW/DEQ, but it is doubtful they will be approved through the Project Upgrade funds.

FINANCIAL REPORT. Danielle reviewed the financials 1st qtr 2011 and 2012. We are in the black and running an efficient business. Noted for the record: Late fees collected for 2012 first quarter is less than that collected in 2011 and hopes are that more shareholders are now paying their bills on time.

V. CONTINUED BUSINESS

STATUS OF WALK-THRU FOR PROJECT. Karen said Brant Tuttle of NEI will not have the information for the Town's walk-thru until he receives the as-builts for the pink tank overflow project. We received them today and Karen will email as-builts to Brant Tuttle tomorrow. Brant in turn will send them up to the State for their review along with the compaction, stress, and other tests that were completed. Once the State completes their reviews, we will proceed with scheduling the walk-thru. We are looking at about 2 months - 5 months to complete the walk-through.

IDENTIFICATION OF THE THIRD WELL HOLE. Danielle contacted Peter Rowley, Hydrology Engineer to identify the area to drill a third hole well site next week.

RE-SEEDING on SUSAN SAVAGE PROPERTY. Denise said weather permitting, she and Susan plan to walk through the area to be re-seeded and discuss options for planting. Two landscape companies said it would be viable to seed for another 3 wks. Another said planting in the fall is best. When the easement is satisfied, we will As soon as we get the easement satisfied we will have quotes.

WCWCD ANDERSON JUNCTION. Elliott said we need to begin work on it as WCWCD plans to install a 17-mile long pipeline for a 145 sq acre reservoir up the road. We need to get up to speed on this soon, as it is in its final stages. Elliott talked with Washington County Commissioners and they did not have much pertinent information. Jim Vasquez volunteered to work on this issue and Elliott volunteered Karen to help.

Elliott would like to move in a proactive direction to contact and meet with other small water companies; possibly quarterly, to share information and learn if we have similar concerns re: WCWCD and related issues. Elliott spoke with Washington County Commissioner Jim Eardley regarding the WCWCD Lake Powell Pipeline and Eardley either did not know much about it or did not want to disclose information. Peter said the timing of the Anderson Junction Reservoir is ironic, in that it is close to the Grapevine Wash Development proposed in Leeds. Peter suggested it could be worthwhile to research if someone has the time to do so. Denise agreed that it could be a positive move to make a contact with WCWCD. Danielle said the Anderson project is completed and the protest period has long since passed. The Board needs to review LDWA's water rights and determine what/if WCWCD is using that should be returned to LDWA.

VI. NEW BUSINESS

APPROVAL OF ITRON 1-YR TECH SUPPORT CONTRACT, TRAINING, AND UPGRADE FOR COMPATIBILITY WITH 64-BIT COMPUTER. At the time the hand-held Digital Meter Reading Device was purchased, former LDWA Manager Scott Hayes was given the responsibility [by the Board members] to negotiate the terms of the Purchase Agreement with the vendor, Hydro Specialties. The Board nor Office Admin [Karen] was included in that process. The 1-year service maintenance agreement commenced in June 2010, the date the hand-held unit shipped to LDWA. The service maintenance agreement expired May 31, 2011. However, installation of the new meters was not completed until July 2011.

After discussion, the Board agreed to obtain a quote for a new service agreement and present it at the following Board Meeting.

VII. COMMENTS

Ange Rohr, Town Councilperson, asked when the Town would do the walk-thru. Elliott indicated we would like the Town to present a punch list for the walk-through.

Peter Aurigemma talked with Mayor Roberts in October 2011 and the Mayor indicated most of the work everything on Main Street needs to be addressed.

Danielle stated for the record that the fire hydrant servicing their property was purchased by them and was not paid for with project funds. PPI installed it and have not yet returned to bring it up to the minimum height per LASSD requirement.

VIII. ADJOURNMENT. Motion by Danielle Stirling, second by Jim to adjourn meeting at 8:05 PM.



Karen Markovich
LDWA Corporate Secretary/Administrative Manager

Approved 2012.06.14

**LEEDS DOMESTIC WATERUSERS ASSOCIATION
BOARD MEETING MINUTES - JUNE 14, 2012**

I. CALL TO ORDER Elliott Sheltman

1. **ROLL CALL:** BOARD MEMBERS: Elliott Sheltman, President; Jim Vasquez, Vice President; Danielle Stirling, Treasurer; Peter Aurigemma, Denise Johnson was excused. STAFF: Karen Markovich, Mark Osmer. GUESTS: Scott & Tatiana Faylor; Kade Bringhurst, engineer for Silver Pointe Estates Development.

