

**LEEDS DOMESTIC WATERUSERS ASSOCIATION ANNUAL SHAREHOLDERS  
MEETING MINUTES  
TUESDAY, February 5, 2013**

CALL TO ORDER

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

CONSENT AGENDA

Motion by Jim Vasquez, second by Peter Aurigemma, with amendment by Jim Vasquez to include approval of tonight's February 5, 2013 Annual Shareholder Meeting Agenda and the Annual Shareholder Meeting Minutes dated February 7, 2012. Susan Savage noted a correction to the last sentence of the minutes to change "two terms" to "two years". Karen corrected the minutes to read "one term". The shareholders unanimously approved meeting minutes with corrections as noted.

REPORT OF 2012 OPERATIONS - Elliott Sheltman, President

- Elliott reported the LDWA Sanitary Survey was the best on record in LDWA's history. The survey is conducted every three years and the lower the score, the better the rating. In 2009, LDWA received +30 points; for 2012 we received -4 points leaving us with a credit score. Elliott thanked staff for their work and in particular, Mark & Colin for their consistently outstanding and proactive work in the field.
- The fire hydrants have been flow/flush tested by Rural Water Association's Circuit Rider, Terry Smith. All hydrants have been painted and will be renumbered over the next year or two.
- The water delivery system construction project funded by DDW/DEQ included upgrades to increase fire hydrant flows, as well as locate a backup source of water. Two well holes were drilled at a total cost of almost \$170,000.00 for materials, time and labor, paid for through the DDW Loan. With digging for water there are no guarantees, and unfortunately we now have two empty and expensive holes for the efforts. With that, LDWA has researched the possibilities of using the El Dorado Well as a source of water for emergency purposes only. The water from the El Dorado Well has been tested and is to be used ONLY for emergency purposes. The new pump consistently provides 220-240 Gallons Per Minute (GPM). Elliott said it's not perfect, but it does give us something closer to what we wanted to accomplish by drilling a new well.
- LDWA provided over 32,000,000 (32 million) gallons water to Leeds Water Company (LWC) for their irrigation use during the summer of 2012. This quantity of water satisfies compensation in full for the water LWC provided to LDWA when the well was under repair back in 2007.
- Security fencing has been installed around our storage tanks to prevent squatters and theft as we had people steal LDWA parts that were placed up the area. The Division of Forestry installed a gate at the road entrance to the tanks to reduce access to their land.
- Karen continued working this year with the DDW/DEQ and LDWA now has an extension of time to submit additional system upgrade expenses that were previously not approved by the DDW/DEQ.
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- Mark has continued with repairs on Main St. The old piping has cracks and breaks which have been breaking more frequently. We plan to replace all old lines downtown by using an approved system of inserting the new pipe inside the old pipe, thus saving a substantial amount of time and money. Estimates for Main St is ~ 2-3 years, total cost around \$50,000 - \$70,000. All upgrade of pipeline expenses are paid for out of the Emergency Repair/Capital Improvement Fund.
- LDWA is planning to utilize the interior of the cement water tank located on Silver Reef Road as a headquarters for its telemetry systems, SCADA programs, documentation control, and testing hub. Estimated time will be about 3-5 years to complete the transfers and will be a permanent headquarters for LDWA's operational requirements.

ANNUAL FINANCIAL REPORT – Danielle Stirling, Treasurer reported a net income of \$3,857.93 for 2012.

Budget 2012-2013 projected \$110,000.00 in Ordinary Operating Income, with end-year closed at \$126,000.00. Projection for contract services was higher than actual; insurances are about the same as 2012. Office expenses dropped in comparison to 2011. Don Fawson noted there was an error on the draft Budget; Karen identified the last-minute cut and paste of the draft budget spreadsheet resulted with the error and that it would be corrected.

#### OPEN FORUM FOR SHAREHOLDERS

- Manny Goy asked about the foreclosures as mentioned in the letter to shareholders. Elliott said the board determined to place a dollar value on the water share to reinstate and reinstall the meters, not to exceed the cost of a new water share. LDWA removes the water meters when a home becomes vacant for an extended period of time, typically due to foreclosures. This deters squatters from breaking into the homes, residing illegally, and stealing water.
- Arlene Green asked if we sell the water share - LDWA does not sell an assigned water shares as it would be in violation of the bylaws. Danielle explained the difference between a water share and a water right.
- Darrell Nelson asked who pays for the water share reinstatement when the home is sold and new occupants move in. Elliott said the bank, title company, or the buyer pays the cost to reinstate the water share.
- Elliott noted times are tough and people are having a hard time - you can have a home without power, but water is vitally important. We are trying to be proactive to create a fund for LDWA's infrastructure improvements, and it has worked well thus far.
- Dave Harbour asked if it is legal for the debt of a previous property owner to be paid for by another. Ron Cundick said it is unique to LDWA, inherent to the bylaws and Articles of Incorporation. We appreciate shareholder discussion as it helps to move LDWA forward.
- Peter Aurigemma stated the high flow/exceptional usage of the fire hydrants to provide water to fight last years' brush fire downtown weakened the old lines within the system and breakage became more prevalent. Most homes have a 3/4" line and the new pipes.

The shareholders thanked the Board, round of applause. Motion by Danielle, second by Peter Aurigemma with all shareholders unanimous to approve changing the annual shareholder meeting start time from 8:00 pm to 7:00 pm.

Elliott introduced new board member Wayne Peterson, who was appointed to fill the seat vacated by Denise Johnson earlier in the year.

#### ELECTION OF 2 BOARD DIRECTORS FOR TWO-YEAR TERMS

Nominations for Board of Directors: Elliott Sheltman, Jim Vasquez, Gene Martin & Jo Puntill. Ballots were counted by Dave Harbour, Donna Ricci, and Joy Goy.

Results were as follows:

Jim Vasquez – 32 votes

Elliott Sheltman – 30 votes

Gene Martin – 1 vote

Jo Puntill - none

Motion by Peter Aurigemma, second by Jim Vasquez with all unanimous to adjourn meeting at 8:10 pm.

#### EXECUTIVE SESSION OF DIRECTORS

Officers appointed during executive session following meeting:

Elliott Sheltman, President

Jim Vasquez, Vice President

Danielle Stirling, Treasurer

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**LDWA BOARD MEETING MINUTES**  
**FEBRUARY 21, 2013**  
7:00 PM, LDWA Office, 1901 Silver Reef Dr, Leeds, UT

**I. CALL TO ORDER**

**1. ROLL CALL.**

**Board Present.**

Elliott Sheltman, President

Danielle Stirling, Treasurer

Peter Aurigemma, Board Member

Wayne Peterson, Board Member

**Board Excused.** Jim Vasquez, Vice President

**Staff.** Karen Markovich, Corp Scty/Administrative Mgr, Mark Osmer, Water Operations.

**Public in Attendance.** Residents Ron Cundick, Manny & Joy Goy, Susan & Alan Roberts (former Leeds mayor), Joe Allen (Town Council member); Riley Richardson, Co-Owner of Red Canyon Construction.

