



MINUTES

DATE/TIME/LOCATION:	July 19, 2023	7:00 PM.	Leeds Town Hall
TYPE OF MEETING:	Board of Directors Meeting		
NOTE TAKER:	Layna Larsen (Corporate Secretary)		
ATTENDEES:	Board Members: Don Fawson (P), Kurt Allen (VP), Doris McNally (T), Alan Cohn (M) Brant Jones (M) Staff: Layna Larsen (Corp Secretary) Mark Osmer (Field Op Mgr) Shareholders: Susan Savage, Ron Cundick, Angela Rohr Guests: Riley Vane (J & D), Devin Anderson (Silver Eagle Estates)		

Agenda Topics

I. CALL TO ORDER [Don Fawson @ 7:00PM]

CALL TO ORDER	Don Fawson - Lets begin. We would like to welcome you here tonight.
ROLL CALL	PRESENT: Don Fawson, Kurt Allen, Doris McNally, Brant Jones, Alan Cohn
PRAYER	Ron Cundick
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: Kurt Allen MOTION APPROVED: Unanimously
VOTE	MOTION TO APPROVE PRIOR MEETING'S MINUTES: Doris McNally SECOND: Kurt Allen MOTION APPROVED: Unanimously

II. ANNOUNCEMENTS [Don Fawson]

DISCUSSION	AGENDA OUTLINE
Don Fawson - Ok Let me announce the agenda now. We will have a conflict-of-interest statement in just a minute. Then we will have individual reports. We will start with Mark, then Doris, then Brant, then Alan, and then Kurt. We will then hear from Silver Eagle Estates, and then any shareholder comments.	

DISCUSSION	DECLARATION OF ANY CONFLICT-OF-INTEREST		
<p><u>Don Fawson</u> – We have created a Conflict-of-Interest Policy. Doris, I know you worked on this, where does the policy stand.</p> <p><u>Doris McNally</u> – Based on our discussion last month the drafted policy is currently posted online on the LDWA website. I’d also like to propose that we attached the policy to the minutes from tonight’s meeting.</p> <p><u>Don Fawson</u> - I just want to officially get the policy accepted, so I will accept a motion to accept the Conflict-of-Interest Policy. Then I would like to ask if there is anyone who has a Conflict-of-Interest on our agenda topics today?</p>			
VOTE	MOTION TO ACCEPT THE CONFLICT-OF-INTEREST POLICY: Allan Cohn SECOND: Kurt Allen MOTION APPROVED: Unanimously		
CONFLICT	Alan Cohn - No conflict Don Fawson - No conflict	Brant Jones - No conflict Kurt Allen - No conflict	Doris McNally - No conflict

III. OFFICERS REPORTS

a) PRESIDENTS REPORT [Don Fawson]

DISCUSSION	NUMBERING FIRE HYDRANTS
<p>Don Fawson - I just want to give a thanks and shout out to Doris and her husband Bob for numbering the fire hydrants. That was a big project. They did a great job and the hydrants have been numbered according to geographical section within the Town.</p> <p>Alan Cohn - It was a job no one else wanted to do.</p> <p>Don Fawson - It really was, and Doris and Bob were very efficient at it. So, thank you very much, Doris & Bob.</p>	

b) OPERATION / FIELD REPORT [Mark Osmer]

DISCUSSION	REPAIRS & MAINTENANCE
<p>Mark Osmer - We passed our BacT test again this month. I've been flushing fire hydrants, greasing them, maintaining them, making sure they all work. We test the static pressure and then we also test the gallons per minute when we're flushing. We've completed about 30% at the moment. So, I'm now working my way through the remainder.</p> <p>I've been working with Riley. We've been doing some testing on the system, checking pressures and different stuff like that. And then just general maintenance of the system.</p>	
DISCUSSION	THE SPRING :: WATER VOLUME
<p>Mark Osmer - We're still running solely on Spring water at the moment, but I think I will have to turn the Well on probably tomorrow or Friday. Just due to the heat and people using more water.</p> <p>Don Fawson - Any questions for Mark?</p>	

Kurt Allen - What time of the year do you typically start the well? I know this is later in the season.

Mark Osmer - Probably around April or May normally.

Kurt Allen – Really.

Mark Osmer - Pretty early, yeah.

Kurt Allen - So, the Spring has lasted a long time.

Mark Osmer - Yeah, it has lasted a really long time. I'm just going to check it tomorrow and see it's flow rate.

Alan Cohn - And what's the flow of the Spring right now? Do we know?



