



## MINUTES

DATE/TIME/LOCATION:	June 21, 2023	7:00 PM	Leeds Town Hall
TYPE OF MEETING:	<b>Board of Directors Meeting</b>		
NOTE TAKER:	Layna Larsen (Corporate Secretary)		
ATTENDEES:	<p>Board Members: Don Fawson (P), Kurt Allen (VP), Doris McNally (T), Alan Cohn (M), Brant Jones (M)</p> <p>Staff: Layna Larsen (Corp Secretary), Mark Osmer (Field Operations Mgr)</p> <p>Shareholders: Jared Westoff, Susan Savage, Daryl Lewis, Ralph &amp; Angela Rohr, Anita Deblinger, Michelle Peot, Cynthia Neubauer, Nancy Baldwin, Martha Ham, Peter Mills, Jachie Susnik, Julie Bruly, Phil Ayers, Rhonda McLaughlin, David Rhodes, Jim Thomas, Terry Bilyj, Bob &amp; Susan Verbic, Richard Kohler, Ron Cundick, John &amp; Elsie Beck, Terry Alan, Stephanie Martini, Genevieve Lyman, Elliott Sheltman, Judy Wilkinson, Mary Pettit, Kevin Kershaw, Teri Harbour, Manuel and Josephine Goy, Linda Horsley, Rochelle Gardner, Sidney Bevan, Yvonne Way, Michael Budion, Patrick &amp; Judy Henck, Lynn Potter, Robert McNally, Dianna Powell, Corinne Rodriguez, Alan &amp; Susan Roberts, Danny Swenson, Terry Beesley</p> <p>Guest: Peter Gesser - LDWA Attorney (zoom)</p>		

## Agenda Topics

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

CALL TO ORDER	<b><u>Don Fawson</u></b> - Lets begin, we would like to welcome all of you here tonight. I'm not sure exactly the reason for you being here because we've had a number of meetings and it's been very sparse, so we hope that we will meet your need for excitement, whatever that is, and we hope that whatever it is that we keep this in a very positive vain as we work through the concerns that maybe you have tonight. We'd Like to start with a prayer and ask Tiffany Jones for that.
ROLL CALL	PRESENT: Don Fawson, Kurt Allen, Doris McNally, Alan Cohn, Brant Jones
PRAYER	Tiffany Jones
PLEDGE	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: Alan Cohn <b>MOTION APPROVED:</b> Unanimously
VOTE	MOTION TO APPROVE PRIOR MEETING'S MINUTES: Doris McNally   SECOND: Alan Cohn <b>MOTION APPROVED:</b> Unanimously

## II. OFFICERS REPORTS

### a) PRESIDENT'S REPORT [DON FAWSON]

DISCUSSION	<b>SPRING FLOW</b>
<p><b>Don Fawson</b> - I wanted to mention that the Spring Flow this morning after 6:00 o'clock in the morning, we had 29.5 cubic feet per second coming down the Creek which amounts to 13,240 gallons of minute. About 12 to 13 times more than we had last year. Based on that, we're not having to pump the well, particularly because the LWC company has more water than they can use right now. Mark told me today we're getting about what 220 / 230 GPM from the spring which is awesome.</p>	

DISCUSSION	<b>AGENDA OUTLINE</b>
<p><b>Don Fawson</b> - Let me just go over the agenda outline. First of all, the Shareholder comments will be reserved for the end of the meeting. We want to acknowledge our attorney Peter Gessel from Smith Hartvigsen, who is with us remotely, joining us on Zoom.</p> <p>We will talk about the petition that's been circulating. Then Mark will give his Report. At that point Doris will give the Financials. Brant will give us a report on his relationship with LWC the Leeds irrigation company. Kurt will give us an update on the progress of the major projects that we're doing within the Water system. At that point we will have Silver Point Estates make their presentation. Then Ralph has a presentation that he'd like to share. And then after that we'll have public comments. So, we will proceed in that order.</p>	

DISCUSSION	<b>PETITION</b>
<p><b>Don Fawson</b> - We received a petition signed by a number of shareholders in town. I don't remember the exact number. Do you have that?</p> <p><b>Michelle Peot</b> - Yeah, so we just got one more it's representing 90 total LDWA Shareholders.</p> <p><b>Don Fawson</b> - The petition was asking that a requirement be added to the LDWA Bylaws requiring that there be a "Conflict-Of-Interest Statement" at the beginning of each meeting. To identify anyone that might have a conflict pertaining to anything that's going on in that meeting. And we think that is a good idea. However, we are not able to add anything to the bylaws. That's something that has to happen at the February Shareholders Meeting. In the meantime, we'll go ahead and put together a policy that basically does the same thing and put that onto our Agenda's. So, at this time I'm just going to ask if anyone has a conflict of interest relative to anything.</p> <p><b>Alan Cohn</b> - I have no conflict</p> <p><b>Brant Jones</b> - I don't</p>	

**Don Fawson** - I do not

**Kurt Allen** - I'd like to make a statement in relationship to this petition. There's been some doubt put into people's minds that I am tied to the Silver Point Estates project and I want to go on record saying that I have no ties to the project. I'm not gaining any financial gain from it. I'm not involved in it in any ownership position. 10 years ago, I worked on this property as an employee to the contractor that worked as the cleanup contractor, and I was merely an employee at the time. I have no conflict of interest. It's my opinion that this proposal added into our bylaws is a good idea.

**Doris McNally** - I have no conflict.

**Don Fawson** - Also just to clarify, we passed this by our attorney relative to the concern that some had about Kurt, and he said the same thing, Kurt said. That Kurt does not have a conflict of interest based on what happened many years ago when he was a contract worker. OK so, moving on we will go ahead and take care of that. Mark, do you want to come up and give your report?

#### **b) OPERATIONS / FIELD REPORT [MARK OSMER]**

DISCUSSION	TANK OVERFLOW / HIGHLAND DRAINED & CLEANED
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**Mark Osmer** - We excavated some piping up near the two little tanks, the 60,000 and 30,000, and we re-piped it so the highland tank overflow, now goes straight into LWC head gate. That eliminates the altitude valve and that will save us some money.

We excavated by the Highland tank to see exactly how many pipes went into the Highland tank, and what they all did. While we were doing that, we actually drained the tank, we cleaned it, we sanitized it, and put it back online.

DISCUSSION	REPAIRS & MAINTENANCE
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**Mark Osmer** - We passed our BacT test again this month. We fixed a leak on 10 S. Main St., fixed another leak on 56 N. Main St. and installed a new meter setter on 72 Mulberry Lane because it was leaking underground. We did routine maintenance on the PRV's and we excavated, and installed a vault at the bottom of Oak Grove Rd on the spring line and installed a meter. Kurt was nice enough to work with Sunroc to obtain a vault with a lid, so we have easy access to the meter. This allows us to monitor the spring flow without having to go all the way up to Oak Grove. And then we just did routine maintenance on the system.

**Don Fawson** - That was a lot.

**Doris McNally** - It really was. Thank you

**Alan Cohn** - Prior to re-piping the overflow from the tank, the town whether it be LWC, or LDWA were not benefiting from the overflow. It was just going down into the wash?

**Mark Osmer** - Yes, it was just going down into Grape Vine wash and disappeared into the ground. So, now if LWC doesn't need it, it just goes back into the Creek. Which is good,

**Don Fawson** - It just goes back into the source of where it came from, Leeds Creek. So, it goes back into its original source which is exactly what we are required to do. So, that took care of that problem. We didn't even know that the overflow line was there did we Mark?






Mark Osmer - Nope.

Don Fawson - And so by doing some exploring we verified what connections we had since we had tried to find engineering drawings and whatnot on that Highlands Tank, and they were not there. So, thank you Mark.

Mark Osmer - OK

Kurt Allen - Thank you, Mark.

### C) OFFICE / FINANCE REPORT [DORIS MCNALLY]

DISCUSSION	ANNOUNCEMENTS/BILLING/COMMUNICATION
<b>BILLING</b> Billing for May was completed/mailed on June 1st.	<div><p><b>LDWA News Drips</b></p><p>Need to contact the LDWA, it's simple. Phone (435) 879-0278 Please leave a message, your call will be returned promptly.</p><ul style="list-style-type: none"><li>• To report an <b>EMERGENCY</b> water leak or a loss of water, <b>PRESS 1</b></li><li>• For a <b>BILLING INQUIRY</b>, <b>PRESS 2</b></li><li>• For a <b>GENERAL INQUIRY</b>, <b>PRESS 3</b></li></ul><p>Your message is immediately routed, and a LDWA representative will be in contact.</p><p>Email <a href="mailto:LDWAcorp@infowest.com">LDWAcorp@infowest.com</a></p></div> <div><b>In Memoriam</b> <p>We'd like to pay tribute to Glenn Ray Beal, a former board member of the LDWA, who passed away on April 26, 2023, at the age of 86.</p><p>Ray served on the LDWA Board intermittently between the years of 1975 through 1990. Everyone who knew him called him Ray rather than Glenn. Ray lived his entire life here in Leeds, and lived a life of service to our country, to the Church of Jesus Christ of Latter-day Saints, and to our community.</p><p>We want to acknowledge Ray's contributions and willingness to give of his time and service.</p><p><i>"As tiny drops of water shape a landscape, so our minute-by-minute choices shape our character."</i> -James E. Faust-</p></div> <div><p><b>LDWA News Drips</b></p><p>Need to contact the LDWA, it's simple. Phone (435) 879-0278 Please leave a message, your call will be returned promptly.</p><ul style="list-style-type: none"><li>• To report an <b>EMERGENCY</b> water leak or a loss of water, <b>PRESS 1</b></li><li>• For a <b>BILLING INQUIRY</b>, <b>PRESS 2</b></li><li>• For a <b>GENERAL INQUIRY</b>, <b>PRESS 3</b></li></ul><p>Your message is immediately routed, and a LDWA representative will be in contact.</p><p>Email <a href="mailto:LDWAcorp@infowest.com">LDWAcorp@infowest.com</a></p></div> <div><b>IMPORTANT SURVEY</b> <p>In the coming months you will be receiving a survey from the LDWA. In compliance with the State of Utah Division of Drinking Water (DDW) &amp; the Department of Environmental Quality (DEQ), we are required to carry out a program of Cross Connection Control that helps protect your drinking water from contamination. The first step of this program is to get insights from you.</p><p>Reducing and eliminating Cross Connection Hazards is a required regulatory requirement of the State of Utah. We are asking each shareholder to complete the survey and send it back to us.</p><p>Thank you for helping us to keep our Water Company "safe and independent" by maintaining compliance with DDW / DEQ regulations and allowing us to continue to have some of the best water in the State.</p></div>
<b>VOTE</b>	MOTION TO APPROVE THE NEXT ARTICLE: Doris McNally   SECOND: Kurt Allen <b>MOTION APPROVED: Unanimously</b>

DISCUSSION	SURVEY
<p><u>Don Fawson</u> - I might mention that the survey is required by the state, and the more participation we can get, the better off we are as far as our point system is concerned. So please fill it out and get it back to us if you would. We're going to put stamps on the return portion so all you have to do is fold it up and send it back. It's not going to require you to spend the postage.</p>	

DISCUSSION	FINANCE						
<b>PAYCLIX</b> In May we had 75 shareholders paid their bills using this payment option. The total amount collected through PayClix was \$4,367.46. With 61% paid via credit cards & 39% via echecks.	<b>Credit Cards</b>		<b>Electronic Checks</b>		<b>PayClix®</b>		
	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
	May-23	45	\$2,664.39	30	\$1,703.07	75	\$4,367.46
		<b>218</b>	<b>\$11,816.96</b>	<b>140</b>	<b>\$6,925.43</b>	<b>358</b>	<b>\$18,742.39</b>

## D) ADMINISTRATIN REPORT

DISCUSSION	UPDATE ON LWC [BRANT JONES]
<p><b>Brant Jones</b> - Maybe some of you don't know or maybe don't need to know, but part of my responsibility is also with the LWC which is the Leeds Water Company, or the irrigation system. I also serve on that board with the intent to have a good working relationship with LDWA and the water that we all share. There are different water rights that each company owns, and part of the process we have been working on is metering the systems so that they can all be metered and be under the direction of the State requirements for how many gallons each company uses. Also, part of that is a working agreement document, so that when none of us are still on the LDWA Board that it's easier for the two companies to continue to work together. It's critical to have the two companies get together and work together. It's pretty easy when there's so much water in the stream, like this year. But in the dry, dry years, when there's little water flowing down the system it can get a little heated. My effort is to try and work with the two companies. Those are some of the projects that we're working on right now. We're also considering sharing some of the workload and expenses of the two different companies and see if we can combine and save some money for both Companies. We're also working on a relationship with the delivery system of the LDWA and the water that comes down from the Spring now that the meter is installed, you know, we can look and can verify the flow of water. It just works better. So, those are some of the things that I'm working on between the two Companies.</p>	

**Don Fawson** - We really appreciate Brant and his work with that, and we want you to know we talked about working together, whether it's sharing some secretarial time or whatever, that would not be us paying for any of their usage. That would all be them contracting with our people to give them a service above and beyond their work working or us

**DISCUSSION**      **PROJECT UPDATE** [KURT ALLEN]

**Kurt Allen** - I second everything Brant has said. We're excited to work with LWC and the projects that we're doing have a direct correlation with our relationship with the irrigation company and I think that this is healthy for everyone.