**2. PLEDGE** led by Elliott Sheltman.

**3. PRAYER** led by Danielle Stirling.

**II. ANNOUNCEMENTS**

Karen noted the addition of a free internal search engine, Free Find, to the LDWA website. This will significantly expedite search by title, name, or key words.

**III. CONSENT AGENDA**

**Motion by Danielle Stirling, second by Peter Aurigemma, with all unanimous to approve tonight's meeting agenda dated February 21, 2013. Motion by Danielle Stirling, second by Peter Aurigemma, aye from Elliott Sheltman to approve Meeting Minutes dated December 20, 2012; Wayne Peterson abstained from the vote as he was not a board member at that time.**

**IV. REGULAR BUSINESS**

**1. FIELD REPORT**

A. Mark Osmer reported on the waterline repairs on Main St across from Vista Ave. The repairs will take several days and the fire hydrant needs to be replaced. Karen filed the appropriate applications including Traffic Control Diagram, Detail Plan of Work, Proof of Insurance and Bond with UDOT online.

B. Mark found two illegal taps: one in upper El Dorado area and one on Center St; both were disconnected.

C. Bac-T water test passed for the month.

D. LDWA is currently using spring water to serve the shareholders, pumping ~ 87,000 gallons day with the overages pumped back into Leeds Creek. Mark plans to install the 6" meter which was removed from the Oak Grove Bus Turnaround in 2011 on the Silver Reef Highlands Tank to record water overflow, and recommended installation of a meter at the Oak Grove well.

E. The old lines leading to the Leeds cemetery (off Cemetery Rd) were disconnected and capped off to prevent overflow and save water. The project took approximately six (6) workdays.

F. Plans are to purchase the paint for the Silver Reef tanks in the Spring.

## **2. METER FOR HYDRANT RENTAL AGREEMENT - REQUEST FROM BUILDER.**

Mr. Riley Richardson, Red Canyon Contractor, discussed the total dollar amount of the invoice he received for meter rental while building the home on Boulder Way, Parcel # L-VVWE-2-7. For the benefit of attendees and board members, Elliott reviewed the history of LDWA Policies & Procedures for meters rented and attached to fire hydrants during construction of a home, pool, etc. In years past, LDWA charged \$5.00 in-full for water meter rentals. Today LDWA requires a \$1,000.00 security fee for rental of the meter during the time the meter is rented in addition to fees for water usage and the number of days the meter is in use. A Meter Rental Agreement is signed by the property owner, excavator, and builder at the time the meter is rented.

Richardson apologized for the confusion as he did sign the agreement, but didn't realize the terms varied from that of neighboring cities. Richardson said they typically remove the meter from the hydrant themselves and return it to the City's water dept. In this case, with the meter locked on the hydrant, their excavator notified Leeds Town Hall, not LDWA, to remove the meter from the hydrant; they did not receive a reply from the Town and the Town did not forward the message to LDWA. They didn't realize LDWA is not affiliated with the Leeds Town municipality, even though LDWA & Town Hall buildings are in separate locations. Elliott explained LDWA is a private water company and not a town or city utility. Last November, Mark told the builders that charges accrued daily [for the meter] and they told him not to worry about. Karen also contacted Red Canyon to communicate the increasing debt of the bill & the property owner, Steve Vanarnam, who said his builder told him not to worry about it.

Richardson estimated they actually used water from the rental date, Oct 10, 2012, through December 24, 2012. Wayne asked if they have an estimate of when they called the Town Hall and when the work was completed. Danielle asked Richardson what he thought would be a fair settlement; Richardson asked if they could pay \$2,000.00 in total for the debt.

**Motion by Wayne Peterson, second by Danielle Stirling, with all unanimous to approve reduction of the rental period from 121 days to 84 days, for a total bill of \$2,351.50.**

Richardson wrote a check for \$1,351.50, the remaining balance due.

## **3. RE-PIPING UPGRADE DOWNTOWN**

**Areas completed, scheduled, maps/layout, budget, long term scheduling timeline.**

Mark reviewed his estimates of time, materials and resources [refer to packet material]. Elliott said Karen Markovich is the gatekeeper of the LDWA funds and will now be responsible for limiting monthly expenditures based on the ordinary operating income. Danielle asked how the re-piping is completed and how Mark determines where a leak is located when sliding the new pipeline in and through the old line. Mark said the new lines are anywhere from 5' - 40' long depending on the service area. Peter said if there were a leak, it would be discovered by the seepage bubbling out of the break. This installation process is routine for replacing old pipelines and is used by neighboring cities. Wayne asked that the completed re-piping upgrade be clearly documented to track expenditures. Karen added they had and continue to keep a log of time, materials and resources.

#### **4. INFORMATION REQUEST - JOE ALLEN RE: PARCEL NOT YET SERVED BY LDWA.**

Options for water share purchase/installation to landlocked parcel within LDWA service area - information request by Joe Allen re: Tax Parcel ID L-3-1-7-1110. Joe Allen, Town Council member, said they are doing their due diligence and there is an easement for ingress egress for utilities to the property. Joe would like to know if water is available to be purchased as his client is contemplating subdividing and constructing a small family compound with multi-family units. Elliott told Joe that Karen can provide the cost for the connection fee, price of the water share per parcel, and impact fees and all are on the website [www.ldwautah.org](http://www.ldwautah.org). Joe asked if one water share could be purchased now; Elliott indicated yes, but he will need to purchase one share for each home if he plans to build a family compound.

#### **5. USE OF CEMENT TANK.**

Peter Aurigemma provided Karen with the Town's ordinances that might be applicable to the use of the cement tank structure. Aurigemma will provide the Town of Leeds Planning Commission with a set of plans [completed by Colin Korpi] for the use of the cement tank structure located at 325 Silver Reef Road. To be clear, there will be building additions to the structure, only a remodel of the interior to be used for office space in addition to the continued use for storage. Peter and Danielle have contacted the Town to have LDWA included on the upcoming Planning Commission agenda. The structure has been in existence since at least 1976, and the contiguous parcels in the area are all zoned Residential 1-acre.