Mark Osmer - About 245 gallons a minute?

Don Fawson - That's for the Spring?

Mark Osmer - That's for the Spring, yeah.

Don Fawson – OK. Thank you, Mark.

c) OFFICE FINANCE REPORT [Doris McNally]

DISCUSSION	ANNOUNCEMENTS/BILLING/COMMUNICATION [Doris McNally]
<p>BILLING</p> <p>Billing for June was completed/mailed on July 1st.</p> <p>NEWSDRIPS</p> <p>The June Invoices included an article on the upcoming Backflow & Cross-Connection survey. We have started sending out the surveys to shareholders. Once the surveys are physically mailed an email reminder will be sent to encourage shareholders to complete and return them.</p> <p>Based on the feedback from the Board on the draft articles I proposed for the July invoices. I'd like to MAKE A MOTION to approve the Article for the upcoming August Invoice production run, regarding the use of PayClix.</p>	<div><div><p>Need to contact the LDWA, it's simple. Phone (435) 879-0278 Please leave a message, your call will be returned promptly. • To report an EMERGENCY water leak or a loss of water PRESS 1 • For a BILLING INQUIRY, PRESS 2 • For a GENERAL INQUIRY, PRESS 3 Your message is immediately routed, and a LDWA representative will be in contact. Email LDWAcorp@infowest.com</p></div><div><p>IMPORTANT SURVEY</p><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) & 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></div> <div><div><p>Need to contact the LDWA, it's simple. Phone (435) 879-0278 Please leave a message, your call will be returned promptly. • To report an EMERGENCY water leak or a loss of water PRESS 1 • For a BILLING INQUIRY, PRESS 2 • For a GENERAL INQUIRY, PRESS 3 Your message is immediately routed, and a LDWA representative will be in contact. Email LDWAcorp@infowest.com</p></div><div><p>Online Bill Payment with e-check or credit card</p><p>Paying your water bill online with PayClix.com</p><p>Your LDWA water bill can be paid online through PayClix.com. PayClix is a secure, fast online payment portal where you can use your computer, smartphone, or tablet to pay your bill on-the-go and make payments anytime, anywhere. For both online and mobile payments, you can pay via automated transfer from your credit card, debit card, or an E-Check.</p><p>You can pay by phone: (866) 729-2549. Talk to a Live Representative who will assist you. (Monday through Friday from 7:00AM – 3:00PM MT) or you can pay online @ payclix.com/LDWA.</p></div></div>
VOTE	<p>MOTION TO ACCEPT PAYCLIX ARTICLE: Doris McNally SECOND: Kurt Allen</p> <p>MOTION APPROVED: Unanimously</p>

DISCUSSION	FINANCE [Doris McNally]						
PAYCLIX In June we had 77 shareholders who paid their bills using this payment option. The total amount collected through PayClix was \$5,721.37. With 57% paid via credit cards & 43% via echecks.	Credit Cards		Electronic Checks		PayClix®		
	Count	Credit Cards	Count	eCHECK	Count	TOTAL	
	Jan-23	39	\$2,042.98	26	\$1,448.97	65	\$3,491.95
	Feb-23	42	\$2,686.29	27	\$1,050.32	69	\$3,736.61
	Mar-23	47	\$2,156.00	29	\$1,593.07	76	\$3,749.07
	Apr-23	45	\$2,267.30	28	\$1,130.00	73	\$3,397.30
	May-23	45	\$2,664.39	30	\$1,703.07	75	\$4,367.46
	Jun-23	49	\$3,267.88	28	\$2,453.49	77	\$5,721.37
	267	\$15,084.84	168	\$9,378.92	435	\$24,463.76	
FINANCE [May 2023]							
						% to TOTAL	
Total Net Ordinary Income:		\$30,504.65					
Total Ordinary Operating Income:		\$29,527.73				96.8%	
Total Other Operating Income:		\$976.92				3.2%	
Total Net Ordinary Expense:		\$24,993.02					
Ordinary Field Operating Expenses:		\$7,681.57				30.7%	
Ordinary Admin Operating Expenses:		\$4,456.13				17.8%	
Professional Operating Expenses:		\$2,364.00				9.5%	
Labor Expenses:		\$10,491.32				42.0%	
The LDWA's Banking Accounts [as of 07/12/2023]							
CHECKING ACCOUNT						\$27,487.36	
SAVINGS ACCOUNT						\$284,403.15	
EMERGENCY REPAIR & MAJOR PROJECT RESERVE						\$206,598.15	
DDW LOAN #3F138 FUND						\$21,281.24	
IMPACT FEE ACCT						\$60,549.98	
DISCUSSION	CALL FOR A VOTE TO APPROVE FINANCIALS						
I think we need to ask the board to approve the Financials as they were presented							
VOTE	MOTION TO APPROVE THE REPORT AS PRESENTED: Doris McNally SECOND: Kurt Allen MOTION APPROVED : Unanimously						