**DISCUSSION**      **NEW WELL** [KURT ALLEN]

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

**Kurt Allen** - The Water Conservancy District (WCWCD) engineers (Civil Science) are working to get their proposal out to bid. For those who may not know, The Conservancy District project is a 24-inch pipeline going down the West side of Main Street extending all the way through Town and going north towards Anderson Junction. LDWA has partnered up with the Conservancy District to install a 10-inch water main in the same trench as the 24 inch with one contractor installing both. So, we've been working with the Conservancy District move ahead on that basis which is going to save the LDWA a lot of money. Right now we've got our materials bid back and we know that our materials are going to be right around \$500,000. Once the contract is bid out for the installation, then we'll know what our share of that expense is going to be. But everything is poised to happen, and I would suspect that they're going to have that out to bid very soon.

**DISCUSSION**      **THE SPRING LINE** [KURT ALLEN]

**Kurt Allen** - The Spring Line project is going to be coupled with the east side of Main Street pipeline, and we are working with Jones & DeMille Engineering to design that, to do the preliminary studies, to do the survey work. They are getting prepared for the middle of July to bid that out to a contractor. That will go out to bid as a combined bid, one contractor will do both projects. It'll be awarded to a contractor that's the best qualified and we'll work with that contractor to finalize the design. They will be bidding on a 60% complete Drawing and then we will do a partnering effort with the contractor to finish the design and to make sure that the Design and the contractor's expectations run smoothly through the construction process.

**DISCUSSION**      **THE NEW WELL** [KURT ALLEN]

**Kurt Allen** - The next project that we're working on currently is the new Well. We have test pumped the existing well and prior to the test pump we were running at about 350 gallons a minute (GPM). The test pump was at 650 GPM, and it was very successful. The Aquifer supported that and so we left the larger pump and the larger motor in that well. So, our current existing well is set up to potentially run at 650 GPM.

The New Well, because of that, has been located in the near vicinity of the existing Well and it is nearly ready to go out to bid. There will be a separate contractor unrelated to the other projects that will bid the New Well and their contract will include a new well house, new electrical, new SCADA control system, new telemetry and it'll be all inclusive with that well drilling contractor.

**Don Fawson** - Ok, Thank you Kurt. I just want to mention, as Kurt mentioned the well can pump 650

gallons, but we have a control system installed so we can control the volume. We can pump any required volume up to 650 gallons per minute.

#### DISCUSSION

#### SILVER POINT ESTATES

**Don Fawson** - Getting back to Silver Point Estates, Jared Westoff has been representing Silver Point Estates and he came to us a few months ago to ask for a Will-Serve Letter, which is a document stating that LDWA will provide water to the Silver Point Estates development under specified conditions. And for those of you that don't know, Silver Point Estates is on the West side of I-15 it is out in the Catholic Cemetery, Protestant Cemetery area in Bonanza Flat. So, Silver Point Estates had previously deeded 105-acre feet of water to LDWA to meet the requirements for the potential 105 lots to be developed. We, as the LDWA Board have felt the responsibility to serve them water while also doing our due diligence to assure that current and future shareholders including any Silver Point Estate shareholders would be protected from potential adverse effects, both physical and or legal, as it relates to LDWA serving water to Silver Point Estates. Part of the driver for our focused due diligence has to do with unfortunate, costly past experiences with previous developments in our community being installed in a substandard way, coupled with the fact that we are a group of volunteers trying to understand the risks and challenges that do or could exist with supplying water to Silver Point Estates and then finding the best way to cooperatively mitigate those risks and challenges. Over the past few months, Josh and Jared have been working cooperatively with LDWA Board to verify water rights and design the best possible scenario to create as safe an environment as possible for the current LDWA shareholder residents, the future shareholders of Silver Point Estates, Phase One, and the LDWA field staff. The Board has worked with many agencies and individuals, gathering as much information as possible to understand past history, issues, and rights and responsibilities in order to work cooperatively with Silver Point Estates representatives, in creating the best and safest pathway forward. We know it has been frustrating for them as new challenges have presented themselves and we have appreciated their candor and cooperation during this process. Jared, do you want to go ahead and share with us where we're at this point?

**Jared Westoff** - Thank you Board, appreciate being able to be here. Basically, I think we've been at this process for about 8 months, and we appreciate the diligence of the Board and the carefulness of looking through the different issues. The issues with this property take a bit to get one's head around and understand, the environmental cleanup report is long, there's a lot of reading to understand the process of what's going on or the history of this property versus neighboring property that's still in, I believe, 5M ownership. So, we appreciate all the diligence that's gone forth. We are requesting a Will-Serve Letter at this time because we believe that we have complied with our contract and that we have met the LDWA policies for our requested Will-Serve Letter. It's that simple. We believe those requirements have been met. We appreciate that LDWA has asked us to do some things that aren't normally asked, and we have gone ahead and said we're willing to do that. Several of those things I might mention are: you've asked us to bring in imported fill to go on the bottom, side, and on the top of the pipe. You've asked us to add additional Valving so that we can have smaller sections if there ever needs to be a repair so that we can section off the system. We have done that. You've asked us to add additional fire hydrants so that if there's ever a need to drain the system that it's a logical low spot to do that. You've additionally asked us to have you hire an inspector that would be inspecting that we're following the process required by the state and the clean up so that we're continuing to comply with the stringent requirements (of the Site Management Plan) to make sure this is done in a safe way. And that you hire the inspector, and we pay for it so that we don't have direct contact with that inspector and that you can feel comfortable that you're getting inspection reports that are from an independent party. And so, there may be other requirements that I think you've asked for but those are at the top of my requirements that I can think of at the moment that you've requested that we have agreed to and adjusted our construction drawings along with the



other red lines that you gave us of normal red lines for construction drawings. And so, we believe that we've complied. We would ask that if there is a no vote to provide us a Will-Serve Letter that we would appreciate it if you would state the reasons why as it relates to any of the bylaws of LDWA, policy or regulation, or any state statutes, so we could understand the reason why & what we need to do to comply.

**Don Fawson** - Any questions?

**Brant Jones** - Yeah maybe I'll just say something. You mentioned it taking quite a while to get to this point. I don't know to what extent you're willing to continue to work on things or wrestle with this. I don't know if you've considered simplifying it and if the company were to give the water rights back. I haven't, and I don't know of anybody on this Board who was part of bringing in and accepting the water rights that were legally brought into this company which puts us in an interesting position to try and get to the point where we're doing a Will-Serve Letter here, but if those water rights were given back and then you could approach the Washington County Water Conservancy District to provide the water for your project. Is that something that you would consider?

**Jared Westoff** - At this moment I would say I don't know what to do with that. Let me think about it. I mean, our preference is that we could go forward. We understand that this is complex and that there are concerns. We also recognize that an LDWA water line is running through that area and through part of that property right now and has for years and years and years, and we think that this can be done safely. So, our preference is to, I mean, we've got years and years and years of relying on this contract, we moved water into the LDWA, and we've been expecting a Will-Serve Letter for years. We went that way, and we made business decisions based off of that and so, I'm not saying no, but I'm saying we would like a Will-Serve Letter and as we dial into that issue, maybe it doesn't make sense.

**Don Fawson** - So, based on that, how do you see this proceeding? Do you want time to be able to go work with your people and figure this out?

**Jared Westoff** - Our feeling is, we have a contract in place. We've complied with the contract and we expect the water company to now comply and send us a Will-Serve Letter. If we want to keep talking about an alternative and we can figure something out, I am pretty creative, pretty resourceful, willing to look at options, willing to do the same with the town. We are willing to look at it. But where we've done our part, we expect the LDWA to do their part.

**Don Fawson** - Peter, any thoughts at this point?

**Peter Gessel** - Can you hear me OK?

**Don Fawson** - Yes,

**Kurt Allen** - Can everybody here? OK.

**Peter Gessel** - OK, thank you, I'd like to speak some to the process of this. You've all been involved with this for a long time, and you know the history of the project itself. I'd like to talk some about the history of the paperwork because that's what lawyers do. So, what happened is back in 2010 is the LDWA issued what I would characterize as a Preliminary Will-Serve Letter. They set forth requirements that would need to be met by Silver Reef Investment Holdings in order to be issued a Will-Serve Letter. Those were outlined, the terms were quite broad. That being said, we do have a standard language and considerations that go into all of those Will-Serve Letters when they're issued, and those of course are being included as well. With that being said, there are numerous additional terms, which have been



discussed to some degree here, which have been negotiated with Silver Reef Investment Holdings due again to the unique nature of this property to account for any other potential hazards that might be there. Really this is how this process is designed. That's why we do Preliminary Will-Serve Letters as a water supplier and that provides the conditions and the framework in which to come to terms to where the letter is issued. Those terms have been negotiated. I know one of the items requested by the Association in the past was a copy of the Certificate of Completion for the voluntary clean-up program. The Voluntary Clean-up Program is a clean-up alternative run by the Utah DEQ, Division of Environmental Response and Remediation. As part of that program, I don't know how much we need to get into depth with it, but the point is this Phase One of the Silver Point Estates. So, the voluntary cleanup program, is larger than just this Phase One. So, the companies, the associations said, *'we want a copy of the certificate showing that all the terms of the voluntary cleanup program have been met.'* And the response from the State was, well, we can't. The whole site isn't done, the whole site has to be done in order to issue that certificate. What the State did issue was a letter of "No Further Action Required" letter. And what that letter said was that all of the required activities that are included in the voluntary cleanup program, all the required activities in Phase One have been completed. OK, now let's be clear on what a certificate of completion is, A Certificate of Completion is what certifies to the landowner that the State of Utah no longer holds the landowner personally liable for any future cleanup on that property. So, the certificate simply says we don't hold you liable anymore. Okay. Beyond that, what LDWA is concerned about is, *has the cleanup been done to protect the company's interest to ensure that safe water can be delivered to Silver Point Estates.* You know in all honesty as far as the LDWA concerns are involved, the association as a water supplier, the letter of No Further Action, meets those requirements in terms of ensuring that the necessary remediation has taken place, and there's a Site Management Plan (SMP) in place, that is part of the terms of the Proposed Will-Serve Letter, and so, again as far as the extent of the Associations interests in the Voluntary Cleanup Program and in that Certificate, the purposes of requiring the Certificate are fulfilled by that letter of No Further Action. The work on this site by the State's reckoning has been completed. OK. There are again those additional provisions with the Will-Serve Letter negotiated with Silver Reef Investment Holdings and based on how this process is designed, the Primary Will-Serve Letter to the exchange of plans of assurances, negotiating of terms, looking at designs, developing these compliance terms, and the standard provisions included by the Association. These are established procedures that are part of how the Association does business and based on the progress of those negotiations and where they are today, I recommend that the Board approve the issuance of a Will- Serve Letter to Silver Reef Investment Holdings for Phase One of Silver Point Estates.

**Don Fawson** - Any questions among the Board members. I will entertain a motion.

**Kurt Allen** - I make a motion that we follow the advice of our Association attorney and issue a Will-Serve Letter to Silver Point Estates.