#### **6. FINANCIAL REPORTS.**

Danielle Stirling summarized LDWA's monthly financial status. LDWA's financial status is very good. We are ahead of schedule with collection of funds for repayment of the loan and there is currently no need to raise water rates as expenditures are closely budgeted. The DDW/DEQ reimbursement for Draw #12 on Loan #3F138 will increase the checking account by ~ \$68,000 and ER/CI Fund by ~ \$70,000.

#### **7. EXPENDITURE - ACCUTAB CHLORINATOR.**

Colin Korpi, certified Water Operator for LDWA & Angell Springs SSD (ASSSD), offered the AccuTab Chlorinator Unit currently for sale from ASSSD with asking price of \$500.00; retail is ~ \$1,500.00. This dispenser will increase efficiency, providing the ability to evenly distribute the

chlorination of the water. Currently Mark makes at least one trip daily to add the tabs to the water. Danielle asked if LDWA will require approval from the Forestry Division or BLM. Peter asked resident Alan Roberts if he had any thoughts, to which ex-mayor Roberts strongly voiced his opinion regarding several unrelated issues.

**Motion by Peter, second by Wayne with all unanimous to approve expenditure of up to \$500.00 for the Accu-tab Chlorinator Unit.** The Board noted the expenditures for the installation would be voted on at a future date.

## **V. COMMENTS**

Alan Roberts said he finds the Board's determination of the request [above] from Red Canyon amusing. He said LDWA has had a number of discussions with the Town re: an Encroachment Permit required in town when making waterline repairs. Roberts said Century Link, Questar & Niels Fugal have filed the applicable encroachment permits for excavation with the Town and all are bonded. Danielle volunteered to confirm this with the town.

Roberts said he told Mark the paperwork can be done after the fact when there is an emergency, but he [Mark] would be subject to arrest by the sheriff if any additional work continues.

Roberts said he doesn't appreciate the LDWA micro-managing its staff.

*[Noted facts for the record: Karen added for the permanent record stated that is completely false; the board in no way micromanages its staff.]*

Roberts accused LDWA of arbitrarily delaying the home construction on Lot L-SRH-9.

*[Noted facts for the record: the facts are that the property owner began excavation & construction on said Parcel L-SRH-9 without notification of intent to dig to Blue Stakes (a federal offense). The excavation resulted with significant amount of tonnage of boulders piled high atop the location of LDWA's Main Water Pipeline. Photographs are on permanent file. The Town of Leeds Building Inspection Dept approved their Building Permit with construction plans for installation of the septic tank within 2.5' from LDWA's Main Water Pipeline.]*

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Peter addressed the water supplied to the Leeds Irrigation Water Co. (LWC) in 2012, stating that LDWA has repaid LWC in-full for the water they provided to LDWA in 2005 and again in 2007 [when the well was down for repairs].

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Peter said with bringing the El Dorado Well back online for emergency use only, it is a 'home run' as LDWA now has more than enough water available during emergencies.

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**Motion by Wayne Peterson to adjourn meeting at 8:45 pm.**

**EXECUTIVE SESSION.** Convened at 9:05 pm and adjourned at 9:45 pm.

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Karen Markovich  
LDWA Corporate Secretary/Administrative Manager

## LDWA BOARD MEETING MINUTES

APRIL 18, 2013

Held at LDWA Office, 1901 Silver Reef Drive, Leeds, UT

I. **ROLL CALL** - Elliott Sheltman

**PRESENT.**

Elliott Sheltman, President

Danielle Stirling, Treasurer

Peter Aurigemma, Board Member

**EXCUSED.** Jim Vasquez, Vice President

**STAFF:** Karen Markovich, Corp Scty/Administrative Mgr, Mark Osmer, Water Operations.

**PUBLIC IN ATTENDANCE:** Residents Manny & Joy Goy, John Markovich, David Stirling, Leeds Mayor Angela Rohr, Bart & Lujean Weber.

II. **PLEDGE** - led by Elliott Sheltman

III. **PRAYER** - led by Danielle Stirling

IV. **ANNOUNCEMENTS** - Elliott thanked Wayne Peterson for serving on the LDWA Board, noting Wayne has been appointed to the Leeds Town Council and the Town's requirements prohibit Councilmembers from serving elsewhere.

V. **CONSENT AGENDA** - Motion by Danielle Stirling, second by Peter Aurigemma, with all unanimous to approve meeting minutes dated February 21, 2013 and tonight's meeting agenda dated April 18, 2013.

VI. **REGULAR BUSINESS**

1. **Field Report.**

A. Downtown Re-Piping Upgrade. Mark explained 10 service line repairs have been completed on Silver Meadows Road for March 2013, with an average cost of \$220.00 each. The road will eventually require repaving once all the service lines are upgraded. It will be significantly less expensive to repair the road asphalt in several locations with one load of asphalt rather than make individual repairs. Mark recommended scheduling the re-asphalt to include additional repairs to reduce cost; the residents are amenable to the areas that have been cut. Elliott asked Karen to contact Leeds Town [Councilmember Frank Lojko] and schedule a convenient time to meet with LDWA on Silver Meadows Road.

B. Mark, Colin & Peter visited Hurricane as they are re-piping lines as well. They use the same technique of inserting the new pipeline inside the larger old lines and it is ideal.

C. Mark removed the 4" meter at the old overflow on the pink tank and installed it at Oak Grove to meter the spring water flow into the creek.

D. UDOT Exit 22 & I-15 Construction - pothole to confirm depth of LDWA pipelines. Mark explained UDOT's plans for the state's construction upgrade to Interstate 15. They have required LDWA identify and verify the depth of the water lines crossing the Interstate. Mark said \$2,000.00 should be more than sufficient for the work to be done. Karen suggested billing the UDOT engineering firm for LDWA's time and materials.

## **2. Cement Tank Use.**

Peter Aurigemma said records indicate the cement tank was built over 30 years ago, prior to the town's zoning the area as residential. Aurigemma said it was a conforming use at the time it was constructed in 1976 because the town did not have a zoning designation for the area. Years later, the Town zoned the area as Residential 1-acre (R-1). Leeds Town Ordinances do not identify a utility as a non-conforming use and a building permit is only needed when there is an increase of the building footprint when it exceeds 100 sq ft. The only alteration of the property will be parking and the inclusion of a parking area to accommodate handicapped parking on the right side of the building. Aurigemma strongly recommended LDWA present this to the Town Council Meeting on April 24, 2013. Danielle Stirling added that they completed a comprehensive review of all Town ordinances and there is nothing that addresses this specific application. Sheltman said we do not want a commercial designation because it is within a residential zone. The building is grandfathered in, as it preceded the residential zoning. LDWA cannot rezone as commercial because it is not a permanent use in that zone.