2. **PLEDGE:** Elliott Sheltman

3. **PRAYER:** Jim Vasquez

II. INTRODUCTIONS Terry & Nina Danielson, Jerry Otteson, Ron Cundick, Kade Bringhurst, Fire Chief Steve Lewis.

III. ANNOUNCEMENTS Elliott thanked Sue Butikofer for her time working for LDWA. Sue resigned in May and we wish her the best in her new endeavor. Janae Blake has agreed to extend her schedule to work Mon-Thu open office hours beginning July 1, 2012, revised to Monday - Thursday, 10:0 am to 1:00 pm; Karen Markovich agreed to return as office backup in the event Janae is unavailable.

IV. APPROVAL OF TONIGHT'S CONSENT AGENDA **Motion** by Elliott Sheltman, **second** by Peter Aurigemma, with **all unanimous to approve tonight's meeting agenda**. Approval of Mtg Minutes dated April 14, 2012 were move to the following meeting.

V. REGULAR & NEW BUSINESS

1. **INQUIRY BY L-SRH-19 PROPERTY OWNER RE: STANDBY TAP ACCOUNT.** Tatiana & Scott Faylor requested the Board to consider waiving the \$2,500.00 share reinstatement fee on parcel L-SRH-19 which they purchased Dec 30, 2011. The parcel's water share had been cancelled in May 2011 due to non-payment by the previous property owner and the Faylor's felt they should not be required to pay the fee incurred by another. The Board determined the reinstatement fee could not be waived, but agreed to arrange a payment plan for the Faylor's with \$446.67 due the 10th of each month for six months [which includes the \$30.00 month due for the standby tap fee], July 10 through December 10, 2012. In return, the Faylor's will not be charged the \$30.00 monthly standby tap fee for the first six months of 2012 and the account transfer will be waived. The total savings to the Faylor's will be \$200.00. In the event the Faylor's do not make the minimum monthly payment by the 10th of each month, the \$200.00 will be debited to their account. **Motion by Danielle Stirling, second by Peter Aurigemma, with all unanimous to approve Tatiana Faylor, property owner of lot L-SRH-19, to pay the \$2,500.00 reinstatement fee in equal monthly payments of \$416.67 over a six-month period due the**

10th of each month beginning July and ending December 2012, in addition to the \$30.00 monthly standby tap fee; in return the Faylor's account will be credited for fees incurred January through June 2012 which total \$200.00.

2. Silver Pointe Estates (SPE) Plat Review - Kade Bringhurst, Alpha Engineering. Kade Bringhurst, engineer representing SPE developer Rick Sant, stated he previously worked with LDWA's field operator Scott Hayes rather than with Board members. **Elliott explained that is no longer the procedure. All communications go through the office so that the Board can have oversight of the business.** The Board and LDWA's engineer Karl Rasmussen will review all plans prior to approval of plats, agreements, or plans. Bringhurst said they are seeking to reduce the size of Phase I of the development by almost 50%. Originally, they had completed an analysis of LDWA's system and believed they could receive enough pressure from LDWA's existing water storage tank. A storage tank for the SPE Development was omitted in the original plans approved by former field operator Scott Hayes. Elliott said that the Silver Reef Highlands Development installed their own water storage tank and it is dedicated to that Development. After discussion, it was agreed that developer Rick Sant of SPE will be responsible for costs incurred by LDWA for an engineer to review the revised Plat, and the plans will include plans and location for installation of a water storage tank within the development.

3. Financial Reports - Danielle Stirling. Danielle presented our monthly financial status and noted we remain operating in the black. Water use has increased and thus so has income. She recommended to close the Zion Money Market Bank Acct (interest rate 0.15%) and deposit the full amount \$19,417.00 into the MACU Money Market account, as their interest rate is 0.35%. Karen reminded Elliott that all authorized signers of the Zion Bank Accounts account no longer work with [or for] LDWA and we need to request former Board President Ron Cundick to accompany Elliott to Zion's to approve changes of authorized signers.