d) ADMINISTRATION REPORT

DISCUSSION	UPDATE ON LWC [Brant Jones]
<p>Brant Jones - The agreement that is between the two companies is being worked on, and that's going to be reviewed by an LWC water attorney. Tom Beach (LWC Board Member) is giving that to an attorney.</p> <p>The other item that came up was LDWA getting calls for the LWC because there's just not a great place to find information about the irrigation company. So, we discussed that today, and they're working on a website. The point was that we wanted to divide up responsibilities. If it's about billing that goes to one person, if it's about maintenance it goes to another person. Tom Beach is working on that website; he's already got it in the works so we will get it to you as soon as we can.</p> <p>Doris McNally - So there is an info page on our website. The website also has local information, we have the address for the post office, and we have the address for some other locations. We could also add the LWC with a little description of what it is onto our website because there is a confusion. All I would need</p>	

from you is what address would you like for that to be and your phone number. So, if you have an interest in that it is available.

Brant Jones - Right now we find everybody wants their personal phone numbers on there. So, for right now just send them to me.

Doris McNally - OK. But the offer to put it up on our website is still available to you, just let me know the details. I'm happy to do that.

Brant Jones - All right. Thanks.

DISCUSSION

PROJECT UPDATE [Kurt Allen / Riley Vane]

Kurt Allen - OK. There's been a lot happening with the projects and it's hard to keep up with these guys they are moving fast. I think that the environmental efforts and the permits are starting to come together and so we're starting to see some results in that area. We've been preparing for this for a long time, and I don't want to take away Riley's thunder, he's way better equipped at explaining this than I am. Riley has brought with him the 60% drawings of the Projects which includes the Oak Grove line, the East Main Street Line, and the Well building structure and appurtenances for the Well. So, with that I'll turn the time over to Riley to give a presentation. It's great to have Riley back with us. He has been busy working behind the scenes.

Riley Vane - Well, it's good to be back. I'm grateful for the opportunity to come and give an update of our efforts so far and they have been extensive and speak to what Kurt mentioned. You, the Board have in front of you an updated timeline as of today, indicating where we sit with our projected tasks until the project completion, more or less. There have been some delays and I think we've spoken to this individually but as far as the rest of the Shareholders are concerned, we received initial DDW project approval back in August. In close coordination with the Board, we felt it was expedient to get an additional amount of money to test the existing Well and that was approved in November. LDWA voted to proceed with the projects back in December, which is apparently all you need to get rain, because then we started getting rain and although we're grateful for it, it did cause delays. Two surveys had to occur in order for the projects to continue. One being the Survey of The Actual Line and everything that would go into that design. The second being the Cultural Survey, the Cultural Survey being the more critical of the factors from a timeline perspective. The ground was obviously wet and muddy for so long causing a delay. It would dry out for a day and then it would be wet for another three days during that rainy season. So, we had about six weeks delay trying to get both the line and cultural surveys completed in order to meet the funding requirements. So, we carried on as able and continue to do our surveys and engineering.

DISCUSSION

WELL

Riley Vane - We tested the Highlands Well also during that time and experienced some delays as we were testing the Well, pulling the old pump, getting the new pump installed and getting a new yield rate approved by DDW. That's been approved so we have a permitted increase in withdrawal from that diversion. So, if the demand is there, you're able to pull more water from the existing well.

DISCUSSION

PERMITTING

Riley Vane - And some of the other components that we are marching through is, as I mentioned, the environmental permitting. So, not only do we have the good fortune of dealing with one government

agency, but we get to deal with two, the National Forest Service and the BLM. They both have individual permitting processes you have to go through in order to make improvements on their land. Although it's similar in nature, you are dealing with completely different entities who usually end up focusing on different things and it just takes time. So, concurrently we've got the applications completed and submitted to them. They will now get back to us and indicate what the environmental review must contain, and we'll work to complete those requirements. Unfortunately, you can't pin a timeline down, especially post COVID, but we're typically seeing 6 to 12 months, typically around nine months. We have a very good application and considering that the improvements are already located in disturbed areas, I would expect an expedited schedule on that, six months from the review time, but far be it for me to try and outguess the government. So, getting that permitting in place and approved with the State is our critical path to moving forward project completion.