Leeds Mayor Angela Rohr said she had not had time to read the ordinances, but she was told by former Mayor Alan Roberts that it was permissible to be used as a water tank, but he wants it zoned commercial. Aurigemma said not only can we *not* zone it commercial, it is contrary to the existing town ordinances. Danielle Stirling added that a Mixed Use Zoning does not make sense and would open it up to any number of future commercial uses that could be detrimental to the neighboring residential area. It actually would be financially advantageous for LDWA as it could open up numerous businesses; but that is not what LDWA wants for its shareholders. LDWA is trying to protect & preserve the neighboring homes. Stirling said this is a small private water company, not a big development corporation.

## **3. LDWA use of 7.67 acre feet Leeds Irrigation Water Co (LWC) Shares.**

Elliott provided background as to how LDWA came to acquire 7.67 irrigation water shares from the LWC. Over the past decade, LDWA has paid LWC annual dues, currently at \$993.00, in addition to more than \$14,000 for its apportioned assessments to LWC for their costs to pipe the irrigation water. To-date, LDWA has not utilized the shares.

David Stirling asked to lease the 7.67 shares from LDWA for the annual cost of \$1,000.00 or whatever the amount.



Elliott said he wasn't sure if we may be obligated to make public the availability of leasing the shares. Danielle said one has to have the amount of land available to put to beneficial use and is not aware of anyone else in town who has an extra 8 acres.

Peter discussed possibility of LDWA using the LWC shares within its system. Danielle said LDWA does not own LWC water *rights*, it owns water *shares* in the company (LWC), which in turn owns the irrigation water rights. LDWA cannot use the LWC water shares in the culinary system, just as LDWA's shareholders cannot put their LDWA water in the creek and take it out of LWC irrigation water. Conversion of irrigation water to culinary water must be approved by the State, a significant percentage of water is lost through that conversion, and it must be approved by a water company.

David Stirling added that one share equals .89 acres with 6 acre-feet of water (total 5.34).

Elliott said his understanding is that LWC would first have to grant approval to convert the shares prior to going to the State for final recordation. Peter said we've been paying on this for ~ 10+ yrs and LDWA ultimately answers to all its shareholders as to what is best for them.

Danielle said for LDWA to sell its [LWC] water shares, it would require 100% of all [LDWA] shareholders to vote to approve the sale as the [LWC] shares are considered 'real property'; just as the town's attempt to take control of LDWA in 2008 would have required 100% of the [LDWA] shareholders approval to do so. If LDWA is not losing money on it, and it remains an asset, why not rent it to Mr. Stirling? The LWC shares cannot be sold because 100% of the LDWA shareholders will not vote to approve the sale, and the company itself is not going to allow you to convert the shares, the only other option is to lease the shares.

Peter asked what has happened to the irrigation water for the past 10 yrs and whatever is running down the creek the water is being used. Danielle said there has been no water; David Stirling said if water is not proofed up on, the state will take the water as happened to the Beals. Danielle said the state's assessment for LWC is separate from their assessment of LDWA. Danielle said we actually lose quite a bit of the 7.67 shares to "carrier water" - water that evaporates, seeps into ground, etc. David said 3 years ago, they asked the then-LDWA President to draw up a contract between the Stirlings and LDWA to lease [the LWC] shares; however, it was never done. In addition to the Stirlings request in 2009, Craig Sullivan has asked to lease or purchase LWC shares since Fall 2012, the Butlers [on Main St] have inquired on 4 occasions since purchasing their home in 2011 and Dolan Anderson recently expressed the same interest in irrigation water for the home he purchased [on Main St] in April 2013. Peter asked how they know what the amount of water is that is received by the LWC as they don't meter the water.

Elliott said Danielle is making a good point, and as LDWA controls the water at the springhead, and determines how much goes to LDWA & how much to LWC.

David said they should get together and discuss it again as we will need to decide what should be done. David said what saved them last year was the rainstorms in July through Oct. Peter added LDWA put 32 million gallons of water into their system during that period.

Peter & Elliott said they would like to meet with the LWC board to discuss and David concurred. Elliott said when the LWC gave us water in the past, LDWA appreciated that; and the cost to LDWA to feed water to the LWC was about \$3,000 month for power on the well and Mark's labor. Pumping the water is how we provided water to the LWC. Peter said Mark is proactive on the system and if we have to run the pump 18 hrs a day, it will affect the LDWA shareholders.

Elliott asked to meet first week of May - David said if we don't want to pump, that's fine but LWC wants LDWA to meter all water taken from the spring and not exceed the legal amount as - ***(At this point, a cell phone went off and board members could not be heard)***. Peter said they want to help LWC but **not** at the expense of LDWA Shareholders. Karen is to schedule a meeting with LWC & LDWA Board members.

Financial Reports - Danielle Stirling. \$8,194.00 ordinary operating expenses with average income about \$11,000.00. Danielle said we have been repaid by the DDW-DEQ and now have. Karen explained how Project Upgrade monies are allocated and asked to establish earmarked accounts to dedicate monies for repairs, upgrades of pipelines downtown, maintenance & needed equipment/tools. Including the Project Upgrade Fund for repayment of DDW/DEQ Loan #3F138, LDWA account balances now total over \$500,000.00. Danielle acknowledged that Mark's & Karen's volunteer work, as proven by the nominal payroll. Karen said the DDW/DEQ has approved the expenditures for the new pipelines downtown, the renovation of the cement tank for use as the LDWA office and bringing the El Dorado Well back online. We now have more than 3 years of DDW/DEQ Loan payments in the Project Upgrade Fund and Karen recommended we earmark about 30% of that specifically for the materials and labor for those projects. Seventy-seven (77) of the new pipelines to be installed downtown are located on Main St and the cost will be three times higher as that is a State Highway and UDOT requirements must be met.

Board Expenditure Approvals.

