



Minutes

Date/Time/Location:	February 15, 2023	7:00PM	Leeds Town Hall
Type of Meeting:	Board of Directors Meeting		
Note Taker:	Layna Larsen		
Attendees:	Board Members: Kurt Allen (VP), Doris McNally (IT), Brant Jones (M) Staff: Mark Osmer (Field Mgr), Layna Larsen (Corp Sec.) Guests: Josh Wagstaff Shareholders: Terry Allen, Susan Savage, Chris & Sidney Bevan		

Agenda Topics

I. CALL TO ORDER [KURT ALLEN - @ 7:00 PM]

CALL TO ORDER	We'd like to welcome everybody here to Board Meeting, it is the 15th of February 2023. I'd like to call for a roll call of the Board members that are present. We'd like to excuse our President, Don Fawson tonight he's away attending a funeral and Alan Cohn for family matters.
ROLL CALL	Present: Kurt Allen (VP), Doris McNally (IT), Brant Jones (M)

II. PRAYER [Brant Jones]

III. PLEDGE [Josh Wagstaff]

IV. CONSENT AGENDA, PRIOR MEETING'S MINUTES & POLICY APPROVAL/VOTES [Don Fawson]

DISCUSSION	Consent agenda consist of the acknowledgment the meeting notice was posted. It is also a vote to accept this month's agenda and the previous month's minutes.
VOTE	MOTION TO APPROVE PRIOR MEETING'S MINUTES: Doris McNally SECOND: Brant Jones MOTION APPROVED: Unanimously
VOTE	MOTION TO APPROVE TONIGHT'S AGENDA: Doris McNally SECOND: Brant Jones MOTION APPROVED: Unanimously

IV. OFFICERS REPORTS [All Members]

a) PRESIDENT'S REPORT [offered by Kurt Allen]

DISCUSSION	ANNUAL SHAREHOLDER MEETING MINUTES
<p>Kurt Allen - We've got an item of business that needs to be taken care of for housekeeping. Typically, over the years after the Annual Shareholder's Meeting the minutes have not been reviewed and approved until the following year. This has typically been the procedure and it just doesn't do any good for the Minutes of the shareholder meeting to be off the record for a whole year and then put them on thinking that it's going to do some good. So, the Board has talked about this, and we feel that we need to change that and get the</p>	

February Shareholder’s Meeting minutes reviewed and approved at the March Board meeting. Then we can post them on the website and have those minutes available to Shareholders just like we do every other Board Meeting minutes. So, I'd like to receive a motion from one of the Board Members to take this action to review the Annual Shareholder’s Meeting minutes so the shareholders can review them within 60 days of the Annural meeting.

Doris McNally – In reviewing this situation historically, many associations had the minutes of their annual membership meetings approved by the members at the next year's annual meeting. The LDWA has done this for as far back as we have minutes on file. However, this is problematic as it really doesn’t allow the shareholders the ability to review the info in a timely manner. According to Robert's Rules of Order this was a common conundrum for Associations. Under Robert's Rules of Order, minutes that do not come up for review quarterly, may be approved by the board. Since annual meetings are annual not quarterly, the board can approve the minutes. "Minutes of one annual meeting should not be held for action until the next meeting a year later." (Robert's Rules, 11th ed., p. 95.) They can be approved by the board of directors or executive board. (Robert's Rules, 11th ed., pp. 474-475.)" So that being said I make a motion for the. . . .

VOTE	<p>MOTION: Brant Jones: I move that the LWDA Board to adopt Robert's Rules as it relates to reviewing & approving our Annual Meeting Minutes within 60 days of the Annual Meeting </p> <p>SECOND: Kurt Allen</p> <p>MOTION APPROVED: Unanimously</p>
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b) FIELD OPERATION’S REPORT [Mark Osmer, Brant Jones]

DISCUSSION	QUALITY WATER TESTS
	<p>Kurt Allen - Alright, we would like to ask Mark to give us a field report now, if you wouldn't mind coming up to the mic and give us your report. There's been a lot going on in your world.</p> <p>Mark Osmer – Yeah, so we've passed our BacT tests again this month. We've been working up at the Well house. We got a new soft start controller installed for the new pump. The electrician came up today, wired it all in, so it's all ready to go. We're just waiting for the pump guys to come and install the new pump, motor and pipe in the well. They were going to do it this weekend, but something came up and they won't be able to come here until the early part of next week. I've just been doing general maintenance on the system. I've got a couple of leaks I'm working on. That’s about it.</p> <p>Kurt Allen – So, tell us about the clearing around the Well.</p> <p>Mark Osmer - We cleared all around the Well, a radius of about 100 feet right around the Well, including all the trees, leveled it all out so we can get trucks in there to work and for a fire barrier as well. In addition the fire department is going to talk to the BLM about the road to the well. They were going to see whether they could clear 40 feet on each side of that road to create another fire barrier as well, which would be good. I haven't heard back from them yet.</p> <p>Mark Osmer – We also put a new gravel surface on the road, we just have to finish a little bit more so it'll be a nice clean gravel road all the way from the tanks up to the well.</p> <p>Kurt Allen - That's great. So, it's been a lot of work.</p> <p>Mark Osmer - Yeah, it'll be better, we are going to have a lot of people coming in and out of there. We're going to build a new Well house and, drill a new well, and so there's going to be a bunch of people coming in and out. It was super muddy before so now it’s a nice road we can use to get in and out.</p>

Kurt Allen - It's wonderful, appreciate your hard work.