DISCUSSION	CONTRACTOR DESIGN ASSIST PORTION
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Riley Vane - As Kurt mentioned, we have a 60% design that's ready and I welcome anyone to come up and look at the plans and discuss that after the meeting. We are now poised and ready to do our contractor design assist portion. We will issue an RFQ request for qualifications. We need qualified contractors to go through the designs and reduce the amount of expensive and time-consuming change orders. This is ultimately the goal. Do the value engineering, get a better product and reduce the amount of change orders during construction. That's the intent of doing this design assist portion.

Don Fawson - So 60% we are leaving out the final 40% details and that 40% would be where the contractor actually comes in and works with you. So, it's the little details more than anything.

Riley Vane - Yes, exactly. The bulk of the design is already there and ready for final review and design working with the selected contractor. At a certain point you stop the detail design because experience tells us we're just going to have to change them anyway. Contractors are more knowledgeable about availability of products and of ways to cut the overall cost so we can put more money to where it's needed. So, the bulk of the design is there, and as Kurt mentioned, we have the three schedules and I say 60 percent but it's a technical term, but they are at varying level of completion.

- Schedule 1: the new Well house, the chlorinators, the altitude valve, all those ancillary items, and appurtenances.
- Schedule 2: the Oak Grove five-mile pipeline, and the head structures that are included in that, and
- Schedule 3: the Main Street East portion of the one-mile pipeline through Town.

Not included in this plan set, is the drilling of the new Well. We've already received DDW approval for our plans on that and we can't pull the trigger until we have the permit from the **BLM**, but our plans are approved and ready to be issued for a bid.

DISCUSSION	MAIN ST COST SHARING WITH WCWCD
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Riley Vane - The other portion of the funding project, the cost sharing portion with Washington County Water Conservancy District (WCWCD) is also moving forward and we are coordinating with Civil Science, the WCWCD engineer, on that. I think you have some updates Kurt, and I'll let you speak to that.

Don Fawson - So Civil Science is the WCWCD Engineering Firm.

Riley Vane - In meeting with them early on, it was apparent that because we're paralleling their pipeline, they were responsible for the bulk of that design. We went through and designed all the connections so that they made sense for our system, and those designs were to LDWA specifications. Civil Science is

responsible for the bulk of the total project design that we reviewed at every interval, 30%, 60%, 90%, and now they're approaching final construction drawings.

DISCUSSION	PERMITS & BIDDING
	<p>Riley Vane - So that brings us to today, we have 60% designs completed so we are in the middle of a waiting game to see what happens with the environmental reviews and as soon as we get some movement on that, we'll know how to respond accordingly. Knowing when to pull the trigger and getting some contractors involved on the design assist. We have that coming up and then shortly thereafter completing the plans and designs and getting everything into the State for final approval.</p> <p>There's nothing to say you can't bid before the permitting is finalized and in fact, I'm planning on doing just that. If you look at our timeline you will see the bid schedule, but we've got to be a little bit closer. You want to be about four to six weeks out from the time you expect the permits to be approved. It just doesn't do us any good to put that out to bid at the moment because you're going to expect some amendments and contract modifications after that. Usually, the permitting agency can give you a tentative approval, a verbal approval, and that's good enough to start moving forward with the bidding process and procurement.</p>

DISCUSSION	PROJECTS START TIME
	<p>Riley Vane - We are hoping to start this year and we may be able to start the drilling and some portions of the projects this year, but ultimately, it's up to the BLM and the National Forest Service at this point and how long they're going to take grinding through the permit process and getting us approval. The board was wise in upsizing and testing that existing Well, so we have an increased capacity there and we were blessed with a great water year. I don't see any indication that we're going to be using a record amount of water in Leeds this year due to large rainfall and so I think this is a good year to plan and get everything in order, to make sure that our contract goes smoothly during construction. Any other questions?</p> <p>Don Fawson - Riley, one of the things that you mentioned earlier was the altitude valve, it was my understanding that because we discovered the other line, the overflow line that we could abandon the altitude valve.</p> <p>Riley Vane - We certainly can. We also mentioned and talked about putting some effort into re-piping that so it's on the proper overflow pipeline that's coming from the Highlands tank, and then putting the same solenoid valve so you could manually control it. I think that there still is a need there to be able to shut off that line as needed. If you just run that pipe straight to it, you kind of lose that control and I wouldn't recommend it. You may lose that funding.</p> <p>Don Fawson - Let me ask you this. I mean that money should just be part of the entire package, right. So that could be shifted over to the East side pipeline if in fact we need to.</p> <p>Riley Vane - If we can prove that it's not needed and that it's still preserves the intention of the project and not go outside of scope of the pipeline improvements like the chlorinator and stuff like that then yeah, we can. I still think we need to have it as an alternative item, and it's something that we can have in our back pocket if there's funds left over or however you instruct us to do that we can move forward accordingly.</p>

