

III. OFFICERS REPORTS

a) PRESIDENT'S REPORT

DISCUSSION	NEW RATE SCHEDULE
<p>Don Fawson - OK, I'm going to report on a few things. Just so you're aware, the new water rates will be implemented beginning with the April water usage. So, that will be the May bill. Basically water usage from April on will be charged using the new water rates. The new rate structure is posted on the LDWA website and will also be posted on the reverse side of the next water bill.</p>	

DISCUSSION	NEW PUMP TESTING
<p>Don Fawson - Also, the new pump has been installed in the current Well completing that project. Not only do we have a new pump, but we have a new operating system that will allow us to not only soft start the pump but will also allow us to determine the amount of water we want to pump at any given time, instead of having it just at a fixed rate as in the past. These features should save us money on our electric bills as well as reduce the wear on the pump. We tested the well at about 650 GPM for over 24 hours, with a measured draw-down of 24 feet, which is actually excellent for that amount of water being pumped. The recharge rate was very good as well. It is now ready to pump.</p>	

DISCUSSION	THE SPRING AND WATERFLOW
<p>Don Fawson - Most of you have noticed that there is actually quite a bit of water coming down Quail Creek. In fact, it's a bumper year right now. Currently we have a stream flow of 9,111 gpm and that was taken at 6:00 o'clock tonight. Plus, Mark said the Spring flow recently was about 240 gpm. So, we have a total system flow of 9,351 GPM. Our chart for Class 1 water maxes out at 2,145 gpm system flow; for Class 2 water maxes out at 2,533 GPM system flow; and then we jump into Class 3 water up to 4,552 gpm. Susan, (Savage) how long has it been since you've had Class 3 water?</p> <p>Susan Savage - I don't know, how long has it been, Brant (Jones), do you remember? We didn't have it last year.</p> <p>Brant Jones - A couple of years at least.</p> <p>Susan Savage - We usually get it for maybe a couple of weeks.</p> <p>Don Fawson - OK, well, you have plenty this year. So, the Class 3 maxes out at 4,552, so based on that LDWA's maximum take is 172 gpm from the Spring, plus the 20 gallons a minute that we have from the Wet Sandy allocation, even though the date on that right is 2020. So, we're able to take that entire 192 gpm this year and I don't think right now that the irrigation company is using all they are able and they are dumping water back into the Creek.</p> <p>Brant Jones - Yeah, we can't take it all right now. The system won't even take it.</p> <p>Don Fawson - Yes, so basically, we're taking everything the Spring pipeline can bring down and actually dumping part of that back into the Creek because it's more than we need right now. So, I think based on the rain, snowmelt and mild weather that people are feeling like they don't need to use as much water. So, it's a very good year for water.</p>	

b) OPERATION / FIELD REPORT

DISCUSSION | **MARKED LOCATIONS ON MAIN ST**

Don Fawson - Mark is excused today so I will give his report. You have probably noticed there are a lot of markings out on Main Street. Part of that is to get ready for installing the replacement lines and removing existing lines. Mark is going to be doing some potholing, and that means he is going to be out digging holes in strategic locations in order to document what infrastructure is actually in the street, whether it's phone, internet, gas, electric lines, as well as our water and the Conservancy water lines.

DISCUSSION | **NEW WELL (2nd Well)**

Don Fawson - John Files, who is our Geologist came down and located the second well site. So, we'll see how that goes. Mark and I went up and doused it, or water witched it, whatever you want to call it. And it was really interesting to kind of see the way that underground water meanders in certain spots. We agree with the site that has been chosen. That's information only for those of you that actually believe in that kind of stuff.

DISCUSSION | **REGULAR MONTHLY BUSINESS**

Don Fawson - Mark put in a new service line on Mountain Shadows and repaired a couple of Main Street leaks.

Don Fawson - BacT tests were fine, and I just went back and looked at, I guess you'd call it the full water test that the State requires, which examines about 20 to 25 different areas related to water quality and we're well within acceptable ranges on all of them.

c) OFFICE FINANCE REPORT Doris McNally

DISCUSSION | **ANNOUNCEMENTS/BILLING/COMMUNICATION**


BILLING

Billing for March was completed/mailed on April 1st.

NEWSDRIPS

The March Invoices included an article which simply shows the new rates effective April 1st.

For April's Article I'd like to ask for alignment on content shared earlier with you all regarding our 2022 Consumer Confidence Report (CCR). Every public water system is required to share (by July 1st) with their customers information about their annual water-quality. Water systems serving year-round residents are required to deliver the CCR to their customers each year. Our 2022 report is once again very favorable. The QR code in the article links users to the actual report that is posted on our website. The website also offers information about how to interpret & understand the report.



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

Water Rate Structure
Rate Increase effective April 1, 2023

For your reference here are the new rates going into effect April 1, 2023.

	Lower Limit (gals)	Upper Limit (gals)	Residential Rates	Commercial, Institutional & Industrial Rates	Standby Rates
Base Rate:	0	0	\$40.00	\$50.00	\$40.00
Tier 1:	1	20,000	\$1.00	\$2.25	
Tier 2:	20,001	30,000	\$2.50	\$3.75	
Tier 3:	30,001	45,000	\$4.00	\$5.25	
Tier 4:	45,001	70,000	\$6.25	\$7.50	
Tier 5:	70,001	1,000,000	\$9.00	\$10.25	

IMPORTANT :: Please review your bills **Amount Due** as it will now vary from month to month reflecting your actual usage. This means your bills going forward will reflect different amounts due.



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Email: LDWAcorp@infowest.com

Consumer Confidence Report (CCR)


Every public water system provides its customers with an annual water-quality report called the Consumer Confidence Report (CCR). Water systems serving year-round residents are required to deliver the CCR to their customers by July 1st of each year.

The CCR provides a variety of important information about each community water system, including:

- Water system information
- Source(s) of drinking water
- Compliance with state and federal drinking water standards, explanation of violations, potential health effects, and corrective actions
- Variances or exemptions to a maximum contaminant level (MCL) or treatment technique
- Required additional information, such as explanations of contaminants in drinking water and educational information on nitrate, arsenic, or lead in areas where they may be contaminants of concern.
- Any monitored contaminants detected in the drinking water during the past five years of sampling.

To view the LDWA's 2022 CCR use QR code or go to: <https://tinyurl.com/vcayv67d>

To learn how to interpret the report visit: <https://tinyurl.com/mnm7s6b>



SCAN ME

VOTE | **MOTION TO APPROVE ARTICLE RE CCR 2022 REPORT: Doris McNally | SECOND: Kurt Allen**
MOTION APPROVED: Unanimously

DISCUSSION	PAYCLIX						
In March we had 76 shareholders pay their bills using this payment option. The total amount collected through PayClix was \$3,749.07. With 58% paid via credit cards & 42% via checks.	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	42	\$2,686.29	27	\$1,050.32	69	\$3,736.61
	Mar-23	47	\$2,156.00	29	\$1,593.07	76	\$3,749.07
	128	\$6,885.27	82	\$4,092.36	210	\$10,977.63	

DISCUSSION	FINANCE P&L [March2023]		
			% to TOTAL
	Total Net Ordinary Income:	\$20,497.77	
	Total Ordinary Operating Income:	\$19,632.15	95.8%
	Total Other Operating Income:	\$866.62	4.2%
	Total Net Ordinary Expense:	\$15,469.37	
	Ordinary Field Operating Expenses:	\$6,276.90	40.6%
	Ordinary Admin Operating Expenses:	\$1,54.78	9.8%
	Professional Operating Expenses:	\$1,302.50	8.4%
	Labor Expenses:	\$6,375.19	41.2%

DISCUSSION	LDWA BANKING ACCOUNTS [as of 04/13/2023]	
	CHECKING ACCOUNT	\$33,191.56
	SAVINGS ACCOUNT	\$300,111.16
	EMERGENCY REPAIR & MAJOR PROJECT RESERVE	\$228,548.50
	DDW LOAN #3F138 FUND	\$10,962.06
	IMPACT FEE ACCT	\$60,541.42
VOTE	MOTION TO APPROVE FINANCIAL REPORT: Kurt Allen SECOND: Alan Cohn MOTION APPROVED: Unanimously	

d) ADMINISTRATION REPORT

DISCUSSION	PROJECT UPDATES
	Kurt Allen - Okay project updates. I met with Civil Science (WCWCD Engineers) last week and got an update on where the Conservancy District design for replacing their water lines down Main Street. They're approaching the 90% drawings. They were going to have those done within two weeks and so, by the 1st of May they should have their 90% drawings completed. After that, they're planning on sending out RFQ, Request for Qualifications, to contractors, to bid the project. They want to award the project sometime in June to a contractor so that the contractor can start following up on materials and working with the materials supplier. As we have noted in our previous meetings that the material contract went to Ferguson Supply and there is a big lead time on a lot of the materials and so Civil Science is looking for the contractor to be put in place so that that contractor can help follow up on supplies and help to facilitate that process.