Mark Osmer - OK. Appreciate you guys. Thank you.

DISCUSSION

CAMERAS

Doris McNally – We have some extra cameras for security and what I'd love to do is have one of the camera poles moved so we can mount a camera so we can actually monitor that area including time lapse video and things like that. It would be good to see and record the progress and then be able to report on progress. Mark and I talked about that so, I'd like to see if he can do that as soon as possible so we can start to capture from the beginning of the project all the way through. So, it's assets we already have, he just has to do it.

Mark Osmer - They just need moving around so they give a better view of the whole site. The only thing we need is to get some more wire from infowest if they're going to be they're going to be further out.

Kurt Allen - OK, great, we are all in favor of that. Move forward with that. Thank you.

Mark Osmer - OK, thank you.

DISCUSSION

LWC UPDATE

Kurt Allen - OK. We will now have a report from Brant Jones on LWC. They've been busy also. There's been a lot getting done.

Brant Jones - Just so everybody understands the LWC (Leeds Water Company) is the company that does the irrigation water that comes down from the same source as the Spring. It provides water shares for everybody that does agriculture in Leeds. I also serve on the LWC Board and thought it would be a good idea to have that liaison position. David established that. So, it's always been a good idea for us to work together because we're all using the same water source and I really appreciate LDWA and all they've done to mend that relationship and get it working again.

We've had a lot of projects too that probably don't need to be presented tonight other than just clean up and maintenance of PRV valves for the irrigation company.


One thing that does pertain to this meeting is the meter, the main meter that is going to regulate or give us the readings for all irrigation water coming down to town has been installed. It hasn't been operating because there's no water in the line right now. We're still working on a couple of other projects. There's a sand trap that eliminates the sand from coming down through everybody's sprinklers and we've been working on cleaning that and doing some other repairs. But the water will hit that line soon and then the meter will be recording LWC usage.

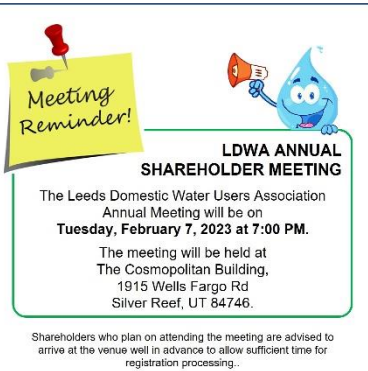
The other thing that does pertain to the two companies is there's a legal agreement that's kind of outdated that we've been working on. Both companies Boards have reviewed that and it's been submitted to attorneys at this point, water law attorneys and after that has been reviewed then we will move forward and just stabilize that relationship in a legal fashion, which will hopefully make it better for the future. One thing we would like to do too is go back to the State Water Engineer in Cedar City for the represents the State of Utah for the Division of Drinking Water present that to him, he gets to see quite a few of those agreements and would like his opinion just to be sure that we're on the right track, because we know the State of Utah owns all the water.

Then two interesting things happening here in Leeds. There's the LDWA that owns water and sells taps and then the LWC is a water company that sells irrigation shares. There are also people in the Town of Leeds that are not part of the LWC that also own irrigation shares from the same source, and so that's why we think the engineer from the State should be involved in the review.

Kurt Allen – That's very good Brant. It's our intent as the LDWA Board to continue this positive relationship with the Leeds Water Company so that the water rights that we both share from the Spring can be dealt with fairly, and legally, and make sure that both the culinary and irrigation water needs are addressed properly.

c) FINANCIAL REPORT [Doris McNally]

DISCUSSION	BILLING
<p>Billing for January was completed and mailed on January 31st. On the reverse side of the bill, the New Drips Article was an Annual Meeting Notice Reminder.</p> <p>Satisfying the LDWA ByLaws ARTICLE III, Section 3. Notice of Meetings requirements</p> <p>Copies of this were also posted on the cork boards inside and outside the Leeds Post Office w/an Agenda Notice for the meeting.</p>	 <p>LDWA News Drips</p> <p>Need to contact the LDWA, it's simple. Phone (435) 879-0278 Please leave a message, your call will be returned promptly.</p> <ul style="list-style-type: none"> • 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 <p>Your message is immediately routed, and a LDWA representative will be in contact.</p> <p>Email LDWAcorp@infowest.com</p>



Meeting Reminder!