4. Field Report - Mark Osmer. Mark reported a couple of leaks on Main and Center Streets. Numerous accounts of vandalism/vagrancy: someone destroyed a PRV in Oak Grove while using it for target practice; the storage shed located at the Cement Tank on Silver Reef Road was vandalized; there have been squatters illegally camping for extended periods up at our water source. Peter said they have had the same problem last week up at the Mesa Test Site in Virgin. Elliott asked Mark to provide copies of the incident reports to the staff and the Mayor would like copies for the Town's records. Karl Rasmussen plans to assess the El Dorado water & tank to determine if the water is suitable for drinking and if so, it will be put back in service. Total cost for all water tests will not exceed \$3,000.00.

VI. ACTION ITEMS

5. Review and possible approval of revised Hydrant/Meter Rental Agreement. Elliott said our drinking water is too important to be used for construction purposes and sad the Board shall reassess the use as needed. Chief Lewis suggested it's not a new concept to use irrigation water for construction purposes and that the Board might want to speak with Leeds Water Irrigation Co. board member, Craig Sullivan. Danielle confirmed that the \$1,000.00 security

deposit on rented meters needs to be deposited and clear the bank prior to renting the meter. **Motion by Peter Aurigemma, second by Danielle Stirling, with all unanimous to approve the revised Hydrant/Meter Rental Agreement as presented.**

6. Review & Possible approval of amendment to LDWA Billing Policy in compliance with LDWA Bylaws, ART X. Elliott rescheduled the review of the Billing Policy for the September 2012 meeting.

VII. CONTINUED BUSINESS

7. Itron Tech Support Warranty Agreement including training and upgrade for compatibility with the 64-bit computer. The Board agreed that while the cost to maintain the agreement and warranty of the digital reader was extremely high, there ultimately is no second option given all new water meters have been installed with the sensors needed for digital meter reading. The Board approved the expenditure for the upgrade and 1-year service agreement with Itron Digital handheld reader. Karen said plans are to have the Itron reader upgraded on the 64-bit computer and operational for the July 31 meter readings. **Motion by Danielle Stirling, second by Peter Aurigemma, with all unanimous to spend \$1275.00 for the Itron Service Agreement & upgrade to 64-bit computer.**

8. Status of easement on 2065 Oak Grove Rd. The new easement on parcel L-SRE-10 located at 2065 Oak Grove Road has been recorded with the Washington County and the property owners have provided a copy to LDWA.

VIII. COMMENTS

Chief Steve Lewis said he appreciates the work Mark Osmer has accomplished in his relatively short time with LDWA. Mark's a self-starter, great to work with and the LASSD appreciates his efforts. Peter added that Mark is one of the hardest, if not THE hardest, working guys he has ever met.

Terry Danielson asked if LDWA has a Service Area Agreement with the Town and if not, we should complete one. Danielle said she's not sure if using the existing municipal boundaries will work because the Town appointed themselves as the Leeds Water Authority & that gives them the first right to determine if the Town will serve water to new connections within Leeds.

IX. ADJOURNMENT by Elliott Sheltman at 8:15 PM.

X. EXEC SESSION

Motion by Elliott Sheltman, second by Peter Aurigemma, with all unanimous to approve expenditure of a one-time bonus of \$850.00 bonus for Mark Osmer.

Karen Markovich

**LEEDS DOMESTIC WATERUSERS ASSOCIATION
BOARD MEETING MINUTES - JULY 19, 2012**

I. CALL TO ORDER Elliott Sheltman

1. **ROLL CALL:** BOARD MEMBERS: Elliott Sheltman, President; Jim Vasquez, Vice President; Danielle Stirling, Treasurer; Denise Johnson; Peter Aurigemma was excused. STAFF: Karen Markovich, Mark Osmer. GUESTS: Terry & Nina Danielson, Mayor Alan Roberts, Susan Savage, David Stirling.