DISCUSSION	SPRING LINE PROJECT
	Kurt Allen - The Spring Line Project is being done using Jones and DeMille, our engineers, and currently there is permit processing, environmental assessment, surveying, and design being done. Jones and DeMille and Riley Vane, our assigned engineer, particularly is working real well with the BLM, with the Forest Service and with the LDWA in doing a thorough job on getting the Spring Line designed and survey in place so that we can have that ready to go to bid.

DISCUSSION	EAST MAIN ST PROJECT
	Kurt Allen The LDWA East Main Street Waterline Replacement Project is basically in the same position. As Don mentioned, the subsurface investigation is being done so that the engineers can include that on their

designs and have that in their drawings. I have to give Jones and DeMille credit for taking the extra effort to come out and do some investigating on the buried utilities, including those in the design, by having the accuracy that they are attempting to get through potholing so that they can get depths and horizontal locations. In the many years of contracting that I've been involved in, I very seldom see an engineering firm go to that extent to have that complete set of drawings to have those utilities located so that we're not interfering with those with the pipeline construction. So, my hat goes off to Jones and DeMille. They are making good progress and doing a very good job for us.

DISCUSSION **NEW WELL**

Kurt Allen –We are moving ahead with Drilling the New Well and working with the geotechnical engineer. They're going to be putting the well out to bid in a separate contract from the Spring Line and the East Side Main St. Line so that the Well will be under a separate contract. So, we're making good progress and pleased with the service that our engineers are giving us.

Don Fawson - Great, I appreciate that, and I just might mention, I know they have had their surveyor's up the Canyon when they are able. The snow has kept them at bay for a while. So, it has been hard working with Mother Nature.

DISCUSSION **WATER RIGHTS**

Don Fawson - I just talked to Riley (Vane) today, and one of the things that Jones and DeMille is also doing is verifying our water rights, making sure they are all registered and in the proper place. What they found was that some of our rights were actually in a Well over in Sand Hollow. So, they're working with the State right now to get those rights divided out of that Well and put them in our wells and Spring and also taking that Wet Sandy Water Right and updating it so it actually can be placed in both the New Well, the Old Well, as well as the Spring. Then we will have the right to be able to use them where they are needed. We really appreciate them working on that.

Don Fawson - Last time, in reading through the minutes we spent a lot of time on the WCWCD pump house down at the end of Town and some of those projects that are actually Town things and not Water Company things. So, this week we are trying to limit our discussion just to things pertaining to LDWA. So, Josh, do you want to come up and present what you have?

DISCUSSION **SILVER POINT ESTATES**

Josh Wagstaff - I think we worked through some things from the last several meetings. Some different terms of the Will Serve Letter. I can run through some of those just so everybody's on the same page.

1. One of those is inspections on the property - at least once a day, a lot of times even more, but at least once a day.
2. Another one is the RP valves for every home.
3. And then import fill of at least six inches underneath it and then 12 inches on the sides and above it.
4. The supply lines will be one inch.
5. The tracer lines will be installed.
6. Provide as built drawings after the construction is done.

So those are some of the terms that we are ready to commit to with the Will Serve Letter,

Don Fawson - OK, I'm just going to open this up to any member of the Board here who wants to talk about issues that they are concerned about.

Alan Cohn - I guess my question is so you're talking about RPs at each house but I guess my concern is completely isolating the water system from potential contamination during construction, during pipe

installation, even before it hooks into ours, or in the case there's a leak creating a chance of something getting sucked in. I personally would like to see some kind of an air gap or something, or even a storage tank at this site to basically isolate that area from the rest of the water system to eliminate downstream contamination. Can I prove that might happen, no, but you can't prove it's not going to happen either.

Josh Wagstaff - We've talked about adding some extra valves and stuff, some extra shut off valves to isolate more sections of the project if there ever is a problem. So, if you want, we can go over, the construction drawings and see exactly where some extra shut off valves might be beneficial.

Alan Cohn - When you say, some inspections, I am thinking they would have to be a completely independent authority. Not someone hired by Silver Point.

Josh Wagstaff - It'll be similar to the cleanup. It's a third party, that has to inspect it.

Don Fawson - Kurt do you have any input on that piece?

Kurt Allen - Sure, I believe Jared's probably going to address the same thing. In the report that we've all received there are certain guidelines for the construction process and of course there would need to be a third party or independent inspector on site to do those things with the certified equipment to be able to monitor what they are finding as well as that person would need to have the authority to be able to shut the job down and make adjustments, if needed. That's similar to what was done in the cleanup process and has been taking place so far and so I think that as long as that continued through the construction process, I think that's what would be expected.

Jared Westoff - I think we can get really specific with the intent. The intent would be to hire AGEC who is the same group who did the inspections during the cleanup. We're typically used to these types of third-party inspections as we're doing soil and soil compaction. For instance, on one project we are using Landmark. So Landmark is doing all our compaction testing, but we also have a different part of Landmark that's also doing our Stormwater Pollution Prevention Plan (SWPPP). So, we have a different inspection that's happening with the SWPPP. We hired that third party and we like it that they're constantly telling us "no" or "do it this way" or "you can't do it that way" and they make sure that we're doing it right. We think it makes sense to hire AGEC because they've been part of the cleanup. They understand the process that we went through with the State on that, and we believe that they are already uniquely familiar with the property and with the process, and we believe they would be the ones that have the right expertise to make sure that it was being done correctly.

Alan Cohn - I think I'd have a little bit of a problem with that being that they already have been involved with the cleanup. I'm talking about hiring some completely independent, new, coming from outside company. Someone who hasn't been involved in this before.

Don Fawson - Did the State have anybody here on site during the original cleanup?

Jared Westoff - David Bird was the one overseeing the cleanup and he's a very meticulous individual. We ourselves were not here when the cleanup was done. So, the actual day-to-day of that was at that time I believe Rick Sant was managing that. And so that particular question Don, I don't have institutional knowledge of how that was done, but we know that the process is typically a two-year process and the meticulousness of David Bird and what he did there, it took quite a bit longer.

Don Fawson - So Kurt you had some knowledge of that, was anybody from the State here on consistent basis.

Kurt Allen - Yes, I could shed some light on that, the State did have a representative here with a monitoring device as well as did AGEC on a daily basis. They weren't both here all the time, every day, all day, but they were consistently here, monitoring the process.

Alan Cohn - So Kurt were they monitoring just for elevated levels of radiation or were they monitoring for air quality, looking for particulates in the air like lead, mercury or particulate, Radioactive material.

Kurt Allen - They did monitor the air quality at the same time they were testing the soils and they were directing the cleanup process. They were in complete control. They were in charge and calling the shots of where to go, what to do, how much material to take out, and what to do with it at the time, as well as monitoring the air so that the dust control was taken care of and the particulates in the air were controlled. They would have the contractor go to the extent of actually bringing in a water truck and washing the rocks off so that there wasn't any dust or particles left on the rock that would be contaminated material and so the contractor would have to collect all that water that was washed off and dispose of it into the repository.

Alan Cohn - So that was hauled off, the wastewater?

Kurt Allen - Yes, the wastewater was hauled off and deposited correctly.

Don Fawson - So I think one of the things we're all concerned about is that this will be done according to the specifications in the Site Management Plan (SMP) and that the people doing the inspecting and the people doing the work don't cross the professional line and become too friendly and allow things to just kind of slip by. I mean, we're all concerned about the monitors and who they're beholding to. So, if AGEC is hired by you and that's where their income is coming from, then what is it that assures that they're independent.

