



MINUTES

DATE/TIME/LOCATION:	August 16, 2023	7:00 PM.	Leeds Town Hall
TYPE OF MEETING:	Board of Directors Meeting		
NOTE TAKER:	Layna Larsen (Corporate Secretary)		
ATTENDEES:	Board Members: Don Fawson (P), Kurt Allen (VP), Doris McNally (T), Brant Jones (M) Alan Cohn (M) attended by Phone Staff: Layna Larsen (Corp Secretary) Mark Osmer (Field Op Mgr) Shareholders: Susan Savage, Robert McNally, Michelle Peot, Cynthia Neubauer, Terry Allen Guests: Steve & Tracie Laski (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 (dial in)
PRAYER	Brant 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: Brant Jones MOTION APPROVED: Unanimously
VOTE	MOTION TO APPROVE PRIOR MEETING’S MINUTES: Doris McNally SECOND: Brant Jones MOTION APPROVED: Unanimously

II. ANNOUNCEMENTS [Don Fawson]

DISCUSSION	AGENDA OUTLINE
Don Fawson - I'm going read tonight’s agenda. First, we will do the President's Report, then Mark will give his report, Doris will give the Financials, Brant will give his report, and Kurt will give us an update on the Projects. Then Susan has some questions and update on Water issues, and it Looks like Silver Eagle	

Estates is here to give us an update or have a request, then the Shareholders Comments. We will go in that order

DISCUSSION	DECLARATION OF ANY CONFLICT-OF-INTEREST		
Don Fawson - Before we begin, we'll also ask Board Members is they have any conflict of interest relative to tonight's meeting.			
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	CROSS CONNECTION SURVEY
Don Fawson - There has been a number of questions relative to the Cross Connection survey that's been mailed out. At the bottom it talks about RP, PVB's and SVB's. We just want to say that if you don't know what they are, you probably don't have one. It is our intent to post some information on our website to try to clarify what they are, what they're used for, and so forth. So, we'll get that information out to you.	

DISCUSSION	NEWS ARTICLES
<p>Don Fawson – I came across a couple of News Articles today on KSL. One had to do with the with the Washington County Water Conservancy District 20-year plan. I don't know if any of you've seen that. It came into our office email.</p> <p>Doris McNally - It's on the Washington County Conservancy's website, so you can download it from there.</p> <p>Don Fawson - It talked about conservation, including raising water rates, but it also talked about storage. So, they're obviously looking at completing the reservoir at Anderson Junction, I think they call it the Toquerville Reservoir and another Reservoir over in Cane County. It also talked about taking wastewater and storing it in a reservoir during the wintertime when it is not being used, instead of running down the river and not being able to access it during the summertime. It also talked about a buyback program for grass. I think it's really interesting that we have a couple of sod businesses in the area. It's kind of an interesting conflict, they are growing sod and installing and on the other hand the conservancy is buying it back.</p> <p>Don Fawson - (Directed to the Board members) So, did any of you have a chance to read that article? Did anything stand out to you on that?</p> <p>Brant Jones - Just a couple things relative to water conservation that needs to be Looked at. We are living in the desert, and we need to be considering how to reuse the water that we have. I've talked to a few people in Town about possibilities of combining that with the agriculture too, where its reclaimed and reused in agriculture.</p> <p>So, some of those possibilities brings up a lot of concerns. I've got a friend that's right over next to the Ashcreek Sewer District and there is a considerable smell in the summer months over there. There's a price to be paid by a surrounding community that needs to be considered if we run all our water to</p>	

someone else to reclaim, or maybe there's some possibility that we reclaim it and use it somewhere for agriculture here. Those are just thoughts, nothing came from it, it was just an interesting article.

Doris McNally - Don, I thought what was interesting, was that they were talking about hydraulics, that there is a large quantity of water rights that are being held up because of geological and hydraulic studies that have to be done and they're hoping to be able to get those rights freed up. So, I think that's interesting and just the tone of; "If the water isn't currently being used, it needs to be accounted for." I think that's something we need to watch for going forward.

Don Fawson - I agree. The other thing it talked about was the Cottom Wells at Anderson Junction. That is something we need to be concerned about as well as the Sullivan Wells and some of the other wells in our area. They're also talking about the possibility of taking wastewater and cleaning it up and putting it back in the culinary. They are doing that in Las Vegas. So that's even a possibility down the road, but obviously that kind of thing is very expensive, but I thought that was interesting as well.