**Don Fawson** - Is there a second?

**Ralph Rohr** - I object to that motion.

**Don Fawson** - You don't have the right to object, I'm sorry.

**Ralph Rohr** - Can you at least hear

**Don Fawson** - No, we are not going to do that.

**Michelle Peopt** - We can't hear the conditions, the shareholders of the company that we all own?

**Don Fawson** - We'll talk about that at the end.

**Shareholder** - Can't you vote at the end of the meeting?

**Shareholder** - Couldn't you talk about it after the vote?

**Michelle Peot** - This is our organization.

**Shareholder** - We are the Shareholders

**Don Fawson** - You know, I understand that.

**Shareholder** - I really don't think you do.

**Shareholder** - What's the big deal about waiting till the end of the meeting to vote.

**Tiffany Jones** - Lets be respectful of the fact that these volunteers have gone out of their way to try and represent us and let's hear them out and let's please be organized.

**Don Fawson** - Let me just say this. You know, we have, spent a lot of time here and one of the things is this; we recognize the challenges that there are with this subdivision. There were things set in motion years ago that probably should not have been set in motion, but they were, and we're here at this point in time. What legal counsel is basically telling us right now is that there is potential liability for this company. Substantial Liability, financially, for this company. By having gone through all of these negotiations, trying to make it as clear as we can. As far as what we can do to be able to mitigate the circumstances that we are facing.

**Michelle Peot** - Can you share those circumstances with us, and the conditions with us, because like a lot of us have been asked to help extract this information. So, it's not just you guys that have volunteered for this. We've also put in a lot of work, and we feel like it's only fair for you to be transparent to list out those full lists of conditions.

**Don Fawson** - So what are you asking for?

**Michelle Peot** - Can you read the conditions that are in the will-serve letter, so we understand what you're voting on?

**Don Fawson** - Peter, what do you think? Where are we at?

**Peter Gessel** - That's at the board's prerogative.

**Don Fawson** - Basically what he's saying is, that he doesn't recommend it, however, we'll go ahead and go through this. One of the interesting things is that I think I have lived here in Town longer than anybody, but maybe Susan. We've raised our family here, we love this Town, we volunteered in this Town, from the Fire Department to The Water Company, to the City. We don't want anything negative happening in this Town. And we're also not trying to override the concerns that the shareholders have. One of the problems that we have in any kind of decision-making process is the fact that we have spent hours, and hours, going through this, both in public meetings and work sessions and individually, trying to figure out the best way to go, working with our attorneys and so forth. On the outside, it may appear that we just don't listen to anybody and we're not processing this in a positive way. That is just not the case. I will read through this, but you know, I'm not opening this up to a big discussion about this particular document because from our point of view it is a legal document. One of the problems we have right now is, our attorney has suggested that since this is something that hasn't been presented to Silver Point

Estates at this point that we can be creating problems.

**Michelle Peot** - Then can we wait another session so everybody can read through it?

**Don Fawson** - The problem is, is that we're in a position right now legally where it's going to cost the company a lot of money if we do.

**Michelle Peot** - So, you're putting the threat of a potential lawsuit against the health of the community. Which is not reasonable.

**Don Fawson** - Michelle, listen, OK, we're done with that right now. I'll read

**Ralph Rohr** - May I respectfully request that the lawyer hear my presentation to be fully informed of the situation. I'm only asking that he hear that you hear, before a decision is made.

**Don Fawson** - So tell me what you're asking.

**Ralph Rohr** - I'd like to make my very brief 4 slide presentation on the radiation hazards that exist out there for LDWA workers like Mark, other contractors, and workers who are out there, that's all I want to show and there will be nothing but factual, No opinions, No recriminations. No assumptions about what attorneys or anyone else.

**Don Fawson** - Ok Ralph, go ahead

**Ralph Rohr** - Thank you. I'm sorry I'm usually not this pushy, but

**Cindy Neubauer** - I have a question for the lawyer. Can I ask him a question?

**Kurt Allen** - Lets do one thing at a time.

**Don Fawson** - What's the question?

**Cindy Neubauer** - I feel like everybody's so afraid of this lawsuit that could happen. What about us shareholders suing the board because we feel you're putting our water in danger? Can we do that? Can we sue the board as shareholders?

**Kurt Allen** - I think that Ralph has the floor here.

**Cindy Neubauer** - This question is for the lawyer.

**Don Fawson** - We'll go ahead and have this discussion. But you're not driving this. So, go ahead, Ralph.

## I. SHAREHOLDERS COMMENTS

<b>DISCUSSION</b>	<b>SILVER POINT ESTATES PRESENTATION [RALPH ROHR]</b>
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Thank you very much to all of you on the board. Peter, Lawyer, let me know if you can't hear me or if you have any questions during this very brief presentation. It will take a little longer than usual because I speak very slowly. This is complex material and I want to be sure everyone understands it. I'm concerned about the workers with LDWA, and other workers, and residents of Silver Point Estates.

I represent a small group of caring people who have spent many hours, days of hours, and weeks and days, researching the situation at hand. In full revelation, we have no conflict of interest and nothing to gain by the facts that I'm going to present to you. These will be nothing but facts, there will be no assumptions, no legal precedents, or anything else in this except for simple facts that I think will help you and the attorney to make a decision. I have not had a chance to present this material before, and I hope also to present it to the town councils at an appropriate time.

**SLIDE SHOW PRESENTATION BEGINS ON NEXT PAGE**

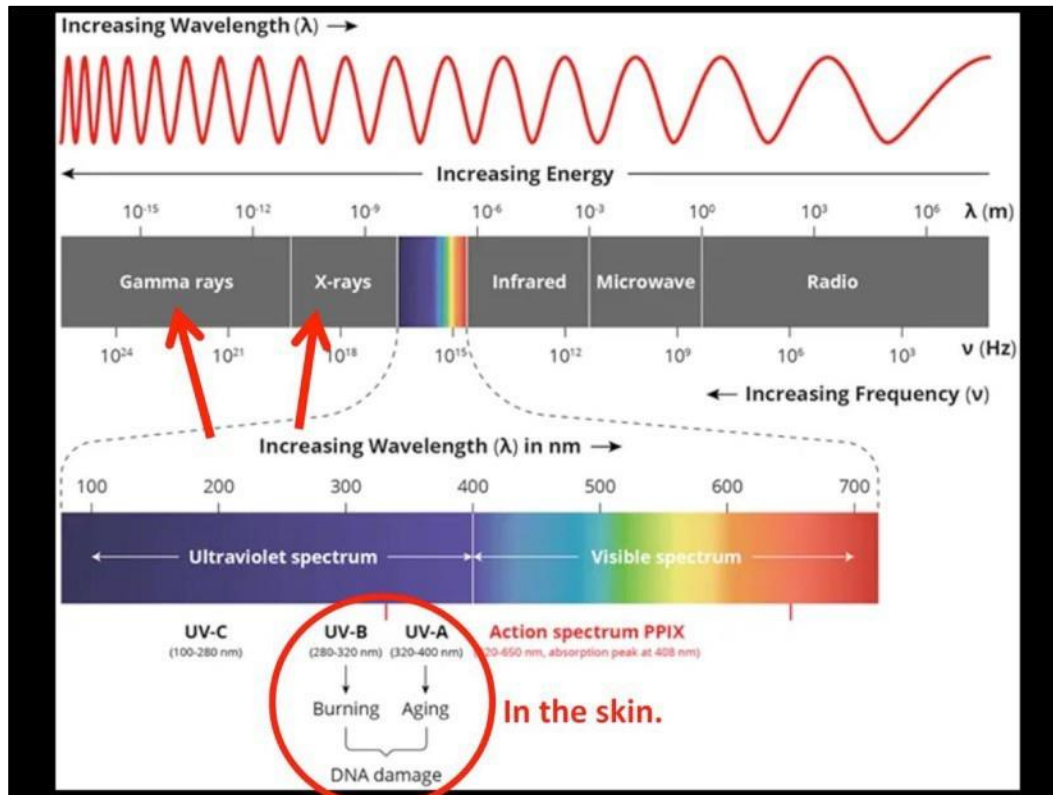
# Radiation Hazard to LDWA workers, other workers and residents of Silver Pointe Estates

[Leeds.half.life@gmail.com](mailto:Leeds.half.life@gmail.com)

**PPT 1:** I am speaking for a small group of caring people who have spent many hours, days, and weeks of days researching the facts that I will now very briefly present. In full revelation, we have no conflict of interest and nothing to gain by the facts we present. At the age of 80, I am certain that I personally will not be affected by any radiation hazard from SP development. But then I will not be digging up a uranium mine to install and maintain water pipes and tank.

Questions or helpful ideas? Here is our email address. [Leeds.half.life@gmail.com](mailto:Leeds.half.life@gmail.com)

The following presentation deals with only facts, no presumptions or legal precedents or previous similar cases.



The Hard Science:

Visible light is only a very small part of the energetic electromagnetic spectrum that is left over from the fires of cosmic creation. That spectrum is exhibited here. Long wavelength light is invisible and provides many useful benefits as shown here. The visible portion of the spectrum is shown by the small band of colors. Beyond that band is the ultraviolet spectrum, mostly invisible, but more energetic than visible light because of its shorter wavelength.

We all know that UV light can burn, **the longer the exposure the more severe the burn**. It can also age the skin prematurely and damage the DNA of skin cells leading to skin cancers of various sorts. This is why many of us use sun block salves or cover up with clothing and hats when outdoors.

But what I want to focus on tonight is the even shorter wavelengths known as X-rays and Y-rays, sometimes referred to as nuclear radiation because they involve changes in the nuclei of the atoms. These shorter wavelengths with much higher energy can go right through human bodies and even penetrate solid rock. This is why hospitals have to install expensive shielding around radiation generators and isotopes they use in diagnostic testing and treatment. Like UV light the damage caused by these more energetic wavelengths gets worse the longer you are exposed to them. These X-rays and Y-rays, released from uranium and radium isotopes will be the focus of this presentation.

Radiation dose is cumulative. The long-term effects of ionizing radiation cannot be reversed or taken away. They just continue to pile up, dose upon dose. Radiation is silent and unseen without special detection equipment, like Geiger counters. The effects of radiation are modified by the intensity of the radioactive source, the distance from that source, the time of human exposure to the source, and shielding from that source.

## RADIATION EFFECTS

Measurements in milliroentgens (mR)

**RISK IS CUMULATIVE!!**

DOSE LEVEL	MILLIROENTGENS	CLINICAL RESULTS
<b>HIGH RISK</b>	<b>1,071,850</b>	Fatal within days
Potentially Fatal,	535,925	Kill half exposed persons in 30 days
Much higher cancer	214,370	Acute radiation sickness
<b>MODERATE RISK</b>	<u><b>107,185</b></u>	<u><b>5% higher chance of cancer</b></u>
Increased serious illness	42,874	Highest radiation at Fukushima
later in life	<u><b>10,718</b></u>	<u><b>Higher risk of cancer first noticeable</b></u>
<b>TOLERABLE RISK</b>	<b>2,144</b>	Yearly limit nuclear industry workers
No detectable symptoms	<b>1,072</b>	Full body CT scan
No increased risk cancer	965	Annual dose for airline crews
	<b>322</b>	Single mammogram
	<b>11</b>	Single chest X-ray

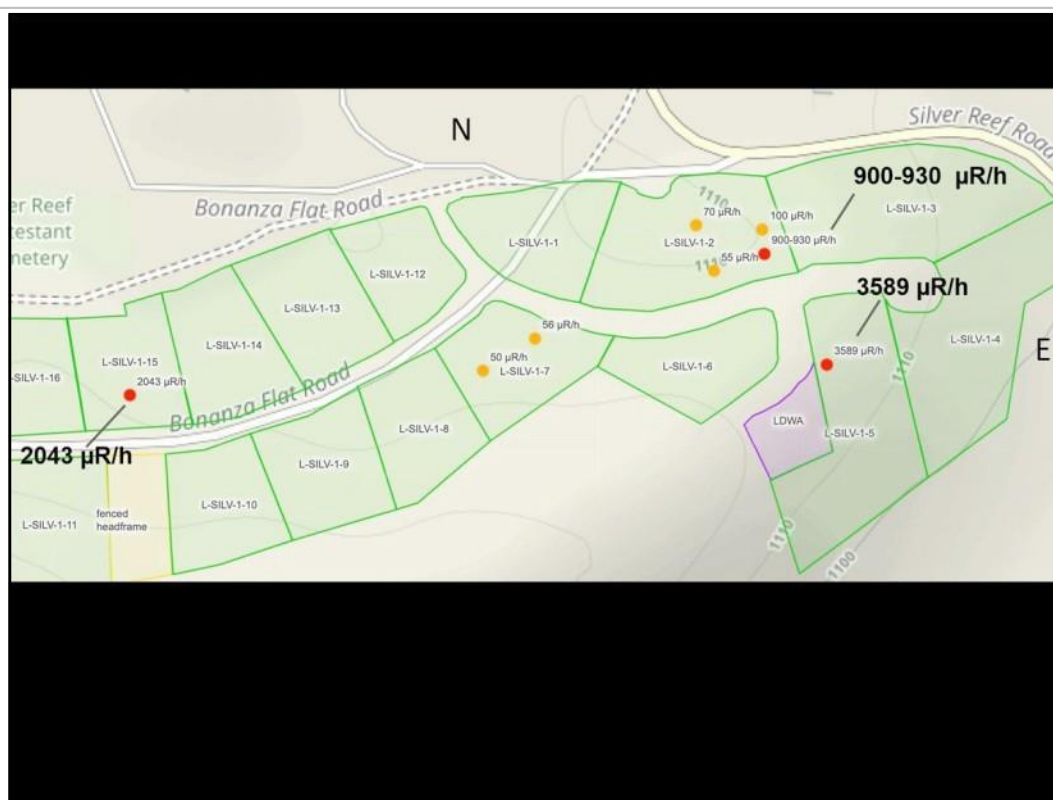
There are many terminologies and units in the field of nuclear radiation, units for exposure, absorbed dose, effective dose, etc. I will confine myself to a common unit detected by readily obtainable and simple to operate Geiger counters—the milli- roentgen, 1/1000th of a roentgen.