Don Fawson - Lets have more discussion on that. (After further discussion, it was determined that since the overflow was not consistent and our obligation to LWC needs to be met on a consistent basis, the altitude valve may still be necessary)

Riley Vane - OK

Don Fawson - Appreciate that.

Riley Vane - Any questions? Thank you.

Don Fawson - Thank you, Riley.

Doris McNally - Riley, I want to work with you and update the website with some copy on the individual projects just to keep the shareholders updated. And I also like to have the Board take a review of all the documents and see what we'd like to either attach to this meeting minutes or post on the website, because especially the project schedule would be something of interest. So, I might need some copies from you electronically, Thank you.

Kurt Allen - Yeah, that was the intent. Doris, asked for a schedule that we could put on the website here a couple of weeks ago and so that was our intent that Riley and I get this in writing so that we can post it on the website.

DISCUSSION	MAIN ST PROJECT
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Kurt Allen - I want to speak to the combined Washington County Water Conservancy District (WCWCD) 24-inch pipeline project and our 10-inch pipeline project. You know, there's been a lot going on behind the scenes with that as well. I don't know if people realize that our portion of that project is Federally funded and has a whole different set of rules attached to it than the WCWCD 24-inch pipeline. Because of that, WCWCD has been very generous in allowing Civil Science to put the extra work into breaking that project out into two bid schedules and then setting up a complete set of guiding rules for our 10-inch pipeline versus their 24-inch pipeline. By that I mean because our line is Federally funded, it's going to be Bacon Davis Wages, (Federal Minimum Standards) Certified Payroll. The contractor has to buy American made products, has to pay certified payroll, and the reporting system back to the Division of Drinking Water is going to be quite intensive and require a lot more paperwork. So, Civil Science has been working with the Division of Drinking Water. Heather, at the DDW, has been amazing to work with them and get any questions answered and get everything in the specifications so that when the contractor bids this project, they know what they're getting into. They know they must bid it accordingly, knowing that they have to live by this separate set of rules. With that said, these additional requirements have delayed WCWCD letting out their 24-inch pipeline to bid. They have been waiting for the Division of Drinking Water approval and waiting for the specifications to be written and waiting for the rules to be established and approved by Heather before they bid their 24-inch pipeline out because our 10-inch is part of the entire bid package. I need to compliment and give the WCWCD credit for allowing the Civil Science group to take the time to make the Division of Drinking Water happy and meet all the added requirements that come with our Federal loan and grant money. Trevor, with Civil Science, indicated to me this week that Heather is satisfied with everything and given her approval for it to go out to bid. Trevor indicated that they're going to advertise it for bid next week. It'll be a two-week bidding period and then they will accept the qualified bids from contractors. So, it's coming. It's there, like Riley says they're at 90% drawings and they are basically calling it 100% drawings if they're going to let it out to bid. It's going to be a big project, I'm not sure what the total dollar value is going to be, but as you remember we bid the materials already and so the materials have been awarded to Ferguson Supply and our portion of the materials was just right around \$500,000. The contractor that bids this project is going

to bid labor and equipment only, the materials will already be supplied to them. It's ready to go and I think in the next 30 days you're going to see them breaking ground down on the South end of town by Harrisburg and they'll be working their way North up old Highway 91. It'll probably take them a month or month and a half or so before they get into Town. At that point, they will start working on our 10-inch pipeline along with their 24-inch. Any questions on any of that?

Doris McNally - I have a question. Do you think the Town Council knows fully all about what you just shared? I see Ron (Cundick) is here and I don't expect Ron he has memorized all this info, but do you think WCWCD shared that detail with the town?

Kurt Allen - I'd be happy to. I know Ron understands that, especially the Davis Bacon Wages, but I'd be happy to present something.

Doris McNally - I know they have a meeting coming up and I just wanted to see if you could extend an offer to share that information.

Kurt Allen - Be happy to.

Ron Cundick - Maybe we could put you on the agenda and just give it a summary of what you just said.

Kurt Allen - Just a quick summary? Yeah, be happy too.