The other article had to do with the town between Brigham City and Logan. In the town of Mantua (pronounce man-a-way) the well just went down. So, they basically told people, no outside water use, don't be doing any laundry, they didn't say anything about showers yet. I don't know how they're getting their water. I actually, called Tim and Brooke Lloyd, who used to live across the street from me. They moved up to Mantua, and he said he didn't know where they were getting the water, and there is obviously concern about their water emergency. That's one of the reasons why we feel it is so important to drill the second Well. We need that backup well in case our one Well goes down we have the other one to rely on. We don't have to wait for a driller to replace a pump, or in the case of a cave-in to get permits, find a driller, drill and equip a new well. With supply chain shortages this could be catastrophic for the Town.

Brant Jones - The other thought I had as I looked at all the studies is that Leeds is kind of the rose in the desert for the West and it is projecting Washington County to grow like crazy and to continue to grow. In consideration of Wells being drilled, we need to consider our Town and how far we stretch the water that we know that we do have and consider shareholders and say, at what point do we just cut people back, back, back and charge more, more, more until they just dry up the property that they have. You know when people move here they have an expectation and buy into a company with water. Like the house I bought; I didn't build it, I bought, and it was already set up with a big lawn and lots of trees and bushes. It's a beautiful place. But I paid for the water shares for the way they were and then overtime those were cut back and gratefully we were able to find some irrigation shares, or we could be drying up our yard. I mean, I guess the National eye might say, yeah, you guys live in the desert, and everybody should have the desert gravel yards and cactus, but that's not the house that I bought, and I think you'll find a lot of our shareholders might feel the same way. So, just a caution about not stringing it so thin; let's make accommodation for everybody to have part of the rose.

Doris McNally - Don, I would recommend putting both the articles as attachments to the minutes. I mean, I think they are worthy to be as attachments to the minutes.

Don Fawson - Anybody have any objection to that? Layna please put an attachment or a Link in the minutes. (Links below, and as links change pdfs of articles are attached)

KSL Article Link: [Here's how Washington County plans to meet a growing demand for water](#)

KSL Article Link: [Mantua residents asked to restrict water use after well failure](#)

I think the challenge Brant to what I'm hearing Washington County Conservancy District saying and that maybe the State is supporting; is that we do have water rights above and beyond what we currently are using and there are one of two ways it is going to get used. They are either going to be confiscated and used somewhere else they are going to be used here. We have to have a plan to be able to actually put those into use. So, it is a challenge. It really is.

Brant Jones - Yeah, and then the balance to realize that water right doesn't necessarily mean water. The Right is the cup, the water is what goes in the cup, so just make sure we don't keep allocating water until it's gone.

Allen Cohn - I agree with that. Just because we have water rights, there has to be wet water behind it.

Don Fawson - That is true, I guess only God knows how long that's going to work out, so we'll do the best we can with within the scope or knowledge of what we have at the particular time.

b) OPERATION / FIELD REPORT [Mark Osmer]

DISCUSSION	REPAIRS & MAINTENANCE
<p>Mark Osmer - OK, so we passed our BacT test again this month which is good.</p> <p>I've been helping people with their Flume 2 devices. We've had a couple of issues with Flumes, batteries, connecting them up and doing different stuff. I've been doing that.</p> <p>Then I did the general running of the system and checking everything, checking all the PRP's for correct PSI. And that's about it.</p> <p>Kurt Allen - Mark, did you get the road going up to the Tanks and Well surfaced?</p> <p>Mark Osmer - Yeah, we got it graveled up to the two little green tanks. We have to move some dirt so I'm going to move some stuff up there and then carry on down the road. Yes, we got all that graveled and now when you drive through the gate, it's not a great big dust screen going over that person's house.</p> <p>Don Fawson - OK. I also think you mentioned that you got the ladder in the lower Spring_meter vault.</p> <p>Mark Osmer - Yeah, we put the ladder in the vault at the Spring meter down on the Y, so we can access to read that easily.</p> <p>Don Fawson - And you're going to start flushing hydrants again next week.</p> <p>Mark Osmer - Next week we're going to start flushing hydrants. We haven't done them so far because it's been so hot. People have been using a lot of water and I didn't want to waste-water. So, hopefully it will cool down a little bit, so we can start flushing.</p> <p>Don Fawson - I understand, however, no matter when we flush them you're going to consume water. But the point here is that we have the capacity right now during this summer, due to heavy rain and snow last winter, to go ahead and flush the hydrants without putting stress on the system. (Directed to Shareholders) So if you see this happening out there, please understand.</p>	

DISCUSSION**THE SPRING :: WATER VOLUME**

Kurt Allen - Mark, how is the Spring doing, have we been using the well very much or not?

