



## MINUTES

DATE/TIME/LOCATION:	February 7, 2023      7:00PM      The Cosmopolitan
TYPE OF MEETING:	<b>LDWA ANNUAL SHAREHOLDERS MEETING</b>
NOTE TAKER:	Layna Larsen
ATTENDEES:	<p>Board Members: Don Fawson (P), Doris McNally (T), Alan Cohn (M)</p> <p>Staff: Mark Osmer (Field Mgr) Layna Larsen (Corp sec)</p> <p>Guests: Riley Vane</p> <p>Shareholders: Dolan Anderson, Aaron Bateman, LoAnne Barnes, Sandi Bassett, Audry Beach, Keith, Blake, Rich Carnley, Brett Comas, Sonia Davis, Steve Dyroff, Don Fawson, Pauline Fawlkes, JRochelle Gardner, Curtis Graff, ack Gunn, Brian Hansen, Jay Harris, Tana Hayes, Bill Hoster, Sharon Johnson, Kim &amp; Ann Jeppsen, Brant &amp; Tiffany Jones, Steve Julian, Ken &amp; Layna Larsen, Darryl Lewis, Kyle &amp; Jennifer Lefler, Robert &amp; Doris McNally, Peter Mills, Phillip Piene, Michelle Peot, Mary Pettit, Alan &amp; Susan Roberts, Jetta Robinson, Angela Rohr, Susan Savage, Cathy Schmutz, Brandi Stevens, Belinda Stevens, Lyman Stirling, Robert Storoshka, Clayton Sullivan, Craig Sullivan, Holly Sullivan, Ned Sullivan, Bart Tanner, Robert Taylor, Kirk Walters, Jared Westoff, Stephen Wilson</p>

## Agenda Topics

### I. CALL TO ORDER

DISCUSSION	Meeting Call To Order	Don Fawson
	<p>Welcome everyone to LDWA'S 2023 Annual Shareholder's Meeting, it is 7:05 P.M. The meeting is going to go as follows. We will have a prayer, Steve Wilson, would you mind offering that for us when that time comes? And then I've asked Alan to give the pledge and then he's also going to read the proof of postings. for the meeting and then I'll give a report. Mark will give his field operations report, Doris will give the financial report, and Riley from Jones and DeMille, our engineers will give the engineering report. And then at that point we'll open it up to questions, but we're going to close the questions down at no later than about 8:15 so that we can start voting at least by 8:30 so some people can get home and get to bed or get the children or whatever they need to do. And then during the time that the ballots are being counted, we'll go ahead and open it up for additional questions. If there are any. And then Finally, once the counting is done, we'll bring the meeting to a close. And anybody that still wants to ask questions can do so individually.</p>	

DISCUSSION	<b>Roll Call</b>	Don Fawson
Don Fawson (President), Doris McNally (IP), Alan Cohn (Member), Mark Osmer (Field Operations), Layna Larsen (Corporate Secretary)		


DISCUSSION	<b>Prayer</b>	Steve Wilson
DISCUSSION	<b>Pledge of Allegiance</b>	Alan Cohn
DISCUSSION	<b>Proof of Meeting Notice</b>	Alan Cohn

I am going to read the announcement for the proof of the meeting is in accordance with LDWA bylaws Article 3 meetings of the Shareholders Section 8 procedure proof of meeting; notice was delivered in the following manner:

On shareholder's December 2022 Invoices, produced and postmarked 01/02/2023, the following note was included on the back of the cards:

The Leeds Domestic Water Users Association (LDWA) Annual Meeting will be on Tuesday, February 7, 2023 at 7:00 PM.

The meeting will be held at The Cosmopolitan Building, 1915 Wells Fargo Rd, in Silver Reef, UT 84746.




**LDWA News Drips**

Need to contact the LDWA, it's simple.  
Phone  
**(435) 879-0278**  
Please leave a message, your call will be returned promptly.

- To report an **EMERGENCY** water leak or a loss of water **PRESS 1**
- For a **BILLING INQUIRY**, **PRESS 2**
- For a **GENERAL INQUIRY**, **PRESS 3**

Your message is immediately routed, and a LDWA representative will be in contact.

Email  
**LDWAcorp@infowest.com**



**LDWA ANNUAL SHAREHOLDER MEETING**  
The Leeds Domestic Water Users Association (LDWA) Annual Meeting will be on Tuesday, February 7, 2023 at 7:00 PM.  
The meeting will be held at The Cosmopolitan Building, 1915 Wells Fargo Rd, in Silver Reef, UT 84746.

**WHAT TO EXPECT ::** Shareholders who plan on attending the meeting are advised to arrive at the venue well in advance to allow sufficient time for registration processing.


- A valid photo ID is required to gain admission - Attendance at the meeting is limited to shareholders.
- Regardless of the number of shares held, a Shareholder shall have only one vote. The affirmative vote of the majority of the shareholders represented at the meeting shall be the act of all shareholders. The vote upon any business before a meeting shall be by ballot. No proxy voting shall be allowed.
- Agenda items include - the election of two directors for two-year terms; the presentation of the annual financials and other reports.