The risk to the human body is cumulative, it adds up over time, and does not go away. This slide illustrates the cumulative risk of damage by X & Y rays.

Every person's risk is different and depends on prior exposures totaled with current exposure.

Most sensitive are pregnant women and children, and their permissible so-called "safe" doses are lower than the rest of us.





This is a simplified plat of phase one of the SPE. Since the site “remediation,” over time various Washington County residents have used Geiger counters to evaluate the remediated area. A sampling of their measurements are shown here.

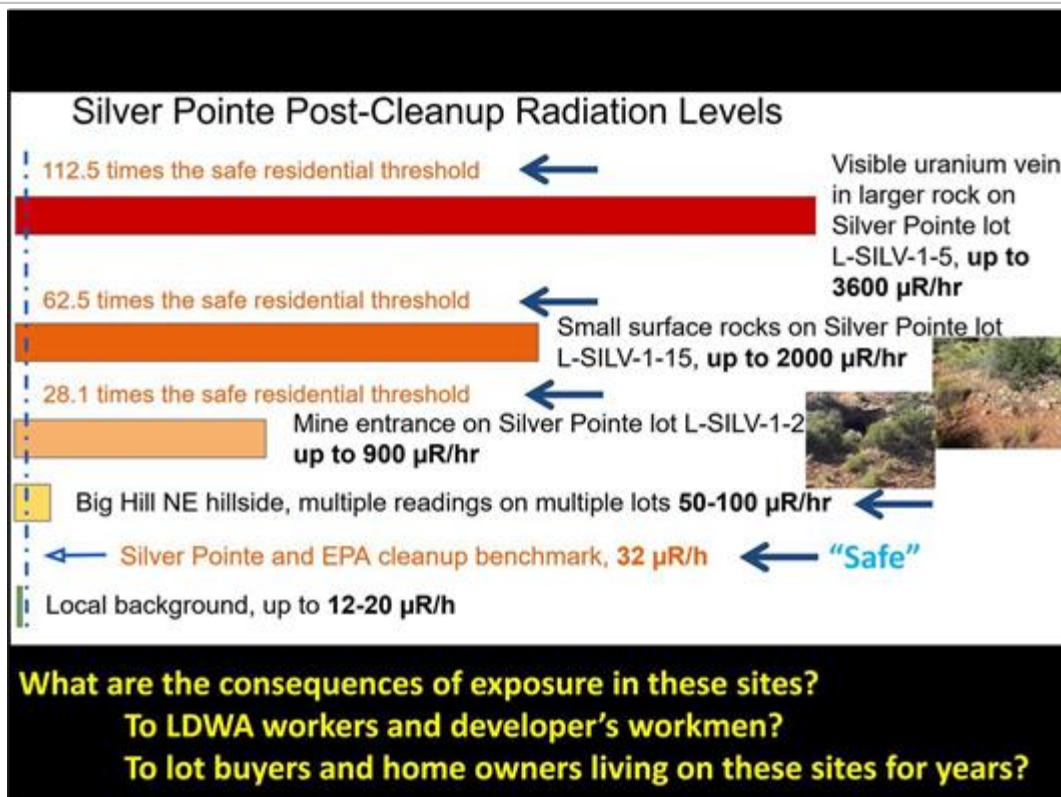
The orange dots represent Geiger readings over the site of **50-100 µR/hr**. The red dots are higher counts, which I will refer to in the next slide.

Review land marks: fenced large headframe, Protestant cemetery, mine entrance, small headframe.

Review counts at red dots.

Notice the location for the proposed LDWA water tank, which sits atop the uranium mine.

**If these findings recorded by ordinary citizens seem questionable to anyone, let us ask the Utah state experts and regulators to visit the site and confirm or deny the findings.**



The readings in milli-roentgens shown were accumulated in the last few years, apparently after the site cleanup was accomplished. If there is any question about the timing of readings and the supposed clean up, it will be easy to check with repeat readings taken today in the presence of any witnesses who wish to view the facts.

III 1 – The State Department of Environmental Quality together with the Developer established the permissible “safe” level of radiation for residential use after clean up as **32 μR/hr**. Notice that this is higher than the normal background radiation in our town.

III 2 – Multiple readings of **50-100 μR/hr** are **2-3 times** the clean-up benchmark

III 3 – The entrance to the open mine on the northeast side measured up to **900 μR/hr** is **28 times** the “safe” residential threshold.

III 4 – Surface rocks on one of the lower lots measured up to **2000 μR/hr**, **62 times** the “safe” benchmark.

III 5 – Visible uranium vein near where LDWA tank is to be placed measured up to **3600 μR/hr**, **112 times** the “safe” benchmark.

It seems clear that the clean-up benchmark for safety is not close to being achieved! This may account for the fact that in the entire lot of more than 1700 EPA clean-up sites, not one site has ever been approved for residential development. It is simply too difficult a task.

**What are the consequences of exposure in these sites?**

**To LDWA workers and developer's workmen?**

**To lot buyers and homeowners and their children living on these sites for extended periods of time?**

I know people are of differing views in this situation. But I think we can all agree that such situations involve grave decisions. **A gravitas that cannot, and should not, be casually excused or dismissed.** Not for this development and not for any subsequent development for which approval in the current situation might serve as “legal precedent” for others. The decisions made here tonight could have a ripple effect far beyond our local town!

1. For some of us human life and health are sacred, to be protected at all cost.

2. For others human life and health may be compromised because of some perceived threat of economic loss or hoped for economic gain.

In this imperfect world these decisions are up to people and their representatives. In tonight's vote we shall see what our representatives' views are. I would say it's a heavy thing for them and I don't want them to take it alone. I would agree that they should try and find out if the views they are holding and going to vote for are in accord with the views of the vast majority of shareholders of the company. That's all I'm asking. May God help them to make the right choice! and those are the facts best I am able to determine. Thank you, appreciate it. Any questions?

**Don Fawson** - Ralph I appreciate that and it's not that we haven't had these concerns. So, getting back to the issue of moral decision making as opposed to financial decision making. Basically, in a sense that is what we're facing today. The State has said it is safe. It said it meets those standards. So, the people that are supposed to be watching out and taking care of this are the ones that have said, no, this is fine and put us in a position where legally if we go ahead and say no, you're wrong State, then probably in court, we are going to be against the wall. So, I think that when we talk about a potential lawsuit that you need to understand that it's more than that. And you need to understand that our moral position is going to cost us. And I'm not saying that maybe that's not the way to go. But I'm saying as long as you're willing to bite the bullet and take care of the cost by rising water rates or whatever, as long as you are willing to do that. We just have to be willing to live with that.

**Ralph Rohr** - May I respond, you bring up a point which I understand, and I agree is valid, but it's not my suggestion that we tell the State you're wrong and we're right. My suggestion would be that we ask the State to come down and in the presence of witnesses and those who have researched this, measure in our presence, for themselves, the areas that are of concern, to see if what I have presented is indeed factual and correct. I don't wish to get into a pissing contest over who's right, who's wrong, I just want to see the facts established and brought out clearly and I think there is some question, as we have reviewed documents, whether the measurements were taken the right way, at the right place, at the right time. That's all I'm saying. We have something that is at variance with what the state developers are saying.

DISCUSSION	SHAREHOLDER COMMENTS CONTINUED
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**Michelle Peot** - The remedial action report discloses very high amounts of residual radiation, so additional hot spots have been found, but their own documentation maps those out, and the problem with this is, instead of modifying the plat map so those did not coincide with the residential plots, they pushed forward to put those on there, not disclose that to buyers, not put up any hazard signage, and that puts everyone at risk. That is my issue with this.

**Ralph Rohr** - Could we just politely suggest to the State that they.

**Don Fawson** - Just a second

**Bob Verbic** - Let me say this, I think in Utah there have been past uranium mining sites that were approved for residential development. Of the five that were approved, maybe I'm wrong, none of them were cleanups that were voluntary clean ups. They were cleanups that were Federal. Does Leeds want to be the first town to take that step.

**Michelle Peot** - in the US.

**Bob Verbic** - To go forward with a voluntary cleanup result, not a Federal clean up result. I think that's a major difference. That's the big concern here. Do you want to be first.

**Ralph Rohr** - I think that is an appropriate question. Don all I'm asking is would you please contact the State, ask them to come down, good representatives and meet with us and allow us to show them the

findings of our people and then they can make a more informed decision. I would certainly invite our attorney to come out, on site and see what the Geiger counters are indicating.

**Don Fawson** - Yeah, I don't think there's any question

**Kurt Allen** - Excuse me Don, Ralph while you've got the mic there. Just for our information, where did you get your data for your presentation?

**Ralph Rohr** - Multiple people have given us results that they obtained, Washington County residents, at the last town council meeting when I spoke on this, there was a gentleman who lives in Washington, UT who's been out here many times taking measurements. So, we have gotten those from multiple persons, and I'd be happy to have the State confirm or deny them.

**Kurt Allen** - Do they represent government organizations or professional people?

**Ralph Rohr** - No, just ordinary citizens?

**Kurt Allen** - They're just citizens with a meter.

**Ralph Rohr** - Yeah, I've got one I measure around my house and in the background radiation I've got a radioactive rock that was picked up out in the desert somewhere and its way out back of my property.

**Alan Cohn** - Can I address the question over here? And I guess this would be for you Jared. Would you have a problem, let's say, adding something like that either just voluntary before receiving the will-serve letter or adding that as a requirement to the will-serve letter of just having someone from the State come in and walk around and let's just recertify since it's been 10 years since it's been certified, and you were poking around. Would that be a problem on your end?

**Jared Westoff** - So, I'm hearing the concerns, I live here, I'm very interested in raising my family here. We love it here and I think I could buy a nice house in Hawaii and Jenny wouldn't come; she loves it here. I like our agricultural lifestyle. We want to do this safe. We do, I mean.

**Alan Cohn** - That's why we are directing this to you.

**Jared Westoff** - I want to say that the property owner here, Mr. Crocker, entered a voluntary cleanup because he's concerned that it's done right and done safe, and I think that these concerns that Ralph is bringing up, I think this is the wrong meeting for it. These concerns should be going to the DEQ, and they should be addressed to the DEQ. It's an odd swerve to come to LDWA and say we want you to do the DEQ's job. So, if you got these concerns, if you're earnest in your concerns, I'd say get it with the DEQ and let's figure out whatever that process is.

**Alan Cohn** - You are a Shareholder too, so you can understand other shareholders concerns and I'm hearing levels from Ralph and seeing that slideshow I am just as concerned you know, especially if Mark or one of our folks is going to get out there and spend any time or Whatever. Would there be a problem with having someone come in and check it?

**Jared Westoff** - So, we have checked it, we've checked it a lot.

**Alan Cohn** - 10 Years ago or was it recent?

**Jared Westoff** - My point is, I don't want to dream up a process here, if there's a concern let's take the concern to the DEQ and figure out what that process is. But I'm not going to dream up a brand-new process on the fly.