LDWA ANNUAL SHAREHOLDER MEETING

The Leeds Domestic Water Users Association 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, Silver Reef, UT 84746.

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

DISCUSSION	PAYCLIX																																																																																																								
<p>In January 65 shareholders paid their bills using this payment option.</p> <p>The total amount collected through PayClix was \$3,491.95. With 59% paid via credit cards & 41% via echecks.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Credit Cards</th> <th colspan="2">Electronic Checks</th> <th colspan="2">PayClix®</th> </tr> <tr> <th>Count</th> <th>Credit Cards</th> <th>Count</th> <th>eCHECK</th> <th>Count</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Jan-23</td> <td>39</td> <td>\$2,042.98</td> <td>26</td> <td>\$1,448.97</td> <td>65</td> <td>\$3,491.95</td> </tr> <tr> <td>Feb-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Mar-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Apr-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>May-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Jun-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Jul-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Aug-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Sep-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Oct-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Nov-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td>Dec-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>39</td> <td>\$2,042.98</td> <td>26</td> <td>\$1,448.97</td> <td>65</td> <td>\$3,491.95</td> </tr> </tbody> </table>		Credit Cards		Electronic Checks		PayClix®		Count	Credit Cards	Count	eCHECK	Count	TOTAL	Jan-23	39	\$2,042.98	26	\$1,448.97	65	\$3,491.95	Feb-23						\$0.00	Mar-23						\$0.00	Apr-23						\$0.00	May-23						\$0.00	Jun-23						\$0.00	Jul-23						\$0.00	Aug-23						\$0.00	Sep-23						\$0.00	Oct-23						\$0.00	Nov-23						\$0.00	Dec-23						\$0.00		39	\$2,042.98	26	\$1,448.97	65	\$3,491.95
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DISCUSSION	FINANCE
<p>January's Total Net Ordinary Income was \$22,157.81</p> <p>There are 4 Major categories for Expenses:</p> <ol style="list-style-type: none"> 1) <u>Ordinary Field Operating Expenses: \$7,066.51</u> This category YTD represents 34.5% of our expenses. 2) <u>Ordinary Admin Operating Expenses: \$1,943.12</u> This category YTD represents 9.5% of our expenses. 3) <u>Professional Operating Expenses: \$4,644.78</u> This category YTD represents 22.7% of our expenses. 	

4) Labor Expenses: **\$6,852.22**

This category YTD represents 33.4% of our expenses.

CHECKING ACCOUNT:	\$46,644.38
EMERGENCY REPAIR & MAJOR PROJECT RESERVE	\$288,178.52
DDW LOAN #3F138 FUND	\$710.46
IMPACT FEE ACCT	\$41,042.77
SAVINGS ACCOUNT:	\$329,931.75

d) ADMINISTRATION REPORT [Kurt Allen]

DISCUSSION	PROJECTS
	<p>Kurt Allen - Let me take just a few moments on our projects and talk a little bit about the Water Conservancy District (WCWCD). A couple of months ago in December, Don and I went to the Water Conservancy District Board meeting, and we requested some financial assistance from the Water Conservancy District towards the project that we're doing with them on the West side of Main Street. Our reason for asking for some assistance from them was because of the taxes that our citizens have paid into the Conservancy District over the years. We felt like they were obligated to return some of that money to us since we've been paying taxes to the Conservancy and haven't been able to get much benefit from the Conservancy District because they're not involved in our water system. We asked them for \$500,000 and the Board didn't turn us down. They reconsidered it the next month and they are not in support of helping to fund LDWA with the project and the installation of the project but can help defray the cost of some of the contracting for the installation, like traffic control, trench widening, things like that, that they could easily help to mitigate a share of the project. They're willing to help us out on some of that, but they stopped short of committing a cash commitment to us and understandably so. The WCWCD Board has got to answer to a lot of towns within the county and to give a cash commitment to one community would open the door for other issues and other communities wanting the same consideration. So, with that said, we do have a verbal commitment, for what it's worth, for them to help us with our share of the project on the West side of Main Street. Maybe for some of you that don't know what the projects are, let me just do a quick review.</p>

DISCUSSION	WEST MAIN STREET
	<p>Kurt Allen – The Conservancy District is putting a 24-inch pipeline all the way through town, from Harrisburg, all the way up to Anderson Junction and LDWA has partnered with the Conservancy District to replace our old pipeline in their same trench under the same contract. We are installing a 10-inch pipeline for LDWA alongside theirs, all the way from the South end of town by the South interchange, all the way to the North interchange. The Conservancy District has agreed to do that, and they've been working positively with us on engineering. They have bid out the materials already, so we know what our material cost is at this point. Which is nearly \$500,000 for materials alone. We're anxious to get the contract bid out with the Conservancy and they're planning on a March/April timeframe to bid the main contract out and to have the contractor in place for installation. So, that project is moving right along. The engineers are busy working on that and the Conservancy District and their engineers have been wonderful to work with keeping us involved in the project progress. It's been a great relationship. OK, so the actual project won't start with the Conservancy District until August or September time frame because materials aren't available. That's the lead time that materials are having right now. The material suppliers have committed to an August delivery for materials, so you won't see that project starting until this fall.</p>

