



MINUTES

DATE/TIME/LOCATION:	May 17, 2023	7:00 PM	Leeds Town Hall
TYPE OF MEETING:	Board of Directors Meeting		
NOTE TAKER:	Layna Larsen (Corporate Secretary)		
ATTENDEES:	Board Members: Don Fawson (P), Kurt Allen (VP), Doris McNally (T) Brant Jones (M) Staff: Layna Larsen (Corp Secretary), Mark Osmer (Field Operations Mgr) Shareholders: Jared Westoff, Susan Savage, Daryl Lewis, Ralph & Angela Rohr, Anita Deblinger, Michelle Peot, Cynthia Neubauer Guests: Josh Wagstaff, (SPE)		

Agenda Topics

I. CALL TO ORDER [DON FAWSON @ 7:00PM]

CALL TO ORDER	OK, let's get started, I Hope the meeting is everything you hoped it would be and maybe more.
ROLL CALL	PRESENT: Don Fawson, Kurt Allen, Doris McNally, Brant Jones, We want to excuse Alan Cohn as he isn't feeling well.
PRAYER	Susan Savage
PLEDGE	Ralph Rohr

II. ANNOUNCEMENTS [DON FAWSON]

CONCENT AGENDA	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 TONIGHTS MEETING AGENDA: Doris McNally SECOND: Kurt Allen MOTION APPROVED: Unanimously
VOTE	MOTION TO APPROVE PRIOR MEETING'S MINUTES: Doris McNally SECOND: Kurt Allen MOTION APPROVED: Unanimously

III. OFFICERS REPORTS

a) PRESIDENT'S REPORT [DON FAWSON]

DISCUSSION	CURRENT STREAM FLOW
Don Fawson - Just a quick update. The current stream flow is exceeding everyone's expectations. I took the numbers at 5:00 o'clock tonight and there's 16,966 GPM coming down the stream. Our chart that	

determines how much water we can use only goes up to 4552 GPM. So, there is plenty of water for irrigation and everything else. Mark, do you have any recent Spring data?

Mark Osmer - It's still running like 200 gallons a minute. We are still running on the Spring, and we are not using the Well.

Don Fawson – So, we've got two good water things happening. We are actually, taking the entire Spring flow because it's just excess at this point anyway. And then the other thing is, the weather's been fairly mild and has allowed people to cut back on their water use.

DISCUSSION	UNIFIED APPROACH WITH TOWN
<p>Don Fawson - The other thing I wanted to mention is that we are currently working cooperatively with the Town on a unified approach to providing water to current and future Leeds residents, including any new subdivisions that might come into town. More on that later. Mark, do you want to give your Field report?</p>	

b) OPERATIONS / FIELD REPORT [MARK OSMER]


DISCUSSION	GENERAL WORK
<p>Mark Osmer - We passed our BacT again this month. We had a couple of PRV's pilot valve lines that corroded so we fixed those and then just really general maintenance.</p>	

DISCUSSION	POTHOLING BY TANKS
<p>Mark Osmer - We've been potholing up by the tanks to see what is up around them, because there are a lot of pipes and nobody really knew where they were going. So, we figured all that out. We're going to reconfigure some pipes so we can adjust the overflow of the excess spring water back into the Creek without doing very much, so that's good.</p>	

DISCUSSION	HIGHLANDS TANK [Cleaning]
<p>Mark Osmer - We emptied the Highlands tank, we went in, checked all the pipes, we cleaned and sanitized the tank and put it back online. So, that's about it.</p> <p>Don Fawson - OK, Thank you. Doesn't sound like a lot, but it's been a lot, it really has been. Marks been very busy. Doris, do you want to give the Financial Report.</p>	

C) OFFICE / FINANCE REPORT [DORIS MCNALLY]

DISCUSSION	ANNOUNCEMENTS/BILLING/COMMUNICATION	
VOTE	<p>BILLING Billing for April was completed/mailed on May 1st.</p> <p>NEWSDRIPS The May's Invoices included an article 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. For June's Article I'd like to ask for alignment on content shared earlier with you all regarding "In Memoriam" for past board member Ray Beal.</p> <p>MOTION TO APPROVE THE NEXT ARTICLE: Doris McNally SECOND: Kurt Allen MOTION APPROVED: Unanimously</p>	



LDWA News Drips

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:

1. Water system information
2. Source(s) of drinking water
3. Compliance with state and federal drinking water standards, explanation of violations, potential health effects, and corrective actions
4. Variances or exemptions to a maximum contaminant level (MCL) or treatment technique
5. 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.
6. 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://hnyurl.com/vcxyt67d>

To learn how to interpret the report visit: <https://hnyurl.com/mpmr7s9b>

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

DISCUSSION	FINANCE
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In using
67%

PAYCLIX
April we had 73 shareholders paid their bills this payment option. The total amount collected through PayClix was \$3,397.30. With paid via credit cards & 33% via echecks.