Mark Osmer - No, we just used the well once.

Kurt Allen - We only turned the Well on once and the Spring has been supporting the system.

Mark Osmer - Yeah. (Extremely unusual and only because LMC is able to meet their requirements because of a very unusually high water year are we able to use the entire Spring flow)

Kurt Allen - That's awesome.

Mark Osmer - Yeah, the Spring's running about 250 gallons a minute. So that's good.

Kurt Allen - It's wonderful, Thank you, Mark.

DISCUSSION**GIS**

Mark Osmer - I worked with Tad Spencer with Jones and DeMille. We GIS'd all the meters around Town so every single meter in town is in the GIS system. So now we have a GPS reading on every one. We had to excavate a few of them because bushes have grown over them, one got buried under a driveway, and someone else had some work done and piled like 5 tons of gravel on it. So we had to move a bunch of stuff to expose those.

Don Fawson - Didn't you also GIS the hydrants and valves as well.

Mark Osmer - We did some of them, not all of the hydrants, but the ones that were missing from GIS. Yeah, we did locate valves and hydrants that were missing as we were driving around.

Don Fawson - And then you also worked with Tad to make other needed changes on the actual system as opposed to what we've had in the past.

Mark Osmer - Yeah, there was a pipeline that came across the freeway which wasn't actually there and there were a couple of pipelines that were marked in the wrong place. So, we got those all changed as well.





Don Fawson - Perfect. We appreciate that.

Mark Osmer - We are just waiting to hear back from him and hopefully he'll have entered all the data on the map and everything will be correct and updated.

Doris McNally - Thanks Mark. Just an additional comment, the work that Mark did with Ted from Jones and DeMille was no small project. We have over 415 meters in our community so each one of those meters were actually read and captured longitude and latitude information in our GIS. There was at least 20% of the hydrants data that needed to be confirmed. Acknowledgement to Mark and Tad for the good work that they did, but it's amazing that now we have that in our system and it's going to be very helpful for us in the future.

Don Fawson - Thank you, Doris. We appreciate all the work you're doing to integrate that information. Doris, do you want to go report on the financials?

c) OFFICE FINANCE REPORT [Doris McNally]

DISCUSSION	ANNOUNCEMENTS/BILLING/COMMUNICATION [Doris McNally]
<p>BILLING Billing for July was completed and mailed on August 1st.</p> <p>NEWSDRIPS The July Invoices included an article on PayClix, our online bill payment solution with e-checks or credit cards.</p> <p>Based on the feedback from the Board on the draft articles I proposed for the August invoices, I'd like to MAKE A MOTION to approve the Article for the upcoming September Invoice production run, reminding shareholders to complete the cross connection/backflow survey we recently sent out.</p> <p>We sent out all the required surveys to all shareholders and we now need to push for reply to this important requirement from the Division of Drinking Water (DDW) & the Department of Environmental Quality (DEQ).</p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">  <p>LDWA News Drips</p> <p>Need to contact the LDWA, it's simple. Phone (435) 879-0278 Please leave a message, your call will be returned promptly. • To report an EMERGENCY water leak or a loss of water PRESS 1 • For a BILLING INQUIRY, PRESS 2 • For a GENERAL INQUIRY, PRESS 3</p> <p>Your message is immediately routed, and a LDWA representative will be in contact.</p> <p>Email LDWAcorp@infowest.com</p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <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 style="border: 1px solid black; padding: 5px;"> <p>REMINDER!!!!!!</p>  <p>By now you have received the survey we sent to be in compliance with the State of Utah Division of Drinking Water (DDW) & the Department of Environmental Quality (DEQ). To those who have responded to the survey, Thankyou.</p> <p>To those who have not, it is very important you do.</p> <p>By maintaining compliance with DDW/DEQ regulations you help keep our Water Company "safe & independent"</p>  </div>
<p>VOTE</p>	<p>MOTION TO ACCEPT PAYCLIX ARTICLE: Doris McNally SECOND: Kurt Allen MOTION APPROVED: Unanimously</p>