Doris McNally - I think the biggest thing is just letting the Towns people know that the road is going to be under construction. So, thank you Kurt that was good.

Kurt Allen - The odds are that both sides of the road are going to be dug up at the same time. You know, I don't want to make too big of a deal about that because the contractors will work that out, but the traffic has got to be maintained both directions and they'll have to share the real-estate.

Don Fawson - I have a question relative to the WCWCD pipeline. Since part of that line was a pump station at the south end of Town. Has the Town come to any kind of agreement with Washington County Water Conservancy District on that pump station.

Ron Cundick - As far as I know we haven't heard any more about it.

Kurt Allen - They took it out of their bid by the way, the pump station. It's going to be a separate contract.

Doris McNally - I think Don, at the Town Planning Meeting we just went to, that was one of the topics covered. So, I think it needs to be left to the Town.

DISCUSSION	GIS
<p><u>Don Fawson</u> - OK. Just one quick report. We are updating our GIS system, so we have more accurate overlays of all the piping, hydrants, meters and valves in Town. We have a company that we're working with right now to get that taken care of.</p> <p>At this time then we'll turn some time over to Silver Eagle Estates. Devin, you want to come up and tell us where you are at?</p>	

DISCUSSION	SILVER EAGLE ESTATES
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Devin Anderson - So today we're here to just ask for an extension on our Will Serve Letter for Silver Eagle Estates. We had one previously and it's expired. Any other information you need from us?

Don Fawson - Just a question, I know that when you came to the water company and asked for water, it was kind of shocking to find out that you had to bring water and that there were certainly delays involved in that. So can you tell us where you're at engineering and construction wise.

Devin Anderson - From what I understand engineering wise we're ready to go from your perspective. Today we received notice that the State should be sending us an approval letter for our septic that we're trying to do which at that point we will come back into the Town and ask for the discussion on that. If all goes well, then at that point we would be ready to apply for permitting. That is what I understand.

Don Fawson - All right. Any questions from the Board?

Kurt Allen - I think the good news that's come recently is Paul Wright, with the Division of Drinking Water, gave his approval for your project. Congratulations on that. And that was a longer process than you wanted it to be, waiting for engineers, but they finally got their updates back to him and he's given his approval to move forward.

Devin Anderson - We appreciate all your support. Everybody's been very helpful helping us navigate through this.

Doris McNally - We appreciate the collaboration. It's really been good so far.

Devin Anderson - We're almost there. Thanks.

Don Fawson - Any discussion from the Board as far as issuing an updated Will Serve Letter?

Alan Cohn - I think they're doing all the right things.

Don Fawson - I will entertain a motion.

VOTE	MOTION TO SIGN THE SILVER EAGLE ESTATES WILL SERVE LETTER EXTENSION: Doris McNally SECOND: Kurt Allen MOTION APPROVED: Unanimously
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IV. SHAREHOLDERS COMMENTS

DISCUSSION	COMMENTS
<u>Don Fawson</u>	The voting was unanimous. We will get the Will Serve issued and you will be on your way. OK. At this point in time, we will open the meeting for shareholders comments. Angie did you want to make comment? <u>Angela Rohr</u> - Out of curiosity I was just wondering the definition for Cultural Survey. <u>Riley Vane</u> - It's part of the National Environmental Protection Act. If you're doing a project on Federal Land, you need to do a cultural survey to identify any type of historic fire pits, arrowheads, or anything

like that left by indigenous peoples. You must have a certified artifact expert on the ground looking through the area in question and identifying points of interest or declaring the area clear. Once this is completed and mitigated, as necessary, a certificate is issued, and you are allowed to proceed.

Angela Rohr - That sounds like a big job,

Riley Vane - It was.

Angela Rohr - Is it completed already.

Riley Vane - The BLM portion has been completed. I'm pretty sure the National Forest field work is done, and they are just getting the last documentation put together.

Angela Rohr - And so it doesn't involve any other animal life or ...

Riley Vane - No, that goes through a different screening process that is also reviewed. So, you do look at vegetation, and animal life, endangered species, you have to look at all that, but the actual survey on the ground is specifically for cultural items.

Angela Rohr - Ok, I appreciate that. And then I was wondering about the pipeline if the decision has been made whether it's going to be 6 inch or 8 inch or does that come through the contractors?

Riley Vane - Which line?

Don Fawson - The Spring?

Riley Vane - The Spring is 8-inch?

Angela Rohr - Ok, Thank you.

Don Fawson - Thank you Angie. Anyone else?