	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
Apr-23	45	\$2,267.30	28	\$1,130.00	73	\$3,397.30
	173	\$9,152.57	110	\$5,222.36	283	\$14,374.93

FINANCE [April 2023]

		% to TOTAL
Total Net Ordinary Income:	\$20,497.77	
Total Ordinary Operating Income:	\$15,091.36	71.8%
Total Other Operating Income:	\$5,919.16	28.2%
Total Net Ordinary Expense:	\$21,010.52	
Ordinary Field Operating Expenses:	\$4,271.70	22.1%
Ordinary Admin Operating Expenses:	\$2,807.26	14.5%
Professional Operating Expenses:	\$5,670.00	29.4%
Labor Expenses:	\$6,566.61	34.0%

The LDWA's Banking Accounts [as of 05/13/2023]

CHECKING ACCOUNT	\$28,501.72
SAVINGS ACCOUNT	\$280,402.41
EMERGENCY REPAIR & MAJOR PROJECT RESERVE	\$205,463.99
DDW LOAN #3F138 FUND	\$14,394.51
IMPACT FEE ACCT	\$60,543.91

VOTE	MOTION TO APPROVE FINANCIAL REPORT: Kurt Allen SECOND: Brant Jones MOTION APPROVED: Unanimously
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b) ADMINISTRATION REPORT [KURT ALLEN]

DISCUSSION	SPRING LINE [KURT ALLEN]
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Kurt Allen - Kurt Allen - The projects are in the design phase still. We're getting ready to go to bid and look for qualified contractors for the well as well as qualified contractors for the Spring Line project and the Main Street project. We will let out an RFP request for proposal for the Well and then an RFQ, which is a qualified contractor proposal, for the Spring Line and the 8-inch line down Main St. So, all of those are going to be going out next month. Civil Science Engineering, has about another month's worth of Design work to do on it.

DISCUSSION	NEW WELL [KURT ALLEN]
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Kurt Allen - The Well, we'd like to get that going just as quickly as possible and get a well driller to get started drilling the second well. The Well location has been determined and the start card I believe has been received. Mark, do you know anything about the start card from The Division of Drinking water? It's my understanding that they've given us the Start Card to be able to proceed. We just need to pick a contractor and get started on the Well.

DISCUSSION	QUALIFIED CONTRATORS [KURT ALLEN]
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Kurt Allen The qualified contractor that will be doing the large project is going to assist us with getting materials, permits, and finishing the design phase. We'd like to do a design partnership with the selected contractor so that we can finish the construction drawings. We'll have 60% drawings when we put it out for a qualified contractor, and we'd like them to work closely with us to achieve 100% construction

drawings and then at that time we will be receiving a solid price from them to be able to do the installation. The reason for that is, because of the spring line is so unique, the alignment and the constructability of it. We want to have a contractor involved in that heavily.

DISCUSSION **MAIN ST PROJECT** [KURT ALLEN]

Kurt Allen - So, it's a big and complicated contract. It will be both up the Canyon and on Main Street so, we're looking for a good, qualified contractor to work with us on that. We are still trying to get the environmental permits, Forest Service permits, BLM permits, and we are making good progress on that.

Don Fawson - Appreciate that, Kurt. I just want to mention to, that Mark did some cleaning up around the tank and also around the current and future Well sites.

DISCUSSION **SILVER REEF BRIDGE** [DON FAWSON]

Don Fawson - OK, I just want to mention that we had concern about the integrity of the Forest Service bridge over the creek at Silver Reef. Those of you who have been over that bridge know it was caving in on one end. As a result, we were concerned about the age of the bridge and the strength of the bridge, since we sometimes have to take our heavy equipment across that bridge heading up to the Spring. So, we talked to Larry Ballardie, who is the acting Chief Ranger some months ago. He said actually that that particular Bridge repair or replacement as well as ones up further, have risen to the Forest Service top priority for 15 years in a row. And I said, "Well, what's going on?" He said, the county had to sign off on something, and they wouldn't do it. So, I don't know what the exact problem is, but nonetheless they did get somebody out there and they have done some repair work on the bridge.

He took me down under the bridge and I thought that they were just planks laid across there, but actually they are 12 x 2 or 14 x 2. They're pretty big, and they are sandwiched together all the way across. So, I think they drilled a hole through them because they were starting to spread a little bit and they put some threaded bolts in there and tightened it up. And then did some work on the sides and the ends. So, hopefully it's better than it has been, but we will hope that someday they will actually make it a wider and longer. So, Josh do you want to come up?

DISCUSSION **SILVER POINT ESTATES** [JOSH WAGSTAFF & JARED WESTOFF]

Josh Wagstaff - So I don't think that we have a lot to say tonight. We have gone through the last eight months or so, reviewing all the documents and contracts and previous agreements. Gone through the terms of a Will Serve Letter and agreed to all those. So, I don't think we have a lot to say, if you have any specific questions, I'm happy to answer them, if not we would like to get the Will Serve Letter.

Don Fawson - You know we appreciate your patience; we really do, and we think you guys have been very good in working with us and trying to come up the best agreement and we have two additional things that we're concerned about that have come up.

One of them has to do with what Layna brought up before, it has to do with mining and the mineral rights under that ground. So, I called, and I talked to Dana Dean, who's the deputy director, with the Division of Natural Resources, Minerals Regulatory Program. I just talked to her today and just asked her about mineral rights and she said mineral rights trump surface rights, always. I asked if it would be possible to mine in the Silver Point Estates area? And she said if their permit is active, or even inactive, but they're keeping up on fees and so forth, They can mine at any time without permission from the landowner. And so, I asked about the head structure? Could they actually open that back up? And she said yes. So, she

recommended that if they were actually going to go ahead with the building up there that you locate the owner and either buy the mineral rights or create a contract not to mine. It's my understanding that Jerry Glazier owns those rights. He was part of 5M and, based on what I understand, is he's not willing to give them up and has talked about the possibility of mining there again. She also said that she knew that was a uranium area, and that there's an increased interest in uranium mining going on in the United States right now. But she did say if there was a zone change prior to the current mineral rights Permit being issued one stands a better chance of prevailing in a court battle. But I don't think that's even possible because I think Jerry's been there forever. So anyway, that's an issue that I think that we all are interested in, that we need to figure something out on.