On the same day (01/02/2023), this notice was also posted and the Meeting Agenda on the Leeds USPS Corkboard, and LDWA office front door. The notice was also posted on the LDWAcorp.org website and Facebook page for public notice (01/07/2023).

On shareholder's January 2023 Invoices, produced and postmarked 01/31/2023, a "Meeting Reminder" note was included on the back of the cards.

Satisfying the LDWA ByLaws ARTICLE III, Section 3. Notice of Meetings requirements.

On the reverse side of the invoices the New Drips Annual Meeting Notice was offered.




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DISCUSSION	<b>BYLAWS</b>	Don Fawson
Under the Bylaws Article 4 section 7 - A quorum is a majority of the number of directors. They shall constitute a quorum for the transaction of the business. David Stirling and Kurt Allen are both absent, they both had family emergencies that called them away. So, we do have a quorum at this time.		

## II. APPROVAL OF MINUTES OF LAST ANNUAL MEETING

DISCUSSION	<b>Call for Vote to Approve Last Annual Meeting Minutes</b>	Don Fawson
I would like to ask for board approval of the agenda that was outlined, also the meeting minutes for last year.		
VOTE	MOTION TO APPROVE THE AGENDA FOR TONIGHTS MEETING AND THE FEB 1ST 2022 LDWA ANNUAL SHAREHOLDER MEETING MINUTES: Doris McNally SECOND: Alan Cohn <b>MOTION APPROVED: Unanimously</b>	

DISCUSSION	<b>In Case of Fire</b>	Don Fawson
<p>INCASE OF FIRE – We have released the second door. and then there's the back door here, and I just kind of left it a little bit open, but they go the opposite of fire code. So basically, what happens if people panic, and the first couple get up there and they trip and the door slams. Everybody just piles up like cord wood. And that's happened in some schools, they've lost people as a result of that. And I'm not trying to create fear. I just want you to pay attention to that. So, if you're sitting by a door and for whatever reason, there's a need to leave in a hurry, then I'm just going to ask you to pull the door open and stand by it. Your kind of like the person on the airplane by the door out you help everyone else get out. We have spent time scripting what we are going to say to safe time and prevent us from duplicating what we are saying.</p>		
DISCUSSION	<b>Thank You to Volunteers</b>	Don Fawson
<p>First of all, I'd like to thank Layna Larsen, Susan Savage, Pauline Fawlkes and whoever else was helping up here with the registration. I'd also like to thank Ron Cundick and the Silver Reef Museum Foundation for the use of the Cosmopolitan, it's always appreciated. And I'd also like to thank each of you for your interest and concern in your water company. There's a lot going on nationally also in the State of Utah, there are a number of water bills going in the Legislature right now. We will try to keep you informed on what's happening locally.</p>		

## III. BOARD MEMBER REPORTS

DISCUSSION	<b>President's Report</b>	Don Fawson
<p>We have spent a lot of time trying to script what we were going to say. The reason for that is to avoid redundancy and repetition and all of that kind of stuff and respecting your time.</p>		

DISCUSSION	<b>LWC</b>	Don Fawson
<p>David had indicated his willingness to run for a board position again. But since he must be in attendance to be a candidate, he is ineligible, and I just want to give special thanks to him for the hours he's devoted to LDWA and especially his service in bridging long standing distrust between LDWA and LWC (Leeds Irrigation Company). He was instrumental in working with the State Water Engineer to create a better understanding of our shared rights to the Quail Creek Spring. Along with the State Water engineer creating a schedule for water use based on total system or Quail Creek drainage flow. And quite frankly, this was a significant step forward toward a more synergistic working relationship between the two companies. And one that allows both companies to have confidence that each is being treated fairly and receiving their allocated spring share and it is critical right now for LDWA and LWC to work together harmoniously especially in times of drought, which we've experienced and thank the Lord, we have had snow and rain come through. It's just been a great thing to see.</p>		

DISCUSSION	<b>Positive Working Relationships</b>	Don Fawson
<p>We have made great strides this past couple of years to create a positive working relationship. As I mentioned with LWC, the leads water the irrigation company. And also, the Washington County Water Conservancy District and the Town. We feel this is essential to allow us to move forward in a symbiotic manner to not only support one another, but to decrease or eliminate the energy and financial drain contention brings. Lawyers are expensive. One of the things that we established and feel very confident in is that Washington County Water Conservancy District is not interested in taking over LDWA. They consider it to be a liability. It's just another financial and administrative thorn in their side and based on some of the meetings we've had with their engineers and whatnot, they've got plenty going on. We met numerous times with their director, engineers and board and they've all stated as such. LWC, Leeds Irrigation Company is interested in creating a positive and fair working relationship with LDWA.</p> <p>I would like to give you a little update on the projects that we're working on right now.</p>		