1. **Motion by Danielle Stirling, second by Peter Aurigemma, with all unanimous to approve expenditure of up to \$550.00 for Service Water Pipe Line Equipment including Line Puller \$120.00, Cutter \$245.00 and Grabber Cable.**
2. **Motion by Danielle Stirling, second by Peter Aurigemma, with all unanimous to approve expenditure for up to \$750.00 for materials to install the 4" meter (includes modification of existing 6" master meter) @ the Silver Reef Highlands Tank.**
3. **Motion by Peter Aurigemma, second by Danielle Stirling, with all unanimous to approve expenditure of up to \$1,000.00 for Pressure Reducing Valve (PRV) Parts Inventory out of the Emergency Repair/Capital Improvement Fund as the parts will be used for ordinary operating repair expenses.**
4. **Motion by Peter Aurigemma, second by Danielle Stirling, with all unanimous to approve expenditure of up to \$16,000.00 for installation including the \$13,000.00 to Rocky Mountain Power for the transformer and wiring to install electrical power to the cement tank.**

5. **Motion by Danielle Stirling, second by Peter Aurigemma, with all unanimous to approve expenditure for up to \$1,630.41 to replace the fire hydrant located on Main St at Vista Ave.**

6. **Motion by Danielle Stirling, second by Peter Aurigemma, with all unanimous to approve expenditure for up to \$2,500.00 on the Oak Grove Chlorinator vault.**

**Motion by Peter Aurigemma, second by Danielle Stirling, with all unanimous to approve expenditure of up to \$2,200.00 for completion of bringing the El Dorado well back on line.** Elliott said we will use El Dorado Well for emergency and if there was the need, we could deliver a lot of water through the system.

VI. Comments from citizens public included questions about the El Dorado Well system, and requests for copies of Water Quality Reports.

VII. **ADJOURNMENT** - Elliott Sheltman at 9:10 pm.

VIII. **EXECUTIVE SESSION** immediately following adjournment.

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Karen Markovich  
LDWA Corporate Secretary/Administrative Manager

**LDWA & LEEDS IRRIGATION WATER COMPANY (LWC)  
SPECIAL SESSION THU, MAY 2, 2013**

**PRESENT:**

LDWA: Elliott Sheltman, Peter Aurigemma, Jim Vasquez; K. Markovich taking mtg minutes.       **Excused:** Danielle Stirling.

LWC: David Stirling, Craig Sullivan, Brett Comas.  
**Excused:** Ned Sullivan, Ron Whitmer, Jared Westhoff, Don Goddard.

David Stirling asked if it's an option for LDWA to pump water to the LWC for the summer.

Elliott Sheltman asked how much LWC pulls from the Leeds Creek; David said they draw close to 5.0 cubic feet second (cfs). Craig clarified it's just under 5.0 csf at 4.9 csf. Craig: They traditionally turn the water on around Feb 20 and now with the water piped, they try to close it down around Thanksgiving to clean out the lines.

A Water Conversion Chart by DDW was used to calculate how much water LWC can take at 4.9 cfs for the written record:

1 cfs = 7.48051 gallons (4.9) = 36.65 gallons per second  
1 minute (60 seconds) = 448.83 gallons (4.9) = 2,199.27 gallons per minute  
1 hour (60 minutes) = 26,929.80 gallons (4.9) = 131,956.20 gallons per hour  
1 day (24 hours) = 646,315.20 gallons (4.9) = 3,166,948.80 gallons per day  
1 year (365 days) = 235,905,363 gallons (4.9.) = 1,155,936,312 gallons per year.

Elliott said it appeared LDWA provided 38,000,000 gallons to LWC during summer 2012. Comas said that's wrong; it was only 1/2 that amount because the meter up at the weir was not set up correctly. David said their engineer looked at how the meter was installed and said it was turned in the wrong direction. The State Engineer brought it to their attention when the LWC worked on their line earlier this year (winter 2013), noting the meter was installed upside down.

Elliott: Given that, if LDWA pumped less than 20,000,000 gallons to LWC for 100 days in summer 2012, that equates to less than 7 days (6.32 days) of the amount of water LWC requires for one (1) year. It would seem to be an insignificant amount compared to the amount of water the LWC draws from the Leeds Creek (1,155,936,278.70 gallons year). Elliott asked realistically, how much, if anything, does that actually help LWC. David said it's better than nothing. Conversely, the cost for LDWA to pump the water is significant as there are additional kilowatt hours to run the electricity to pump the water, the additional time needed for LDWA field operations and administrative record keeping.

David: Asked if LDWA has any other pumps they could use & if there is water elsewhere that LDWA could pump to them.

Elliott: LDWA has a secondary well, the El Dorado Well designated solely for emergency use, because of its high mineral content. If LWC could get the water to their pipeline they could use it; however, it only produces about 100-120 gpm. Elliott asked if it was really worthwhile for LWC.

Craig: The amount LDWA pumped to them last year seemed to be about 120 - 190/200 gallons per minute, and the pump was not on 24/7. Whatever the amount was, they thought it was beneficial for them and they recognized that. The real problem is that there are only 8-10 LWC shareholders who have actually cut back this year; the smaller LWC shareholders do not cut back their use. Craig said they do not meter their water, but they do 'weir it out' at the source.

Elliott: LDWA wants to help LWC, but it is such a small amount of water for LWC given the hardship it incurs to LDWA.

David: Quoted Carlyle Stirling from decades ago, saying the easiest solution is to weir out the water at the source, have LWC take what it is entitled to and LDWA take only what they are entitled to out of the Spring. He speculated that LDWA has probably taken extra spring water for the past 20 years.

Elliott said that could be, but we have no way of knowing what has been used in prior years as the water was not metered. This is precisely why LDWA is now metering the Spring water and turning back all the Spring water that exceeds 55 gpm to the Leeds Creek for the LWC.

Craig said LDWA used about 2,000,000 gallons of Spring water monthly for March and April 2013, more than their share from the spring and asked if LDWA had to pump water for its own use, instead of taking the spring water, wouldn't it have cost LDWA the same to run the pump as it does to run the pump for LWC? Elliott said it's a different baseline for the electricity in the summer, with Demand Time at higher rates. Craig estimated LWC saved LDWA \$200-\$400 just in the month of April.

David: LDWA should try to get a break on the power as he does for his businesses. He has an agricultural rate. Karen said she's discussed the rates with Rocky Mt Power and they will not grant LDWA any form of allowance as they consider LDWA a commercial utility.

David asked if LDWA agrees with [Water Right's Atty] Rick Hafen's assessment of the Water Rights in his letter to the Stirlings' dated June 2012? Elliott said LDWA does not question Rick Hafen's assessment. LDWA is now metering the water and using the figures in its assessment of water usage per LWC's request. LDWA is currently sorting through all LDWA water rights to verify its inventory and at some point in the future would like to discuss the findings with LWC and atty Rick Hafen. Craig said he remembers there is a proportionate

cut [per Rick Hafen's letter] and LDWA's take from the spring would be actually less than that. Elliott said even if all the 55 gpm of water LDWA legally takes from the spring were turned into the creek for LWC, it would not provide the amount the need.