The second thing has to do with this Radium and associated Gamma particles. I believe Alan called them photons. So, radium gives off alpha, beta and gamma, which are the three major types of radiation. And alpha and beta are not really an issue, unless inhaled but, Gamma, on the other hand, is a real issue. And the question I have on that is this, is there any chance of pipe degradation due to gamma radiation? I checked with people at the State and they're response was, "We don't know." And they said you need to go to the pipe manufacturers, and I actually called a number of pipe manufacturers or what I thought was pipe manufacturers, and I did get one gentleman to call me back and he said he wasn't sure but he would go to his supplier. At this point I haven't heard back from him, but in getting online, there were articles about gamma radiation relative to PVC. I know that PVC has different iterations, so it is not all the same. So, the question would be is what kind is suitable? Some of the things they talked about were brittleness and then also strength issues. So, I'm not saying that there isn't something else that might work in there. I don't know. I don't know what effect Gamma has on other things. A couple of things they said was that HDPE was not affected by it, but that's affected by chlorine. That's the same stuff that WCWCD is trying to take out of the ground down here, right now, so we're not going to use that. And the other thing was stainless steel. But that's like putting platinum in the ground. It is really expensive. I know that they use stainless steel in reactor applications. So, those to me are two issues that somehow have to be addressed before we move forward.

I don't know if you have access to or even if Riley has access to any kind of experts in those fields, especially with the gamma radiation and materials. One of the things that we talked about was that there are three things that you look at in protecting something against gamma radiation. Time, distance and shielding. Those three things. Time is how long of an exposure: the time in this case would be permanent. The exposure would be constant. The Distance: It depends on where these hotspots are located. And then the Shielding. There are three basic types of shielding that you can use: water, cement, or lead. I know that even in nuclear reactor areas they use something I think called heavy water. It's a different kind of water, I don't know what exactly the Chemical makeup is of that. So, cement seems to be the most logical if anything was to be used and I don't know how it would be applied. I certainly don't want to bury pipe in cement. Whether you can put a shield up around it or something, I don't know? Kurt, you had talked about some type of soil cement or something like that.

Kurt Allen - Yes, we've done projects in the past with this soil cement and that's just using your native soils and Mixing cement powder with it. And then of course water to provide the moisture to get it to set. It's a low strength concrete so that you can still dig it. You know that some of these things are just unreasonable where soil cement is something that would possibly fit into the picture and still give that shielding aspect. I think that's what we need to look for is something that's financially feasible for the developer and still provides the shielding and the comfort level that we need to assure the shareholders that their water system is going to be protected. And so, I think that can be achieved. The Will Serve Letter that has the bullet points in it that has been formulated and we've discussed as a Board, I think, provides a commitment from you as a developer to be able to work with us to work these things out. I'm by no means trying to minimizing the importance of what Don is saying, but I believe that those things can be worked out and addressed prior to construction and the Board has actually come together and

agreed to move the Will Serve Letter on to our legal review and try to get it to the next step. You know, Don, I would suggest that maybe we continue to move forward that way.

Don Fawson - Yes, I sent the letter off for legal review this afternoon. So, we'll see what legal has to say. However, I did add a couple of items in relative to these two points. We just need your help. I don't think you want to get into this project and have a problem with it, and we certainly don't. And so, the two items basically; what kind of piping or material can we use that can safely be in that ground for many years to come that is not going to be degraded by the soil conditions itself. That includes the fact that soil tests in our area have shown them to be highly corrosive. So, if there is some type liner that can be put over it or something that could be explored. But the other thing, see what you can figure out on this mining issue because if people get their houses built there and then we see somebody come in and start setting up shop and hauling ore out of those mines, it's not going to be a pretty for anyone. So, you know I wish that these issues would not keep, poking me in the eye, poking you in the eye. But they are there.

I. SHAREHOLDERS COMMENTS

DISCUSSION	SILVER POINT ESTATES
	<p>Ralph Rohr - Excuse me, with regards to piping, you all know what happens when you leave PVC out in the sun, the ultraviolet eats it. Gamma radiation is just a bit of a frequency higher, much more penetrating, much more damaging than ultraviolet, which comes from the sunlight.</p>
	<p>Don Fawson - Yes, that's what I read too when I was online.</p>
	<p>Ralph Rohr - The other thing, if you're going to use some substitute makeshift concrete like soil concrete. You're going to have to do testing to find out what kind of thickness is needed to prevent gamma radiation getting through.</p>
	<p>And then finally, the alpha and the beta radiation are not significant as far as penetrating the pipe, but any of that, that'd stirred up from the dust and construction process, if it is ingested, becomes highly damaging to the human body.</p>
	<p>Don Fawson - You are right and there is a certain amount of that we know that's in the atmosphere, but certainly we want to keep it down below the acceptable levels.</p>
	<p>Ralph Rohr - The HOA, CC&R's protect and make specific that any construction people working there, they have to wash their hands before they eat, They have to wash off everything, they have to be very careful by getting the dust off of everything. And so, the question arises, what about the dust that settles all over town?</p>
	<p>Don Fawson - I don't remember in that site plan, if they have to wet it down, I don't know. I don't remember that piece of it, but you are right Ralph. Michelle, do you want to come up?</p>
	<p>Michelle Peot - Thank you for considering the risk to the town. I really appreciate Layna bringing up issues on our rights previously, I think that was really important. I wanted to echo what Ralph said that I don't think we should just wing it as far as coming up with this cement mixture for shielding without additional data, looking at that over the long term and whether that's an effective shield. And I also wanted to know what happened to the Certificate of Completion requirement because there was a notice filed against all the plats stating that LDWA would not provide water without that.</p>

Don Fawson - The Certificate of Completion as you know, has been an issue. And basically, the issue has been compounded by the State itself. And part of the reason for that is that they have issued what they call a "No Further Action Letter."