DISCUSSION	NEW WELL
<p>Kurt Allen - We've already talked a little bit about the well. The Well is the top priority for the Board. As Mark has reported we've removed the motor and the pump out of the existing Well. We have received the new larger motor, more horsepower, and larger pump which is ready to go back in. We have got the variable start equipment installed and the electrician was there today and wired it up. Next week we'll drop the bigger motor and bowls (pump) into the Well and we'll start the test pumping. The test pumping will take place so that we know what strength we have in our aquifer. Currently, with the old well, we were drawing about 350 gallons a minute, with only a 4-foot of draw-down once we start pumping, which is excellent. We're anticipating that the aquifer is actually a much more capable aquifer. We're going to test pump it and see what capacity it can support. If it's capable of handling the larger motor and pump it will put out about 700 gallons a minute. At that point, we would likely drill a second well nearby. This of course is totally up to the geological or the hydrological engineer to determine the well site for this second well. He will pick the best site depending on what the test pumping reveals. Once the best site is determined, we will go right into drilling the second Well and getting that redundant Well in place. So, the well project is underway and looking good.</p>	

DISCUSSION	OAK GROVE SPRING LINE
<p>Kurt Allen - The other portion of our projects is the new Spring line coming down from the Oak Grove Spring. It's about 5 miles of new pipeline. Right now, it's in the permitting stage because it's going across Forest Service and BLM land. Jones and DeMille Engineering is trying to get all of our environmental studies done, get our permits in place and at the same time, get the design done. The survey work is being done so that we can have the design in place about the same time permits are in place and then we will immediately go right into the procurement stage of selecting a contractor and get that project going. (The snow levels have slowed the survey.)</p>	

DISCUSSION	EAST MAIN ST.
<p>Kurt Allen - Along with that project will be the East side Main Street pipeline. We intend on installing an 8-inch pipeline down the West side of Main Street, which will replace the existing 6-inch sections of pipeline. This will be bid with the Oak Grove Spring Line as the same contract. These two projects will be done in conjunction with each other. So, we're anticipating that the bid process will probably take place at the end of 2023 and the contractor would be selected early 2024 and that project would take place during the summer of 2024. If, in fact, the permits come through a little bit quicker than maybe we can get going this fall, but a safe schedule would be the year of 2024 for that project. So, all in all it's a \$7.8 million dollar project altogether and we're moving forward with the Division of Drinking Water (DDW) with the funding and taking care of the paperwork and everything that's taking place there.</p>	

DISCUSSION	LDWA RATE INCREASE
<p>Kurt Allen - OK, For the past 10 months or so, since we've got this Division of Drinking Water funding package, we've been addressing the fee schedules that go along with that to pay for that funding. The fee schedules have been reviewed, presented, we've held the public hearings, and the schedule has been discussed and rediscussed several times. The final fee schedule has been accepted to be implemented I will accept a motion from somebody to implement the approved fee schedule beginning with the April 2023 billing. So that being said I make a motion for the. . . .</p>	

VOTE	<p>MOTION: Doris McNally: THAT WE IMPLEMENT THE FEE SCHEDULES DISCUSSED IN THE PUBLIC MEETING IN SUPPORT OF THE NEW PROJECTS UNDERWAY BEGINNING WITH THE APRIL 2023 BILLING: SECOND: Brant Jones</p> <p>MOTION APPROVED: Unanimously</p>
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Kurt Allen - Kurt Allen – OK, so we'll see that beginning in April. I'd like to turn some time over to Josh Wagstaff to come up and present his material. He is representing Silver Point Estates.

Josh Wagstaff – So, we've been in here a few times, and I think we have everything dialed in now. We know, obviously, The State signed off on the cleanup and we have strenuous clean up ahead as we continue to develop and so we're just still looking for the "Will Serve Letter" for that. Unfortunately, Don's out of town today. I didn't know, if you guys still have all your questions answered now. I know last time Don had one as far as the certificate of completion which we emailed over their response from Rich White and the State that it's a "No Further Action Letter" for this project. So, it is ready to go as far as the State Cleanup is concerned.

Kurt Allen - I'd like to clarify one thing to that and within that letter it talks about the continued mitigation that will take place throughout the course of the project that will hopefully result in some kind of a certification at the end of the project, but until the construction project is completed, the mitigation of the environmental cleanup process is continuing on through construction and so, at this point it might be a no action letter, but the requirements in the environmental cleanup processes is that the cleanup continues through the construction process. Right.

Josh Wagstaff - Yeah, definitely, we still have inspections even though it's not under construction now, The State still has inspections on it and as soon as we start construction, there will be, significant inspections still.