**Peter Gessel** - Yeah, I want to say that I believe that we have provisions built into the Will-Serve Letter which will allow that adaptation to things that may be discovered as the situation develops in terms of compliance with the site management plan, inspections that are scheduled, testing that has to be done, and other provisions along those lines. I think that means that again, if the State comes down and finds something, looks at some of this evidence that concerns them about whether it's safe to install this water infrastructure there again, I believe the terms of the will-serve letter will allow us to account for that at that time. So, I'm not speaking to the validity or lack thereof of anything that's been presented or even whether there should be anything there. My purpose is solely to look at this from the perspective of the Association for its obligations, to both the shareholders and to those with whom it issues these preliminary will-serve letters in the process followed by the company. So, again, I don't want to speak too or against anything that's been presented other than to say we need to limit our evaluations to how these factors affect the water infrastructure which is proposed. And the safety of that water based on the reviews done to this point and the evidence which has been provided in that regard. We have again, we put those protections in place to the degree additional protections are needed, say for instance as Ralph speaks out for LDWA employees that may work on site that can be further addressed I believe in the process we have in place. Beyond that, I would say that frankly the remainder of those concerns are best addressed by the town in their development agreement and their approval process. That goes more to the broader human health and safety. Your obligation is to the quality of the water. And again, we have not been presented with evidence at this point that would suggest that what is in place and what is contemplated will be harmful in the water system and that if we discover evidence that there could be additional complications, we can account for that at that time and address that properly.

**Kurt Allen** - I would like to follow up on that comment from our attorney, I would like to remind this board that we are not a regulatory board, we are a water Board and our concern as I've said many times, is within our 3-feet to 4-foot-deep trench and our concerns don't exceed beyond that trench. And even though Ralph's presentation was amazing, he's a very smart man, he's got a lot of good information in that. Our concerns as the water Board, not being a regulatory board, does not extend beyond our water trench.

**Ralph Rohr** - I just want to respond to Jared and make him aware, and also Kurt in the process. My concern was not addressed to the quality of the water, my concerns addressed the hazards to the workers of LDWA namely Mark back here who is highly valued and others who go up there. Now if you go to an area committing 900 micro rankings per hour and you go up there digging the trench or putting in a tank for eight hours a day, for however many days it takes, the accumulated dose is going to be significant. Jared, I'm glad to hear you're resident here that you care about things here. As you know, after I was caught by Josh up there doing some readings of my own that the area was posted, one small sign, and "Trespassers Are Not Allowed" so, you can't go back up there now. If you would like to see what I'm seeing or what others have seen, please get permission, come up there with me and allow me to stand you at some of these sites and listen to the ticking Geiger counter and see if you really think things are remediated.

**Michelle Peot** - And see the uranium on the ground, it's visible on the ground.

**Don Fawson** - The challenge here, again I think Kurt brought it to light and the thing that we've been struggling with all along, is that we would like to be a Regulatory agency, but we are not. The question really comes down legally to the fact, can we safely deliver water up to that area and the answer based on our working with the State, with the DEQ and others, is yes, we can. Beyond that, then we kind of step

out of our wheelhouse and it goes back to what our attorney has said that's the purview of the town. Unfortunately, that responsibility has been kicked down the road to the water company. And I know that the town is trying to work through this right now as well. As far as that particular piece of ground, I wished it would just disappear, or all of a sudden, we wake up one day and it just be clean. You know, it just isn't going to happen, so we have to deal with what we have here. And again, I think that the decision that we make today, (addressed to Jared) if we go up to the DEQ to get them to come down, do we have time to do that.

**Jared Westoff** - What? What do you mean?

**Don Fawson** - Do we have time to go to the DEQ? Without entering into some litigation.

**Jared Westoff** - Your question is you want to ask more questions of the DEQ.

**Don Fawson** - I want more time.

**Jared Westoff** - So have there been quite a few conversations with the DEQ in the past?

**Don Fawson** - No there hasn't. Excuse me, I won't say that Doris, you had called up and asked if they could come down and take a look and what was the response.

**Doris McNally** - They've had some changes of personnel and they're moving it to different people. So, we have two new names, but it's difficult to get them to commit.

**Jared Westoff** - David Bird still there?

**Doris McNally** - I understand, He's one that's been giving us other names.

**Peter Gesser** - I'd like to point out that in terms of what we negotiated with the Silver Reef Investments that we did include, a site inspection by DEQ or someone else with the regulatory oversight of the site prior to initiating work on the water system, that is a term that we planned for.

**Doris McNally** - Peter, can you articulate what the "will-Serve" actually does versus you know a final go forward, because I think that it's important for everybody in the room to understand what "A Will-Serve" position is to this company.

**Peter Gessel** - Yeah. So, the Preliminary will-serve letter that was issued in 2010 would in effect be saying, hey, you know what we're here to play ball. That's not really the best terminology, but the idea is we're game, right. If you go through these steps that we've laid out, if you do those steps, then we'll be willing to provide water to your project. It might be a single home, it might be a whole subdivision, right? So that's what the preliminary will-serve letter is, and the reason those are sought out for the sake of receiving some assurances that then allow people to invest a bit more money into developing the project. It's not a guarantee of service, OK? It's not a guarantee. Again, there are requirements in there that have to be met in order for the will-serve letter to be issued. Now a Will-Serve Letter when it is issued by a water entity in this case LDWA, the association right the Will-Serve Letter says you've jumped through the requirements we've given you we will provide water to your development, and this is the process that we're going to use in which you're going to be allowed to do it. It also has requirements, it has construction requirements for what's in there, for the materials used, for the meters, and even the brands on some of these things. In this case, we also have a number of terms relating to compliance with the site management plan including like I said, site testing, a number of things along those lines. So, there are additional requirements there. One of the additional requirements we inserted due to the unique nature

of this project, is again, prior to initiating construction of the water infrastructure is a sight inspection completed by the appropriate Regulatory Agency showing that the site management plan is being complied with prior to construction beginning, right. So those are one of the things we said, OK, you can move forward, you did everything we asked, and this is how we're moving forward. That being said these are time limited things. The company has its practice, and the LDWA has its practice as is common to every situation that I am familiar with puts an expiration date, so it's for a term where construction needs to be initiated. So, this again, it's a commitment that allows it to move forward. That's what I'm recommending based on the 2010 Preliminary Will-Serve and what's happened since and where we are today.

**Jared Westoff** - I guess just to answer your question after thinking about it as your attorney was talking about it. Where we still have different inspections required as part of the will-serve letter and different things like that, I would like to see us move forward with the will-serve and know that we can follow those courses. And if there's inspections that fall out of place with the site management plan or the clean-up then we obviously will have to deal with that and we recognize that.

**Don Fawson** - OK. I'm going to go ahead and I'm going to read the provisions that are here. I'm not sure that's going to change anyone's mind, but at least hopefully it will let you know that we have tried to work with the Silver Reef Estates. Before I start, there was one gentleman back there with a comment.

**Terry Bilvi** - I can see the mine shaft from my house. This is not a prepared statement, but I heard something interesting. I am going to try to tie some things together that I heard. This state inspection how old is it? How old is that inspection? When did that happen?

**Kurt Allen** - 2013,

**Terry Bilvi** - 2013, a long time ago, right? A lot of things have happened since then. OK, so this is the partial question for Ralph. Someone on the board said they only need to worry about the trench. Ralph, can you hear me?

**Ralph Rohr** - Yes, I can.

**Terry Bilvi** - Uranium is not harmful unless you put it in your pocket, or if you put it under your bed. What is harmful is if you dig a trench and you disturb the uranium, the dust will Kill you. The dust gets picked up by the wind, it's blown around, ends up in your lungs. That is where you guys come in. You are disturbing the ground and I don't know if you know that or not. But Ralph am I wrong, Uranium, you can play with it, you can do whatever you want with it. There's a certain amount of time you can play with it, but not too long. But if you take some construction equipment and you roll it over that stuff that's laying out there, you create a dust. Where does that dust go? Guess what we're windy here, right? It goes to my house. Are you willing to provide us with those pads for the houses to absorb all of that? Are you willing to hand out masks?

**Kurt Allen** - I got a question for you. How long does it take to be poisoned?

**Terry Bilvi** - You know, lawyers know this. And I've been sued many times, many times, so if you come up with cancer. *'Oh, it's from smoking', 'Oh, you ate something'*. No, they're not going to blame it on the Dust you inhale from the mine. They will deny it. They'll say that didn't come from there, but we all know, and it did. Ralph, you're the expert on this, if you crush that rock and construction equipment will do that and you blow it in the air, you're going to get everybody who's going to get it, you're going to get it good.

**Ralph Rohr** - The ones who are working, crushing, stirring up the dust 8 hours a day for however many w



weeks it takes to accomplish this are at special risk because every hour that goes by keeps compounding.

**Kurt Allen** - So, you guys are very smart and experts at this, you might come back to my question, how long does it take to kill a person like that.

**Shareholders** - A number all talking at once.

**Terry Bilyj** - You know what? I just heard it, it doesn't matter. It's in the air, but here's the thing a lawyer will tell you. Oh, that didn't kill you, it was something else. But here you had mentioned it, you brought up that our little thing is, you know we're digging a trench that's all. OK, you just admitted it. You're digging the trench. You're taking up that ground, you're going to lift it up, the winds going to pick it up, and it's going to travel all over this community.

**Kurt Allen** - It happened 10 years ago. How many people have died since then?

**Terry Bilyj** - Exactly how many? Anybody? Do we have records?

**Kurt Allen** - Is there anybody who knows.

**Don Fawson** - OK, I am going to cut this discussion off, I appreciate that. We all know that alpha and beta particles breathed in are real serious problems and it obviously does things, let me do this.

**Daryl Lewis** - As part of that discussion. The comment was made that you are not a regulatory board, but you are a water board. If you were talking about Conservancy, you are correct because it is a public company. This is a private company. It's owned by all of these shareholders. That makes a huge difference. You are a board, a water board that is also a regulatory board. You are not elected; you were not elected to make up your own mind and do what you thought was right but rather represent the Association and the shareholders in total. We pay the bills as part of this company. And if this group of people were to say. *'We deem it morally correct to accept the threat of a legal suit'* I would suggest to you that the board is required to follow that suggestion. I don't recall any survey that had been put out to the shareholders as to how they view the situation under all of the known ingredients. A lot of these known ingredients the board knows, the shareholders do not know. You have had your private meetings, but that's back to your personal preferences and it does not necessarily reflect the wishes of the Association.

**Don Fawson** - Thank you Daryl, OK, let me just make a quick comment here. I have my personal views on this. I have my personal wishes on this. I also, on the other hand, have my concern as the President of this board and its **future**. One of the interesting things is that as we have talked to legal counsel and what not, one of the big things they worry about as a private shareholder's organization, is that we do not have governmental immunity, we do not. So, we are kind of hanging out there. In fact, maybe the suggestion that someone made is that we need to change the format of this company, that we either need to go to a service district or we need to actually become part of the town. I'm not suggesting that we do either of those. What I am suggesting to you is that there's a higher level of liability that we have. Like, I said I hear everything you're saying, and I don't like it, I don't like it one bit. Let me read this to you and I'm just going to get this out there. Darrell suggested that were not elected to make decisions, actually, from my point of view we are but that shouldn't be without consideration of peoples input and I've talked to a lot of people. Appreciate Ralph he had made a lot of comments and whatnot, Darrel. But ultimately, you know, what we could do is, and it becomes a lot easier, if we just say you make the decision because I don't have to deal with it. I can just go home and just say you go home and look in the mirror, you're the one that did this. Right now, it's like I have a target on my back. But let me just go ahead and read these to you. Like I said, I don't know if it's going to make any difference. I don't know whether the boards even

going to vote to do this or not, at which point it's, you know, it's a mute subject. *Owner, at own expense shall be required to construct and install all infrastructure, including but not limited to all lines designed and construction related facilities collectively and the waters infrastructure necessary for the delivery of water through the subdivision. The water infrastructure shall be constructed in accordance with and according to LDWA standards and specifications, including provisions of this letter.*