Michelle Peot - That's is different though. So, what happened because if you actually look at the developer agreement that was signed with the Town, it states that there's 149 acres here under the voluntary agreement, and in order for you to get COC, you have to clean up all of those acreage. So, the phrase No Further Action Letter is not the same as the COC for the State if you actually read the documentation on that.

Don Fawson - Yes, we understand that. Like I said, the challenge that we get into is that based on our conversation with the State, they have cleared that area, from their point of view even though it isn't a completion for the entire project

Michelle Peot - OK. I think the concern from both the Town, or at least from the Town and the prior Water Board of not having the COC is because then you're putting people right next to areas that have not yet been cleaned up, so when you disturb those areas, you are putting people at risk.

Cynthia Neubauer - I guess I'm coming before the board wondering why you're going through with the Will Serve Letter. I feel like this project is well beyond your expertise and you're sitting here wondering how much concrete you're going to need to protect the water, the pipes. Obviously, we need somebody with real expertise. I don't feel like our small water company can serve the development. And I'm wondering if perhaps we should let them get their water with the Washington County Water Conservancy Distirct, because what I fear is this is going to go through, they're going to build houses, the homeowners association is going to have some problem with the pipes, there might be some contamination. The homeowners are not going to be able to fund any repair. They don't have the expertise, so they're going to sue the water company and that's going to put all of us at risk. I don't understand why you are taking on this responsibility or risk for this one development that has so many issues that could go wrong?

Don Fawson - Good question. We've asked ourselves the same thing, however, one of the things I do want to say is this. We recognize our limitations, and we would not be the ones out making any kind of determination about what's safe and what's not. That would have to be the experts that are brought in to be able to do that. And that's all on the dime of the developer, it's not us. If the only thing we're worried about then is a lawsuit, then maybe if they decided to go with the Washington County Conservancy and I guess they could do that, then maybe that would shift to them. They are also us just in a larger group. As far as the contamination in the system, I think that based on our conversations with the State, the Cross Connection people in the Department of Environmental Quality regulating water quality they feel there are ways that we can go about mitigating those kinds of issues. So, I guess that's the best answer I have at this point.

Kurt Allen - If I could Clarify something and maybe give my opinion on some of this as well. I think that it's important that we don't put these 146 acres in a box and say that it's unique to itself, in and of itself. I think that the entire area, the Silver Reef area is susceptible to having this same contamination outside of this development. And our pipeline that comes down Silver Reef Rd. is within 50 feet of an existing mine right alongside the road and so we probably already have a pipeline in a contaminated area. So, I think it's a little bit naive to think that the problems are isolated to this project alone. And that we don't already have homes that are built on contaminated soil, and we don't already have pipelines that are in contaminated soil. But I do agree with the Board, 100%, to make sure that we take the necessary steps to protect our pipelines and to protect our water system. That's where our focus needs to be, is in the trench with our water line and how do we protect that? What happens outside of that is really not anything that we have control over, and we can't do anything about that, but we can control the process

in which we protect the water line. There are shielding methods and I think that we have displayed the fact that we are very interested in protecting our water line and providing the shielding for it and the developer is actually concerned about that and interested in it as well because they have, complied with every request the Board has asked of them to this point. It's been several months that they've been coming and asking for this Will Served Letter and the Board has, I believe, 21 or 22 bullet points that they have to comply with. We've had discussions with the developers about this and they have wholeheartedly bought into the fact that they will comply with those. One of those is that they will cooperate with us to take care of the contaminated soils and work towards getting that Certificate of Completion and that's one of the things that they've accepted to do. So, I think that it's great that you'd line up to come up and give your opinions on this thing, but you've got to also understand that we're looking at the big picture here and I don't think that this is just an isolated incident.

Brant Jones - I would like to add a little bit to this too. when you say how are we in a situation that we are in as a Board? There's a lot of nights that we go to sleep, asking that same question. Because this is not a new project. This is not something that just came up that we've been a part of the whole time. We are like, welcome to the project and get kicked in the mud. And so, we've been very transparent about it, these meetings are open. We appreciate everybody talking and we recognize who we represent but, that we represent everybody, right? So, there's people that have been here before us, and there's water rights that have changed hands. There are obligations that have already been granted and so please keep all of that in mind. There's a tremendous amount of volunteer service going on right here. At the end of the road some people are probably going to get a paycheck, I hope. It won't be us. We're here to serve the shareholders and we've been voted into this. Beyond this, you developers that might be hoping for a paycheck, are you doing this for free? (Talking to developers)

Jarod Westoff / Josh Wagstaff - So far, yeah

Brant Jones - But at the end of it, you wouldn't be here if this was a service project for you, but we would still be here. So, as you come up and give your remarks, please remember that we're on the same side. And we're here to provide water. We all drink the same water. We're in Town. We're using these things. So, honor the transparency and give us your thoughts and you know, share with us what you feel we need to know and then let us go to work because we're spending a tremendous amount of time trying to figure out a mess that we got kicked into.

Don Fawson - Thanks Brant, very good.

Angela Rohr - The steel, water, and concrete, were the things that would take care of radiation passing through

Kurt Allen - Shielding, the three types.

Don Fawson - Concrete, and water, and lead.

Angela Rohr - In reference to using concrete, which would probably be the cheapest, it could be that it requires a foot of concrete, not just an inch or a little smear coating. The, soil concrete you called it?

Kurt Allen - Yes, soil, cement.

Angela Rohr - Soil cement, OK. And cement isn't quite concrete. And if dirt doesn't stop the radiation, then that would mean that there would be like holes that it could be passing through with this soil cement as a possibility, but I think using maybe the EPA for references and the Energy Commission, which

is the Atomic Energy Commission, is part of the Department of Energy. Would hopefully give some good information.

Don Fawson - Thank you, Angela. You're absolutely right.