Kurt Allen - Questions.

Brant Jones – Just because I am new to it, how many taps does this concern?

Josh Wagstaff - So the first phase is like 44, total it's 105 and we've already decided that water over to LDWA and we have an existing Will Serve Letter, we're just trying to get an updated Will Serve Letter.

Doris McNally – The first phase is 44? I believe it's 22.

Kurt Allen - I thought it was 27.

Josh Wagstaff - Maybe the first one is 27, let me look. We have 44 in phase one and two.

Doris McNally - Yeah, that sounds more like it, yeah, that's a big jump, that's why I was asking

Josh Wagstaff - 27 in the first phase.

Doris McNally - I have a very transparent question. The people who are going to be purchasing in the area, are they going to be aware of the past situation?

Josh Wagstaff - It's already recorded on title. There's already a recording on title, so every homeowner will get the disclosures for it, and it'll be on every title indefinitely.

Doris McNally - Are you planning on running it as a HOA?

Josh Wagstaff – Yes

Doris McNally - So, it will also be put into the HOA as an acknowledgment of it.

Josh Wagstaff – Yes

Brant Jones - How big are the lots?

Josh Wagstaff - They're about one acre lots.

Brant Jones – Are they planning zero scape, or lawn?

Josh Wagstaff - I know there are some plans in the agreement for the landscaping. I'd have to dig into those again, I can e-mail that section of the agreement to you.

Doris McNally – My last understanding of it is that it wasn't allowed to be and below grade structure and landscaping was to be zero scape because you can't dig into the ground, you can't do any gardening.

Josh Wagstaff - Yeah, I know it's very, very minimal, but I can send you the exact wording on what the landscape requirements are.

Doris McNally - And we're still talking about having either RPs and or a separate well, and that's going to be decided later on.

Kurt Allen - That's correct, the RP's have been on the table and that's one thing the Board is requesting from you as the developer to install the RP's at your connection locations which there are two locations. And we're pretty unified on that and feel like that needs to be done.

Josh Wagstaff – Yeah, and we're willing to look into that with the engineer and make sure that it's feasible with the new water study and everything. We just need an agreement with the Will Serve Letter, where it's a new requirement to be able to help offset impact fees or some way to help pay for that. But we're willing to do that. We just need to make sure on the Will Serve Letter that we have an agreement that if it does work with the water model that we'll do it.

Doris McNally - We just want to make sure that the water quality is safe, not only for the people who are going to be there, but also for the fellow town members that are around. So that is the purpose of my questions. That's all I care about is to make sure that the water that goes in either is good for the people who are there today, tomorrow and 10 years from now, and also for our existing shareholders in our Town. You know, that's why I'm questioning the RP and I had a question about how you were communicating to the potential property owners the status of the property in the past. Washington County Recorded property records & HOA documentation.

Josh Wagstaff – It'll be both,

Doris McNally – OK, thank you.

Josh Wagstaff - And then one other thing that we would just request for you guys to review the impact fees, you know the connection fees and stuff, because LDWA is significantly higher than most other like cities in southern Utah and so your connection and impact fees are high. So, if you guys could review those and compare them to what Pro Value Engineering did their study in 2017 would be great too.

Doris McNally – Pro Value actually did our study; they are the ones who recommended that we raise them. They worked with Mark and they actually gave us the numbers that are in our impact fees. That was Karl Rasmussen in 2021.

Josh Wagstaff - Oh, I think the one I had was 2017.

Doris McNally – Yes, big difference, impact fees shifted significantly.

Josh Wagstaff - I guess my only other question is with, Don being out of Town, when would be a time that we could work on this again, so we're not trying to push it out for an additional month.

Kurt Allen - Well, it's my opinion and I need the Board's input on this, that because we don't have a Full Board here and because we're still trying to tie up the loose ends on the wording in the in the Will Serve Letter, and actually need some legal advice on some of that, I propose that we table this Will Serve Letter and not have any action on it tonight, and then we would have to come together at a future scheduled time, and we don't know what time or what day that's going to be at this point.

Josh Wagstaff – Ok, I don't know if you guys have a work session or something that we could work out a time.

Doris McNally - We could look into it, we also have a new member, so we also need to bring all the Members up to speed with everything that's going on so bear with us, we are moving forward, we are looking at it.

Josh Wagstaff - I appreciate that. If we have another time before a month that'd be great, but I understand you have a lot of schedules to coordinate and everything to.

Kurt Allen – Be assured that we're keeping this right at the top of our priorities and were wanting to find a resolution to this and work something out on this Will Serve Letter. But we do have a new Board Member that we need to bring up to speed and we need to have a discussion on this and deal with this in another Board Meeting. We will Try to take care of it as quickly as possible.

Josh Wagstaff - Any other questions for me?

Doris McNally - And the conversations with Town continue?

Josh Wagstaff - Yeah,

Doris McNally – Good, OK.