*Prior to the initiation of construction of water infrastructure, a punch list will be provided to the company, which is us, by the owner, which is Silver Point, which calls out and delineates the expectations, testing plans and protocols, dust mitigation plans and protocols, engineering requirements, and other construction requirements set forth in the site management plan. The Site Management Plan or SMP refers to that certain document entitled Site Management Plan, Silver Point Estates, Phase One Investigation Area, Silver Reef Investment Holdings, LLC, Salt Lake City, March 2/12/2020. Prepared by Richard D. White, a copy of which is in possession of both LDWA and the owner. If the Site management plan is updated or amended, owner shall provide a copy of the revised plan to the company as soon as it is practical, and the revised plan shall then become the Site management plan with which owner must comply and satisfy the terms of this. Prior to the initiation of construction of water infrastructure, a site inspection by the Department of Environmental Quality, Environmental Protection Agency, or other agency with regulatory oversight of the project must be arranged by the owner to assure current compliance with the site management plan. A copy of the site inspection report shall be provided to the company, which is kind of what Ralph was talking about. Prior to the initiation of construction of water infrastructure oversight, inspection of the construction will be assigned or contracted to a qualified third-party inspector, the inspector selected by the company, by LDWA. The inspector shall be paid by the company with the owner reimbursing the company for all costs incurred in retaining the inspector. This is to make sure that we are in charge of the inspector. The Inspector will be on site during all phases of construction of the water infrastructure and shall be vested with the authority to shut down construction for any deviation from the site management plan or violation of any Federal, State, or Local statutes, laws, road rules, regulations, ordinances, standards, permits, or other requirements. The Inspector shall be familiar with, qualified to use and in possession of certified and required testing equipment specified in the site management Plan. So, there are specified testing equipment that they have to use, some x-ray equipment and other things. All water piping will be of such material. Otherwise shielded to be protected from degradation by all naturally occurring radiation within the subdivision. HDPE is not acceptable as it is affected by chlorine. The piping materials and or shielding will be chosen, and the water infrastructure design finalized after consultation with experts and the LDWA Engineering group, with LDWA making the final decision relative to suitability and design. All lots will have a one-inch RP or Reduced Pressure Principle Backflow Prevention Assembly installed within six feet of the LDWA meter.*

**Peter Gessel** - I think the rest of the list there is just the technical, diameter lines, brand of the meters. I mean, you're welcome to read it.

**Don Fawson** - You want to hear it?

**Shareholders** - (Speaking at once) No

**Peter Gessel** - Those are the protections, the list that you have read.

**Brant Jones** - I kind of lead off with this concept of you going to the Washington County Conservancy District and getting water there, right? And we drop all this, we all go home. And then this meeting changes to a town meeting. Because now it's in the Washington County Conservancy District hands. All of this work, and all of our say, all of your homework that's gone into this document, we throw it away and we cross our fingers that Washington County Water Conservancy District honors anything that we say which I'm not sure that they will. And so, when it goes to that point, maybe it's not Mark, but it's going to be somebody else. There's going to be other people that are involved in it, there will be other people

digging trenches. The only difference is number one, we have no communication and our ability to work with them and trying to help make this be as safe as possible. And immediately we start spending shareholders and I'm one and you're one, shareholders money in legal fees, money that could be spent in maintaining the water system, making sure that the pipes actually get water to your homes, making sure there's enough volume of water to your homes. Peters already stated that in 2010 there was a Preliminary Will-Serve Letter that set the precedence for what's going to go on. So, this immediately starts spending our money, that we could be using to provide and protect your water shares and your water delivery system to litigation. If we will move forward with this, Will-Serve Letter, we continue to work with them. You still go to the Town Meeting, you still have a say in all the things that the town does, and you can still have your say in every aspect of this, but we just don't spend a whole bunch of our money where it shouldn't be spent in my opinion.

**Lynn Potter** - What's the total cost to buy them out? How much is it going to cost in the lawsuit that would come if the vote was made at a NO? I'm sure he knows. I'm sure the lawyer has an estimate.

**Kurt Allen** - If you have a comment, you need to come up and state your name for the record. you got a good point, and your comment is very important in this conversation, and we need to make sure that your name is on the record.

**Ralph Rohr** - I appreciate your comments Mr. Brant, I really do, and I agree with you. However, the more basic point and I think I'm just going to have to say it, I was hoping not to have to say it. But the more basic point is that the remediation claims to be accomplished on the site, indeed has not. If you go out and look you will see that there are valleys filled with radioactive rocks and there is no covering over any of them. I'm sorry, it's just not there. It's so and it's just not a comment. And the measurements are way higher than their established 32 Micro Rankings Per hour. So what I'm saying and I hate to have to say this because I don't like confrontations, but as far as I can see Mr. Lawyer, The Silver Reef Estates Group at this point is in violation of their agreement to remediate the site according to the State standards, according to what I can see has been measured since they supposedly remediated and you will not find any dirt covering these radioactive rocks out there, sorry.

**Michelle Peot** - I wanted to say something. In regard to something that the lawyer pointed out in the 2010 Interim will-serve letter, he stated it is not a guarantee to serve water and I also wanted to say that it was based on the best information available at that time, so the remediation report for the, you know, what came of the cleanup, where they actually found it was more contaminated than they expected, didn't come out until 2016. So, to base a decision on an Interim will-serve letter from 2010, we're missing all of that additional information. And furthermore, to say that the State said oh the No Further Action Letter stated that it was fine to run water lines through it. Again I had contact with David Bird and he said we are going to remediate as we go and when I pointed out how much remaining radiation existed, and furthermore in the No further action letter they state in there that as a condition of residential development there, that residents should have no contact with groundwater, so no touching it, no growing vegetable gardens out there, does that give you confidence that you should be running water lines through to their residents on the properties?

**Brant Jones** - We will have a little more control if something isn't working.

**Nancy Baldwin** - May I state something? Working for a Board in New Mexico, I was their office manager and went to all their meetings and so forth. I think the situation is real. But you just run the water. This is something I feel that should be a town decision. I mean, it should be the town, there's going to be gas lines going out there, electric lines, Wi-Fi, there is a lot more involved here than just the water. I mean it's very important and you have to have water, but you do the lines, and you will understand. I know that we had miles and miles of lines in La Plata NM that whatever the developer puts in, you inherit, and you will

have to maintain those lines. Your guy will, and I mean, it's all part of what we pay for, for the maintenance, but I do feel that it is a town, it's much bigger than just the water. And it puts you in a very difficult situation and my heart goes out to you because you are volunteer, and I understand you put in a lot of time. And there is a concern with the radiation. Was it a Superfund site in 2010? Was it a superfund?

**Michelle Peot** - It is on the Superfund registry in the queue. It did not get federal money for it.

**Nancy Baldwin** - It didn't, OK, and that's my concern my husband's a mining engineer.

**Michelle Peot** - It's a high Priority on Superfund registry.

**Nancy Baldwin** - Well, I think it's a concern, but I realize your situation and you're just the water, there's going to be, I think more remediation going on with gas lines which are much deeper also and I'm sure it'll be underground. Is it underground Power. Yeah, so there's a lot more dirt going on here than your water line. Anyway, I appreciate the wonderful water we have, it is beautiful. It tastes good and it's clean and we appreciate it. So, my heart goes out to you in that regard. It's just almost a no win for you tonight, I think.

**Don Fawson** - Thank you.

**Nancy Baldwin** - I thought you might need a cheerleader a little bit.

**Elliot Sheltman** - You guys know me. I was president of the company for 10 years and starting in 2010, I know a little bit about this development. I was also on Town Council and planning to deal with this development. I think I got threatened to get sued about 10 times, not just the company I work for or the council, but also just me. Because we asked hard questions, we were looking at the development that from the very beginning was suspect, and by suspect, I mean that proper protocol wasn't followed, Town law wasn't followed. I brought some of that up when I was here last, where the mayor of the Town of Leeds overrode the Chapter 21 of the ordinances stating that LDWA would have a signature line before that First Phase was recorded at the county. That was done illegally behind the back of the Town Council which I was part of, and also the LDWA of which I was president. So, I know you're in a tough position, I've been there before. Things like this are especially a lot of fun. But people are here because they're concerned. I want to talk about the 2010 Will-Serve Letter, it's not, it never was. Our president at the time, who doesn't live here anymore, was an attorney and he wrote up a document, with requirements, none of which were met because within a month, month and a half, he gave a document to Mr. Sant, the developer, that basically was being waved around from that point as a Will-Serve Letter (Note: It was a Preliminary Will Serve Letter). It was not. I'm sorry, Peter, our attorney, Peter?

**Kurt Allen** - Yes.

**Elliot Sheltman** - David Hartvigson, who I know retired about a month before I did. He was our lawyer for 10 years and knows this development very well and our concerns as the water company at the time. Basically, he could give you a lot of information on this if you're still in contact with him, he is still on the letterhead so I'm guessing he is. He knows about that document and also, I know there's some concern or some confusion about the document that I filed against the development because they did violate town law. David Hartvigson's advice to us and voted by the board, unanimously for me to go down and file against the title of that property which is still in place. Umm. The water tank, is there going to be a water tank there?

**Don Fawson** - No

**Elliot Sheltman** - That was required. It's 150,000-gallon tank. If you look at the capacity analysis, it was done when I was still president basically even with 120,000-gallon tank at Eldorado which is no longer in play for whatever reason, we were low on storage. So, if they put that development in, we required 150,000-gallon tank.

**Don Fawson** - Based on, our recent engineering studies, that's not accurate. We actually have more than enough storage.

**Elliot Sheltman** - You don't, based on my capacity analysis, if you look up the one that Carl did.

**Don Fawson** - That's fine, based on our engineering

**Elliot Sheltman** - Is there a reason you wouldn't want to add that to the development? Since there is no cost to you.

**Don Fawson** - Because it's in a bad place, it will not feed that subdivision. Based on

**Elliot Sheltman** - It's not really a subdivision. It is my understanding that some of the Board members were not even aware it was part of the deal? Is that correct?

**Don Fawson** - I don't know what you're talking about. So, we thought that was part of the subdivision.

**Elliot Sheltman** - It is, it was mandatory for the first phase.

**Don Fawson** - My point is it will not work.

**Elliot Sheltman** - It wasn't made to serve them; it was made to serve downtown because they're taking water from our tanks up there. It's Federal land. They were in a hurry, and we heard repeatedly we're going to start in three weeks, or three months, six months never happened, but that's what we heard. We didn't have time to go to the Federal government because as you know, BLM and the Forestry would require years to do that. So, that's why you're supposed to put it in there for the water they're supposing going to take from up in the area where we have our tanks.

**Don Fawson** - Ok, good information.

**Elliot Sheltman** - But that area also needs to be tested because again because it was filed illegally, we never approved that location; it was just a guess based on height, and it's supposed to be buried about 18 feet?

**Don Fawson** - 18 Feet?

**Elliot Sheltman** - That's what you figure with a 150,000 gallon tank, yeah.

**Don Fawson** - OK. Appreciate that information. All right, I think that we've kind of pounded this into the ground here, so. I guess I'm asking the board as to what they want to do.

**Brant Jones** - Did you want to make a comment on that 2010 document?

**Don Fawson** - When I looked at those documents, there was a 2010 and there was a 2015. The 2010 as I read it was not a Will-Serve Letter. The 2015 was not a Will-Serve. There actually had never been a specific Will-Serve Letter that was given, however there was intent that was written into that. So, I guess that's a legal thing that will have to be sorted out. (Note: As Peter mentioned these were Preliminary Will-Serve Letters. If you do such and such, we will grant a Will-Serve Letter.)

**Brant Jones** - Does Peter want to comment on the Will Serve?

**Don Fawson** - Peter do you want to comment on these Letters?

**Peter Gessel** - Do you want me to comment on this November 4th, 2010 letter?

**Don Fawson** - Yeah, would you?

**Peter Gessel** - OK, there were two versions of it that went out. One was on Ben's personal lawyer letterhead. The other one was on the LDWA letterhead. (Note: Ben Gordon was President of LDWA at the time and had a local Law Practice) It's regarding water service from LDWA addressed to Rick Sants, Silver Reef Investment Holdings. And it binds an exchange, that says:

*Pursuant to the Water Rights Agreement, you will convey 105.08-acre feet of water rights to LDWA, which will entitle Silver Reef Investment Holdings, LLC to a total of 105 connections to be used in the Silver Pointe Estates Subdivision, as the plats for its various phases are recorded in the office of the Recorder for Washington County. This commitment to provide 105 connections is specific to Silver Reef Investment Holdings, LLC, and is not transferable. Silver Reef Investment Holdings, LLC will be responsible for constructing all necessary water system infrastructure for each phase of the subdivision, including without limitation, mains, laterals, storage facilities, valves, pressure reducing valves, and any other water system infrastructure to serve the homes within that subdivision.*

*Be advised that LDWA will not issue a formal "will serve" letter until LDWA has reviewed and approved your proposed water system infrastructure plans. Further, all water system infrastructure constructed must be inspected and approved by LDWA prior to connecting it to LDWA's system and must thereafter be conveyed to LDWA. Any engineering or other professional fees incurred as part of this review, inspection, and approval process will be borne by Silver Reef Investment Holdings, LLC.*

And it goes on from there talking about the connection process and the previous speaker was correct about there being a mess up on the Plat map, 100%. At the same time, again, you've heard my opinion as to what effects that has in terms of the remaining commitments made in this letter, call it what you will. You've heard the terms and I'll just leave it at that.