Ralph Rohr - Briefly, I would like to kind of put this in perspective; You were talking about what you have been dealt and the hands you're trying to play. First of all, Kurt, I do not agree with you that we should not put this in a box. This is a box and when I bought my property here, I did due diligence and made sure that there was not radioactive contamination in the Silver Reef area where we intended to live. But to put this in the appropriate perspective. When I was 10 years old the United States began bombing southern Utah with atomic weapons and atomic fallout, and they did so for about 30 years, and they damaged extensive industry and caused much heartbreak and many lives to be lost or compromised. This is all documented well, both by Robert with John Fuller. The day we bombed Utah, America's most lethal secret. Now the authorities and the experts in those days from the Atomic Energy Commission, now the Department of Energy, came and told the people very clearly there was no risk, that they didn't have to worry about it, everything was fine. They kept telling them that all the way through until about 30 years later their secret records were uncovered and it was shown that they were misleading people. So, the people of southern Utah are patriotic, trusting good people. But sometimes they can be over trusting. So, let's move ahead a generation 1995 the Department of Natural Resources commission an expert study which describes the radioactive features of the property, not the other toxins, and that study says this should never be used for residential development. PERIOD. That was the official recommendation. Well, what do you suppose that did to the value of the land? Worthless. So, and I'm just speaking hypothetically, along comes an entrepreneur says, Whoa, Cheap land, Buys the cheap land, and waits for the EPA Remediation process to kick in, but it's taking years to do that. So, the developer says, oh, I'll just go with this new voluntary cleanup program, and I'll be in control of clean up. And that has been going on for 15 to 20 years. It's been slow. And the reason it's been slow, is because there are some significant problems with this property? First of all, this sort of radioactive uranium mining contamination exists in many sites around the country. And never has a single site been remediated and used for residential development. Why is this? It is because there is no safe Exposure to radioactive material. And they say, well, we have limits here and the people in the hospital wear badges but the fact of the matter is that the damage is related to two things. The dose and the time over which it is delivered. The longer the time, the more you're going to have cancer, Birth defects, miscarriages, thyroid disease, and the list goes on and on. We're talking about a property here proposed to be used for families and children to grow for a generation. That's not necessarily safe according to the levels that we know exist in the soil there. And the proposals to develop this are going to include massive disruption of earth and rock. The ways they have tried to fix it already are being worn away by erosion. There is no good way to assure the long-term safety of people in this sort of a property, which is why it has never been done before. If we act, assuming that our regulators know what they're doing and actually what they're doing to get these requirements. They're just picking and choosing from various places nobody has ever actually looked at or what it takes to produce these problems in this sort of an environment and how it affects the people that are involved. I don't want us to trust. Well, we can trust, but prove. We need to know how you got this number that says, "you should only have this exposure" and why are you setting up rigorous protection Mechanisms for the Workman on the site and not informing the citizens of the Town of Leeds, what they have to do to protect themselves. So, these are serious. I mean, this book points his out. It makes the point there is no safe dose of radiation. You know there is no safe dose of radiation and why do we have to go to such great extent and trouble to help a developer. It was one thing back in the 50s that the people were told, well, this is for the defense of the country. So, patriotically they said we'll take the risk or what they didn't know was a risk and the AEC men were quoted behind as saying, "Well, they'll kind of be good for Guinea pigs and we'll see what happens in this circumstance. Yeah, we're asking people in this community to take a risk for the developer and his agents who have no idea what the impact is going to be on them health wise, long term? And to serve them with water when we don't know what is going

to happen. In the 1950s it wasn't until the 1980s that we finally knew the truth. The sheep men who lost all their herds and all of their livelihood in Cedar City, they retried the case. They said, well, the statute of limitations has expired, so too bad guys, you lose and what's going to happen after 10, 20 years and suddenly we have a lot of claims up there, the developers are going to be gone. They can deny any responsibility. So, who's going to be left holding the bag? So, I think with all respect, gentlemen and ladies, I mean, I know how hard you're working, and I know you want to be agreeable and helpful to people, that's the Southern Utah way. I think this thing isn't a box. I think it is a dangerous box and they cannot demonstrate a guarantee of safety for people. If you look at what they're going to ask homeowners to do, that have to be nuclear physicist to try and figure it out. And after a couple generations, who's going to remember? Well, I didn't agree with this, I'm going to dig up this part of my property for an orchard or garden we have enough trouble with HOA's as it is, I think if they have to manage radiation contamination, it's just asking for problems. And now what's the whole objective? The objective is not for the defense of the country. It is for the profit of an individual and excuse me, I don't think the risk is worth taking. Thank you.

Don Fawson - Ralph, I applaud your sentiments. I am going to give you a little personal thing on this, my wife's family lived here during those trials. They drank the milk from their cows after the Radiation landed on that. Her mother, father, two sisters died of cancer. She has had cancer, her other two sisters, have had cancer. They used to see the bombs go off. So, we're very intimately acquainted with that. I've also spent some time in the National Guard and out camping in Skull Valley, which was another site where they lost sheep So, I am acquainted with this, my wife is a downwinder, all of her family in that sense are downwinders. And I don't want to see anyone have to go through that kind of thing again. One of the things that struck me when you were talking was that out in Angel Springs when that was being developed, there were certain levels the government had established for contaminants in water, and they met those standards, come 10, 20 years later the government decided those standards were too high, so they lowered those standards, and basically said, Previously they said, "You're safe because we set these standards as safe." And later they said, "You're not safe because we said these standards are not safe." So, again, it's a battle of the experts. And just like you said during the 50s, they didn't really know. I'm sure they knew something, but they really didn't understand the long term effects, what kind of affect these things would have? We're struggling with that, and I hope that you know, the developers are also struggling with that whole thing. I think that at times it is easy to have an agency say, "this feels really good, you're fine." And one of the interesting things is that I've talked to Paul Wright. He is the District Engineer with the Southwest Utah District for the DEQ, and I was talking to him. He said, "Remember we had that conversation about the fact that I have not approved anything with regards to the water system." So, I talked to him, and I just asked him about what the order of the standards were, and he said, "The Will Serve Letter comes first and then the construction drawings, a capacity study, the water modeling, and then those copies are sent to him and reviewed by a gentleman by the name of Paul Beers. Then he said after the review there has to be remediation for any updates that need to be made and then when it's complete then they can get a letter of approval from the State. So, I asked, what are the standards and he said we have our basic standards. But then you can have your standards. We are going to approve it based on our standard list. So, you know, if you have other concerns then you can go ahead and put those in. So, in other words, they have this minimum standard that they are going by, and that is what they do. Again, there is a lot of conflict going on here. I know that we all wished everything was clean. And we didn't have to deal with this. But it is what it is.