DISCUSSION	FINANCE [Doris McNally]						
<p>PAYCLIX In July we had 81 shareholders pay their bills using this payment option. The total amount collected through PayClix was \$7,944.39. With 60% paid via credit cards & 40% via e-checks.</p> <p>FINANCE [July 2023]</p>	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
	Jul-23	49	\$4,755.93	32	\$3,188.46	81	\$7,944.39
		316	\$19,840.77	200	\$12,567.38	516	\$32,408.15
						% to TOTAL	
	Total Net Ordinary Income:		\$45,193.82				
	Total Ordinary Operating Income:		\$42,148.51			93.3%	
	Total Other Operating Income:		\$3,045.31			6.7%	
	Total Net Ordinary Expense:		\$25,505.50				
	Ordinary Field Operating Expenses:		\$9,369.76			36.7%	
	Ordinary Admin Operating Expenses:		\$2,788.79			10.9%	
	Professional Operating Expenses:		\$5,788.00			22.7%	
	Labor Expenses:		\$7,558.95			29.6%	

The LDWA's Banking Accounts [as of 08/10/2023]

CHECKING ACCOUNT	\$36,679.86
SAVINGS ACCOUNT	\$267,434.91
EMERGENCY REPAIR & MAJOR PROJECT RESERVE	\$182,148.17
DDW LOAN #3F138 FUND	\$24,735.18
IMPACT FEE ACCT	\$60,551.56

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]

Brant Jones - The only thing that I have is I did talk to the LWC Board, which is the irrigation company. They were not unified relative to taking the weir out, they have some other concerns. One of the main concerns was if we send more water down an 8-inch line does that change our water diversion, which is not legal. For us to do that we would have to go approach Nathan Moses, the State Water Engineer in Cedar City. We're not sure if that will be a problem but that is part of the concern. The other part of the concern that they have is with the carrier water that is needed to bring the rest of the water down to the intake for the irrigation water. So, there's some mixed feelings that we're working on. Some of the Board is out of Town so we don't meet monthly. We are running about 30% for our meetings this year. So, it is a slow process. Also, the LDWA/LWC agreement is needs to be simplified. I think that you're aware that it has just got to the point where there's so many numbers, it just needs to go back to the to the original State Law so if it's a low water year, then we can all refer to the chart Nathan created and decide how much goes through the weir and how we want that to work.

Don Fawson - I agree. And I think those other questions are good. I think that you will find you already have the diversion rights at the Spring. It doesn't specifically say how much water can come out of the Spring. LDWA has our share and the rest becomes part of the Full System Flow of which LWC has a part. I think we do need to have another group meeting with Nathan if we can set that up. I think the timing really depends more on your group than LDWA.

Brant Jones - For sure and we have one Board member in California and another one in Alaska. Right at the moment anyway.

Don Fawson - Yes, Tom Beach mentioned maybe the first weekend in September which is coming up, may work for him. Also, we would like to take the LWC Board on a tour up to the Spring to show all of you exactly what's going on with that weir and the meter. And also show you where the secondary Spring meter is located. This will allow you to look at Spring flow during the wintertime and not have to travel up to the Spring. We also want to get you a key to the Forest Service Gate. The more of the LWC Board we can get together the better so we are all on the same page.

Doris McNally – Brant, at the last meeting we talked about possibly putting on our website a phone number or contact information to direct interested parties to your website. The offer is still on the table because we still do get a lot of LWC phone calls. So, if there's a phone number and/or e-mail address we and post we are happy to do so. We don't have to put phone numbers if there's an e-mail address, we can direct people to reach out to it would be helpful to both organizations. I just hate to keep giving them your phone number.

Brant Jones - That phone number is fine. They leave messages and I return them.

Don Fawson - So we can put your phone number down for LWC on our website. That's good, appreciate that.

We will skip to Kurt for any project updates. Also, I had a question relative to our last meeting. Ron Cundick was present and there was talk about the possibility of you giving an update report to the Town on the LDWA projects. Did that ever happen?