Jared Westoff - Because they are professionals, their license is on the line. We will do it however you want to an extent. This is a serious process that the State has prescribed that has been followed and we are going to continue to follow the State prescribed process. We don't want to reinvent the wheel, make something up. We want to take a serious endeavor and continue to do it in a correct and appropriate manner, but we're not going to jump through and dream up all kinds of new ways to do stuff and all of that. So, as long as we're doing it within the correct process. Now I don't particularly understand the point because Landmark doesn't tell me what I want to hear because I hire them, they're making me excavate 8 feet right now and I think it's ridiculous. But they are my soils engineer and their liability is on the line, and I want their opinion. So, I'm following it even though I don't like it and I can tell them I don't like it all I want, and they don't care. They tell me how I got to do it because it's their license on the line. So, whether we pay them or we pay you to pay them I don't think their story is going to change. So, if you would rather us pay you to hire them to do the inspection? Are they going to all of a sudden do what you guys want if you dream up something crazy? I don't think so. I think it's their license on the line and they're professionals. So, if you would rather pay them and have us pay you or reimburse you, OK.

Don Fawson - Jared, the thing that we're trying to get at here is we're wanting you to build confidence in our decision, and need all the help we can get to allow us to do that, this is serious stuff. So, we just want to have that be our common goal. One thing I might mention, Alan, is, I don't know if you know Gary Rager, but he's with the State Department of Environmental Quality and is their Cross Connection Specialist. I visited with him at the Rural Water Conference recently and asked him what he thought about the situation with SPE. I mentioned the possibility of creating an air gap, since an air gap is absolutely the best cross connection prevention. He said you could do that, but he didn't seem to think that was actually that important. I then talked to him about putting RPs on the main lines and he said I wouldn't do that. He said putting them on individual homes would be wise because people can

contaminate their water around their house and then possibly backflow water into your system. He said you might have the developer put gate valves on the main line every 500 feet, below the hydrants at the lowest point. That way if you have a break, you can isolate that.

Alan Cohn - you can cut off that section, right?

Don Fawson – If you have a break and water flowing, you shut that section of line off at each end of the 500-foot interval and do the repair. Then you open the hydrant on the low end, and you open the valve on the upper end and you back flush the line and you flush contaminates out. He said he felt that would be the best way to go.

Jared Westoff - So, Don on that, do you guys just want to redline the construction drawings. We will update the construction drawings and resubmit.

Kurt Allen - Maybe I could shed a little bit of light on the process stage at which we address the valve spacing and the physical parameters of the project. We would review the construction drawings and redline those and make those changes during the review of the Construction Drawings. As far as AGEC being a professional company, I might say that I've worked with them for 20 years in the construction world and they are very professional. Last week you heard from Wayne Rogers from AGEC, and he is one of the principals in the company. They are very trustworthy. They do a very good job and I agree with Jared that they don't make their decisions based on who's paying them their paycheck.

Alan Cohn - Forgive me for being a little cynical, but people are human, and I find when developers are involved, things can go sideways. And again, this is a big deal. I really think it has to be a 100% independent person who has never been involved with any of this or any of these people. Coming from outside, I've seen the “quote, unquote” yearly inspections that have been done. They're not great and I've seen reports that I don't know if they're realistic. I see holes in the fencing, I see animal burrows there and all. I'd like to see someone who's really ready to come down and do real inspections while this is going on? There's a lot at stake. You guys will be gone at the end of the day. The Water Company and the Townsfolk will be left holding the bag when something eventually goes wrong. I'd rather see it done right, up front.

Layna Larsen - I have a question. What happens since they don't own the mineral rights underneath this property. So, what happens if the people that own the mineral rights actually decide to mine underneath their development? Will vibration from mining affect anything with the development? The Water lines? The housing stability? The little bit of dirt that is supposed to be covering the contaminated dirt.

Jared Westoff - We develop on land all across the State that we don't own mineral rights.

Layna Larsen - Have you had a situation where the mineral rights owners actually come in and started mining, because there are mines that are actually here at this development site.

Alan Cohn - Good question.

Layna Larsen - I would like to know what would happen to water lines, the plumping, the houses, how would they be affected from vibration? Will the material you use for the water lines determine the safety of the water line if they do mine under or near the development?

Kurt Allen - I Would like us to come back around to the water issues here and concentrate on our water trench and our water system and the protection and the health and welfare of our water.

Michelle Peot - That would directly impact the water.

Layna Larsen - That's what I thought. That's why I was asking the question.

Michelle Peot - That is a legitimate point.

Kurt Allen - There are mineral rights owned under a lot of people's property, a lot of people's homes throughout the entire state, again let's come back around to the water issue.

Layna Larsen - Not with a mine underneath them, that is why I am asking this question.

Michelle Peot - It is a water issue.

Don Fawson – Obviously, we want to have some input and have people share their ideas, but we need to do this in a formal manner.

Doris McNally - I have some questions if you don't mind. Since the last time we met, Paul Wright had sent us a letter. Can I get an update on what is going on with these discussions?

Don Fawson - Were you familiar with that letter from Paul? (Addressing Jared Westoff)

Jared Westoff - You told me about it, I can address where we are at.

Don Fawson - It's right here, I've got it. So, let me just read this to you. This is from Paul Wright and he's the District Engineer Southwest Utah District. And he addressed this to me,
" I know we have talked about this development a few times in the past months, and I know there have been several folks with concerns about it in Leeds. I was talking with someone out of Salt Lake who works with the Division of Environmental Response and Remediations. He mentioned that Josh Wagstaff, the developer's representative, mentioned that they might be ready to start construction. Of course, that is just hearsay, and I am not sure what he said exactly, but I wanted to bring it to your attention and make sure that you understand that if that is the case, I have not approved anything with regards to the water system portion of the design and I don't think that wastewater has been approved yet either. It has been several years since anything was submitted to us on both of those and things would certainly have to be updated and submitted. "

Does that seem reasonable? So, I guess I, I don't know exactly how the process works in this thing, but obviously he's a person that has to look at this and approve it as well. Have you worked with him before?

Josh Wagstaff - I haven't, and that e-mail hasn't been forwarded to me either. That process is fine, but no one has contacted me about that.

Jared Westoff - So, Don the way we would typically see this process unfold would be that we, the developers, would come and get a "Will Serve Letter" from LDWA and in that "Will Serve Letter" we would expect some standard language and anything else that was specific to the project. Part of the process would then be for you to review the Construction Drawings. You guys have the Construction Drawings now. So, before we can get service, we've got all these check boxes that we've got to complete based off the "Will Serve Letter." One of the checkboxes, at least that we're familiar with in most municipalities, is that we complete any updates to the construction drawings. As the construction drawings are finalized between us and you, we would typically have the water purveyor forwarding those drawings to Paul (Wright) and have him approve those working the two of you before the Construction Drawings are finalized. So, that's what we're used to on the sewer front which is my focus. We're used

to going and getting sewer and water system problems solved like a co-equal checklist item on our list to get done.

Doris McNally - Lets stay on the topic of culinary water because really guys, that's what we're talking about is culinary. So, let's stick to that. That's where my confusion is in reading Paul's e-mail. It made it sound like he had the first step of process or approval before we do. There is a confusion there, I don't think we are going to solve that tonight, but I would like to know which comes first, the chicken or the egg? Because clearly Paul's letter made it sound like he needed to give some kind of approval even before we can do anything.

Jared Westoff - Paul doesn't want to approve a set of drawings that aren't final.

Doris McNally - OK

Jared Westoff - And my view of the most efficient way is to make sure that we are meeting your standards. Once we've met your standards and updated the construction drawings. Then they go to Paul and Paul goes, OK, I want this, this and this, and then you would turn back around with red lines to us and then...

Doris McNally - Jared, are you saying that you needed the "Will Serve" along with diagrams and that's the subtle difference in the conversation. I'm just asking, which comes first in the process. If you're saying that he gets the diagrams and then he gives us what we need to be able to do the "Will Serve." I just want to understand the process.

Jared Westoff - We're used to the "Will Serve Letter" first, then we go through a little more detailed issues of actually designing.

Doris McNally - I just like to validate that because my interpretation of Paul's letter was a little bit different.

Don Fawson - Let me make comment on that too, we have let's see, Carl Rasmussen had come up with a preliminary design for a chlorination system. And we had the plans on that, and I talked to Paul about that, and he said he had sent Carl a list of things that needed to be addressed relative to that so it was kind of like the drawings first, then it went to Paul, and then it was resolved.

Jared Westoff - Sorry, I didn't understand what you were asking.

Alan Cohn - So the "Will Serve" falls in that order that comes after it comes back from DDQ is that right?