**Don Fawson** - OK, so from your opinion, it was in fact, that it was a Will-Serve, whether it said it was a Will-Serve or not. (Note: It stipulated conditions for the issuance of an Official Will-Serve Letter)

**Peter Gessel** - Call it what you will. A representation was made.

**Don Fawson** - OK? thank you. All right.

**Doris McNally** - So Jared once again, I just want to go back and reiterate what Brant brought up. The potential of going back and having a conversation about. Clearly, this process is painful for all of us and if we were to come to a situation where the water rights would go back. Are you in a position to, or should you go back and talk to people, just to give some time to have a conversation about that?

**Jared Westoff** - So, we've been at this for years, long, long before I ever got involved and we want a Will-Serve. We are done, this has been going on for years and we know that it hasn't been this Board. It's been maybe a prior board or President, or whatever but we have complied, we want a Will-Serve Letter. We're happy to go into discussions, we're happy to follow the terms of the Will-Serve Letter. It's not we just do whatever we want, it's got a Site Management Plan, it's got all kinds of stuff that we have to follow. But as far as that discussion idea I'm happy to look at it, but I don't want to be held up on the Will-Serve Letter any longer and I don't have authority or permission to say that I can wait.

**Alan Cohn** - Can I ask you one more question? This is kind of going back to that question I asked you about, so it's already highlighted in the will-serve letter that you're going to have before you do anything the DEQ person come down and check things out. Is it possible, and I'm just saying let's call it a good faith gesture, to have the DEQ come in beforehand. I'm just throwing this out there.

**Jared Westoff** - My answer to that would be, we have spent over 7 figures cleaning up that property.

**Alan Cohn** - But you're going to have the DEQ come in again because of the Will-Serve Letter.

**Jared Westoff** - So let it happen under an appropriate and normal procedure. We are done with this jumping all over the place and things change, just let it happen under a normal procedure.

**Don Fawson** - Ok, at this point, again, I am not trying to decide for the Board what the Board wants to do. They are going to have to make this decision. As far as this group, this is a good representation of the members of our community, but it is not a total representation. And I think as Daryl mentioned there was nothing sent out by the Board, that asked '*How do you feel about this issue*' based upon maybe a few volumes of information we provided? Where are you at morally and financially on this thing? That's true, we did not. So, we are facing a financial challenge right now and so I'm just going to ask the Board one more time and then and we'll just end it one way or the other.

**Michelle Peot** - And can we ask Elliot, for one piece of data because he mentioned as the prior president of LDWA there was multiple threats of a lawsuit. Elliot, can you share how many times that actually occurred? How many times did you actually get sued by this development?

**Elliot Sheltman** - Yeah, zero. And maybe there's even some people in this room that wrote those letters for other issues. You know, you talk about lawyer and it's a good point, you must spend a lot of money on lawyers. But you know what, it's overhead for a business. I treated the water company, and the board treated the water company like we do. Those of us who have businesses, it's overhead. You have to spend money on attorneys at the beginning, so you don't have to spend it at the end. It's always a lot cheaper to use an attorney to set up everything, which is what we did with this development, if you look at the meeting minutes, we didn't leave anything open. You're saying the state basically approved it. The State doesn't really approve it. What the state says we've done everything that we're supposed to do, and I have the letters from David Bird, the DEQ, the DEW, you name it, whatever groups were getting involved in it because there were several. But David Berg, he said pretty much, you know, this has never been done in the history of the state of Utah. No one has ever done this, ever. And we're not just talking about radioactive material, we're talking about mercury which they pulled a ton out of the ground. So, basically the State tells you is it's your problem that's what they told us, you must have this, I have like this much in stuff that I generated as a board member and in there it states from the State it's your problem, it's up to you to do due diligence. You must have seen that; they drop it in your lap. Well, due diligence is looking at stuff and basically, you know, the radioactive part is just part of it. Who's going to bond this thing? Is somebody going to bond it? I've lived here 20 years. We've had two developments; Silver Highlands and we've had Boulder Way. Boulder Way was 14 homes; I think Highlands is what 26 something like that and



they both came in within a couple years. Boulder way the guys came in and said we don't have the money, we're not going to pay the bills, the economy is against us and we're just going to walk away. So, we know you're going to repossess 14 water shares so go ahead and we did. So, it sat there for years, it's slowly building up. Highlands, we took half of those. So, what we said you're not talking about the sewer plants. There's nothing in there about sewer plants or pods or whatever they are going to use. We talked about it a lot amongst ourselves and with the attorney and it's like, who's going to pay for this? If you get one homeowner or two, or like Highlands, you get three and two of them go into foreclosure, and there's one home who's going to pay all the fees? Because we said we're a water company, we will take care of the sewer because Ash Creeks never done it before, they have never done it on a system like this. And we said well then, we may as well do it. Of course, I had people lined up for that and I don't know if they've been kept in play, probably not. Derek Hall being one of those and an engineer who was certified and has crews and machinery. We're going to use him for some of this too, but. If you're going to do this, you have to look at that because you need a development to be a success, not at the beginning. For at least 7- 8 years they sat there dormant. You're still going to have responsibilities and who knows, you're going to do extra soil testing. Are you going to go out and do extra water test every month that you're not doing now? I would for Radioactive material, for mercury, for whatever, maybe you have to do it every two weeks to be on top of it. But the point is you're going to have to do something that you're not doing before and somebody's going to have to pay for. Are you going to pay for it or is the developer going to pay for it? And it needs to be identified in this piece of paper, you got, before you do it.

**Michelle Peot** - because they're pushing it to the HOA for an ongoing oversight.

**Elliot Sheltman** - If your HOA is one homeowner, you're not going to be able to get the money out of them.

**Kurt Allen** - OK, one more thing. Everybody knows my position on this board being a regulatory board. I will always defend this board. I've enjoyed working with this board and this board has been a very attentive board to the detail of this subdivision. We have done our due diligence. This property owner has rights. The rights of this property owner have been tried to be taken away from him for nearly 20 years in this development. Property owners have rights, and I will vote that way every time, I will have the discussion that way every time, and if a property owners rights are being taken away from them, I'm against it and that's why I've been accused of being part of this development, because it appears that I'm in too much favor of it. I'm in favor of giving a property owner his rights. And that's why I'm voting for this development to go through, and that's why I have made this motion to accept this will-serve letter. Because the will-serve letter protects this association, and I don't believe that this association is capable of meeting the financial obligation that's going to come from pressing this into a litigation. This board is looking out for your financial responsibility of the shareholders and we're doing everything we can. And we have done due diligence to do so.

**Don Fawson** - OK, I think we've had enough discussion at this point. We have a motion and is there a second to that motion. Are there any other motions that want to be presented at this time? What do you want to do?

**Alan Cohn** - I will make a motion and again I'm going to roll this out there one more time that we in lieu or until we can get a DEQ person to come down as is requested in the will-serve, to have them come down check everything. I think that's going to put a lot of people at ease so then we're not \*\*\*\*\* town. It's something that would have been done and would have been paid for by SRIH anyway. I'm just throwing this out there as an option.

**Don Fawson** - Is there a second to that motion?

**Kurt Allen** - Don, Roberts Rules of Orders requires one motion to be either tabled or denied before another motion is made.

**Don Fawson** - It failed because you didn't get a Second, and I think that we had enough time for that. So, the motion is on the table right now.

**Peter Gessel** - The kind of simplified version of the Roberts Rules of Order, this would be a substitute motion. That action would be taken on before the underlying motion.

**Don Fawson** - So, I'm sorry, say that again.

**Alan Cohn** - So you're saying the one I put forward.

**Peter Gessel** - it's a substitute motion, so it's a substitute motion that's before you to table it. The first motion was not defeated. This is just a substitute motion on top of the underlying motion which was to approve it.

**Don Fawson** - OK. So, we can go ahead with the underlying motion.

**Peter Gessel** - Well, the substitute motion is to table it, is that correct?

**Don Fawson** - Yes.

**Peter Gessel** - Is there a second?

**Don Fawson** - Is there a second to table it?

**Shareholder** - Wasn't there a condition outlined.

**Alan Cohn** - Well, I guess to rephrase that to table, the will-serve in anticipation, hopefully, of getting a DEQ person down to recheck the area. Is that acceptable Peter or is that to be separate or?

**Peter Gessel** - That would be an explanation on the motion.

**Don Fawson** - Do we need to have a second to that motion?

**Peter Gessel** - I would say yes.

**Don Fawson** - OK, is there a second to that motion. OK, where do we go from here? I don't know what you guys are going to do. Where do we go from here? If we have a motion on the table and there's no second, then what do we do?

**Peter Gessel** - And you've got two motions and you've got no second on either of them, so.

**Don Fawson** - right? I thought that after a period of time that if a motion was not seconded that it failed.

**Peter Gessel** - To be honest with you I've mostly worked with the legislature and to be candid with you they don't second so. Let me get you an answer. Talk amongst yourselves,

**Kurt Allen** - Alan Roberts could you give us any input on that? You've served on the Council and Planning Commission for a long time.

**Alan Roberts** - If there's a motion on the table and it does not receive a second, the motion fails because of a lack of a second. Yes, I am Roberts Rules, nobody listens to my rules. If anybody would listen to my rules, we'd be a little more cautious about where we're going with this because this water company is trying to be a land use authority and the members of this water company are encroaching upon what they really have the ability to do because they're not a land use authority. They have full rights to deal with their water company and any infrastructure that goes with it. That is the rights of this water company. It's slightly protected as a quasi-entity under Leeds, and I know that because that's how this water company got the funding they got through the State because they are a quasi. But they are still a private water company. They're not a land use authority.

**Brant Jones** - So, what's your recommendation?

**Alan Roberts** - My recommendation? The board members have two options. If you're not going to vote on this. Actually, there's more than two options, but I can throw a couple of things out there. First thing is why did the water company accept wet water from somebody if they didn't have the intention of potentially serving whoever that may be, they went over. So, you have an option to hey, here's your water back we want nothing to do with you. But I would also put this out to the members that are here and it is not a fair analysis of all stockholders for LDWA of what sits in this room right now. There are individuals who have spent a great deal of time bringing things to the association, whether it's board members, whether it's Shareholders. If individuals and I speak as a shareholder, if other individuals, other shareholders are willing to fund the legal ramifications of this, don't do anything with it at all. As far as this specific will-serve, that's being asked of you. Don't do anything with it at all let her go. The people that are loud enough here, I expect them to raise their hand and say, I'm in financially, I'm willing to see this one through and I'm willing to foot the cost financially for what the legal ramifications will be. Cuz, this is real. Elliot can say all he wants to about previous lawsuits and there's a number of people that have been presented with potential suits. This one here depends on how much of a gamble you're willing to risk. But as a shareholder, don't be putting me financially in a bind because of this because I won't pay for it.

**Don Fawson** - Did you find anything, Peter?

**Peter Gessel** - Yeah, you have two motions with no second so both of those motions fail. So, we had a motion to issue the will-serve letter, that failed. We have a motion to table the letter, that failed. So, it's up to you what to decide to do next. You can move to the next agenda item. You could adjourn the meeting. If you wish, the board can go into executive session, step outside of the room with the shareholders and the guests and we can consult together on this vote, that's also an option.

**Kurt Allen** - Prior to doing that, I'd like to make a new motion. And in order to protect the shareholders of this association from the potential financial disaster that's facing them at this time. I would like to make a motion to accept this will-serve letter to avoid a financial disaster in this association.