Kurt Allen - I never heard from Ron or anybody to invite me to the Council Meeting. Maybe I need to be a little bit more proactive in getting on the agenda and making that happen. So, I'll do that. I will get on the agenda.

Doris McNally - You know, Danielle Stirling has openly talked about the desire to make that happen. So maybe the best person reached out to would be Danielle to facilitate with council.

Kurt Allen - And she's in Alaska, right?

Doris McNally - No, she was actually here.

Kurt Allen - Is she here?

Doris McNally - Yeah, I saw her the other day.

Kurt Allen - Oh. OK, I'll reach out to her.

DISCUSSION

PROJECT UPDATE - WCWCD [Kurt Allen]

Kurt Allen – The first project I want to talk about is the Washington County Water Conservancy District Main Street pipeline project since that's a little bit ahead of our LDWA projects. WCWCD has let out their bid for a contractor which would include their 24-inch line as well as our 10-inch line LDWA's partnering with them on. They had a mandatory pre-bid meeting of all contractors and nearly 20 contractors showed up. That is a great turnout and typically a large turnout to a pre-bid meeting means a lower price and of course we are interested in getting a good fair price. So, it was pretty exciting in that way. I think the reason that is happening is because of the timing of their bid advertising and that the job will start in October/November which is perfect for the contractors from up North to slip down here and have a little bit of winter work. So that's why you're seeing a lot of contractor's interest in this. The bid opens on the 28th, which is next week, and it will be interesting to see what we'll be able to report at our next meeting what our costs are going to be as far as installation. We already know what our material costs are and so we'll be able to hone in on what our financial obligations are going to be for that 10-inch line on the West side of Main Street.

DISCUSSION

WELL

Kurt Allen - The priority project that we are working on currently is trying to get the drilling started on the new Well. The well site has been chosen and that was due to test pumping being completed in our existing well. Based on that outcome, the decision was made that the aquifer would support the other well in the near vicinity of our existing well. So, the new site is just southwest of our existing well. We're

excited about the strength of our aquifer. The test pump was 650 gpm for 24 hours and the draw-down was less than 12 feet, which is a very small amount. We are excited about that. The BLM permitting process is time consuming but in process now. We haven't acquired the permit from the BLM yet. We're hopeful that's going to come through soon and enable us to get that bid out and start drilling. Hopefully, by the first of October within a couple of months here. We too will let that contract out for bid and advertise it throughout the State and probably adjoining states and look for a well driller that is qualified to do the job and has the right price. I'm suspecting that we're going to get a lot of interest in that as well for winter work for a well drilling company.

DISCUSSION	SPRING LINE
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Kurt Allen - The main project that includes the Spring Line, East Main Street, and the Well House will be bid out around November and we're hopeful to get started on that as well. We'd like to have the contractor begin that by the first of the year. We are doing our Cultural Studies with Forest Service and Environmental Assessment Studies and working to get the Forest Service permits. Having the Spring Line on the Forest Service ground and the Well on BLM property has made it a challenging effort to try to get permits from both of those entities.

DISCUSSION	EAST MAIN STREET
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Kurt Allen – Working on Main Street involves UDOT and we've been successful in getting UDOT bonding in place and an overall maintenance permit from UDOT to be able to maintain our own water line within the right of way. So, there's a lot of positive things that's come from the efforts so far and looking forward to getting these out to bid and getting started on it.

Don Fawson - Thank you Kurt, really appreciate that. The waiting game is a little frustrating based on this permitting process, but is necessary.

OK, at this point, let's go to Silver Eagle Estates. Steve, I guess you're concerned about getting things signed?

DISCUSSION	SILVER EAGLE ESTATES
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Steve Laski – Yes, we can wait until the end of the meeting, or whatever is convenient for you guys.

Don Fawson – We've gone through these plans and we'll be glad to do that after the meeting.

Steve Laski – Whatever works for you.

Kurt Allen – Steve, I've got a question. We thought we had the Mylar, and it looks like you've got it in your hands.

Steve Laski – I have and I also brought two copies of the development agreement in case we need additional copies.

Kurt Allen – I'm glad you have it because we were worried that we had misplaced it.

Don Fawson – Susan do you have anything to report relative to water?