Doris McNally - We need to have that flushed out; I think. If I may, I have another question. When I was at the Rural Water Association conference and on some of the phone calls I've been making, I've been asking about the pipe bedding. My question has always been, this is a unique situation, this is not a standard installation, this is a unique situation. It's a remediated area and are there different standards for that than the average development. I've been told "yes" verbally, but then when I ask to get copies of what that bedding needs to be it becomes crickets. So, I would love to know if anybody here knows if there's a way that we can identify, is there a separate bedding requirement for an installation of pipes in that area based on an unusual circumstance? Is there a difference? Like for example, in a normal town with no issues it might be 6 inches, in something like this it would be 8 inches. Of course, it's clean dirt, I know that I'm not a dummy in that way, but I'd like to know is there extra isolation that needs to occur because of that unusual condition and is there a standard guide. The reason why I'm asking this is because alluding to what Alan asked, we have got to figure this out together. You build the development,

you passed the responsibilities on to the HOA, the HOA can come or go. OK, 15 years down the line, a homeowner gets sick, a homeowner wants to extract his pound of flesh from somewhere and ultimately it could potentially come to not only us, but others. What I want to make sure of is that we have documentation that we have done what the State and the Federal Government required to be done. Without that assurance, it's really difficult, because, in my mind, it's an exposure.

Jared Westoff - On that particular question we've written it down, we will find out if there's a different standard. We do have a consultant engaged that helps us with all those questions.

Doris McNally - Will you get it documented for us? That's a very big and important item here. It's not just a verbal response, it's documented.

Jared Westoff - We do things that make sense and as has been suggested, we'll get the depths of the bedding. We do think it makes sense what's been proposed 6 inches, 12 on top and that it be a different color. That way whoever is doing the inspection can easily measure and keep up to make sure it's being done and using different color of fill so it's not something that could accidentally get mixed in with native soil or a contractor just gets lazy and says I'm just going to take it from that pile. So, we need to import it from off site. We get that we need a different color so we could make sure that it's done right, but we will check to see if there's a different standard on the depths. We are not aware that there's a different standard.

Doris McNally - I have been verbally told that on three occasions by three different people, but when I press them on that documentation, they don't supply the material. So, the question has now been put into my mind, I'd like to at least have a definitive answer and then if I may, just one more thing.

Also, some background for the shareholders in attendance. The initial agreement for the water shares was back in 2010 and very shortly after that the then President, Ron Cundick, actually signed the first water agreement with Silver Pointe Estates. Then in 2015, Elliot Shelton, who was President at that time, signed the second water agreement. So, the past discussions are documented between the two, but there's also been a tremendous amount of time between the last water agreement and this water agreement. So, I'm saying this mainly because you have a whole different group of people here and we're going through a learning process of doing due diligence the way each one of us want to do it. It is not personal in any way, we are just trying to do our best to get up to speed on what the history has been, but the history is there. Town Council and the mayor signed off on the plat back in 2016, so the plat has been signed off by the Town. My little HOA has 27 homes up here, if somebody puts a new build Diagram on the table, they only have a year to start building. If they don't build within a year, they have to go through the process again. So, it's been a lot of years since the water agreement was last signed. So please understand the questions that you are hearing, at least from me, are very directed and just being factual. I just want to know what we need to know to be able to make an intelligent decision to protect number our assets. Another one of importance for me are the shareholders in this Town. So, if you have questions about my questions, you can come to me and ask me, but that's why I'm asking very targeted questions.

Jared Westoff - Thanks. Great so, on that note, when we got involved in this process, we saw that there was a plat recorded and that there was a bond already in place. So, we looked at that, and in our world that means a lot of this stuff that we're going through right now would likely or logically have already been taken care of. And so, we're learning too, because we're being asked either by the Town or LDWA to go back and do stuff that we thought was already done, because typically when a plat is recorded, that's already all been taken care of. So, we're part of the learning process with you. We weren't here either and we're just trying to find all the pieces and make sure that we're doing it right and in the appropriate way so it's done safely and in the end, we can have a nice project everyone's proud of.

Doris McNally – We are being very focused on the culinary water aspect of this at this time because that's really all we can assess and deal with, the other issues we can't. I know that others, have different feelings on that, but there's enough on our table. That's the last point.

The one thing I would ask is that there were some, let's call them punch list items that have to be achieved, the water rights had some check marks which I think we still should double check on. I think Don and I had a conversation about one of the water rights we want to make sure is clean. We are confident it is, but we want to make sure it's clean. As for the 2010 and 2015 agreements that were signed there were, let's call them a punch list, a checklist that were put together. Let's just make sure that all of those things are addressed so there's no question about them. And I think this needs to happen maybe with us sitting down together and having a real work session and just go through this stuff and deal with it. Deal with the good, the bad, the ugly, or whatever it is but we need to deal with.

Jared Westoff - That's a good Idea.

Don Fawson - Brant do you have anything?

Brant Jones - A couple of thoughts and I just back up Doris on the water right thing. It absolutely needs to be cleared up. Maybe this isn't just specific to your project, but as the town switches more to underground water, we're doing the best we can to assess the sources and make sure that they are viable, and they will be sustainable for the Town. But it is interesting that in a month we're changing the water billing for the whole Town, that it is also the month that we're discussing these changes from using surface water, and it's already had some of those changes and some of the water rights have already been signed over, but the billing is very different so the ongoing need to pump a well versus a spring is a challenge. We've already had a well fail and then we have the whole issue of pumping the well water into our system to supplement the spring water. So, that changes a lot of things for counting people over the years, but it seems like as we switch, and like I said, this is not just picking on this development or what's been done so far, but in the future, it really needs to be considered as we switch to unknown, water sources. I guess all of its unknown, the Spring can change too, but if a well fails, or goes dry, or just the fact that we're paying a power bill ongoing, the whole Town's paying the power bill for everybody every time we bring more underground water in, the rest of the town, everybody else is assuming those bills to supplement the new developments and so just maybe put that on record. I think that will be looked at and the pumping costs will be considered because we represent the whole Town and the people that have been getting water. I mean the pipeline is expensive, no doubt, and it does need maintenance, but you don't have the power bill to pump up, you know, it comes down the hill and it's just here so, it substantially increases cost.

Jared Westoff - That's an interesting point because when we annex Silver Reef and Eldorado Hills, we got underground Well rights and then we had to start pumping. So, those of us use to Spring rights had to subsidize away.

Brant Jones - You're absolutely right and that's why I'm not picking on this development. But we just seem to keep doing that more and more and more and to a big question Mark. And I asked Riley, what caused the last well to fail and they don't know. They can't tell me.

Jared Westoff - You're talking of the one that was drilled and wasn't successful or the one that the pumps went out.

Brant Jones - Well, both, yeah, anytime you're going in the ground, it's a question mark about whether you actually hit water. You do your best to verify it, but then you also pull in that liability for the entire

Town. I agree it's just as much Silver Reef and any other underground water right that we bring in, it increases the bills, it increases the maintenance. Wells probably aren't going to last as long as that new pipe is going to last coming down from the Spring. I hope the pipe lasts, it should, right, I mean it sounds like it's a very long-term plan for water but everybody's going to tie into the same pipeline and I'm not trying to exclude anybody, but it does change the Town.

Don Fawson - It does, and in some respects for the good, I hope. We moved here in 1971 and you know there was a need for more water at that point in time, so with shareholder support, we drilled our current well in 1976, and installed new pipelines. At the time, there was a 3-inch steel pipeline coming down Main Street and there were 3 hydrants in town. One was not connected, the other two were on a 2 inch and a 1 1/2-inch line. So, we did make some changes, the Town changed, but on the other side of this the people hooking up to this water system also become part of the payers. They become part of the people that are actually investing in the infrastructure and the people that continued to add life to our community. As far as the original Well and its collapse, a big part of that was because it wasn't cased. We then found that there were voids down in the ground, which, basically at some point in time just collapsed into the well.

Brant Jones - Which are all real problems, and they can happen with any well.

Don Fawson - They can, but with it cased now, and it is cased all the way down, it is much less likely to happen. The new well will be completely cased also. But it doesn't guarantee it couldn't and you know age of well does impact its longevity. However, the fact that we have such a small drawdown also means that there's less water movement in a sense down deep in the ground, which can also affect the stability. So, I feel positive about the longevity.

But, one of the other things, I talked to Gary Crocker, and he said one of the other things is that he's willing to include an indemnification clause on this project. I don't know to what extent that mitigates our liability but, at least, it removes the corporation from suing us, I guess that is reasonable.