Susan Savage - We just received a notification from the Division of Water Rights of the approval of the WCWCD pipeline from the Ash Creek reservoir and we, our families, are filing a request for reconsideration. We have 20 days to do that. Our purpose for doing that is that we feel like there hasn't been a baseline study of what the aquifer was like before the current reservoir was there. That's been 60 years since it was created. So, whether or not the seepage which should be considerable from there, contributes to our aquifers has not been documented. We haven't seen studies of that. The baseline should tell if, in fact, the seepage does charge our aquifer and we feel like that's important for the analysis. The baseline would establish what the aquifer was like before the reservoir was created. Because since then the reservoir has contributed to something, that water has been going somewhere. But also, a whole bunch of other things have happened, like the WCWCD has piped the drainage coming off the mountain, so there's no seepage from those drainages going into the groundwater.

Don Fawson - So, is that above the dam at the top of the Black Ridge or below.

Susan Savage - That would be like Wet Sandy. Between there and here. So, any seepage from those sources isn't going into the aquifer. And at the same time when that dam was created by the freeway construction that created the reservoir, there weren't any wells down here at the time. I mean Wells that were serving communities, like our Irrigation Well, the LDWA Well, and the Cottam Wells, and the

Sullivan Well Field wasn't there. The Cottam Well is sending water all over the county, there's a whole bunch of people depending on that. So, there's a lot of withdrawal from the aquifer and a lot of elimination of seepage. So, we're asking for a baseline documentation of what was actually happening with the aquifer before all this activity happened which they should have in order to make their decision.

Don Fawson - Do they have historical documents to indicate what that was or is this something where they're going to have to go drill or how do they do this?

Susan Savage - No they have to have a historical document because the baseline would have to say what was happening down here before any of this other stuff and any other activity. But what we know is the freeway construction began in 1960 about then, in 1962 the Washington County Water Conservancy District was organized and almost immediately they closed our area to new appropriations of water rights transfers, as you may recall. And I think, not sure, but I think our area was described as going from Anderson Junction, to Washington, that far South, and from Pine Valley Mountain to the Virgin River. So, that particular area was closed to new water appropriations, but the rest of the County was open. So, there was some kind of thinking going into the closure at that time. So, nobody has said that they have any idea why that was. So, we're just saying it's a big gamble. It's a big risk to say, "Well you know the reservoir added water to somewhere." And you know, the WCWC District says, "Well, we think it's going somewhere else." So, everybody's got their own idea. We would just like to see if they have some actual data on what it was like before compared to what it's like now. Does that make sense?

Don Fawson - Yes. So, actually, you're not protesting, you're just saying we want data, is that what you're saying?

Susan Savage - When you do a protest, they do their analysis and put all the information together and then they send out the order of The State Engineer, based on what they've decided. So, they decided to grant the permit and they have quite a lot of caveats in it. There are quite a lot of restrictions in it. Then you have 20 days to ask for a reconsideration if you feel like you want to add or change something. I don't think we're thinking about it. I don't know that they will offer another hearing on it which we weren't asking for. We're just saying, we feel like there is an important piece of information that hasn't been considered and we feel like it should go into that decision.

Don Fawson - So you're not asking for a reconsideration, you're asking for a study to be done to ascertain where it is right now so that if something goes South in the future, you'll have some data.

Susan Savage - You know, we've tried to get that before. But we are asking for a reconsideration based on the fact that we don't know what the aquifer was like before all of these things, before there was a reservoir, and before there were wells, and before all the drainages were enclosed in pipelines, and so on. What was it like then and before the drought, we've had these long years. I just said, you know, my feeling about climate changes when we were children in the 40s and 50s Leeds was in an orchard town. So that was flood irrigation, and you don't plant trees unless you're sure that you're going to have water. So, there has been enough change since then in the water supply from the mountain that we have to have it totally piped now. And so, we can't count on water like we had when we were growing up. It would have been really rare to not have a big snowfall on the mountain. Do you remember that after you moved here?

Don Fawson - I remember when we first moved here it was a lot more consistent that way. I remember a conversation with your dad, he told me the name Quail Creek came from the fact that there were many quail at that time. But he said they had a really big snow, about 5 feet in the canyon and it killed them off. They've made a comeback, but at least at that time there was a huge snowstorm.

Susan Savage - We would have been surprised if the mountain wasn't covered with snow every winter. So that's changed a lot. We're celebrating this year because we haven't had that in a while.

Brant Jones - We also typically would have a good monsoon pattern by now, we would have had some rain by now.