DISCUSSION	<b>Well Upgrade</b>	Don Fawson
<p>We are doing a Well upgrade on the existing Well. That Well was put in, in 1970 and at one time it actually collapsed. It was pretty unheard of to actually take a collapsed well even to get the pump and things out, but then also to redrill and bring it back up to standard, which we did, and we were able to recase it. So, at this time we're upgrading the pump, increasing the capacity, and also the motor, the piping, the control system, to increase flow and better control our ability to regulate the pump output. Right now, we do have something called a soft start which allows the pump to start up a little slower, but it still reaches its capacity of about 350 gallons a minute and we don't have any way of controlling that amount of flow. It's either up to that point or not. So, we're putting in a control system that will allow us to control not only the startup, but also the pump output. That'll do two things; (1) it will help prolong the life of the pump and (2) reduce the power consumption because Rocky Mountain Power bases your rate on the maximum amount you take at any moment. So, if we have this hard start where it just slams electricity to that and it starts up, then they take that level and they say, OK, at that level it's going to cost you so much a KWH all the way across the board, even if it drops off. So, what we're doing is just bringing it up slowly to whatever it takes to keep the pump running and then maintaining that which allows us to decrease the amount that we're spending on pump cost.</p>		

DISCUSSION	<b>Pumphouse Upgrade</b>	Don Fawson
<p>We are also looking at upgrading the pump house. A adding a propane driven generator as a backup in case of a power outage. You know that California and some of these other areas have had power outages and nothing says that we couldn't experience something like that, particularly in a dry time with a fire situation. And so this would allow us to continue to pump water even in those conditions and sometimes, I know at least in California, I don't know that they've actually done it here, but there have been times when they've just cut the power off because of the threat of fire. So, propane is a very stable fuel, you can keep it forever and it will not degrade, whereas diesel and gasoline, that's not the case. So that's our choice of fuel.</p>		

DISCUSSION	<b>Chlorination System</b>	Don Fawson
<p>Also, in order to make State standards, we have to put in a chlorination system. The one we have now the State kind of winks at it, so they're just saying, yeah, we're not going to come down, but you shouldn't be doing it the way you're doing it. So, anyway we're working with the engineers to come up with a system that meets the State standards and since we have a split system where we have a spring and we also have a pump and they're coming in at different directions we have to figure out how to put that together in such a way that it will take care of balancing that out?</p>		

DISCUSSION	<b>Second Well</b>	Don Fawson
<p>We are also drilling a second Well. And obviously the controls and pumping and whatnot as a backup to our existing well in case of pump failure or well collapse. And if we had some drastic failure like that, the chances are, particularly with supply chain issues and other things, that we could be in a world of hurt, particularly in the summertime when there's a great deal of water commanded. Also, alternating well usage on a predetermined schedule will assure that both pumps and wells are functioning as required to their maximum.</p>		

DISCUSSION	<b>Overflow Valve to into LWC</b>	Don Fawson
<p>We also plan to add a type of valve to dump overflow water back into the Quail Creek drainage. Right now, that's going into Grapevine Wash, which is a strict violation of state law. You cannot take water out of one drainage and dump it back into another one, it is illegal. So, we're hoping to be able to solve that issue.</p>		

DISCUSSION	<b>Dugway Pipe</b>	Don Fawson
<p>The lower section of Quail Creek Spring, the lower section of piping to Quail Creek Spring, our spring up the Canyon was replaced about 6 years ago. I don't know if all of you are familiar with the dugway pipe, going up toward Oak Grove where the road gets real narrow against the Cliff. A 6-inch pipe replace the 4-inch steel pipe up to that point. And we are looking to replace the remaining, it's about 5 miles of that steel pipe, which is 70 years old now. It will be from the Spring down to connect to the already upgraded 6-inch line of the Dugway.</p>		

DISCUSSION	<b>Main Street</b>	Don Fawson
<p>And we are working collaboratively with the Washington County Water Conservancy District to replace and upsize the 50-year-old line on West Main Street to current standards to meet current and future needs, including increased fire flow. I was going to bring up a sample of that pipe compared to the new pipe standards. But the wall thickness on a new standard pipe is about twice as thick as the old one, and I don't know whether the material has been increased in strength or not, but nonetheless it'll withstand a lot more abuse and problems.</p>		
<p>Also, the Washington County Water Conservancy District is also replacing their 14-inch water line. I don't know if you know, but they have a 14-inch water line going down through town. They had it coming from the Cottom wells up at Anderson Junction and they found the pipe that they had put in, it's a black plastic type pipe that they just Weld together, was degraded by chlorine. And so, we had some breaks in that pipe down through town. So, they had to shut that line down completely, it's inactive right now. And so, they're replacing it with a 24-inch steel pipe. They finished that pipe down to Babylon Wash just north of town a year or so ago and they're going to go ahead and pull that down through town. Probably in the next year. So, we thought we would work with them so that we can create a situation where we can dovetail off one another to reduce cost. By Riley working with their engineering firm, specking out what we'll need for our part of our line and combining that into one bid for materials. So, that we can hopefully reduce the price for both groups. Also, there should be some offsetting costs for trenching and traffic management and some of the other things that they're going to have to be done and if we did it separately, we'd have to wind up paying that twice.</p>		
<p>So, we're also looking at the East side of Main Street, in replacing the old pipe there. There are some new sections of the east side of Main Street, but there are some that are very old as well. And so, we're looking at replacing the parts of the line that are the oldest. Actually, this is a contingency project, which means that it's the last project we're going to be doing. We'll take that as far as the money will let us,</p>		

maybe we'll finish the whole thing and have some to do some other things too, but maybe we won't. It just depends on the cost of materials and labor and other things that go into it.