Jared Westoff - Don on that note, I know that Gary has asked Marty Banks, the attorney that's been representing and helping with the environmental and all that, what we can and can't do there and we're trying to figure out what that could be or would look like. Obviously, Gary and ourselves are not like experts in environmental clean-up and that's why we've hired good, appropriate professionals and so we need to get Marty's advice before we know what that means.

Don Fawson - OK, So, from my understanding, a "Will Serve Letter" basically outlines the parameters under which we will serve water.

Jared Westoff - That's ours too.

Don Fawson - So it isn't a matter of saying, well, you're going to get water. It means that you have to complete these steps, whether it be a third party, or putting in these valves, or all of those kinds of things before it is actually codified. The one thing that I just wanted to mention was that we've heard that there have been three previous "Will Serve Letters" and that's actually not true. In November on 2010, it said be advised that LDWA will not issue a formal Will Serve Letter until LDWA has reviewed and approved your proposed water system infrastructure plans. I did not ever see an actual Will Serve Letter issued. That was when Benjamin Gordon was president. Then in 2010 there was a water rights agreement signed and Ron Cundick, president, signed that. But again, it was a water rights agreement. It had to do with the water rights, not infrastructure and serving water. It had to do with the acquisition of water. And then, in 2015, again, it was a water rights agreement. It listed, in Item 3, the terms and conditions governing the issuance of a "Will Serve Letter" are set forth in the letter dated November 4th, going all

the way back, in other words, those are the terms and conditions. So, we have a couple of things that we want to add to that, and that document was signed by Elliott Sheltman, president. So, it was just, here are the conditions that need to be met to be issued a "Will Serve Letter."

Alan Cohn - There was no Will Serve issued?

Don Fawson - Is that correct, Elliot?

Doris McNally - They were water agreements, that is what I said earlier, yeah different.

Don Fawson - Again, there are other things that we've been concerned about. Some of those we've shared with you. One of the other concerns we have on this...

Jared Westoff - Can I ask a question? Who has said there is a "Will Serve Letter." Have you just heard generally? You haven't heard from us there is a "Will Serve Letter?"

Don Fawson - Yes, we have just heard that that was the case, you know, even within our own discussions, we thought that was a fact, but it's not.

Jared Westoff - So we've never been under the impression there was a "Will Serve Letter."

Doris McNally - We just want to clarify that.

Jared Westoff - We want to make sure you're not thinking that we're saying that.

Don Fawson - OK, that's good. Good clarification and I'm glad that we're all on the same sheet of music on that piece. The one thing that we are concerned about is the age of the original cleanup. How many years ago was that?

Kurt Allen - 2012

Don Fawson - OK, So, it's been over 10 years and at that time, based on that fact, there was an approval that expectations had been met. Of course, we've had, water erosion, we've had wind erosion, since that time and I know that in parts of the cleanup site there was supposed to be a 6-inch cover that was supposed to be maintained. Josh, can you speak to that?

Josh Wagstaff - 6-inches, it's not the whole side, there's certain areas that need that cover.

Don Fawson - So has that been reexamined recently?

Josh Wagstaff - So, in the fall it was, it hasn't been this spring because the annual report was completed then. But, it'll be assessed every year again.

Don Fawson - How do you go about measuring that?

Josh Wagstaff - Rich White comes down from Salt Lake and measures it?

Don Fawson - How does he do that? Just curious.

Josh Wagstaff - I don't know. There are only a couple of areas that have that if you look at the Site Management Plan, it has the area shaded.

Jared Westoff - So we should note that we are working with the Town to let one of their Inspectors accompany Rich White every time he does that inspection. So, they could see and if they have a concern I don't see any reason why LDWA could not accompany that inspection as well. We planned to accompany it as well, so we can learn ourselves.

Don Fawson - When's the next one happening do you know?

Jared Westoff - I don't know, I can find out.

Don Fawson - Before we move ahead with this, with your permission, I'd like to take some comments from those who are here and then we'll go through a discussion and finish this up.

Jared Westoff - It is your meeting.

Don Fawson - OK. Thank you. Anyone? Michelle.

I. SHAREHOLDERS COMMENTS

DISCUSSION

SILVER POINT ESTATES

Michelle Peot - I have a question about the requirements for ongoing monitoring dedicated for this particular loop on the East hill because of the elevated risk here. And I don't know what the periodicity for example for Radium 226 testing is normally for LDWA, but it seems like there should be dedicated potentially more frequent testing because what if there's contamination there, but you don't find out for a month or more and you put all of those potential residents at risk.

Don Fawson - OK, good point. Anyone else? Yes. Elliott.

Elliott Sheltman - I'm just wondering if you're aware of a document that was filed against the title on this property in 2016.

Don Fawson - I'm not

Elliott Sheltman - This is Doc # 20170043161 on 10/25/2017 is when this was filed it is a Notice Regarding Culinary Water Service To: LOT OWNERS, PERSPECTIVE BUYERS, INVESTORS, LENDERS, FINANCIAL INSTITUTIONS, ETC. Culinary Water service shall not be served to the Silver Point Estates Subdivision until such time that Silver Reef Investment Holdings, LLC, Developer, or current Property Owner, completes all outstanding requirements listed under PRE-EXISTING (OUTSTANDING) REQUIREMENTS, and said requirements have been reviewed and approved by the Leeds Domestic Water Users Association (LDWA) culinary water authority for this development, as witnessed by issuance of LDWA's Certificate of Approval including; (i) signature of the President of the LDWA Board of Directors, and (ii) the LDWA Corporate seal Stamp is affixed to the Certificate of Approval. This was filed by Unanimous vote of the Board based on David Hartvigson's advise, our attorney.

Don Fawson - OK, this is to the Board then?

Elliott Sheltman - This was filed with the Washington County Recorder

Don Fawson - By whom?

Elliott Sheltman – LDWA, me as the President, because my signature was required.

Don Fawson - OK

Elliott Sheltman - Now I have a whole bunch of things here if you want to know the details on it. You may want to because this has to do with the fact that the Town jumped the gun and violated chapter 21 of their ordinances and filed this without a signature line for the LDWA. It was done without our (LDWA's) knowledge or our approval.

Don Fawson - You're talking about the plat?

Elliott Sheltman - Yes. And it was done at the June 8th meeting. Gary Kuhlmann (Deceased), who was the Town attorney at the time, basically was talking about the recording. Mayor Peterson said there would be a need to collect a lot of signatures and it's my understanding that in the past the Town didn't always do it themselves, but I think from a standpoint of chain of control with regards to the map, it's very important that we be the ones who obtain those signatures. So, he was very well aware of what chapter 21 is. Our attorney contacted Mr. Rick Canute? who was Rick Sant's Attorney and told him what happened, which section of chapter 21 was violated and the response from Mr. Canute was basically he reads the ordinance the same way as we do, and he's puzzled as well as the Town's attorney. This is kind of being snide, "if they have one; hasn't helped shepherd the mayor and other officials down the correct path". The plan was to try and hopefully work with Mr. Sant, the developer, to work this out. Unfortunately, he wasn't interested. Mr. Sant had a tendency to come and go. If you look at the meeting minutes, you'll see that he basically would come in and state that we're going to start in three months, four months, kind of like what you're getting now. Then a year and a half later, he would reappear again, then he would just disappear. We would bring in our engineer Karl Rasmussen and we would start the process. We had other things as we were doing some major projects during that time and the developer would just disappear. He did that, I think three times, and after 2016 when the plat was filed, I don't think we ever had him in a meeting again after that. I don't think there's any contact if you look at the meeting minutes, I don't have those, but I think you'll find that. So, the reason that the filing was done is because if you look at the requirements that we didn't have all of them were on the checklist, not all of them were checked. So, that should still be on the property against the title. So, you've got that and you're going to have to work with that one way or another. You're going to have to remove it or make them honor it. I just wanted to let you know it's there because I wasn't sure that any of you were aware of it.

Don Fawson - Can we have a copy of that?

Elliot Sheltman - I can get you a copy. It is the only copy I have right now,

Doris McNally - We have the file number. It's easy to lookup online and get a copy.