IV. SHAREHOLDERS COMMENTS

DISCUSSION	COMMENTS
	<p><u>Susan Savage</u> - Well, I have a few things I'd like to comment on.</p>
	<p><u>Don Fawson</u> - I just might mention that I had talked to Susan a few months ago since she seems to be aware of what's going on water with water in the area and asked her if she wouldn't give us a report at our Board meetings.</p>
	<p><u>Susan Savage</u> - Doris had helped me get connected in order to receive notices of applications from the State, and so we received a notice of the LDWA's application for a bunch of water rights to be moved into the Well. I went through those and the comments from the State and it looks like three of those are from Hogan Springs, which involves a surface to underground change. One of those is under dispute. And then the other three are coming from Dixie Springs and the sewer lagoons areas. I compared those to the rights that we researched in the Spring. I didn't see those numbers on that list and so I wondered if they are new or what they are?</p>
	<p><u>Don Fawson</u> - I don't know specifically what you're talking about. I know we've had Riley Vane (Jones and Demille engineer) involved with going through all of our water rights and verifying them with the State because, in the past, it's just been assumed they're all fine. We wanted to verify that.</p>
	<p><u>Susan Savage</u> - So, we'll probably protest that. We're concerned with bringing the water rights from an area that's so different.</p>
	<p><u>Don Fawson</u> - Which do you mean? From Hogan Springs or what are you talking about?</p>
	<p><u>Susan Savage</u> - Particularly from Dixie Springs and Sand Hollow.</p>
	<p><u>Kurt Allen</u> - I don't believe we are bringing any new water rights over. What Don is referring to is verifying that the water rights that we currently have are correct.</p>
	<p><u>Susan Savage</u> - That would be the question that we have, because they're not part of the State's declaration of approval that Nathan took me through before. Maybe Riley's found something else. But I went through all those and identified the rights in the Spring. I have spent my life going through all of those and researching where they came from and so on and Nathan took me through that complete list, and these were not on that list. So that's the question that we have.</p>
	<p><u>Kurt Allen</u> - I see Susan. We support you and your efforts 100%. I think that we need to maybe spend some time with Timothy who has been doing the investigating for Jones and DeMille. He's with the Division of Water Rights and he's been working with Jones and DeMille on verifying these water rights. So, I think we need to bring you together with him so the two of you can talk.</p>
	<p><u>Susan Savage</u> - That would be great. The change application is moving to change the point of diversion from those areas into the LDWA well. That's how it reads to me. You know this is an interesting situation that you're having that investigated and we all want to understand that if there's no water coming in. One of the questions that I had as new rights are moved into the LDWA Well, What happens when maybe that Well is maxed out or you get to a point where it isn't wise. How do you decide that, to move more rights in? If we moved a lot of rights in from somewhere else and then what happens if there are people</p>

in our area that want to move their water? Our neighbor, for example, just bought the property next to us, we don't know what they'll do. But they've had irrigation water and so, supposing that they changed their minds on keeping the irrigation and they wanted to apply to LDWA to transfer some of their water into the LDWA Well, and it's already used up with rights that have come from outside of the area. It's a complicated thing.

And your test pumping right now, although we know it takes time for the water to move and we don't know how much time that is. You know the WCWCD said to Alan Howard that it takes 35 years or something for water from High Valley Mountain to move down to the springs, but the Federal government a few years ago did a study on it and said five years and they used fluorocarbons and whatever they use. So, nobody really knows that. But your test pumping on the Aquifer right now is happening during a good year and if the Quail Creek is feeding that aquifer, then that can change as well. You know our well has changed a lot and interestingly just lately it's come up without a foot and half. So, you know, whatever's happening.

Don Fawson - So, let me just make a comment on that, our capacity study included all of these rights. These rights were ones that we thought were just all fine and it's been Riley's going through that and finding out where they actually are that actually revealed they haven't been officially transferred in according to State records. So, what we're trying to do is clarify that. So, this would not actually be adding anything to our paper rights that we didn't already think we had, but it would be correcting that paper trial. As far as the Well, the interesting thing about that is the level in the well had not changed - Summer, Winter, Drought or not, at least up to this point, and Mark can verify that. So, we are confident that the aquifer is pretty solid right now. We can't guarantee that, but we feel confident it is. But we support you and I think that if you feel you need to protest or whatever, then you need to do that.