At this time, I'm going to turn some time over to Alan to review a couple of the developments that we're working with right now.

DISCUSSION	New Developments	Alan Cohn
	<p>Currently there are two semi-active or active developments we're currently working with. The developers of Silver Eagle Estates located on top of the hill there behind the fire station. They're developing 14 lots. They've procured sufficient water rights and warranty deeded them to LDWA to meet our requirements. They are currently working with the engineers to complete drawings to meet our requirements for their water system.</p> <p>The other development is Silver Point. They are down near the old cemeteries, on the West side of I-15 on the flat between and around the old Catholic and Protestant cemeteries. Phase One will consist of 24 lots. They previously deeded sufficient water rights to LDWA to meet our requirements. We are still in discussion with this development. Stay tuned.</p>	

DISCUSSION	Field Operations	Mark Osmer
	<p><b>Don Fawson</b> - OK. Thank you. I'll turn some time over to Mark. And he's our amazing water operator and he's going to report on some of the projects that we did this last year.</p> <p><b>Mark Osmer</b> – So, we passed all our monthly water tests last year. We submitted and passed the annual nitrates test.</p> <p>We did hydrant inspection and maintenance, completed hydrant flushing and flow testing, removed all the hydrant caps lubricated and put them all back. We relocated the hydrant at Valley and Center because it was down in a ditch and hard to get to. We replace the damaged hydrant that was run over at the end of Berry Lane, there was an accident and a car hit the hydrant, so we put a new one in.</p> <p>At the spring, we installed a new spring meter. We installed a new lid on the spring box, preventing contamination from LID removal, because you had to slide the old lid off and now it opens up on a hinge. We scoped the spring water line with the camera between the meter and the spring to see if there were any root growth, but there wasn't, it was nice and clean. We cleaned up the area surrounding the spring enclosure and then we had the youth group clean up the inside of the spring enclosure area. We met with LWC and the State Water Engineer to understand and clarify our spring well water rights.</p> <p>We sealed the well house, cleaned up inside, painted the floor for increasing sanitary conditions, repaired the well house roof. Worked with the fire department to clear trees from around the well house to provide a defensible space in case of wildland fire. We cleared the trees, they cut the trees down and shipped them, and we went in and cleaned all the stumps up and removed all those.</p> <p>We painted the old cement tank on Silver Reef Road.</p> <p>We lengthened an air vent on the Oak Grove tank as per state requirements.</p> <p>We relocated the S curve vault and PRV to eliminate Bonanza Flats PRV and consolidated it with Silver Reef PRV, so they are both on one pressure reducing valve. Removed the old dilapidated PRV structure and got rid of that and re-piped out to the Bonanza Flats.</p>	

We fabricated and installed new access ladders in all the vaults. We purchased the vault air extraction fan for safety.

And then we did general maintenance and repair of PRV's. We installed a crossover line and Valve on S. Main St. to improve water circulation, create redundancy, reduce shareholder inconvenience during needed line repairs in that area. We repaired the line on the West side of the Main Street throughout town, we had to replace a section of pipe, it was damaged.

We replace 10% of the dual check valves on the meters as required by the state.

Installed new service lines to new homes, completed general repairs on existing shareholder lines, and complete the major Main Street line repair.

We met with the USGS supervisor to understand their stream flow measuring system and how it is calibrated. We also met with Rocky Mountain power to determine line failure solutions.

Assisted in installing the flume meter monitors for shareholders.

Don Fawson – OK, thanks, mark. So, he has been kept pretty busy through the year. We really appreciate him all he does. Doris, I'm going to ask you to give the financial report.

DISCUSSION	Financial Report	Doris McNally
Shareholders, copies of the 2022 Financial Summary were available at the sign in table tonight.		
<b><u>INCOME REVIEW</u></b>		
Ordinary Operating & Other Income this year was: <b><u>\$278,242.89</u></b> . This income is derived from: water sold via active and standby taps, Infowest lease, account transfer fees, income for the DDW Loan #3F138, late fees, water connections for new homes, interest earnings, meter rentals, water sold for construction mitigation, theft of utilities, and reconnections.		
<b><u>EXPENSE REVIEW</u></b>		
There are 4 Major categories for Expenses.		
<b><u>Ordinary Operating Administration Expenses: \$20,586.47.</u></b> (This category YTD represents <b>7.48%</b> of our expenses.) Expenses for training, insurances, memberships, certifications, licenses, consumable supplies, classes, computer systems, office rent, utilities, postage, mailing, association dues, legal, engineering, accounting services. LDWA's 10-year lease with Infowest for use of space on LDWA's water tank for their cell transmitter expired and was negotiated to include the new email and voice mails systems, installation of electricity to water tanks for security cameras, purchase of security cameras at Infowest direct cost.		
<b><u>Ordinary Operating Professional Services Expenses: \$12,327.95.</u></b> (This category YTD represents <b>4.48%</b> of our expenses.) Expenses for our CPA Accounting & Tax Preparation, Engineering & Legal Processional services.		
<b><u>Ordinary Operating Field Expenses: \$146,038.38.</u></b> (This category YTD represents <b>53.07%</b> of our expenses.) Expenses include equipment, pressure reducing valves (PRVs), valving, fire hydrant & maintenance, cross connection program, inventory, consumables & supplies, tools, security systems for		