Elliot Sheltman - One other thing. I was president for 10 years so I've dealt with pretty much all of this. Ben Gordon started the process off before he left. We were told over a period of time that this development, to quote the developer, "was much more contaminated than anybody ever could have thought." You have probably seen that in past meeting minutes. The meeting minutes concerning the developer, are quite detailed and it's obvious for a reason, because we were never sure about how we were going to deal with this issue of contamination. The DERR and reps, including David Bird, and the DEQ, all told us, after we had asked up to three times for a response from David Bird, about where has this type of development been done before, because we don't want to reinvent the wheel. What do we do? Can we use C900 pipe? Can we even use standard issue materials for this project? What we finally got

from David Bird through an e-mail chain was (that you should have a big file with all this is in it) was basically, that it's never been done before in the State of Utah. Radioactive materials, radon 222/226, or mercury, and you have both, is that it has never been done. Then we asked, what do we do about this? The response was, "It's not up to us to decide, it's up to you to do due diligence and decide how you want to deal with it."

Again, I'm not sure you can use normal materials that we use in other parts of this Town or this county for this and that was our concerns. Then another reason that we did this document is because we have a tank location and water lines that would go down to Silver Reef Road to supplement the water that would be used by the development, when it's a full 105 units and we wanted to bring in somebody to check that area out because we're not sure if it's radioactive or no. It's near the area that's contaminated.

Don Fawson - You're talking about where the tanks located

Elliot Sheltman - Yes, the 150,000-gallon tank. We were going to bring somebody in to check that location. If you look at the meeting minutes, there was a meeting of the minds and Mr. Sant agreed to it. We we're going to bring an expert in from Nevada because if you want to know about radioactive materials that's where you go to find experts. So, there were two experts that I got from Hughes Development, and I talked to both of them. We were going to line one up that was again something we were going to do. That process was ignored when the plat was filed. The Mylar version was circulated and our signature wasn't on it.

Don Fawson - So is this someone in a private capacity that you were going to contact?

Elliott Sheltman - Yes, independent, who had no relatives, right.

Don Fawson - Right, but it wasn't a government organization.

Elliott Sheltman - No, it wasn't government, but this is what they do for a living. They go in and clean areas up, usually for heavy use. To be honest, when I talked to the individuals, both of them, I didn't even have the documentation. It was about an hour phone call with each one. But their attitude, after I told them what we had there from reading off the list from the cleanup, (some of the notes I took off the big book), their response was, "We would never do that." We do heavy industrial, but not residential, or something like that. I said what do you do with the water lines and utilities? They said we run them above ground, we're not going to put that stuff in the ground. Just FYI.

Don Fawson - Alright, can you give us that Information including the people you contacted?

Elliott Sheltman - I don't have that anymore. You know, it was like what was that seven years ago? If you can get the document then I won't worry about it.

Doris McNally - Thank you.

Michelle Peot - I just wanted to quickly add on to what Elliott said about how unprecedented this is. So, in addition to not being an example in Utah, I actually looked through all of the volunteer cleanup sites across the western US. where there is heavy uranium. No one has done this before and I also spoke to a retired EPA Superfund Administrator. She said this is unprecedented, so I just want to underscore the risk that LDWA would be taking on here.

Ron Cundick - A couple of comments. First of all, on the water rights. Correct me if I'm wrong, I thought that we had been told that there had been a title company that had certified these water rights very

recently. But as we looked into it afterwards, they weren't correct. That there were certain points of diversion that haven't been transferred to LDWA. Am I correct on that?

Don Fawson - I'm not sure I understood the question.

Ron Cundick- I understood that a title company had certified that all the water rights that have been conveyed to you for this project on Silver Point had been verified by the title company and there were no issues.

Don Fawson - Yes.

Ron Cundick - And subsequently when you started checking it, it's my understanding that some of these water rights point of diversion have not been conveyed to LDWA Wells.

Don Fawson - I'm not aware of that.

Kurt Allen - I think what you're saying is that the point of diversion for some of these water rights, and we're referring to the 105-acre feet transferred by Rick Sant, some of these water rights points of diversion are still in the Washington fields.

Ron Cundick - That was the point I was making.

Kurt Allen - And since the title company cleared these water rights, we have since found that is correct. There is a portion of these water rights that the point of diversion is indicating that it's still in the Ash Creek Sewer District area. However, there was, I believe five or six water rights involved in the 105-acre feet and that only one or two of them had that issue needing to be resolved. The remainder of the water rights proved to be clear and clean with no encumbrances.

Ron Cundick - Well, that's my understanding, that somehow the title company missed a few water rights in the process. Yes, which kind of puts them on hold.

Jared Westoff - That's not accurate.

Ron Cundick - I think it is accurate.

Jared Westoff - No, we had it checked to make sure there were no liens against it and not the points of diversion

Ron Cundick – Let's not confuse ownership with point of diversion.

Jared Westoff - We never had them check points of diversion, we didn't know that was an issue.

Ron Cundick - The water is no good to you until the point of diversion is put in place.

Kurt Allen - Jared's got a good point there though, that the title company wouldn't have checked points of diversion, their duty would have been to check for clear title.

Ron Cundick - We have a situation that still has not been resolved relative to that. When we asked about it, it was because we were concerned with the title at that point in time and the whole water right itself, because if you can't get the water; I'm not saying you can't get it eventually, but I'm just saying that it has not been perfected and I want to make sure the developers understand it. And I hope that the costs of

perfecting these water rights are being borne by the developer because they gave a Warrantee Deed with these water rights. Am I correct? The developer will bear the cost?

Don Fawson - So let me ask you Kurt. Is this something that Riley's been working on?

Kurt Allen - The e-mail we got today from Timothy, I believe addressed these water rights.

Don Fawson - So we've had our engineer going through all of our Water rights, not just deeds. And that's where he found the ones over in the Sand Hollow point of diversion.

Ron Cundick - I think these things need to be worked out. All I want to do is make sure that they are worked out and the burden of the expense is not being borne by LDWA because we have Warrantee Deeds saying they are intact and there are still things to clear up.

Kurt Allen - The Board's being very careful with all the developers and not just Silver Point, but for other developers as well so that they carry their own burden.

Ron Cundick - I Just want to make sure who's bearing the cost. The second issue I want to address very quickly is, I agree that you can't bring an expert in to criticize his own work. It doesn't work, because if you find that your previous work wasn't done correctly, what does that do to your reputation? So, it's pretty hard if there is a problem, and I'm not saying there is a problem, but if there is a problem, it's pretty hard to ask the person who did it initially to say, "Change my work, it wasn't done right the first time," and if you can find any way to justify that it was done right, you're going to do that. So, I think the way you solve that is that LDWA decides who the professional is going to be, and it has to be a professional who is not looking at his own work in the process. I think we understand that.

The other point I wanted to raise involves the conditions for beginning construction, and the elephant in the room has been forever, the Certificate of Completion (Issued by the State relative to the cleanup). That's the elephant not just for LDWA, but for the Town. Just to refresh your minds on it, and I don't want to beat this to death, but. Mr. Sant came in at one point in time and said "until this plat is recorded, I can't finance this. I can't get financing, so we need to amend the original agreement with the Town in a way that I can get my financing so, what conditions do you propose?" The mayor at that time said OK and the town council said if you're going to amend this then we want to make it clear that you can't begin construction until you have a Certificate of Completion. So, you can talk all you want about beginning construction, but the elephant is the Certificate of Completion that has to be produced not only for the Town but also for the LDWA, because that issue has been addressed time and time again by LDWA, both when I was President, and also when Elliott was President. There had to be that Certificate of Completion. And if you look very carefully at the minutes and so forth, you will find that it said not just completion of Phase I, as the developer defines it, but Phase I and Phase II. So, the developer has to solve that problem and produce this Certificate of Completion and he has to make sure he knows what he's doing on that before he can spend as much money as he wants on plans, but he can't go forward with construction until he produces it.

Don Fawson - You know we're kind of in a conundrum with that Ron because the State people are saying it's OK.

Ron Cundick - Well, the State does not set our standard. And let me just give you my thoughts on it as a lawyer. The State is looking only at the cleanup, and they said we have certain criteria for cleanup. OK. The Town said we went ahead and allowed you to record that plat with a certain condition. That condition has nothing to do with the State in the sense that it does not depend on whether the State says yes or no. It says when the State must provide a Certificate of Completion, not a letter saying that you

can go ahead, it's safe for building, but a Certificate of Completion as the statute says. When the State does that, you can begin construction. So, don't confuse what the State says that you can go ahead from the State perspective with the requirements of the Town and LDWA, which was that they must have that Certificate of Completion.

Don Fawson - So does the Town have that requirement right now?

Ron Cundick - Yes. That requirement was put on when they amended the initial development in order to allow them to get financing.

Doris McNally - So, that agreement is public? We can see them?

Don Fawson - Well, that's a good question Doris.