2. **PLEDGE:** Elliott Sheltman

3. **PRAYER:** Jim Vasquez

II. ANNOUNCEMENTS - none

III. APPROVAL OF TONIGHT'S CONSENT AGENDA **Motion** by Danielle Stirling, **second** by Jim Vasquez, with **all unanimous to approve tonight's Consent Agenda for Meeting Minutes dated April 12, 2012, June 14, 2012 and tonight's meeting agenda dated July 19, 2012.**

IV. REGULAR & NEW BUSINESS REPORTS

1. **Field Report** - Mark Osmer. We passed the Bac-T Test this month and are busy pumping water to the Leeds Irrigation Water Company at a rate of over 1 acre-foot per day. We had a serious leak at South Main St. and was temporarily repaired with a "bandaid" until the original source of the water supply can be located. Thus far it has been traced up the west side of Main Street to Silver Reef Road.

2. **Financial Report** - Danielle Stirling. We continue to maintain a net gain, comparing gain of \$4,428 in 2011 to our current \$10,976.95 in 2012. This is a direct result of reduced ordinary operating payroll wages, benefit expenses, and fuel and maintenance of a company vehicle.

3. **El Dorado Tank** - Elliot Sheltman. The original cost of the El Dorado well was \$230,000 and given the well is pumping an average of 55 gallons minute, the hope is to use the water for at least irrigation and/or emergency needs. LDWA engineer Karl Rasmussen completed the water sample collections for a comprehensive water safety, quality and purity testing of the El Dorado Water Supply. The costs of the test is about \$2,500.00, shall be covered through the DDW loan and results will be available in ~ 1 month. The water is from a separate aquifer and can possibly be used for emergency and irrigation purposes. Terry Danielson said when they were served by the water from the El Dorado Tank, it was highly corrosive to household pipes and fixtures. Terry mentioned that we may be able to join all water supplies together with reduced corrosive result; Elliott said we will not use any water source for culinary purposes if the test results reflect the water would reduce the quality of our current culinary water supply. Terry noted a redundant system would be good to have for backup and asked if the water might be used for new growth; Elliott replied it would not.

4. Cement Tank 325 Silver Reef Road - Elliott Sheltman. We are moving toward using the old cement tank for our new office and supply room and hope to have it completed by August 2014. We are currently in the process of getting quotes for installation costs of electricity and permitting for installation of a septic system.
5. Cement Tank Zoning for 325 Silver Reef Road - Elliott Sheltman. The cement tank existed prior to the parcel being annexed into the Town of Leeds and should have been zoned as commercial at that time. However, the Town's zoning maps reflect the zoning as Residential [the same zoning as the surrounding parcels]. Denise Johnson will confirm with the Town & County whether the residential zoning is correct and address the best course of action to update zoning in accordance with the proposed use of the cement tank.
6. 1" meters in El Dorado - Elliott Sheltman. The meters in El Dorado are 1" meters and we upgraded them when the system was replaced in 2010-2011. As the parcels average 5 acres each and meter size based on the 5-acres and they are not served by the Leeds Irrigation Water Co. We upgraded all meters during the reinstallation of the project.
7. Discussion of LDWA's Irrigation Water shares to culinary shares - Elliott Sheltman. About ten years ago, LDWA bought 7.67 Irrigation Water Shares, and a parcel on North Main Street. The plans were to build a large building and share the space with Town Hall. However, that never materialized. We would like to explore the options for selling the parcel of land and either converting the irrigation water shares to culinary or selling them. David Stirling offered to lease the shares from LDWA for use on his farm.
8. LDWA Culinary Water provided to Leeds Irrigation Water Co - Elliott Sheltman. A brief background for the record: the Leeds Irrigation Water Company (LWC) provided water to LDWA in July 2007 when the well caved-in and was repaired, and again for a week in August 2011 during the week the well's pump replaced.

With the lack of rainfall last season (2011-2012), LDWA has agreed to supplement the LWC with water during the next 3-month period, July 2012 - mid-October 2012. LDWA is currently pumping 1-acre foot of water per day to LWC to supplement their needs. With the recent installation of a meter at the tanks, LDWA is accurately tracking the amount of water being provided to the LWC. LDWA's Water Operators are keeping account of time worked on behalf of LWC and additional time running the pump to provide the water will be compared to historic usage of Kilo Watt Hours (KWH) for the same timeframe. Elliott said this 3+ month period of assistance is a one-time provision and will satisfy the repayment of water supplied by the LWC during the two previous repairs. David Stirling of the LWC Board thanked LDWA and said the water LWC is receiving from LDWA is meeting their needs.