infrastructure, safety equipment for field operations, BLM, US Forestry easements, blue stakes, asphalt, excavation, pump utilities, water rights maintenance (filing proofs, extensions, etc.), water testing, meters, barrels, sensors for digital metering of water use, and costs related to compliance with DDW/DEQ regulations. 35% (\$50,898.00) of these expenses were paid to the DDW #3F138 loan.

**Ordinary Operating Payroll & Taxes: \$96,250.25**  
 (This category YTD represents **34.97%** of our expenses.)

**FINANCIAL ACCOUNT FUNDS AS OF JANUARY 31, 2023:**

<b>CHECKING ACCOUNT:</b>	<b>\$57,658.91</b>
EMERGENCY REPAIR & MAJOR PROJECT RESERVE	\$288,178.52
DDW LOAN #3F138 FUND	\$710.46
IMPACT FEE ACCT	\$41,042.77
<b>SAVINGS ACCOUNT:</b>	<b>\$329,931.75</b>

DISCUSSION	<b>PayClix</b>	Doris McNally
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In 2021 the LDWA introduced to its shareholders additional bill payment options through a service named PayClix.

Shareholders can now submit their payments online with e-check or credit card (Discover, MasterCard, or Visa) through this service. They can also make a payment over the phone.

We introduced this because we saw a trend in late fees being collected by the LDWA.

In talking with many who were paying these fees it became clear that offering some the ability to address their bills by placing them on their credit cards or establishing an automatic payment process connected with their credit cards would in many cases eliminate these situations.

In 2020 the LDWA's Late Fee income was **\$7,857.13**. In 2021, the year we implemented PayClix, late fee charges dropped to **\$3,275.88**.

That's a reduction of **58.3%**. In 2022 late fees charges have dropped to **\$2,990.53**.

In 2022 we processed 718 payment, **\$50,785.29 payments** through the PayClix service. To date 120 people Have used PayClix, that's just Shy of 30% shareholders.

We continue to investigate solutions that make sense for the LDWA to incorporate into it's business practices that bring value to our shareholders.

	Credit Cards		Electronic Checks		PayClix®	
	Count	Credit Cards	Count	eCHECK	Count	TOTAL
Jan-22	33	\$2,149.28	13	\$641.94	46	\$2,791.22
Feb-22	30	\$1,574.26	19	\$1,047.57	49	\$2,621.83
Mar-22	33	\$1,961.13	20	\$846.85	53	\$2,807.98
Apr-22	34	\$1,547.00	16	\$1,068.23	50	\$2,615.23
May-22	33	\$1,510.34	21	\$1,434.03	54	\$2,944.37
Jun-22	41	\$2,653.92	19	\$1,303.09	60	\$3,957.01
Jul-22	46	\$3,561.35	22	\$1,828.03	68	\$5,389.38
Aug-22	45	\$3,081.90	24	\$4,593.35	69	\$7,675.25
Sep-22	22	\$1,295.27	17	\$1,256.22	39	\$2,551.49
Oct-22	72	\$4,384.68	27	\$5,088.28	99	\$9,472.96
Nov-22	37	\$1,716.18	21	\$1,433.33	58	\$3,149.51
Dec-22	46	\$2,786.00	27	\$2,023.06	73	\$4,809.06
	<b>472</b>	<b>\$28,221.31</b>	<b>246</b>	<b>\$22,563.98</b>	<b>718</b>	<b>\$50,785.29</b>



DISCUSSION	Flume 2	Don Fawson
<p><b><u>Don Fawson</u></b> - the Flume 2 is a monitoring system. It's a receiver inside your house and a device that goes around your meter. It's about \$170 and I don't know how it does it, but it continually gives you information on your water usage, from the type of devices that you're using in the house, where you're using over what you normally use, it alarms you if in fact you have a leak or something going on so that you can get on top of it, because that can be very expensive very quickly. So, this is something that Doris has worked out a deal on, it's normally over \$200, but with the LDWA discount it is more like \$170.00.</p> <p><b><u>Doris McNally</u></b> - The other thing is if you have an insurance policy on your House and you submit the remainder of the bill, nine times out of 10 they will pay it. Making the flume cost you nothing. So it's really something to look into. Mary, I know you have one and you like it.</p> <p><b><u>Mary Petite</u></b> – I Love it,</p> <p><b><u>Doris McNally</u></b> - So, if you have any interest in learning about it, feel free to talk to anybody in the water company. It's a good tool.</p> <p><b><u>Alan Cohn</u></b> - Yeah, I have it on my house and I found an inadvertent very very slow trickle leak that was still costing me several 100 gallons a month. So. I've been able to track that down. It's definitely a worthwhile tool.</p>		