Josh Wagstaff - And then kind of a side note on the sewer, we are still working with all the different entities on it, you know, working with future development and existing homes having to connect with future development as they tie into sewer. So, were still in the works on that project.

Kurt Allen - So you've got a meeting with the Town on the 22nd of February.

Josh Wagstaff - Yeah, at 6 O'clock, before the City Council meeting

Kurt Allen - OK, so the 22nd of February at 6:00 o'clock they will be holding a sewer meeting here with the town, the Water Conservancy District will have a representative here, Ash Creek will have a representative of course, The Town Mayor and Council will be represented, LDWA is going to be represented there, and so it would be advantages for you to attend and hear what's going on with the sewer. I'll accept a motion to table this discussion until further.

VOTE	MOTION TO TABLE SILVER POINT ESTATES WILL SERVE LETTER: Doris McNally SECOND: Brant Jones MOTION APPROVED: Unanimously
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Kurt Allen - Let me report on Silver Eagle Estates just real quick for the record. The offsite engineering has been completed for their water. And Susan (Savage), this is where your question comes in. Their offsite engineering requires that the PRV that's on your property be removed from your property and moved down on Main Street North of the Fire Station and installed on North Main Street and then a new PRV be placed over on Wonder Lane at the end of the asphalt there. They would both work together at the same pressure ratings. Both PRV's would be set at the same pressure rating so that all of the service connections from those points into Town are controlled by those two PRV's and so that the existing system pressure wouldn't change. The pressure wouldn't increase. And then, Silver Eagle Estates will have to run a new 8 inch line up Main Street and come in on the upstream side of that PRV that's installed on Main Street so that they pick up their water at the higher pressure zone above the PRV. That higher pressure zone would transport water down Main Street up Majestic Mountain Drive, up over their hill into their project and it's going to produce about 177 PSI at the bottom of their road where it connects into Main Street. That's why it has to be separate from our system. We can't have that kind of pressure in our system going into the residential homes and services. It will be an isolated water transmission pipeline with no residential services connected to it. That dedicated line will deliver water to their project in order to supply the fire flow at the fire hydrants on their project. It would also supply the water necessary for their homes at the appropriate pressure. Silver Eagle has indicated that they're going to be installing 2-inch water services to each of the lots because they're putting fire sprinkler protection in each of the homes. This also provides the fire flow necessary for them to have the fire sprinklers in their homes as well as the flow at each fire hydrant of 1500 gallons a minute. So, it's quite a large expense to them, but is required. They have done a good job of pulling the engineering together and presenting that to us. We're currently in the process of reviewing that for approval. At this point it hasn't been approved and accepted, but it's close. So, any questions on that?

Susan Savage - I guess I'm a little confused about that. Some of it, because there are probably maybe two Town Council Meetings that I've missed. In the last several years as they went through the Silver Eagle Estate plan, it went from a lot of homes down to, maybe this is partly from the sewer study, but it went down to 14 homes. 14 that's where it ended, because the water that they were bringing into LDWA was 12-acre feet and I think LDWA requires as planned one acre foot per home. But they could do 14 homes because if you use less than an acre foot and you didn't do any outside watering then you could get those two extra homes in with less water. I've never heard anything different than 14 homes up there.

Kurt Allen - You're correct, you can do less water with the .89 allocation that we're required to give each home. But they brought 14-acre feet of water into the company.

Susan Savage – That's not enough for a hundred homes.

Doris McNally – They are only doing 14.

Susan Savage - What was he just saying?

Doris McNally – This gentleman? That's Silver Point Estates. That's the one down by the cemeteries.

Susan Savage – So, that's a whole different thing?

Doris McNally - Yes, this one is Silver Eagle, which is up the road to nowhere.

Kurt Allen – Yes, this is Silver Eagle up on the hill, and it's 14 homes. Silver Point is the one Josh represents.

Doris McNally - And the first phase of Josh's, it's actually only 22 or 27 it's not 100. There's Silver Point Estates phase one and phase two.

Susan Savage - Its Silver Eagle up on the hill, Ok, I thought that's what we were talking about. Where did the water come from for Silver Point Estates? Because that's a lot of water.

Kurt Allen – They brought in a 105-acre feet of water and transferred it into LDWA.

Doris McNally - A number of years ago.

Susan Savage - Do we know where that was?

Doris McNally - I probably have it in the records of the water rights. It's probably in the water rights records. I'll e-mail you the change orders. I know you know how to use the system and then you can look and see where they came from.

Susan Savage – OK, Thank you.