Elliott asked David if the LWC has the means to measure the water their shareholders use, as that would provide them the data to accurately record who is using [or overusing] their allotted shares. David said they do not yet meter their shareholders water usage and he will have to bring that up with the LWC Board this winter. David said it's a great idea for LWC to install meters as that would confirm how much water each shareholder uses, and whether they exceed their allotted shares. Danielle asked to include the letter the Stirlings received from Rick Hafen dated June 28, 2012

defining the amounts of water due to each entity. David Stirling would like to have a meeting with LDWA after harvest season ends this fall. Elliott invited the Irrigation Water Co to attend the Wed morning meetings with Mark & Colin (LDWA Field Operations). LDWA wants to ensure LDWA shareholders do not have issues with why LDWA is providing water to the LWC.

9. Review of Amendments to Bylaws for Shareholder vote. The Board will take the draft revisions home to review & edit, to be presented to the shareholders for their vote either at a Special Meeting of the Shareholders or the 2013 Annual Shareholder Meeting.

10. Update - Engineer Karl Rasmussen, Pro-Value Engineering completed SPE plan review on July 12, 2012 and submitted to SPE Alpha Engineer Kade Bringhurst.

V. COMMENTS - The Board and Staff extended thanks and appreciation to Fire Chief Lewis and all fire and rescue crews for their outstanding work fighting the June 23, 2012 Leeds Fire. Fire Chief Lewis said it took the collective work of many fire agencies to successfully contain the blaze, saving all homes that were threatened.

VI. ADJOURNMENT. Motion by Denise, second by Danielle, all unanimous to adjourn at 8:03 pm.

Karen Markovich
LDWA Corporate Secretary/Administrative Manager

**LEEDS DOMESTIC WATERUSERS ASSOCIATION
BOARD MEETING MINUTES
AUGUST 16, 2012**

I. CALL TO ORDER - Elliott Sheltman at 7:08 pm.

1. BOARD MEMBERS

PRESENT

Elliott Sheltman, President
Jim Vasquez, Vice President
Peter Aurigemma
Denise Johnson

EXCUSED

Danielle Stirling, Treasurer

STAFF

Mark Osmer, Certified Water Operator
Karen Markovich, Administrative Manager/Corporate Secretary

GUESTS Fire Chief Lewis, Terry & Nina Danielson, & Donna Ricci

2. PLEDGE- Denise Johnson

3. PRAYER- Jim Vasquez

II. ANNOUNCEMENTS if any - see below

III. APPROVAL OF TONIGHT'S CONSENT AGENDA

Motion by Denise Johnson, second by Jim Vasquez with all unanimous to approve tonight's consent agenda for Meeting Minutes dated July 19, 2012 and tonight's August 16, 2012 Agenda.

IV. REGULAR BUSINESS

1. Field Report, Mark Osmer

a. **Status of Water to LWC** - Mark is working about 2-3 hours a day to continue to provide LWC with irrigation water. 250 gallons/minute 24/7. Total pumped to LWC is over 13,149,000 gallons through August 15, 2012. Average daily use = 313,071 gallons. The Spring is pumping 140 gal minute per - down from 150 gal per minute one month ago.

b. **Forestry and Security Fencing** - we had squatters who were camped illegally at the irrigation and storage tanks. The forestry has agreed to fence and lock the entrance to the road at High Desert area at their expense. Mark said the Forestry would like us to place rocks in the area to prevent transients from squatting.

c. **Meter drop cans adjustment** - Mark lowered the two meter drop cans on Main Street that were this week and Karen will provide written notification to the Town.

d. **Cost estimate to paint water storage tanks** - will be provided no later than August 27, 2012.

e. **Old lines to be replaced in downtown** - on Main St, Vista, Mesa View, Silver Meadows Rd and other roads that are confirmed to have the old black pipelines. Mark said the old lines continue to break down on Main Street. He and Colin Korpi have been successful in replacing them with new vendor-approved poly pipeline that meets state requirements.