David asked where the El Dorado Well is located; Karen pointed it out on the map. David said even if they did a surface line there is no way they could get water out of that well and down to their feed zone.

Craig asked if LDWA has plenty of water rights, can they be used? How many gallons per minute can we pump from the Silver Reef Well? Elliott: ~ 400 gpm. Craig suggested the possibility of paying for some of the well costs during the real dry months and asked if it's something that could be viable with LDWA. Elliott said he would certainly think so, as it's agreed everyone prefers to drink the spring water rather than the well water. It would be great if LDWA could just pump water directly to LWC and bypass LDWA's system altogether.

Brett asked if all the spring water could be piped down to the last tank; Elliott said it would be great, but not sure if it would be worthwhile for the LWC. Peter said it would be ideal not to have to mix the spring water with the well water - (*inaudible here* -). In essence LDWA would be piping only spring water.

David asked if LDWA could get another well running, would they lease the water to LWC; is LDWA planning to drill a 3rd hole where the 2 dry holes were drilled during 2010. Elliott said it's a shame that the 2 well holes failed to produce water. The LDWA pipeline crosses Wonder Lane and it would be a couple of miles of pipeline to reach LWC.

David said maybe it would be better just to give it all [the water] to Ron Thompson (Washington County Water Conservancy District/WCWCD) and have him guarantee us all water; Elliott did not agree.

Craig asked what the currently cost is to run the pump. Karen said it depends on the time of day, the Demand Time and the amount of kilowatt hours, but the last bill was about \$800.00. Mark is running the pump for ~ 6 hrs a day.

Jim Vasquez said we should review some issues before meeting again.

Elliott said we can work this by emails, or appoint a spokesperson; Craig does not have an email; Comas does not.

Craig: If it gets to be a mess, maybe we just do as Carlyle said and take the cuts. Where his heartburn comes in is that they spent a lot of money to install that pipeline in 2007 - when Maurice Hall, then LDWA President, came to LWC and asked to do a trade - it wasn't just going to be a one year thing. He knows boards have come and gone, but LWC wouldn't have put that kind of money into their line if they felt like it wasn't going to be a benefit for them through the years. It was his expectations that when they did this, LDWA would take all the spring water in the heavy (wet) years and when LWC needed water pumped back in

the dry years, they would do that for 3-4 mos at a time. There was never a set time specified - it could be 20 yrs, 10 yrs, or 5 yrs. Elliott: said we've looked for agreements and there is nothing recorded, nothing was documented. LDWA pumped the water last year to repay LWC and is trying to work with them. LWC is welcome to check the meter readings here at the office.

Elliott asked LWC to please contact LDWA to confirm what they would like to do going forward. David, Brett and Craig said to contact them through their wives' email addresses.

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Karen Markovich  
Special Session Minutes dated May 2, 2013

## LDWA BOARD MEETING MINUTES

7:00 PM, THURSDAY, JUNE 20, 2013

Held at LDWA Office, 1901 Silver Reef Drive, Leeds, UT

*As a courtesy, please mute cell phones during the meeting.*

I. CALL TO ORDER at 7:00 pm.

1. Roll Call -

BOARD MEMBERS PRESENT: Elliott Sheltman, President; Jim Vasquez, Vice President; Danielle Stirling, Treasurer, Peter Aurigemma, Ron Cundick.

STAFF: Mark Osmer, Field Operations; Karen Markovich, Corporate Secretary/Administrative Manager.

GUESTS: Wayne Peterson, Terry & Nina Danielson; Nancy Williams arrived at 7:45 pm.

2. Pledge - led by Peter Aurigemma.

3. Prayer - led by Jim Vasquez.

II. **ANNOUNCEMENTS** - Elliott said Peter is moving to the east coast, and no longer on the Board. Peter will be missed tremendously at LDWA and in Town and as a good friend. Peter was always the first to volunteer to help with any work needing done in Town.

III. **CONSENT AGENDA** - Motion by Peter Aurigemma, second by Jim Vasquez, aye by Elliott Sheltman, abstentions from Danielle Stirling & Ron Cundick, to approve tonight's Consent Agenda for Meeting Minutes dated April 18, 2013 with corrections as noted, and Meeting Agenda dated June 20, 2013.

### IV. **REGULAR BUSINESS**

#### FIELD STATUS REPORT - Mark Osmer, Senior Field Operator

Bac-T Water Test Report. DDW's Monitoring Test Results on all water sources - we passed all DDW required water quality tests and can be found on the LDWA website.

Downtown Upgrade Re-Piping - Silver Meadows Road. The new pipe-pulling tool works extremely well and the last line is awaiting the cork stop. Once that is completed, we will repave all areas on Silver Meadows and Main St to help reduce costs. Elliott noted for the record the Town of Leeds has not yet replied to three requests to meet onsite to oversee the repaving and [at this late date] we need to proceed with the repairs as residents have requested the work be completed (it has been 4 months).

Mark investigated the cause of the water leak at 52 S Main Street and identified a dead-end line that lead up to Center Street. It is now permanently capped off and disconnected, eliminating future recurring leaks at that location.



The El Dorado Well is completed and ready if there is an emergency.

UDOT Exit 22 & I-15 construction - pothole to confirm depth of LDWA pipelines was completed. LDWA lines easily exceed the depth requirements and are not in the area of the proposed I-15 construction.

We are using the Silver Reef Highlands Well pump 6 to 8 hours a day. We are running about 4.5 million from the Silver Reef Well and 2.4 million from the Spring. Peter noted that we used 5.0 million gallons this month in 2012. Ron commented if all shareholders used the base 20,000 gallons month, usage would come close to 7 million gallons. Peter said there is the possibility, too, that the old black lines may have some leaks and that could add to the water usage. Elliott asked Karen to begin recording the meter usage at the tanks and compare to the amount of water sold.

#### FINANCIAL REPORTS - Danielle Stirling

Our holdings in all accounts including MACU, Zions Bank accts are \$614,000.00. Danielle asked to check the mileage for Colin Korpi, Peter said Colin made numerous trips to Scholzen's during emergency repairs while Mark was digging ditches for pipeline repairs, result was higher mileage in May. The Board requested contacting Scholzen's Products to have them provide a "pick sheet" for inventory. Danielle agreed to ask if Scholzen's can deliver during emergencies to eliminate the need for trips to town.

#### BOARD APPROVAL -

Motion by Peter Aurigemma, second by Ron Cundick, with all unanimous to approve expenditure of up to \$600.00 for purchase of a Service Water Meter used on fire hydrants.