Brant Jones - Can I add a little something to that, too. I never knew my grandma. She passed away with downwinders when I was about 18 months old. And there's a lot of things that they continue to discover and they're going to continue to discover new things. But it's already kind of been mentioned too there are different entities involved with this. It's a little bit mind boggling, we are the water company trying to solve this. We're sitting here talking about how brittle pipes are. And the integrity of the pipe that gets water to the homes. But we also need to remember that's what this Board does. This is a Water Board. This is not the EPA, we're not the Federal Government, we're not the State of Utah, all of those other entities that appear to

be signing off on this, if you have some information for them or you want to talk to them about it, please do. That's a different beast. OK, so if you're assuming that we don't have those concerns also you are wrong. But what we're concerned about here is the water, the delivery system, is it going to cost extra money to maintain and repair and, you know, if you come to the water company to solve the downwinders issue, it is kind of hard to get your head wrapped around, so help us with the water, and then if you have other help that you feel you can give in other ways, do what you can to influence these other agencies.

Ralph Rohr - Do we have to provide water? What I'm trying to say is why? There is no good reason to provide water other than the interest of one private individual who's seeking to make money off of land that has been condemned by official analysis.

Don Fawson - Michelle, you mentioned, you just said that you have approached those people.

Michelle Peot - Yeah, a number of us have spoken to DERR and critiqued the methodology that was given, and to be honest, we've just kind of received a lot of excuses. And we pointed out that the Site Manage Plan (SMP) is not being followed. One obvious example is that for three years they said there's no animal growth in this repository rated system. Does anybody believe that? I mean you can visually go there and see that there are. We also know that there were places that said that they were cleaned up and there was still, you know, a huge pit with contaminated bedrock with very high levels of radiation, as Ralph pointed out early on in the Town Council. So, I think it's very disingenuous to say that the site has been cleaned up and then the other thing is the disclosures that are recorded against the titles for the plats don't disclose just how much residual contamination is there, which was what brings up the downwinder scenario because I don't feel like people know what they're getting into with what's recorded against the titles today. So that's my concern. And then also just for the community as a whole, I think the recurring problem we've had is that Ralph mentioned that report that came out in 1995. It wasn't until 10 years later that the county commissioners informed Silver Reef residents of the existence of that and they didn't even state the alarming findings. It just said this report exists you can come down to the office and look at it. So, time and time again, there's been a real lack of transparency in terms of the hazards there and so we want to make sure that we do put this in a box and move forward in the right way so that we don't set up a situation where 20, 30 years down the line, people are getting cancer from it.

Don Fawson - OK. Thank you.

Michelle Peot - And I just wanted to say that a recurring theme that I have observed here is that we are a shareholder's owned organization and with elected officials. If it were a municipality, you would be required to list any conflicts of interest at the beginning of every meeting. And it's been apparent to me that a particular member of the Board, to be frank, sounds like a lobbyist for the developers, and that there's an appearance of impropriety, but without having that transparency of those conflicts of interest, we can't have that information in order for us all to make informed decisions. So, I'd like you the Board to consider amending the bylaws to, at a minimum, to have conflicts of interest disclosed. And preferably to recuse themselves from any voting decisions with regards to those entities with which they have a conflict. And I brought some records from the project documentation about that particular member for the record.

Don Fawson - Thank you.

Cynthia Neubauer - My question is that Kurt Allen, you mentioned just a few minutes ago that our pipes have been going through some other contaminated areas and I want to know what this Board is doing then to monitoring the pipes in those areas and if there is some shielding around those areas also. Now I am also worried about that, what specifically is this Board doing to monitor the integrity of the water in those areas then? Since we're not just putting this people in a box, what are you guys doing to protect us in these other areas?

Kurt Allen - We haven't done anything.

Cynthia Neubauer - And why is that?

Kurt Allen - Because we've got our hands full. We're busy.

Cynthia Neubauer - I'm sorry. That's not an OK answer.

Don Fawson – OK let me mention something here. First of all, we haven't specifically identified or has anyone identified and specific areas. The other thing is that the issue with the pipe in those contaminated areas, it's not the water, it's the integrity of the pipe. In other words, the concern is that the pipe may break or have a leak. Once that happens, then there's a possibility, if in fact there are some really unusual circumstances for possible contamination to get in. We haven't had any issues that we haven't been able to contain and repair. That's the reason that we're not worried. So, the issue with the pipe going through these contaminated areas it's not the water being contaminated by the gamma, it's the pipe being degraded.

Cynthia Neubauer - I went back and looked at some of the soil testing along Silver Reef Drive and there are some specific areas that are at our higher than acceptable levels. And I'm sure the pipes go right by there. And I'm not going to give the address because I don't want to alarm any of my neighbors, but now I am concerned about that and I'm hoping you guys would look into that and inform the shareholders what you're going to do about that.