2. **Financial Report** - Danielle Stirling - *scratched*

3. **El Dorado Water Test Results** - Elliott Sheltman. Comprehensive water testing is currently being completed on the El Dorado Water. Donna Ricci and Terry Danielson expressed concern and relayed their experience with the water as it was highly corrosive. Terry asked the Board to read the documentation he provided at tonight's meeting; a copy of Terry's letter is included with tonight's minutes for the official record.

4. **Regarding the Cement Tank Zoning & Conversion Cost Estimates** – The Board discussed converting the tank into an office and work space. Fire Chief Steve Lewis said he will be happy to lend a hand with the conversion in the winter.

5. **Establish criteria for 1" meter installation requirements for future building** - *scratched*.

6. **Amendments to Bylaws** - Denise said she reviewed the proposed amendment to the certificates we need to remove all references within the bylaws and articles of incorporation (if referenced).

7. **Feasibility of Irrigation to Culinary Shares Conversion** - *scratched*.

V. **COMMENTS** - Denise Johnson read the letter from shareholder Ralph Rohr. He thanked the board and staff for their selfless and tireless work for all shareholders.

VI. **ADJOURNMENT** - Peter Aurigemma at 8:05 pm.

VII. **EXECUTIVE SESSION**

- Zion Bank - update authorized signers.
- LDWA is a shareholder in LWC and can vote for metering the LWC water.
- Septic & water lines located on private property / subdivisions.

Karen Markovich, LDWA Corporate Secretary

LDWA BOARD MEETING MINUTES

SEPTEMBER 27, 2012

I. CALL TO ORDER

BOARD MEMBERS PRESENT:	EXCUSED:	STAFF MEMBERS PRESENT:
Elliot Sheltman, President	Jim Vasquez, Vice President	Mark Osmer, Water Operator
Peter Aurigemma, Member	Denise Johnson, Member	Karen Markovich, Corporate Secretary
	Danielle Stirling, Treasurer	

Presenters: Karl Rasmussen, Engineer

Residents: Dr. & Mrs. Eighmy, Wayne Peterson, Manny & Joy Goy, Terry & Nina Danielson, Susan & Mayor Alan Roberts.

2. Pledge led by Peter Aurigemma
3. Prayer led by Elliott Sheltman

III. ANNOUNCEMENTS. Elliott noted that we do not have a quorum tonight thus there will be no votes on items.

IV. APPROVAL OF TONIGHT'S CONSENT AGENDA. Without a quorum, the Consent Agenda for meeting minutes dated August 17, 2012 and tonight's Sep 27, 2012 Agenda will be approved at the Oct 18, 2012 meeting.

V. REGULAR BUSINESS.

1. El Dorado Tank- Karl Rasmussen, Pro-Value Engineering. Karl explained how and where the PRVs are planned to be installed along the El Dorado tank and well. Karl said we are working to make great strides with creating a GPS base mapping system identifying our distribution system. This will enable LDWA to accurately estimate future needs as homes are built in Silver Pointe Estates, SITLA and other subdivisions.

2. Field Report, Mark Osmer. Mark is replacing all the old PVC lines downtown and plans to continue until they are completed. We've passed our BAC-T tests this month; today the Dept of Environmental Quality conducted its Sanitary Survey throughout the system and reviewed

3. Status of water supplied to LWC Irrigation. Elliott said LDWA has been providing water to the Leeds Irrigation Water Company and we have been pumping water to them since July 5. We plan to pump for 2 more weeks.

b. Security Fencing on Forestry Administrative Road. Elliott said we have about 6 active and fully functional valves around our tanks down from 18 valves that went to nowhere. We had a problem with transients camping up at the tanks and vandalizing around the well site. The Forestry Dept agreed that we should have a security fence at the entrance.

c. Paint for the Water Storage Tanks. Elliott said the paint will cost about \$4,000.00. Paint for the water storage tanks, with color selection Benjamin Moore Paint Color Yosemite Sand, #AC-5.