325 SILVER REEF ROAD - Elliott met with the Town Council at the last 2 Town meetings. The Town has not yet provided written notification to the residents in the surrounding area of the cement tank and they have not replied to LDWA's email requests for status of their progress. Peter said he believes it's time to install the electrical as we have always used the building for storage and running the generator does not make sense. Elliott agreed that it is time to move forward as the Town has been non-responsive. Danielle would like to install some sort of electrical security for safety. The Board agreed unanimously to move forward with the electrical installation. There are now new drawings for the building's interior renovation; LDWA received a quote of \$60,000.00 for construction completion of the upgrade.

TOTAL WATER RIGHTS & POINTS OF DIVERSION - Ron said some of the water rights acquired by LDWA in 2010 are now being challenged by the State. The number of affected shares may be as high as 300 if, in fact, it includes Rick Sant's Silver Pointe Estates water rights. Compounding the problem is that a significant portion of the rights in question are irrigation water rights and while the State originally pre-approved the conversion to culinary water rights, they will revoke the conversion if the dispute is unresolved.

Elliott mentioned LDWA might send the LWC a letter for the record regarding LDWA's 7.67 irrigation water shares asking if we can convert the shares into culinary water and if not, can

LDWA sell them. LDWA has paid annual dues for over 10 years, plus \$16,000.00+ to LWC for piping the irrigation water in 2006-2007; totaling over \$25,000.00 paid by LDWA to LWC.

**V. COMMENTS.**

1. Danielle said we should move about 3 years of payments to the DDW Loan #3F138 --- Elliott suggested we could pay down the DDW #3F138 loan. Danielle would personally feel more comfortable securing it in a fund; Peter said if we have the opportunity to pay the loan down, we should do so as it could help the DDW provide loans to another water company in the future. Elliott said it's dependent on the economic inflationary period, dollars could be inflated and it would be worth keeping it in the bank; on the other hand, it would be great to pay off the loan in 10 yrs and drop the \$20.00 Project Upgrade water fee. Something for the Board to discuss and we want to be proactive. Ron agreed it would be good to work up a few options and discuss.

2. Terry Danielson submitted a letter to the LDWA Board asking to discuss the water in the El Dorado Well. Elliott said LDWA will not use the water for drinking purposes - it is solely for emergency use and nothing else. Terry's concern is over time, new board members may decide to use the water.

3. Nancy Williams complained about her hard water. She sent a water sample from her tap to a California company for testing and will no longer drink water out of her tap as she thinks people are sick from it. Peter said given her home was built in the early 1970s, the copper lines would play a role in the taste of the water.

4. Terry suggested LDWA communicate with the Town to limit the size of swimming pools to conserve water; Elliott said we cannot restrict the size of a swimming pool just as we cannot restrict the number of toilets in homes. Terry said the people will be very unhappy when they have no water whatsoever. Ron said it bears looking into was to conserve water and work with the town. Peter said a few Subdivision CCR's require xeriscaping. Wayne said that in New Jersey, the law made it cost-prohibitive to use water delivered to homes for landscaping and required swimming pools be filled with water trucked in from outside their area. Ron added the Town might consider contacting LDWA when plans are submitted for swimming pools.

Terry asked if our water levels in our tanks have been stabilized over the past 5 - 10 yrs; Elliott replied that LDWA tanks have been consistently full for the past 4 years. Karen indicated previous years water use data reports support consistent water levels for at least 10 years.

**VI.** Elliott adjourned meeting at 8:40 pm.

**VII.** EXECUTIVE SESSION immediately following adjournment.

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Karen Markovich  
LDWA Administrative Manager/Corporate Secretary

## **LDWA BOARD MEETING MINUTES THURSDAY, AUGUST 22, 2013**

### **CALL TO ORDER**

1. Roll Call - Board: Jim Vasquez, Elliott Sheltman, Ron Cundick in attendance; Danielle Stirling was excused; 1 seat vacancy by Peter Aurigemma/relocated out of state. Staff: Mark Osmer, Field Operations; Karen Markovich, Administration.

2. Pledge - Elliott Sheltman

3. Prayer - Jim Vasquez

Guests in Attendance: Paul Sullivan, Washington County; John Markovich, shareholder

### **ANNOUNCEMENTS - na**

**CONSENT AGENDA - APPROVAL OF MEETING AGENDA** August 22, 2013 and meeting minutes dated June 20, 2013. Motion by Jim Vasquez, second by Elliott Sheltman with all unanimous to approve tonight's Consent Agenda.

### **REGULAR BUSINESS**

Paul Sullivan, Washington County. Paul requested a no charge for the active tap at the Cosmopolitan Bldg, as the County does not have the building rented and they do not use water. Ron & Jim asked if we have a policy for vacant buildings or those that are owned by a public entity. Jim said we don't charge LASSD Fire Dept for water (we do charge the project upgrade). Elliott concurred the Fire Dept is an emergency entity; not charging them for water is a viable community service. The bylaws are equally fair and equitable for all shareholders and if we set a precedent, shareholders might request the same in the future. From time to time, homeowners of empty homes have asked we not charge them for non-water use; as a private utility company governed by bylaws, all shareholders must pay the base monthly fee. Ron said we have apportion the funds collected for the Project Upgrade and each shareholder is required to pay the Project Upgrade fee (\$20 mo). Ron explained the rationale when the policies were written in 2009-2010. Elliott added he is truly sorry that we are unable to make exceptions.

#### Field Status Report. Mark Osmer, Senior Field Operator

- Bac-T Water Test Report - LDWA new record - 2+ years passed monthly testing.
- We had a leak on S. Valley Rd and installed a new service line under the road eliminating the need to disturb the roadway. 3 new service lines have been installed on Vista Ave. There are undocumented lines connected in the vicinity of the cement tank, and they are a potential hazard in the event the lines were to flood or be tampered with. We have a dead-end line at Silver Reef Road and it should be extended up the road to loop the system. Mark will obtain cost estimates to complete the upgrade of the lines and repairs at the cement tank and provide it to Karen; the Board will vote on expense via email.

- We are pulling 45 gpm out of the spring; Elliott agreed to bump it up to 50 gpm. The total water flow has not dropped during the dry season.
- The Creek is running 2.9 gpm at this time (low). The rain storm/flashflood occurred on Pine Valley Mountain last week and the result was a large amount of dirt and silt flooding into the Leeds Water [Irrigation] Co. system. They shut down the system to backflow the silt and mud back into the creek.
- The painting of the water storage tanks is now completed. Photos are available in the office. Mark plans to bury the lines in the area with the available top soil.
- New Service Lines Update. All new service lines on Silver Meadows Road are completed. Elliott suggested a timeline be posted on the wall for easy visibility of progress.