Kurt Allen – Thank you Susan, we appreciate you watching over our water rights and our interests, Susan, you're very good at doing that.

e) SHAREHOLDER COMMENTS

DISCUSSION	PROJECTS
Chris Bevan - This might be a dumb question but, you're putting in an 8-inch line and you're also putting in a 10-inch line so, how are they separated from each other?	
Kurt Allen - They're not. They'll be connected together and so you'll have two lines servicing the South end of town from the North end of town, and that'll create the capacity that will service the South end of Town.	
Chris Bevan – How come you're doing 2 lines.	
Kurt Allen - We've got two lines, currently, two 6-inch lines, one on each side of Main Street. We don't want to lose that right of way in the U-dot right of way and we need the extra capacity at the South end of Town for sufficient fire flow, to allow us to isolate smaller sections of the water system in case of breaks or maintenance and for possible development,.	
Chris Bevan – I just couldn't figure out if you were having two lines, why not one big line.	
Kurt Allen - That's correct it is redundancy and it just increases our capacity, and we don't want to lose our right of way through there.	
Susan Savage - Isn't it also important to loop the system? Isn't that part of the reason?	
Kurt Allen – Yes, and that's what that does it loops the system.	
Susan Savage – I had a couple of other questions. You want me to do them while I'm up here?	

Kurt Allen – Yes, let’s do it.

Susan Savage - Some time ago, maybe a couple of years ago when the new board came in, it was mentioned to me, that if Silver Eagle, on top of the hill behind the Firehouse, if they got their water and so on that it would require a special pumping to get it up to them and that would be put in at their cost. Has there been any other conversation about that?

Kurt Allen - Yes, we're going to give you a full review of where Silver Eagle development is at, and yes that does require a lot of special construction work to be done and so when we get to the Silver Eagle, we'll give you a full report.

Susan Savage - OK. My other thing I was just going to mention, in the Shareholder Meeting, Don mentioned that the soft start decreases the cost on the power and would be easier on the pump. I just wanted to mention a third thing, which is that it would be easier on the system I think. Because when you start up with a hard start, you flip on the power, and everything goes boom all at once then it agitates the sand and the sediment and pulls it up into the system.

Kurt Allen - Yeah, it causes hammering that causes us problems.

Susan Savage - The sediment also coming into the system and the works of the system I want to mention that the soft start will alleviate that.

Kurt Allen - Good point. Thank you, Susan.

Brant Jones - Real quick question, you mentioned South end of town possible development and I guess that some of those costs can be recouped by impact fees if they utilize that right?

Kurt Allen - if they utilize that then impact fees will be collected to pay for that sort of thing. Good point, thank you. Any other questions?

DISCUSSION

LDWA RATE INCREASE

Chris Bevan - Sidney Bevan - Do you know what the price increase would be for residents?

Doris McNally - Yeah. A simple example of what we gave at another meeting is, let's say currently you are a shareholder that is using 7,000 gallons a month. A typical family of two, is probably about 7,000 gallons a month or lower. Right now, what you're paying is \$40 for 20,000 gallons. Under the new schedule you will pay a \$40 standard infrastructure fee, and then you'll pay \$1.00 per every 1,000 gallons that you use up to 20,000 gallons, there is a increasing graduated scale per 1000 gallons used beyond the base 20,000 gallons. So, your rate would go from \$40.00 to \$47.00. If you're only using 5,000 gallons a month it would be \$45.00, so there is a price increase. It's on the website. We have a few different levels of customers, 86% of our customers are residential customers and they use 92% of our water and most of them are in the range of anywhere from 7 to 10,000 gallons every month and so they are way under the 20,000, that's basically in place. So once again the simplest way to explain it is if you're currently using 7,000 gallons a month, you're probably looking at your rates going from 40 to \$47. Does that make sense to everybody? So, we voted on it, and it was approved, but I'll need to work with the programming company, so I need at least a month to be able to get that into our billing system.

Chris Bevan - Sidney Bevan - Like Susan I wasn't aware of another development over by the Cemetery. So, when did all that get approved?

Chris Bevan – Which Cemetery?

Kurt Allen - The Protestant and Catholic cemeteries.

Doris McNally - When you first make the turn off, the Silver Reef Rd. They would start there, they're up on the side of the hill and down and then they go further up. When was the first year?

Kurt Allen - That project's been on the table since the early 2000s in 2003 and 2004, when I started coming to Town Council Meetings, it was on the table back then. A gentleman by the name of Rick Sant was the developing representative at that point and so this is the same project that's been on the table for years.

Chris Bevan – When you say the hill, is that this hill?

Kurt Allen - The “L” hill on the backside of the L Hill

Chris Bevan - The backside of the Freeway?

Kurt Allen - Yeah.

Susan Savage – So when I was asking my question earlier in the meeting about a pumping station, I was talking about Silver Eagle behind the Fire Station. Because there has been some talk also, like you were talking about the PRV stations on Wonder Lane and Main Street. The Silver Eagle would require a special pumping station to get the water up there and that they would finance it.

Kurt Allen - The answer to your question is yes, they do require a higher pressure, not a pumping station, to get water up on the hill and by relocating the Pressure Reducing Valve (PRV's) out of your property onto Wonder Lane and installing a new one on Main Street, and installing a new feeder line to Majestic Mountain that provides the higher pressure.