DISCUSSION	Administration Report	Riley Vane
<p><b><u>Don Fawson</u></b> - OK, I went over just a description of some of the projects that were major projects we're looking at working on. Riley Vane is with Jones and DeMille Engineering who is our engineering company. And I asked him just to kind of go over where we're actually at on each of these projects right now. So, Riley.</p> <p><b><u>Riley Vane</u></b> - This is just a map. I didn't really prepare anything special. It's the same map that was actually up here when we originally discussed the projects.</p> <p>The first project, kind of the priority that we were tasked to focus on was the new Well. Where we're at with that, we've been working closely with the hydrogeologist, John Files and Cascade Water Resources to site where that might be. An instrumental part of that is testing the current Well. We know it's capacity of 350 gallons per minute, it only has four feet of drawdown which puts it as an exceptionally good Well, very, very good Well, very good performing. Part of this process is to upsize the pump, test it at a higher gallon per minute rate, 700 gallons per minute and see how close we can locate that new Well. Anzalone Pumps has been up there and they pulled the old pump and looked at it. We've inspected it to see if there's any type of corrosion and everything looks OK, so that's good to know. We have all of the equipment ordered and it's scheduled to be tested next weekend. By then we will know exactly how the Well is performing and how close we can locate that new Well and proceed with that design.</p> <p>As far as the well House we've designed the well House and the validating Chlorinators that we are going with that and the preliminary stages of that are making great progress.</p> <p>We've also began looking at the Oak Grove pipeline and looking where we can improve on that pipeline and the efficiencies of it. Right now, I'm working with Mark, there are several air valves and several</p>		

boxes that we'd like to eliminate as much as possible just to improve the efficiency of that line. We're also looking at upsizing it from a 4-inch steel pipe that was put in the ground 70 years ago. We also know from soils report that it's a very corrosive soil over there and steel and corrosive soil doesn't last long. This is also why this project has been bumped up in priority. So, we're upsizing that to a 6-inch, there's no reason not to, the material costs are pretty similar right now. Some of the efficiencies that we're looking at within that pipeline is moving it closer to the road, there's a few locations where it actually deviates from the road up to a couple 100 feet, we'd like to move that closer to the road so, it's easier to maintain, easier to keep an eye on to see when it's leaking. We'll also be looking at installing a few meters along that line to make sure we're tracking any water loss. Right now, there isn't a great way to monitor any loss within the overall pipeline. They have a meter up at the top, but nothing really at the bottom to show how much loss we're seeing. It's Seventy years old, we expect that there's some loss happening, so we want to improve on that efficiency.

As far as the Main Street pipelines, as Don mentioned that's still kind of a contingency project there on the east side. As part of our scope, we're going to design it and we'll see where the rest of the bids come in to see how much we can actually improve on that line. The board will have a complete design of that pipeline to implement whenever they have the funding or when Mark is available and not busy doing everything else.

We've been working closely with the Conservancy District and Civil Science their engineer to make sure that the pipeline going down Main Street on the West side is up to LDWA specifications, that it's setting us up in positive direction in the future, making the necessary connections across main St., to ensure that there's fire flow with critical structures. As part of the project that Don was able to secure, there's three hydrants that are going to be put in off of the Conservancy District pipeline which is excellent news. This is to provide redundant flow for the church, the town hall, and then the post office shopping center. These are some of the bigger buildings that we really had trouble making fire flow work. They came in and were able to provide that second source of fire suppression.

Schedule, we're moving forward, in spite of all of the difficulties with materials at the moment, we actually are moving forward with testing the Well, getting the necessary pump controller, which I'd say is miraculous that we were able to get that in such a short time. We were able to get one within a few weeks and by comparison St. George City has had the same one ordered since October, they still haven't received it. So, we have some great subconsultants working on that. We are currently formulating what these bid packages are going to look like, how we're going to break them up in a way that makes sense and saves LDWA the most amount of money by using design assist from contractors.

That's about it.

## SHAREHOLDER COMMENTS

DISCUSSION	Comments	Shareholders
	<p><b>Don Fawson</b> – Thank you Riley. So, we're going to open it up for some questions at this time, but I want to lay down some rules.</p> <ol style="list-style-type: none"> <li>(1) Please wait to be recognized by me, just raise your hand if you would please.</li> <li>(2) Then come to the front or stand up so that people can hear you, speak loud please.</li> <li>(3) State your name. We need this for our minutes.</li> <li>(4) Then ask your question.</li> <li>(5) We ask you to please keep your questions to the point and relevant to our purpose here tonight, rather than it being a storytelling time.</li> </ol>	

- (6) We're giving each questioner an allotted 3 minutes just so that we can get to as many questions as possible.
- (7) Other shareholders will be given the opportunity to ask questions prior to a shareholder being given a second opportunity. It doesn't mean you can't have a second opportunity, but we'd like you to wait and give someone else a chance first.