Water Rights. Ron Cundick is in the process of researching & chronicling LDWA water rights and will provide an in-depth documented report for LDWA's permanent record. Ron noted he has not found an entity or person(s) who hold water rights to the spring; points of diversions (POD) have been applied for, but they've never completed. There are a number of shares that appear not to have to been changed from agricultural to culinary. Another problem is cubic feet per second and acre-feet differ in each water right; there is no set formula. An acre-foot for one right provides a differing amount of water in another right; sorting through it is a can of worms. Ron is working to identify all claims on the POD and the completion of rights that should be transferred to LDWA name, but have not; we will need to complete those transfers. Estimated time of completion is within the next few weeks.

ID/numbering of Water Tanks, Fire Hydrants, El Dorado Pump House. Elliott would like to purchase color-coded signs and numbers to identify the tanks. The Oak Grove tank needs to be camouflaged and kept inconspicuous. Rainbow Signage is expensive but they do good work. We will include this for the 2014 Budget.

WCWCD mtg Aug 15, 2013: Lake Powell. Elliott attended the WCWCD mtg on Aug 15. The WCWCD board is a core group of 25 members comprised of contractors, realtors, developers, and bankers. Amelia Nuding, Water/Energy Analyst from Western Resource Advocates, presented "*The Local Waters Alternative to the Lake Powell Pipeline*". She was not well-received by the members of the WCWCD Board (WCWCD meeting summary attached).

Approval of expenditures for easement markers. The board discussed the need to purchase & install land markers identifying the LDWA culinary water easements within its service area. Motion by Jim Vasquez, second by Ron Cundick, with all unanimous to purchase the markers quoted. Karen said the order would be placed next week.

Financial Report. Danielle Stirling, Treasurer, was excused from meeting.

Water Line installation & placement of hydrant at parcel #L-3-1-6-321 on Silver Reef Road. The property owners have purchased a water share to serve their parcel and want to have a standby tap installed. LDWA will need to extend the water line to their property. Mark Osmer recommended the fire hydrant that would serve this parcel should be relocated, and the 2 dead-end lines be looped when the new line is installed. Mark will provide a cost estimate for the Board's approval.

DISCUSSION.

- The Board discussed possible use and name for the LDWA cement tank building including: SCADA Telemetry Data Center & Water Capture Center, with Secured; Authorized Personnel Only signage posted in the building. Installation of electrical power has been postponed as the Town of Leeds Council continues to approve LDWA use of the building.
- Ron was approached by David Stirling, who asked if it would be possible to provide LWC with the water rights that LDWA held [as identified in the 2010 Water Rights Agreement] between LDWA & Roger Sanders, Rick Sant, & the Francis Family. Ron explained that unfortunately, the majority of those rights were under suspension by the Utah State Division of Water Rights, plus the additional electric power necessary to run the pump 24/7 is a proven stress and significantly shortens the life of a pump this size.
- Elliott said Councilman Wayne Peterson was told by the town staff that LDWA/PPI did not complete the 2010 Project Upgrade punch list for the repairs the Town requested. While it reads rather oddly, Mayor Alan Roberts did indeed sign his approval for the project, dated July 23, 2012 (attached).

ADJOURNMENT - Elliott Sheltman, second by Jim Vasquez at 8:10 pm.



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Elliott Sheltman, LDWA President



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Karen Markovich, LDWA Corporate Secretary

**LDWA & SILVER POINTE ESTATES (SPE) SPECIAL MEETING  
MINUTES  
Wednesday, November 13, 2013**

Attendees:

LDWA Board: Elliott Sheltman, Ron Cundick, John Markovich

LDWA Staff: Karl Rasmussen, Pro Value Engineering; Karen Markovich taking minutes

Silver Pointe Estates: Silver Pointe Estates Developer Rick Sant & Alpha Engineering's Kade Bringhurst.

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Developer Rick Sant said when the hazardous material clean up is completed, they will go in and take samples and wait until they receive the results of the testing. It takes a few weeks to complete each set of tests; they have about 2-3 months remaining. The contaminates are primarily mercury and they are required to remove 2,000 cubic yards of dirt. There is no funding to help with the cleanup. John Markovich asked if they are cleaning up all 105 lots – Sant said they are cleaning up the 1st two phases of 45 homes, with the balance of homes located in a better area.

The SPE plans are unchanged, but the number of parcels have been reduced from 45 to 22 for Phase I. Sant said the actual time for breaking ground on utilities will be next year [2014]. They are in the process of cutting the streets, removing contaminated material and placing it in the depository. Commencement is estimated for March 2014. Completion of initial work looks to be mid to end of June.

Originally approved for 105 lots, they deeded 105-acre feet of water to LDWA. Certain areas will need landscaping water, such as the center roundabout. They plan to dedicate 2 pieces of property to be used for town parks and which are not included in the plans. Sant said he's going to ask the Town of Leeds to pay for the installation.

Bringhurst said the final plat is not recorded until after the roads are in place. Rasmussen said Hurricane and Toquerville first record the plats, and then proceed to secure the bond.

Karl Rasmussen agreed that the Letter of Requirements dated October 18, 2013 submitted to Silver Pointe Estates needs to be completed.

Sant said we don't charge until we put the water in the pipes (*this is not correct*).

Rasmussen said we have to have a way that if something doesn't go right, the land would not set at a stand-still for 5 years or longer. SPE will tie into LDWA's existing infrastructure and what they put in the ground now will be SPE infrastructure until they record the plat. LDWA President Elliott Sheltman wants to hold off on that for now.

Rasmussen recommended we do what other cities do, and he will get the verbiage from the neighboring towns; Ron Cundick concurred.

Kade Bringhurst submitted the hydraulic modeling prints directly to DEQ's engineer Paul Wright. LDWA requested they provide two full sets of plans - one for LDWA engineer Karl Rasmussen & one for LDWA; Bringhurst & Sant said they would drop them by the office.

Sewers - Rick Sant said sewers are the first thing they plan to put in the ground, but a Town sewer just hasn't happened so they plan to install a sewer system that will provide sewage to flow into a holding septic tank with leach fields.

The next phase will be a wastewater treatment facility and the current cost is ~ \$680,000. They will first remove the holding septic tank system and the treatment facility will serve all 105 lots. Sant added it could be expanded to all of Silver Reef as it will need additional to get the flow of the sewer moving. As this system will be underground, they may need to lease it to the Town so they will have control of the facility.

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