3. Inventory for Field Supplies. We are going to build an inventory of supplies that are used on a regular basis and
 4. Financial Reports - Danielle Stirling.
 5. LDWA's Irrigation Shares - include on Oct 18 mtg.
 6. Power Installation to Cement Tank. Rocky Mt Power quoted the cost for adding power to the cement tank. will be about \$10,000.00 for installation Rocky Mt. Power
- VI. COMMENTS.** Penny Eighmy is attempting to build a home on Lot #9 and wants to know when their meter will be installed as they paid the impact and connection fees. Elliott asked Penn
- VII. ADJOURNMENT.** At 8:15 pm.
- VIII. EXECUTIVE SESSION.**

Karen Markovich
LDWA Corporate Secretary/Administrative Manager

**LEEDS DOMESTIC WATERUSERS ASSOCIATION
DECEMBER 20, 2012 MEETING MINUTES**

BOARD PRESENT:

Elliott Sheltman, Pres; Danielle Stirling, Treasurer; Peter Aurigemma. Jim Vasquez was excused.

STAFF PRESENT:

Karen Markovich, Corp Secretary taking minutes; Mark Osmer, Field Operator was excused.

PUBLIC PRESENT: Ron Cundick, Terry & Nina Danielson, Jerry Otteson, Alan Roberts.

Roll Call - Elliott Sheltman

Pledge - Peter Aurigemma

Prayer - Jim Vasquez

I. ANNOUNCEMENTS

Denise Johnson and her husband have relocated out of state, and Denise submitted her letter of resignation as Board member earlier this month. Elliott thanked Denise for dedicating her time, expertise and professionalism to LDWA, and she and her husband will be sincerely missed by many of us.

II. CONSENT AGENDA

Motion by Danielle Stirling, second by Peter Aurigemma with all unanimous to approve Aug 16, Sep 27, and Nov 29 Meeting Minutes, and tonight's agenda dated Dec 20, 2012.

III. REGULAR BUSINESS

Financial Report – Danielle Stirling. Danielle reviewed LDWA's 2011-2012 YTD Ordinary Operating Income and Expenses and reported she will be working with Karen and will have the 2013 budget ready no later than the first of the year.

Field Report - Peter Aurigemma reporting for Mark Osmer.

- **December 2012 monthly BAC-T test** - Passed.
- **Upgrade Re-piping Downtown Project.** Elliott discussed the re-piping project downtown and said LDWA plans to replace and upgrade all piping in the downtown area; Mark is mapping out all roads to provide pricing and scheduling. Peter added that work has been suspended until the town & LDWA reach an agreement regarding encroachment on roads. Elliott said the town is agreeable to what is planned, Ron Cundick has provided background, and Elliott plans to have it completed for the next meeting.
- **Paint for Tanks.** Elliott understood the cost to be just under \$5,000.00. Peter said the two tanks have been scrapped and primed and are ready to be painted. They are using an oil base paint and the cost will be reimbursed by the DDW #3F138. The board agreed to do an internet vote for official approval of expenditure.

- **El Dorado Well.** Peter said all the piping in the ground for the El Dorado well has been removed and replaced. Mark took photos and the holes, cracks and rust was significant. The draw-down on the well actually increased as the water continued to be pumped, producing 220 gallons per minute (gpm). The water being pumped gradually cleaned the veins, resulting with an increase in the amount of gallons pumped. Peter said they calculated they could get about 150-170 gpm pulling water straight up into the El Dorado Tank. The motor is in good working order and will continue to be used. Mark and Peter dug in the area around the pump house and located the 6" line. Danielle asked to submit a quote for a 10-HP motor, to be approved by the board via internet vote. This expenditure will also be submitted for reimbursed to the DDW through Loan #3F138. Elliott said we are metering water coming in and going out of LDWA's tanks in and plans are to The 6" meter (removed from the old Silver Reef Bus turn-around) will be installed.

Motion by Danielle Stirling, second by Peter Aurigemma, with all unanimous to approve expenditures in the amount of up to \$4,000.00 as stated by Scholzen's Products Quotes #16831 & #216830, for pvc piping for the El Dorado Tank and well house realignment of piping.

- **Cleaning of El Dorado Tank.** Peter reported Mark worked to clean the tank and did an excellent job, and when completed the El Dorado Tank will be filled with our spring water. We will not pump water out of the El Dorado Well as it is only for use in the event of an emergency.
- **Expenditure for Security Fencing around the El Dorado Well and Pump House.**

Motion by Peter Aurigemma, second by Danielle Stirling, with all unanimous to approve expenditure of \$1,700.00 per the drawing and quote submitted by Allied Fence Co. for installation of security fencing around the El Dorado Well and Pump House.