Ron Cundick - The minutes are very clear on it from the Town minutes. Anyway, I pose these things for you to consider. I'm not going to tell you what to do, but you need to be aware of it.

Don Fawson – Thanks, anybody else.

Layna Larsen - I still have my question. There are mines underneath this development. If the people that own the mines were to come in and decide to mine there, how does that affect the development? The water lines for example? What material is being used for the water and can vibration cause damage? If the waterline breaks in the contaminated dirt, because I am not convinced that you can make it safe enough without hauling it all out and bringing in new, (just 1 ft on each side of a pipe does not feel safe to me) what level of risk is there to the person repairing the pipe. How high is their risk for contamination? Also, I know LDWA is not responsible past the meter, but what about homeowners? Their pipe breaks from the vibration from mining, how is the developer protecting them from the contamination risk?

Doris McNally - I have a question for Elliott. Elliott did the document you said that you filed with Washington County by any chance cover any of that because you talked about building. It's got a list of not all, but some of the things that were agreed to in those agreements you're talking about, and one is the Certificate of Completion. I'm specifically talking about the inquiry here with the water lines.

Elliott Sheltman - No

Doris McNally - OK, thank you.

Don Fawson – Susan?

Susan Savage - We were just asking if people could lean into the microphone. Some voices are harder to hear. This is a general comment, but so often when people, developers, or people come in with plans, they give an answer to you, we've done this or we've done that and so on, but we need documents. That's my point. We need more than somebody saying that's my position. Where's the paperwork and where are the documents that verify what you're saying.

Don Fawson - Good. All right.

Josh Wagstaff - So, I thought that it's in that packet that Elliot had. We're familiar with that. I thought that when we had the original meeting that I gave that to you, maybe it's with all the paperwork that I gave you, but I'll e-mail that to you guys as well. Because we've read through those conditions and like

you said to me, those were in the previous agreements and in the 2017 when it was recorded against the property, but it's recorded against each parcel.

Jared Westoff - I think it's important to recognize that these are complex issues and it's easy to cross connect and get wires disconnected. I think it's important that we don't disparage or do anything with those who may not correctly understand or whatever. I just want to make sure it's clear we were asked to make sure the ownership was free of any liens. So, we got a title report. There was a question on whether or not a Quit Claim Deed conveys ownership as good as a General Warranty Deed. It does, I have bought and sold over 200 distressed properties, and I have bought many of them with a Quit Claim Deed and followed it up with the Warranty Deed. It every bit conveys with a Quit Claim Deed as a Warranty Deed. It just means you're not warranting it when you send it over. But I can get something from a Quit Claim Deed and look at the title, and I can feel comfortable signing a special Warranty Deed meaning I certify that I have owned this when I have owned it, or I can do a General Warranty Deed that certifies it back through time. So, obviously anytime you get something, you want a General Warranty Deed, but it is a common practice, and most water rights are transferred with a Quit Claim Deed. But it doesn't matter if it's a Quit Claim Deed or General Warranty Deed, it conveys ownership. But rather than me stand up here and explain that, what I know very well, I thought if there's a concern on ownership, let's just get a title company to verify the ownership. That has nothing to do with points of diversion, zero to do with points of diversion. If there's a point of diversion problem with the Wet Sandy water right or these water rights or whatever, it's just a matter of getting the point of diversion filed for and changed and it needs to be done. Like when we transfer water rights, a lot of companies, take on the transfer. Sometimes some companies want us to take on the transfer as a point the deal, so whatever the requirement is. If it's a point of diversion issue, let's clean it up. But that is not the same thing as an encumbrance.

I know that LDWA has the distinct honor, as the only entity in the history of the State of Utah to ask the State of Utah to forfeit water rights. It's kind of an odd thing that happens in this Town that we do weird stuff and conjecture across them and try to confuse issues. We don't want to have any confusing issues. So, if we need to have a work session and walk through the prior agreements point by point, we're happy to do it. Now, as it relates to the cleanup and the Certificate of Completion versus a No Further Action Letter, I think it's important that both we and you work together in good faith and we in the Town work together in good faith and recognize the process that we're in and work with each other to make sure we have a safe project. In a voluntary cleanup, the cleanup site, in this instance for our Phase I of the cleanup, gets a little confusing. So, somebody explained it to me three times for me to, connect the dots, correct? The Phase I area for the cleanup is the same area as Phase I and Phase II of the plat. And we entered a voluntary cleanup for the entire property. So, we've done the cleanup for Phase I and Phase II of the plat, which is phase one of the cleanup. So, at this point in the process, what the State can issue is a No Further Action Letter for that area, meaning that area is cleaned up. We can't get a Certificate of Completion until we get all phases cleaned up.

Alan Cohn - But then that violates what Ron mentioned that the Town ordinance is saying you are needing a Certificate of Completion.

Jared Westoff - There is no Town ordinance for that and in my opinion that is not a reasonable requirement of the Town. We are going to work with the Town to see if we can have a reasonable requirement of accepting the No Further Action Letter. We hope to be able to get that done. But it's not reasonable to expect us to have a Certificate of Completion, when we haven't been able to walk through the process to get there. For instance, in order to get a Certificate of Completion, we have to be able to record in the CC&R's and everything. We typically aren't going to record CC&R's against property that doesn't have a plat. So right now, we're only on the Phase I plat. So how are we going to meet that requirement to get a Certificate of Completion when we're not reasonably going to develop all 105 lots at

one time? We've got to be able to work through that in good faith with each other and say here's the process that we're being required of the DEQ on this specific cleanup area. This is what can be done, and these are the requirements that we have to do and one of them is we've got to record this CC&R against the property so that everybody has notice anytime they buy the property, and we do that at the time we do a plat.

Alan Cohn - But you understand, I mean everybody has said that this is unprecedented, period. You're building on a Superfund Site, so I'm looking at this, granted, a little tougher than I would look at any other development, because there's a lot at stake here. So, things haven't been done since 2017. There's a lot of questions you know?

Jared Westoff - Which is also inaccurate. You can look at the Town minutes in 2018. Rick Sant is in the Town minutes, and he is talking. He is quoted and so is Elliott Shelton. So, he didn't just disappear from 2016? Poor Rick Sant what he has been put through on this project is immoral. And he ended up passing away from health issues of which a lot of, I think, was attributed to the way he was treated on this project.

Alan Cohn - You don't think that it was attributed to maybe the property itself, you know, I hate to say, but.

Jared Westoff - We can get into anecdotal evidence all you want, Ray Beal lived across the street. He's lived to be an old man and he used to play in the piles and move the mercury all around, I don't want to get into anecdotal evidence. I want to stick to facts.

Alan Cohn - I didn't mean to go there, but what you were saying is also anecdotal. My point is I think we need to hit on every one of these points; that checklist that Elliott mentioned, we need to figure out what's going on with the Town, and that Certificate of Completion. I think this all needs to be gathered in one place rather than, just the back and forth. You say we have it; we don't have it, we're looking for this, I think I would like to see all that covered in one place, a nice little binder or whatever that's got all that information in it rather than a piece here and a piece there.

Jared Westoff - I think we should sit down and go through those old agreements. Look at anything that's outstanding. Everything that's reasonable, I think should be done. I do know that LDWA had a history of being very unreasonable in the last 10 years and we need to even be willing to look at the reasonableness of the requirements of the past. And say, what is reasonable and what is not, and we need to be able to cross those thresholds and get it done.

Alan Cohn - Well, the question is, was LDWA being unreasonable or was LDWA trying to watch out for the shareholders and the rest of the people who are already drinking this water?

Jared Westoff - When they are, we are more than happy to walk through those requirements.

Don Fawson - I think your point is, it's today and we need to look at today and we need to look past history to inform us, but beyond that, not to let it become a battleground. So, Elliott, will you make sure that we get that information?

Doris McNally - We've already gotten it and you've got it.

Elliott Shelton - One other thing, I'd like to speak since my name was brought up. If you look at the meeting minutes for the LDWA we bent over backwards for Mr. Sant and I don't think that we had anything to do with his illness. I think that's outrageous, Not just incorrect on its face, but...

Don Fawson - OK, like I said, I'm not going to go there.