And I wanted to say that it's natural and oft times healthy to have differing opinions. I don't know if any of you that are married have ever had a different opinion between your husband and wife, but. We ask that you expressed those opinions as opinions. Personal attacks are not appropriate. OK with that in mind, anyone have any questions?

**Angela Rohr** – I was under the impression that we were doing an 8 inch pipeline coming down from spring other than a 6-inch. Has that been changed, I mean obviously it has, but to the extent of, is it cost between the difference or is it something else?

**Riley Vane** – Tentatively, we are at about 30% design level on this. So, with the Oak Grove pipeline, you have a lot of slope changes that's happening within that and then you have these weir structures that we want to maintain because they actually work quite well. In combination with how that was set up, you really only have to go 8 inch, a couple 100 feet then it starts dropping off and you can get the same capacity out of 6-inch. We're still looking at it. I mean we definitely are not opposed to an 8-inch and at a certain level you have to look at what can the spring actually produce and if it makes sense to over engineer that pipeline or if we try to optimize it the best we can.

**Michele Peot** - It looks like the Engineering expenses seem low for this year because we did have Jones & DeMille come in and help with the loan.

**Riley Vane** - We donated our time got this funding package. Quick update, I don't think we mentioned the Division of Drinking Water State revolving fund, we were able to secure initially 7.5 million, which is a huge accomplishment, 48% of that being loan forgiveness, so it's the government's way of saying grant without saying grant, and that's a tremendous accomplishment. The remaining 4 million is to be financed for 40 years at 0% interest, a huge accomplishment. We actually went back after that when we figured out we could. You have to meet average water bills as part of the funding requirement, we figured out we could actually get a lower bill if we submitted for the remaining balance of the 2011 loan for which was 273,000 or 280,000 and it would bring the average water bill down that we have to meet and then saving about \$45,000 off of the that remaining sum. So that was a good thing.

**Michele Peot** – One other thing, I had a request when we do have elections that people that are interested in running that we have some kind of statements given in advance because this last year with a lot of turnover and it would be helpful if we had information and we were able to make a more informed vote and that people that wanted to run could maybe think about the reasons they wanted to run.

**Don Fawson** - So kind of give me an idea. So, what you'd like to do is have people announce ahead of time if they are interested.

**Michele Peot** – Yeah, write up a half page sheet or something and put it on the website, everybody can read it and then ask those candidates questions in advance, so it doesn't feel so rushed.

**Don Fawson** – That's not a bad suggestion. The challenge we have had in the past is getting people to run, so we try not to advertise what it actually entails. But anyway, that's really good. Thank you.

Alright, anyone else have questions? Well, this is going to be a short meeting. That's pretty disappointing actually. OK, well, if that's the case, then we'll move on to nominations for voting and let me just read this statement.

#### IV. ELECTIONS

DISCUSSION	Election Overview	Don Fawson
<p>ARTICLE IV, SECTION 2 of the BYLAWS STATES THE FOLLOWING            “At each annual meeting, the shareholders shall elect Directors for terms of two (2) years, with an odd number 3 on even numbered years and an even number 2 on odd numbered years.”</p> <p>So, this is 2023 an odd number year, so we are electing two Board members to serve for the next two years. The two seats that are being vacated are – My seat and David Stirling’s seat. Do you want to read the qualifications for?</p>		

DISCUSSION	Nominee Qualification	
<p>Doris McNally – Based on The bylaws, ARTICLE IV, SECTION 2 the only qualification is that “All nominees shall be members in good standing with the Association.”</p>		

DISCUSSION	Nominee Expectations	Doris McNally
<p>But there are some expectations and considerations we'd like to review. It is the hope of the board that all nominees will seek the position for the purpose of serving the association at large, protecting the rights of each individual shareholder, and the ability for the LDWA to continue delivering the highest quality water in Southern Utah. If a nominee has other desires than these, our hope is that you withdraw your name from the consideration.</p>		

DISCUSSION	Nominee Considerations	Doris McNally
<p>Some of the things that the board is asking for is that you consider your commitment to the LDWA first and foremost, to your family responsibilities, your career; Do you need to travel a lot? Are you willing to get your hands dirty? Are you willing to take care of emergencies at any hours of the day or night? Are you willing to work as a member of a team? So that's kind of that level of it.</p>		

DISCUSSION	Estimation of Time Given in a Month	Doris McNally
<p>From a time, estimate, and I think a lot of people don't recognize how much time it actually takes to participate on these things. These projects take a lot of effort. There are many things that need to be done in normal daily operation by providing you, our shareholders, the service that you're getting. They range from the mail doing billing, thank you, Layna, the accounting, thank you, Jen, to any kind of involvement we're doing with the associations and keeping up with the water rights and legal aspects of the association. So, on average we feel that a nominee should be prepared to at least spend 10 hours a month with the LDWA doing activities and in many cases that's much more. So, Michelle, to your statement earlier, this is the expectations and I think that in last year what you saw was a lot of people didn't recognize how much volume and effort it takes to get involved in this. So, I think your idea is a good one.</p> <p><b>Don Fawson</b> – Just in line with that We also found that life goes on, and things happen, and we recognize that. Sometimes it was not a matter of not recognizing what kind of time and effort it was going to take,</p>		

but actually having life get in the way of that. And I think we can all appreciate that that happens from time to time so, we wholly respect, people's need to change from time to time and we respect that totally. So, let me go over the voting procedure so. See if I've got.