Don Fawson - The point here is, that we're going to fix the pipe when it degrades. That's what we're going to do.

Cynthia Neubauer - So, you're going to wait till there's a problem.

Don Fawson - Basically yes.

Cynthia Neubauer - Do we ever test the water for contamination?

Mark Osmer - Yeah, we do. Yes, we do test every three years.

Cynthia Neubauer - What about the sight that goes right by that big mine shaft that's somewhat close to the 90 degrees turn by the museum? I'm sure from what I've looked at, the soil testing, that is very high.

Mark Osmer - We haven't done any soil testing there; we just test the water.

Cynthia Neubauer - Is there any way we can do soil testing and see if we need to put some of your soil concrete around the pipes in that area?

Don Fawson - That kind of defeats the purpose. The point here is that shielding is to keep the pipe itself from having a problem. If we dig down, we're actually creating a potential problem. There is always the risk of damaging the pipe. So, what would you do replace the pipe with something that would last longer? Why not just let the pipe last as long as it can and then replace it or repair it when that comes up? Does that make sense?

Cynthia Neubauer - I understand what you're saying in that, but is that giving us shield from the uranium because that is a uranium mine?

Don Fawson - The point here again is that Gamma does not impact the water quality. We just did that test, didn't we Mark? The one we do every three years. Are those results online Doris?

Doris McNally - They are. I'll add the link to all our Water quality Reports the minutes.
[<http://ldwacorp.org/water-quality-reports>]

Don Fawson - So, you go on the website, and you can look that up. How many different parameters do they check on that Mark?

Mark Osmer - I'm not exactly sure, but I know we're way, way below the maximums.

Don Fawson - Yes, it's a two or three pages of all different kinds of things they test for, and we have never had any issues with that at all, including radiation. So, I think we're safe in that respect.

Cynthia Neubauer - OK, and then my next thought was. I looked up some information and apparently, the regulations for the workers at the Silver Point is they have to wear special clothing, take special precautions, they have to be informed. What about the kids who move into that neighborhood? Who's going to inform them when they go dig a hole to play, or make a Fort or, you know, they are going to want to. I don't know, you know how kids are, go play in the mine area. Who's going to inform those kids? Are these developers putting their families in these homes in these areas and to grow up to be contaminated over 20-30 years? No, this is not just water.

Brant Jones - You're right. It's not just water and if the testing comes up, like you know there's a lot of places that copper and lead have become an issue to these who used to think it was no big deal, if it becomes an issue with the quality of water. But the question is, who is going to inform families. It's not the water company. We are delivering the clean water. You see what you're saying?

Cynthia Neubauer - At some point you have to step up. And go beyond what your responsible for.

Brant Jones - That actually becomes a legal issue. If we're trying to do things that are not.

Cynthia Neubauer - That's the point, it's always somebody else's responsibility.

Brant Jones - Well, the point is, 20 years down the line when people die, it's going to be another legal issue if that's what happens. And I think the government paid \$20 grand for my grandmother.

Michelle Peot - LDWA doesn't have governmental immunity like the State does or like the Town does. So, if somebody's looking for an easy place to sue, guess where that's going to fall.

Brant Jones - Exactly, and so when you come into a situation where decisions have already been made, water rights are transferred and we're trying to say, as much as possible, how can we deliver safe and clean water to the homes as a water company. That's our responsibility? So, if there's other issues, we're concerned about that too. You are not going to see me up there laying out on the lawn. I have heard enough on it. Who does inform them? Probably not the water company.

Anita Deblinger - I don't think there's a lot of people in town that know any of this. And if I have to go from door to door.

Brant Jones - That might be the case.

Anita Deblinger - Maybe there'll be more people here to represent what they're feeling and how they feel about this whole Project.

Don Fawson - We would love to hear from you, let's go ahead with Jared right now and then you can come on up.

Anita Deblinger - That's OK, Cindy said what I was going to say.

Jared Westoff - I just wanted to thank everyone for their comments both Pro and Con. I really haven't heard any Pro. I do want to ask for some understanding here. There's a gentleman who was connected with 5M and went and researched 5M property and said where are the pieces of all this 5M property that did not have any extraction or not extraction, but separation. And didn't have any tailings and you know had some spoils. And so out of all that 5M property that came up with was these 149 acres and then he voluntarily entered a cleanup program. And then spent, you know, tons and tons of energy, time, money, and is diligently doing their best to clean it up and follow the process that the State has required, and the goal is to have a nice, safe, clean project. I know the first step was segregating the piece off from another piece where maybe the extraction or more of the separation was happening with minerals and then secondarily to then say, OK, this is a piece that really didn't have any tailings. And just had some spoils and then entered into a clean-up process and has done a lot of work to clean it up. I'm only aware of one other landowner in the city that's gone through a cleanup process. I did own the Beal property at one time so, I did an environmental phase one testing on that and when our environmental phase one guy came out, he couldn't help himself and he trespassed onto this property and did some testing. And he also was hired to do some testing on Silver Reef on one of the homes and then did some testing on a million-dollar home in Eldorado Hills. And as far as hot areas, it's not limited to this property's boundaries. I've seen the test; I know what they came back at. And there are other areas that have issues right there in Silver Reef and I specifically know of one of the homes that was tested and know that it came back hot. So, here we have a process we don't control that land, it's not our land, it has nothing to do with that. We got involved in this process because we had understood there was a recorded plat, and that this environmental process had been undertaken, and that there was the Phase I area, the environmental cleanup, which is also the phase one and two of the plats, had been fully cleaned up with a No Further Action Letter and that it was safe for residential development. So, we're respecting that process and we understand that in that process as construction is done, that there's further requirements to make things safe. We respect you guys as a Board and the conditions that you are diligently working through. We found two more tonight. We want to work through those, and we want to do this safely. So, we appreciate it. I know we're hoping that at a certain point that we'll have gone to the bottom of whatever conditions we need to do to put water lines in safely. That's our intent and the action that we're in this stringent process working with the State. We intend to follow it and continue to hire the right experts to monitor it and make sure we're following it during construction. Anyway, we appreciate your time, and we would hope that people would not beat somebody up that is spending a ton of time and effort to clean something up. Because it could very easily be a problem. And that's not the intent. The intent is to clean it up, and do it in a safe, respectable manner. I appreciate your time and your diligence as you look at our request.