Susan Savage - We used to have a lot of storms, big storms in the summer. So, you know, over the years we've said, so where's the water coming from to recharge the aquifer? People would say, from Pine Valley Mountain, from the snows on the mountain and the big storms in the summer. We don't have those anymore. We keep pulling more water out of the groundwater and eliminating the seepage. Now this last big piece of seepage, that reservoir up the Black Ridge, they want to eliminate that. So, we're just saying where's the data that shows what it was like before that? To compare with what it's like now to go into the analysis of what it's like now,

Don Fawson - Is Alan doing that too? Is he asking for that?

Susan Savage - I haven't approached him, we just got the letter yesterday. I will write up a response and see what he thinks about that. Is that something that LDWA is interested in.

Don Fawson - Yeah, I think we would like to be able to get a copy of what you're doing.

Susan Savage - I don't think you protested. Our letter has some names on it, but I don't know who they are or what they represent.

Don Fawson - I don't know how many of you saw how full the lake up at the top of the Black Ridge was this year. And then you saw how fast it emptied out. I've thought that I need to get off the freeway there and go down and look and see what's under I-15 there because I don't really know what that looks like.

Susan Savage - I don't know if it's the WCWCD or the water engineers who have the ability to drain it. And I went up several times, the road was blocked because the water had flooded clear back over the highway, so they had the roadblock and I just parked at the top of Black Ridge and walked back in there. I ran into a couple of people a couple of times when I was out there and one of them was doing something for the WCWC District to check on the outlet, he was walking down to check on it and he said, they can release the water and they have released it somewhere because they are anticipating a lot more runoff. I don't know who makes that decision.

Don Fawson - So, the highway just completely blocks it and then they have a pipe or something under the highway that they can open up or close or is there a spill way.

Susan Savage - He says there's a valve or something there that they can release some of that water and as you get back in there, you can look along you know, when it's dry, like now you can see several like big outlets or a culvert and then a bigger outlet. You know, I haven't walked down in, he says the valve is right where the highway, goes through the Black Ridge right there in the deepest part there's something down there. So, I've been going to ask the water engineer if they give the instructions to release water or if the WCWC District does that, or who does that? Otherwise, it's seepage and I don't know if you had a chance to listen to the talk that they had in Ivins. Zach Renstrom was there, and he called it a leaky old reservoir, that they're going to solve it by piping the water and by eliminating the seepage. That raises some big questions. (The seepage come from the leakage).

Don Fawson - It would be interesting. I know it kind of looks like mud down in the bottom, but it has to be seeping out somewhere. I know, it's all lava rock up in that area.

Susan Savage - I think it almost has. And this man just said the reason that they were releasing was just as I said, because they were anticipating more runoff.

Don Fawson - I appreciate that, Susan. Anybody have an idea how big the water line is that WCWCD is installing? I've seen the pipe stored at Anderson Junction. Anybody have an idea how big that pipeline is? Riley, do you know?

Riley Vane - I can't remember if you wouldn't have asked me, I could have told you, but I have heard it. It's pretty big. 24-inch or 30-inch something like that

Mark Osmer - 24-inch.

Doris McNally - It's bigger than 24.

Don Fawson - Susan, thank you, very much

Kurt Allen - Thank you, Susan.

Angela Rohr - I have another aspect question. I was pleased to be reminded that we had already set aside the half million dollars for the materials. Does that include the pipes going up to the Spring, or is that just on Main Street?

Kurt Allen - that's just the West Side Main Street project.

Angela Rohr - Because you know what our supply chains are kind of falling apart at times. So, it's a concern when we're ready, it won't be available. And the price keeps going up.

Kurt Allen - Yes, for sure. Yeah, we are replacing the line going to the Spring as well.

Don Fawson - If there's nothing else. Then I'll accept the motion to adjourn.

V. MOTION TO ADJOURN MEETING

VOTE	MOTION TO APPROVE PRIOR MEETING'S MINUTES: ALAN COHN SECOND: DORIS MCNALLY MOTION APPROVED : Unanimously
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ADJOURNMENT: 7:49 PM



Layna Larsen / Corporate Secretary



LEEDS DOMESTIC
WATERUSERS ASSOCIATION

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

CONFLICT-OF-INTEREST POLICY RESOLUTION 2023-03

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.

Leeds Domestic Water Users Association (LDWA)

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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.

- b. **Recusal and Abstention.** When any conflict of interest is relevant to a matter that comes under consideration or requires action by the board, the interested person shall call it to the attention of the board president and shall not be present during board discussion or decision

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

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LDWA Project Schedule