Elliott Sheltman - I think when I talk about not seeing him again, I'm talking about at the water company. We did see him here, I was a council member. I want to bring something up as far as these developments like Grapevine Wash when we exposed a light on it. It turned out that a lot of the procedures that we believed were followed were not. If you look at Phase II of this development, you will see that if you enforce the Hillside Protection Ordinance, which was in place before the development was brought in, there was no Phase II. The road on the South side is basically in violation of the 3% slope limit, so are the utilities. So, you won't be able to go up and around that road. When I was on the Planning Commission, we proved that through mapping that, those records should still be in there somewhere. The other thing is that if you look at the houses locations and you look at the Phase II map, of the Town it basically says you have an average 22% or 26% slope where they want to put houses. You can average out the HPO all you can do is ignore it or you can take it out as an ordinance. Again, poor planning and that's the problem here. If you have a problem or a breach of the system, you don't just get, radioactive water, you'll get radioactive air coming into your house, radon when you turn on your faucet. That's a byproduct of it. That's one of the things I learned about it. The other is the mercury, if that gets into the system and if it does, you don't have a water company down here anymore. I mean, I guess you could tap it somewhere up there, but you won't be able to use those lines. That's another thing that I learned if it is contaminated it's pretty much virtually impossible to do anything with it.

One other deal, there was a point when Mr. Sant, and I think it was Paul Wright showed up over at Angel Springs, at one of their meetings. I was there because I was told about it and, he was looking for a place to put a septic system because he never did have a septic system. He kept moving around to different versions and what he proposed is he would put one over here across the Ridge from where Phase I and Phase II is, and what he told the Angel Springs people or what they their concern was that it's over their aquifer. Their concerns were addressed by the State official because they were very upset about it and his attitude and what he said publicly and on the record was that, well, if they poison your water, if they poison your aquifer you could sue him.

Don Fawson - And that was Paul?

Elliott Sheltman - I believe it was. It was a State official. I think it was Paul Wright. The point being that's the attitude the State has. Which was pretty much you can sue him. People laughed. It wasn't a friendly laugh, it was, it was one of being incredulous that he would come up with this idea. So, this is really important. It's one of the reasons we had such a hard time with it. And again, we tried to pursue it, but it kept stopping and obviously if the developer doesn't come back we're not going to continue to work with it because again, we did some major projects over that 10-year period. So again, you're in a bad position as far as you're going have to make some decisions here. You're going to get pressure from everybody. But be aware of the fact that every eye isn't dotted, and every T is not crossed on these things, and we learned that. Again, Grapevine Wash was a good example. Everybody knows about that. It turned out a lot of things that were supposed to be done that we counted on being done weren't done. Thanks for letting me talk again.

Don Fawson - OK and I wanted to comment on was the fact that, the Hillside ordinance and those kinds of things, are a Town issue.

Elliott Sheltman - I only brought that up because utilities can't run on a 30% slop either. So that would affect you.

Don Fawson - Well it would affect us, but hopefully the Town will take care of that piece of it.

Elliott Sheltnan - Hopefully they will.

Don Fawson - OK.

Susan Savage - To be clear about the changes in points of diversion, if someone owns a water right, you can't just say, let's just get this taken care of, that goes through the State. There is a formal application that goes to the State Engineer, there is a protest period, and so then the State makes a determination on that. It has to go through that process.

Brant Jones - And then it also goes back to the same responsibility. So, if one Well dries up another, it's your responsibility to sue. To create a lawsuit and try and win it back through the legal process, it doesn't bring your water back. It's part of that protest process.

Susan Savage – I know I said this in another meeting, but people so often say we are bringing water and what they are actually doing is abandoning the former site and saying we're going to draw more water out of your system. That's why people protest it.

Don Fawson - Thank you Susan and again on that piece that's why we have our engineering firm working on those rights and transfers since they understand the process and they're working with the State Engineer on the proper application process.

Layna Larsen - I don't mean to beat a dead horse, but my question still hasn't been answered. I'm a shareholder and I'm asking a question as a concerned shareholder, not as a person working with the Board. I would like to understand if the mines are opened underneath this development, what kind of damage is possible; to LDWA water lines, Individuals water lines, repairman (the individual repairing damage). How can you prevent it? Is the material used for the waterlines a higher standard not only in our lines but the lines in the homes.

Don Fawson - Do you have any underground mapping of any of the mines in that area?

Kurt Allen - I think we need to not forget the point that the BLM and Federal Government controls these mines and they have Expended a lot of money to seal the mines and leave them inactive. I think that it's a real long shot to even think that any of these mines are going to be opened up again and mined.

Michelle Peot - Those are privately owned, I think the Mining rights are still owned by 5M or by Silver Reef properties, whatever Jerry Glazer's property is.

Alan Cohn - Yeah, Jerry Glazer owns the Mines.

Kurt Allen - They're still governed by the Federal Government, regulated by it.

Josh Westoff - People own mineral rights all over the place and they have houses on it and so I've never heard of that. But all in the chance that could happen, I'll talk to the attorney and ask him what would happen in that situation.

Don Fawson - So the other thing would be to get an idea of the mapping of where those mines are and the stability of them and things like that. I wonder who has that information?

Doris McNally – Michelle, have you ever dug that up?

Michelle Peot - I do have a paper, but I don't know how extensively the mapping is. I can send it to you.

Doris McNally - OK, appreciate it. Thank you,

Don Fawson - Very interesting. Alright.

Rochelle Gardner - I've just kind of been listening back and forth and I'm not sure about what's really going on. But I took a little issue with it our questions being immoral because I'm a shareholder. I'm a citizen and I'm concerned that this is being built on a Superfund Site which I think has been turned to a Brownsfield site. I have a question as to why it was demoted from a Superfund to a Brownsfield when this maybe the only uranium site in the Brownsfield that I could find that's being funded. And so, I think that there are legitimate questions that as a person that lives across the street. I'm going to experience all the fallout from all the dust and everything when things are dug up. I want to know, and I don't think it's immoral for me to be able to ask. And things may be taken care of and everything may be done correctly. And if so, I want to know that so that I can feel good about it and say, yeah, there's no problem going on there. It's OK.

Don Fawson - Fair enough. So, did you feel that someone had indicated that your questions were immoral?

Rochel Gardner - He (Jared Westoff) did, he was upset and said that the way the LDWA had been in the past has been treating them immorally and I don't think that's the case. If we have questions as the LDWA shareholders they should answer them. Granted they have put a lot of money into it, or the Brownsfield, whatever that site or program is, has put money into it for them but we still as citizens and as LDWA shareholders need to know that things are done properly and safely for us. And that's not immoral?

Don Fawson - Question Michelle, you've told us this is not a superfund site, what's it called?

Michelle Peot - Yes. Thank you. OK, so terminology, there's a Superfund Registry meaning that a site is contaminated enough and poses enough risk to human health that the EPA deems it being on the Superfund Registry. That's the case for the site they have included in their Phase I development. And the State requested and the EPA agreed so, it's still listed in the Superfund Registry. There is a national priorities list from the suit that gets Superfund Funding for remediation. So sometimes people refer to that as the Superfund List. But again, it's kind of a nuance. Its National Priorities Site so had this not entered the volunteer cleanup program, it would still remain in the queue and it was deemed of higher risk, but it had not yet made it to the top of the list for APA remediation. So that is the distinction.

Don Fawson - What's the Brownsville program?

Michelle Peot - is just a list of stuff that's in the queue on Superfund Registry that hasn't made it to the national priorities list. Some of those then are eligible for volunteer cleanup programs in various States

Don Fawson - Thank you. One of the things I wanted to say is I appreciate everybody here and the comments that you've made and the way that you've handled this, I do want you to have a copy of whatever it is that Elliot has sent so that you have a chance to review that. I think we need to talk about it, but we also need to get together and determine what the expectations would be if we're planning to move ahead? And Elliott, did you have any documentation you said on some kind of minutes about this completion?

Elliott Sheltman - Ron said that he has. Yeah, Ron said it about the Town. It is on the documentation that you're asking for. If you look at the original document that Ben Gordon did in 2010. I may be wrong.

When I got on the Board, that's what was said in the meetings. The Certificate of Completion was a term that was used. He tried to change it later, but we kept it on the documentation because that's how it was originally represented and there is a difference.

Don Fawson - OK. Let's set a time that we can get back together and meet together and figure this out. Anybody else have anything? All right. Again, this is serious business, and we want to make sure that whatever happens that we do it right. I'll accept the motion to adjourn.

II. MOTION TO ADJOURN MEETING

VOTE	MOTION TO ADJOURN MEETING: Doris McNally SECOND: Alan Cohn MOTION APPROVED: Unanimously
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ADJOURNMENT: 8:45PM



Layna Larsen / Corporate Secretary