Don Fawson - Ok, Thanks Jared. Michelle and then I think we're going to call it for tonight.

Michelle Peot - I just wanted to point out, I probably am one of the few people that's actually read all of the project documentation. I wanted to point out that some of the things that Jared said are actually contradicted by the project and by things that Richard Sant said. So, going into this project there had been a ton of surveys that DERR did as well as the Radiological Service that came out just to document how contaminated that land was, so it should not have been a surprise. What they found out as they did the cleanup, if you go through the old LDWA agreements and the conversation with Rick Sant, he disclosed that they found far more contamination than was expected, so to say that it really wasn't that contaminated I think it's just

disingenuous. If you actually look at the remedial action report, it shows how they had to take multiple passes on some areas in order to attempt to meet benchmarks, but yet they still did not meet benchmarks in some areas. So, the difference between not doing a cleanup, I want to say first though that I do appreciate that effort was taken here, but I think given the information that everyone knew going in and the fact that it's unprecedented to do a voluntary cleanup on a uranium mining site should have been a red flag to not proceed. Again, as Ralph said, this area was flagged as not being appropriate for residential and you know to be honest, it was just a recreational area that would have been a whole lot safer than trying to put houses on it where the exposure time goes way up. But again, my problem, big problem with it is, the number of residual hazards that are left and the fact that it's not being disclosed.

Don Fawson - Thankyou Michelle and thank you everyone who has made comments. I want you to know that.

Darryl Lewis - May I make one more.

Don Fawson - Go ahead Darryl.

Darryl Lewis - You know there's been a letter floating around that I recently received. That was titled An Open Letter to LDWA Associates, and I'm going to read it because it has a lot to do with what we're talking about tonight and this letter has been out there circulating for maybe 5-6 months. It's been around a long time.

'The current request by the developers of Silver Point Development for LDWA Water is not the first request that has been made of LDWA to deliver water to the homes in this development. It has been established that considerable amounts of contaminated ground exist throughout and around this development. LDWA laid piping would have to travel through this contaminated ground. LDWA in doing its due diligence, has not been able to secure a warranty for the safety of water traveling through a delivery system, in this type of contaminated ground. No viable way of protecting the water from the radiation as it travels through the contaminated earth has ever been developed, even inside the pipes. The state of Utah and or federal agencies have not been willing to warrant the water delivery through this type of contaminated soil. If LDWA should choose to deliver water through the contaminated soil to Silver Point, LDWA would be solely responsible for any and all ill effects to the end users of the water. LDWA would be putting the entire association in great financial and legal peril. All the associates could find their investment in and their reliance on LDWA as our provider of drinking water can be completely eliminated.'

It occurred to me that if you're driving down I-15 and you're below 80 miles an hour in speed on the freeway, and somebody takes exception to your 70 mile an hour speed limit and wants to make sure that you're penalized for that, the Government basically says go fly a kite. They are well within their rights to do that and you have no right to concern yourself with that. I am concerned about what LDWA is not doing; I want to be careful how I say this because I don't want to be rude; but I want to get the idea across. We need to be able to hide behind Federal Immunity in the delivery of water and if we are not able to hide behind State or Federal immunity by doing what they say is the correct thing to do with the delivery of water, we are hanging our association and ourselves out to dry. And I'm not sure that any of you, I've heard comments tonight that say our water is suspect right now, so it's perfectly fine to have more suspect water. What a ridiculous statement that is, I'm sorry, Kurt, but that is ridiculous. I'm sitting here listening to you and I'm listening to what is going on here and I'm saying how long is it going to be before a developer will walk into LDWA and LDWA will say we will go find your water rights and bring them in, you don't have to do that anymore. This Board should be saying to the developer this is a list of things that we need in order to provide you water and one of the things is Federal State immunity, go get it. We're not going to waste our time and spend our money doing this, you go get it. You're the one that wants to do this development. You guys are all grey. That means you've been around long enough to know and read development after development after development that is built and sold, and the developers are in the Caribbean spending their money while the development is sinking and causing a whole big bunch of trouble that they've left behind. It's fact. Just tell these people to go get their liability in place for you. It's part of the whole development situation. Don't waste your time on it.

II. MOTION TO ADJOURN MEETING

DISCUSSION	MEETING WRAP UP
<p>Don Fawson - Thank you, and again I want to thank all of you. No decision has been made at this point in the final phase and there are still things, obviously based on the couple of things that we talked about tonight that have to be worked through. So, if you want to go out and get people here so that we can all talk about this together then that would be fine too. We're certainly not opposed to that. I do want you to know that we are concerned about liability. That's not something we've just shoved to the wind. So, there are still things, like I said, that we are working on with our Attorneys and need to work through. And so, hopefully, whatever happens will be something that protects people, that protects the company, that takes care of those needs as well as anything.</p> <p>At this point now I'll call for the vote to close the meeting.</p>	
VOTE	MOTION TO ADJOURN MEETING: Brant Jones SECOND: Doris McNally MOTION APPROVED: Unanimously

ADJOURNMENT: 8:21PM



Layna Larsen / Corporate Secretary