Excavation Equipment - Rental Quotes and Agreements. Danielle asked that the board approve implementation of a policy to utilize a purchase order or log to document equipment rental dates and begin/end time of day, for excavation work completed by 'Rocks 'n More' [Mark Osmer's excavation equipment business]. Work completed for LDWA needs to be differentiated from work done elsewhere. This will protect LDWA and clarify when Mark is, and is not, using his equipment for LDWA work. Elliott requested two quotes be provided whenever excavation is scheduled to verify LDWA receives the best price for excavation work, and asked that a policy be written to include with LDWA's Policies and Procedures. A motion was not necessary for this request.

Re-seeding Easement on Parcel L-2-A-1. Elliott provided background re: LDWA is re-seeding a section of parcel #L-2-A-1 owned by Susan Savage. In 2010, Susan agreed to allow installation of a pipeline via an easement through her land for the purpose of looping LDWA's water delivery system. The looping was necessary to increase water flow of fire hydrants in accordance with DDW/DEQ requirements. LDWA agreed to re-seed the area back to return it to its original state [as much as possible]. The first phase has been completed and the second phase is scheduled for the spring. Elliott would like to meet with the company to walk the property, weather permitting.

Limitation and Cap for Water Right Share Reinstatement Fee to \$5,000.00 - The Board discussed accrual of outstanding account balances on cancelled water shares. The initial cost to reinstate a cancelled water share was set at \$2,500.00 in 2010. With 10% interest accruing monthly on the unpaid balances, numerous cancelled share accounts currently exceed \$10,000.00. The Board agreed that a reinstatement cap of \$5,000.00, equal to the price of a new water share, should be included. The Board

also discussed placing liens on properties that have been foreclosed and are owned by financial institutions. **Motion by Peter Aurigemma, second by Danielle Stirling, with all unanimous to set a \$5,000.00 cap on cancelled water shares with outstanding accrued balances in excess of \$5,000.00, to be revisited if there is a significant change in the price of a water share, and to file liens against bank-owned properties with cancelled water shares.**

325 Silver Reef Road Zoning. Peter is in the process of reviewing zoning options for the cement tank on LDWA's parcel at 325 Silver Reef Road. Mayor Roberts told Peter the Town would require LDWA to change the zoning to commercial; however, Peter believes the request should be for a conditional use, as the cement tank is in the middle of a residential zone. Elliott asked for a special session before Christmas to bring the board to a consensus before the new year, and have it completed by March.

DDW/DEQ Loan #3F138 update. Karen said expenses submitted for reimbursement will be considered through 2012. Currently Karen has over \$114,000.00 prepared to submit, with a balance of no more than \$25,000.00 remaining, and is in the process of working with Gary Kobzeff at the DDW to determine what more we can submit. Elliott asked to go on record with thanks to Ron Cundick for his work to negotiate and secure the DDW/DEQ Loan #3F138 for the upgrade of our culinary water delivery system. Ron made several trips to SLC to meet and discuss terms with the DDW, sacrificed dozens of hours, and we thank him for his expertise. Without Ron, we may not have received the funding to upgrade our system. Elliott also thanked Karen for her work tracking the seemingly endless paperwork, and her communications with Gary Kobzeff at the DDW.

COMMENTS

Terry Danielson expressed concern for extremely high water usage during drought conditions as some have the funds to pay for any amount of water and it might lead to a depletion of the amount of water available. The Board said in the event of drought where water will be limited, notification of conservation guidelines will be provided to all shareholders encouraging all to conserve. Karen said she will check with the State for established laws addressing serious drought conditions.

Jerry Otteson asked why there now is a gate up on the road to the water tanks. The board explained that the road belongs to the US Forestry Service and because of the increase of squatters and vandalism LDWA encountered last summer, the Forestry worked with us to install the gate at their expense.

MOTION BY ELLIOTT SHELTMAN TO ADJOURN MEETING at 8:25 pm.

Elliott Sheltman
LDWA Board President

Karen Markovich
LDWA Corporate Secretary