Susan Savage - And that's what you were talking about Silver Eagle, you weren't talking about Silver Point?

Kurt Allen – Yes, that takes the place of installing a pump station on to get water up on the hill. It does the same thing. Sorry for the confusion. We all get confused over the silver, silver, silvers.

Brant Jones – Is that project (?) the 100 homes is that pending sewer?

Kurt Allen - I don't think so. I don't know,

Josh Wagstaff – So the first phase was not contingent on sewer. The plot was recorded a couple years ago with two sewer retention facilities up there and treatment on site. With the plan to connect to sewer in the future and then where the sewage treatment would have been would become lots later, but now with the sewer coming in we're just going to connect directly to it. Then, finish building all the

lots and connect to the sewer. But technically it couldn't be built without sewer too. That is what was approved.

Brant Jones - All the lots meaning, all the phases.

Josh Wagstaff - No, just phase one has been recorded.

Doris McNally - I think Phase II may have some challenges, from what I understand.

Josh Wagstaff - Yeah, phase two would be a lot tougher.

Doris McNally - That's why you're looking for the sewer systems.

Josh Wagstaff - Yeah. But we're not really working on phase two right now. We're just trying to get phase one and the sewer system done.

Layna Larsen - Just curious, with the contamination, to dig even septic tanks, isn't that a potential hazard?

Josh Wagstaff - The State's covered all that. There's been enough holes bored up there and dug enough holes and done enough cleanup and none of that's the problem.

Layna Larsen - I'm Just curious, how deep did they dig?

Josh Wagstaff - I don't know exactly how deep they dug, but I know that it was whatever The State's requirements were.

Chris Bevan - The sewer thing brings up something, and sorry if I'm ignorant to what's going on, but if they bring sewer into the town, a lot of people are concerned that they are going to force everybody to be on that sewer system. And I live up there in Silver Reef, up by the Museum, needless to say, I'm not interested in hooking up to a sewer line, I spent a huge fortune on a septic system.

Kurt Allen - So, they're not forcing people to hook up, it's going to become a special service district. (PID)

Chris Bevan - It would go up to the development, but they're not going to be taking the line up there all the way up the hill and then making everybody hook onto it.

Kurt Allen - No, that's not intended.

Sidney Bevan - Unless you're 300 feet.

Kurt Allen - No

Sidney Bevan - I thought that's what the Mayor said.

Kurt Allen - No, the way they're doing this is they're forming a special service district (PID) that is going to serve a sewer to the landowners that are paying for it, that contribute taxes and money to this special

service district and they're going to be the ones required to hook up to it. Anybody else within, even within 300 feet, are not required to hook up to it. Am I correct?

Josh Wagstaff - Yes.

Doris McNally - But you are correct. Earlier on in the discussion, if you haven't been around for a while, The Mayor did say that and there was a lot of discussion about that. So, I'm acknowledging what you heard. But this is a totally different path they're taking relevant to the sewers. And I think some of your questions are also better served to Town because in those cases it would be a Town question not a water question.

Susan Savage - What the Mayor said was because developers were saying, can we put our own line down through town. He said yes, but if you accept, you have to pay for it totally. If you accept any Federal Money, then people within 300 feet are required to hook up. So, what you're saying is without Federal Money, it's going to be done by developers. So, the information hasn't changed and what the Mayor said was correct.

Doris McNally – Correct.

Sidney Bevan - Like you were saying, sir, the Federal Government owns all the water rights and so these developers have a tendency to 'we will start little' and then all of a sudden we're tied into Federal.

Brant Jones – The Division of Water isn't the State of Utah, but it comes through the Colorado River drainage that was done long ago for how much water we, as a state, should have, how many water rights should be allocated for each area. And then it depends on if it rains or snows or how much water there really is, that's why these Wells are critical. We hope the Wells hold out.

Kurt Allen - Hopefully so.

Sidney Bevan – that's why we don't want a lot of development because, I think the Colorado River, they're having problems in Nevada and the river is not supplying enough water for the Hoover Dam to support all the energy that they're producing for California and other places. So, no offense Mr. Developer, but that's why I'm concerned about having a lot of development coming in.

Brant Jones – I would echo that to, my first concern is for the people that are already here, not only for their homes but for Fire Protection and also for the Irrigation which are legal rights that are held, you know so, none of that can be really compromised by going into other developments and making more promises to other people.

Sidney Bevan - Yeah, because we need the farmers. We got to feed ourselves.

Kurt Allen - We're all in agreement with you. We're all concerned with it. We're all concerned

IV. MEETING ADJOURNED [All Members]

DISCUSSION	Request a Motion to Adjourn Meeting [Don Fawson]
VOTE	MOTION TO CALL THIS MEETING TO AN END: Doris McNally SECOND: Kurt Allen MOTION APPROVED: Unanimously

Kurt Allen – Everyone, Thank You so much for being here.
ADJOURNMENT: [8:00 PM Kurt Allen]