**Shareholders** - (Many speaking at once) That's the same motion. What are you doing?

**Susan Savage** - My understanding from what Peter said and from your reading of, the will-serve letter as it is. Is that the inspection, the evaluation that people are asking for is built into that is ongoing. I'm not in favor of turning things over to a bigger association because they get lost. Brant was right about that. And then I just want to say when people say let's let us be sued. You're assuming that you're going to win. You

can spend a lot of money on something and you don't know if your going t win. You may not prevail at all

**Michelle Peot** - You're also assuming you're going to get sued.

**Jared Westoff** - I know, I am speaking for myself, and I will extend that to the development. We don't want a will-serve letter because there is legal liability. We want the will-serve letter because we've complied with the rules, regulations, and policies of LDWA. And that we have from our side, we've spent millions of dollars to make sure we could clean the property up. We have a Will-Serve Letter in place that has a process, the Site Management Plan, to continue to ensure that is happening. The DEQ coming down, that's the appropriate place to address most of the concerns we've heard tonight, and you ask about good faith, Alan, we've spent a fortune, and we've been patient, and we've been tolerant, and we have worked through different concerns, and we don't want a Will-Serve Letter because of the threat of lawsuit. We want the Will-Serve Letter because we have done what we are required to do by your policy to get a Will- Serve Letter. That said, we have drawn a line in the sand, and I will say the complaint is drafted and will be filing because we're done with what is going on, with what happened with the prior Board, and we're ready to move forward. We are filing it Friday.

DISCUSSION	FINAL MOTON ON SILVER POINT ESTATES
<p><b><u>Kurt Allen</u></b> - I modify my motion to take the financial obligation and fear out of that motion and I modify that motion to be said that the responsibilities and all of the requirements have been met by this property owner and this developer that the board has asked, and I make the motion we accept this will-serve letter because all of the requirements have been met by the developer.</p> <p><b><u>Don Fawson</u></b> - I want all of you to know, the reason that I'm not making any seconds or motion is because that's out of my purview. That is not something that the President has the right to do, that lies with the other board members, I can't.</p> <p><b><u>Ralph Rohr</u></b> - We would like confirmation that what you just said is true. We would like confirmation that what Jared has said is true, that the requirements have been met. We do not believe they have been met. We contest that, and we would like confirmation from appropriate authorities that it has been met.</p> <p><b><u>Shareholder</u></b> - It's up there, it's obvious it has to be proved that it was not met, and it hasn't been met and it's a danger to everybody in this town.</p> <p><b><u>Don Fawson</u></b> - We are not disagreeing with any of this, the issue on whether obligations have been met. It is in legal terms, it is not in, you know, moral terms or in terms of what we think ought to happen up there because, I have a different opinion of that other than what's legally there. So, there is a good chance, at least from people we've been talking to, that we're going to wind up not prevailing in this. And then we're going to be back here, but we're going to be less financially along. So, basically that Begins tonight. So,</p> <p><b><u>Kurt Allen</u></b> - There's a motion on the table.</p> <p><b><u>Don Fawson</u></b> - The motion is on the table one last time. Any seconds over here.</p> <p><b><u>Brant Jones</u></b> - So it was my intent to vote for this in coming in here. I did not want to do the second. That is how conflicted I am on this. I do not like any of it. I do not like sitting here because of what has gone on prior to me coming here. You need to go to Town meetings and bring everything else that</p>	

doesn't have to do with water up and deal with it. This is going to give us the opportunity to continue to work, to keep us safe, and protect our money that provides the water system, and the clean water that gets to your home. So, I must second this.

**Don Fawson** - It's been moved and seconded. Any further discussion among the board? Ok, we'll start over here with Alan.

**Alan Cohn** - I'm going to have to vote nay, I offered a like I said, hopefully was going to be maybe a middle ground. So, I'm going to have to vote no.

**Brant Jones** - Right. I think we were just told we don't have more than Friday and we've already spent money on Peter tonight, so I have to vote Yes.

**Don Fawson** - Yes

**Kurt Allen** - Yes

**Doris McNally** - Given the history of Agreements between the LDWA, Silver Pointe Estates & the Town ... From the Development Agreement, signed by then Leeds Town Mayor Trudy Law in Oct 2008. To the Water Rights Agreement, signed by Rick Sant (SPE) and Ron Cundick (then President LDWA) in Aug 2010. The "Water Service" as outlined by Peter earlier written by Ben Gordon (then President LDWA) in Nov 2010. And a second Water Rights Agreement, signed by Rick Sant (SPE) and Elliott Sheltman (then President LDWA) in Dec 2015. Then the Plat signed by then Mayor Wayne Peterson in June 2016. There are a number of historic "legal" obligations between all the parties. The current Board has spent a lot of time understanding these obligations, specifically the ones relevant to the LDWA, and have worked with Silver Pointe to draft an updated will-serve that not only incorporates many of the obligations from the previous agreements but offer more detail and relevant measuring & monitoring requirements.

As Brant said earlier, we are in a better position given the punch list requirement set forth in the new drafted will-serve, than if another entity were to come in, without the same interest, to offer service. It's unfortunate that we are where we are. But as a Board Member I feel it's important to understand all the issues and to make decisions that will protect not only the quality and volume of water available to our shareholders but also protect the water company's financial health. And avoid costly litigation with no guarantee that we will prevail. So, with that I'm going to have to say yes.

**Don Fawson** - OK, the motion passes, the will-serve letter will be sent. I just want to say this, this has not been something that has brought a lot of sleep filled nights for any of us. And I appreciate everything that's been said tonight. I apologize for my emotion at times. But I do appreciate everything that you do, and our plan is to try to make this as safe as we possibly can. I hope you will go to the town board meetings and express your concerns.

VOTE	THE RESPONSIBILITIES AND ALL OF THE REQUIREMENTS HAVE BEEN MET BY THIS PROPERTY OWNER AND THIS DEVELOPER THAT THE BOARD HAS ASKED, AND I MAKE THE MOTION WE ACCEPT THIS WILL-SERVE LETTER BECAUSE ALL OF THE REQUIREMENTS HAVE BEEN MET BY THE DEVELOPER: Kurt Allen   SECOND: Brant Jones <b>MOTION APPROVED:</b> 4 Yea / 1 Nay
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**Cindy Neubauer** - They already said they can't do anything.

**Michelle Peot** - Will you all be coming to the next Town Meeting?

**Don Fawson** - When is that?

**Michelle Peot** - This next Wednesday night.

**Don Fawson** - Yes

**Shareholder** - Will the homeowners be notified when the excavation takes place?

**Don Fawson** - That should be fine, and that is not going to happen for quite a while. There are still some big hurdles that have to be done.

**Shareholder** - So we can buy our respirators

## II. MOTION TO ADJOURN THE MEETING

DISCUSSION	END THE MEETING
Don Fawson - At this point now I'll call for the vote to close the meeting.	
VOTE	MOTION TO ADJOURN MEETING: Doris McNally   SECOND: Brant Jones <b>MOTION APPROVED:</b> Unanimously

ADJOURNMENT: 9:22PM



**Layna Larsen** / Corporate Secretary

**COPY OF NEW POLICY ATTACHED**



LEEDS DOMESTIC  
WATERUSERS ASSOCIATION

A private non-profit, shareholder owned culinary water utility.

## CONFLICT-OF-INTEREST POLICY RESOLUTION 2023-01

Officially adopted by the LDWA Board of Directors, 06/21/2023

A resolution of the Leeds Domestic Waterusers Association (LDWA), Leeds, Utah, adopting an Association Conflict-of-Interest Policy for its board members and employees.

Be it ordained by the Board of Directors of the LDWA, Leeds, Utah, as follows:

### SECTION 1. RECITALS

**WHEREAS**, Leeds Domestic Waterusers Association (hereinafter “LDWA”) is a private non-profit corporation duly organized and existing under the laws of the State of Utah; and,

**WHEREAS**, LDWA is desirous to increase transparency to its shareholders.

**THEREFORE, BE IT ORDAINED** by LDWA as follows:

### SECTION 2. INTRODUCTION

The purpose of this conflict-of-interest policy is to prevent the institutional or personal interests of Leeds Domestic Waterusers Association (“LDWA” or the “Company”) board members, officers, and staff from interfering with the performance of their duties to LDWA, and to ensure that there is no personal, professional, or political gain at the expense of LDWA.

This policy is not designed to eliminate relationships and activities that may create a duality of interest. Rather, its purpose is to require a) the disclosure of any conflicts of interest, b) the recusal, if warranted, of any interested party in a decision relating thereto by prohibiting the interested board member from voting on any matter in which there is a conflict, and c) confidentiality such that any director, officer, or staff member shall not disclose or use information relating to the business of LDWA for the personal profit or advantage of the director, officer, staff member, family member, or any other organization the person is a member of or participates in.

### SECTION 3. CONFLICT OF INTEREST

A conflict of interest is defined as an interest that might affect, or might reasonably appear to affect, the judgment or conduct of any director, officer, or staff member in a manner that is adverse to the interests of LDWA.

A conflict of interest occurs when a person has an economic or family interest in the subject matter. Because of a director’s fiduciary responsibilities, he or she has a duty to be reasonably informed about potential conflicts of interest.



Conflicts of interest may exist when the interests or potential interests of any director, officer, or staff member, or that person's close relative, or any individual, group, or organization to which the person associated with LDWA has allegiance, may be seen as competing with the interests of LDWA, or may impair such person's independence or loyalty to LDWA.

#### **SECTION 4. PROHIBITED ACTIVITIES**

The following is a non-exclusive list of examples of conduct or activities that can give rise to or may constitute a prohibited conflict of interest. A conflict of interest may exist if a director, officer, staff member, or close relative:

- a) Has a business or financial interest in any third party dealing with LDWA. This does not include ownership interest of less than 5 percent of outstanding securities of public corporations.
- b) Holds office, serves on a board, participates in management, or is employed by any third party dealing with LDWA.
- c) Derives remuneration or other financial gain from a transaction involving LDWA (other than salary reported on a W-2 or W-9 or salary and benefits expressly authorized by the board).
- d) Receives gifts from any third party on the basis of his or her position with LDWA (other than occasional gifts valued at no more than \$50, or if valued at more than \$50, the gift is made available in a team space or common area for others to share — e.g., fruit baskets, boxes of candy). All other gifts should be returned to the donor with the explanation that LDWA policy does not permit the acceptance of gifts. No personal gift of money should ever be accepted.
- e) Engages in any outside employment or other activity that will materially encroach on such person's obligations to LDWA; compete with LDWA's activities; involve any use of LDWA's equipment, supplies, or facilities; or imply LDWA's sponsorship or support of the outside employment or activity.
- f) Competes either directly or indirectly, with LDWA in the purchase or sale of property or property rights, interests, or services, or, in some instances, competes directly for the same external use of LDWA's resources (for example, staff or contracts) for personal purposes.
- g) Discloses or exploits information pertaining to LDWA's business for the personal profit or advantage of such person or a family member of such person or a person/entity with whom he or she has an agency relationship.

#### **SECTION 5. DISCLOSURE, RECUSAL AND ABSENTION**

The Following procedures shall apply to conflicts of interest.

- a. **Disclosure.** Whenever any board member or the general manager has a conflict of interest or a perceived conflict of interest with LDWA, he or she shall notify the board president (or vice president, if the president is the conflicted party) of such conflict in writing.

Whenever any staff member (paid or volunteer) has a conflict of interest or a perceived conflict of interest with LDWA, he or she shall notify the general manager of such conflict in writing.

on the matter. He or she shall not participate in any manner in the decision or deliberations regarding the matter under consideration. However, that person shall provide the board with any and all relevant information on the particular matter.

- c. **Record.** The minutes of the meeting of the board shall reflect that the conflict of interest was disclosed, that the interested person was not present during discussion or decision on the matter and did not vote.

## SECTION 6. CERTIFICATION AND ANNUAL REVIEW

A copy of this conflict-of-interest policy shall be furnished to each board member, officer, and staff member who is presently serving LDWA or who may become associated with it.

This policy and its application shall be reviewed by the board of directors annually to assure compliance with the continuing responsibility that persons subject to this policy have relating to their transactions and outside business interests and relationships in order to avoid potential conflicts of interest and make required disclosures.

Each person subject to this policy shall sign a statement on forms supplied by LDWA which, at a minimum, affirm that such person:

- a) has received a copy of the policy;
- b) has read and understands the policy; and
- c) has agreed to comply with the policy.

Such statements shall be maintained on file in the Company's Office.

LEEDS DOMESTIC WATERUSERS ASSOCIATION

By: 

Donald Fawson, LDWA Board President

06/21/2023

Attested and recorded

By: 

Layna Larsen, LDWA Corporate Secretary

06/21/2023