DISCUSSION	<b>Procedure for Vote</b>	Don Fawson
<ul style="list-style-type: none"> <li>• Nominations will be taken from the floor. (please raise your hand to be recognized if you want to nominate a candidate)</li> <li>• Nominees must be present at the meeting and members in good standing.</li> <li>• If nominated the candidates will either accept or decline nomination.</li> <li>• Names of all eligible nominee's will be written on a board for all to see.</li> <li>• All nominee's will be given an opportunity to address the shareholders with a brief bio to talk about themselves and experience.</li> <li>• All nominee's will be assigned a number next to their name</li> <li>• We ask that you vote by the number and then their last name.</li> <li>• (You need to be here to vote &amp; using numbers helps to verify you are)</li> <li>• Please do not disturb the counting in progress.</li> <li>• During the counting process the board will take additional questions if there are any.</li> <li>• The counters will deliver the vote tally to the Board.</li> <li>• The board will announce the vote to the shareholders.</li> </ul>		

DISCUSSION	<b>Nominations from the Floor on Chalkboard</b>	Layna Larsen
<ul style="list-style-type: none"> <li>• Don Fawson / Nominated by Aaron Bateman</li> <li>• Brant Jones / Nominated by Steve Wilson</li> <li>• Angela Rohr / Nominated by Cindy Neubauer</li> </ul>		

DISCUSSION	<b>Call to Close Nominations</b>	Don Fawson
<ul style="list-style-type: none"> <li>• Don Fawson / Nominated by Aaron Bateman</li> <li>• Brant Jones / Nominated by Steve Wilson</li> <li>• Angela Rohr / Nominated by Cindy Neubauer</li> </ul>		

DISCUSSION	<b>Call to Close Nominations</b>	Don Fawson
VOTE	MOTION TO CLOSE NOMINATIONS: Doris McNally SECOND: Alan Cohn <b>MOTION APPROVED: Unanimously</b>	

DISCUSSION	<b>Assignment of Alphanumeric to Nominee's</b>	Layna Larsen
#1 – Don Fawson #2 – Brant Jones #3 – Angela Rohr		

DISCUSSION	<b>NOMINEE – Don Fawson</b>	Don Fawson
So, I am not going to say a lot. Those of you who come to the meeting either are positive or negative and all I can say is I've tried to do the best I can for the Water Company, and I'll continue to do so if I'm elected.		

DISCUSSION	<b>NOMINEE – Brant Jones</b>	Brant Jones
<p>I'm happy to serve. I have lived here over 30 years and my personal interest is; I drink water and shower and other than that, there's no selfish reason for this, I do like to serve. I think I got my 12 year award with the Fire Department serving with Don. EMT service for those 12 years while in service and training. Currently serve on the LWC, so I hope to maintain that relationship between the irrigation and the culinary water.</p>		

DISCUSSION	<b>NOMINEE – Angela Rohr</b>	Angela Rohr
<p>I am a 16-year resident here and during that time I've served on the water board for several years, and then I was eight years on town council. I love Leeds. I have always had a deep interest in water and our need for water. And the things that Doris said, we should be thinking about are things that I feel. Thank you.</p>		

DISCUSSION	<b>SUMMARY</b>	Don Fawson
<p>I think we've got two good candidates and I leave myself out of that. But anyway, go ahead and fill those ballots out.</p>		

DISCUSSION	<b>REQUEST FOR 3 VOTE COUNTERS</b>	Don Fawson
<p>ARTICLE IV, SECTION 2 STATES THE FOLLOWING          “The President shall appoint three (3) judges from those present to rule on qualification of members, disputes, and to canvas the votes. The results of the voting will be announced immediately after tallying is completed, in the meeting.” “Voting shall be by secret ballot.”</p>		

DISCUSSION	<b>COLLECTION &amp; TABULATION OF RESULTS</b>	Don Fawson
<p>The three (3) judges - Susan Savage, Pauline Fawkes, Keith Blake, will collect the ballots from the room. They will tabulate the votes, align on the count, and report the results to me. I will then share results with my fellow board members and announce the results. The newly elected board members will be given their oath of office upon meeting adjournment.</p> <p><u>Voted in for 2023 Board Members &amp; Votes Tallied</u>          Don Fawson – 46, Brant Jones – 44, Angela Rohr – 5,</p>		

## V. ADJOURNMENT

DISCUSSION	<b>Meeting Adjourned</b>	Don Fawson
08:15 PM		
DISCUSSION	<b>Administration of Oath of Office to the New Board Members</b>	Layna Larsen
Brant Jones, Don Fawson		



**Layna Larsen**, Corporate Secretary