Susan Savage - Well, a protest and the hearing gives us a chance to hear all sides of it. Have the State clarify that. But you have the story of Mantua whose Well has failed.

Don Fawson - I don't think so, I think it was the pump that failed. So, they just have to pull that out and put a new pump in. So, they're going to be down for a little while.

Susan Savage - We just had an occasion for a lot of family to come in. Brant's older brother who's in Arizona and who keeps up on things down there, and in fact also my brother-in-law in Texas knew about this. He just said that there's an area by Scottsdale where it seems like the supply of water was a little cavalier for that area, because there are a lot of multi-million dollar homes that have been built and then the water disappeared. And so, then they started trucking in water from Phoenix and Scottsdale to supply them and now Phoenix is saying we're not going to sell them any more water. So, this is a thing as I mentioned last month, that as I listened to the Councilman in Ivin's, you had asked me to send you a link and I don't know if I did.

Don Fawson - You did

Susan Savage - The Councilman over said there are two scenarios: there's the eat well and the sleep well way of planning.

The eat well way you're saying let's not disturb the economy and let's keep growing. We don't have the water, but we think we will have it by the time we need it.

And the sleep well is saying let's find the water, make sure we have it before we commit to new homes.

So, this is complicated, this whole thing is just really complicated. So somebody else is in charge of the water. So, this is what these articles saying about Lake Powell, you know, they say people have just refused to put any question marks beyond the Lake Powell Pipeline. They just said absolutely it's going through, although we could all see that things are changing. So, in the article it's saying yeah, and then they talk about, maybe we better put that on the back burner, kind of like the Warner Valley project that we've heard about for as long as I can remember you know that is still on the drawing boards and has never happened. So, the Lake Powell pipeline will stay there. So, with all the growth in the area I think the article was saying has depended so heavily on the Lake Powell pipeline and now the WCWCD is saying where can we find water, they're looking at the deep Wells and so on to try to find water.

Another thing I have on my list here was that article says that they're going to expand their use, enlarge their use or something with the Cottam Wells and in the Sullivan Wells. OK, so they have had two main Cottam Wells out there and the last time when they applied for a third well and we protested then they said, "Oh, this is just a backup well." But now they're saying we're going to expand the use of all that. So, people are planners in crunch time. You know and I know that we live in the in the desert. Brant Jones talks about the rose in the desert. It just seemed to me like we go strongly in one direction and in planning we need to think about all the elements, heat islands for example, you know it's certainly wise to use desert wise planting, but if you eliminate all of the green, then you've got another issue, then you've got to heat islands. And just from our life, I just think, you know, when Dad planted the little orchard by the house it changed our whole lives, that little bit of moisture in the air. So, there's a lot of things to think about.

Also, we did file our request for reconsideration on the Ashcreek pipeline. And so, I will read this real short letter:

We are in receipt of the ORDER OF THE STATE ENGINEER to approve permanent change application number 81-351 (a48807) dated 13th of July 2023, and appreciate the care taken in addressing our concerns and the requirements included in the application's approval.

We request reconsideration of this approval based on the absence in the analysis of baseline data that would indicate what our local ground water, (Leeds / Anderson Junction) area was like before Ash Creek Reservoir was created and therefore help to project how the groundwater supply might change when the reservoir seepage is withdrawn.

We see the question of Seepage from the reservoir as critical because at the same time the Leeds / Anderson Junction area is being increasingly relied upon to sustain growth in Washington County, its recharge capability is diminishing. Pine Valley Mountain, long assumed to be the main source of recharge, no longer receives the kinds of consistent snowpack or the frequent summer thunderstorms that it did in earlier times and according to the WCWCD reports, the District continues to eliminate seepage from the streams flowing from the Mountain's base by enclosing them in pipelines.

Brant Jones - To follow up on that, I think it is important for us to consider, and Don, you mentioned only God knows how much water is on the ground and how much we will get from the sky. I do agree with that. But we also have to look at history. One of the biggest problems of the Colorado River drainage in the history of that drainage is that they created the water right divisions in a year that had an unprecedented amount of water. So, they've never really had that water even if you bring that the

pipeline over and they divide up every share out the Colorado River. There's not enough water in the Colorado River to provide all that. There are more shares than there is water there. So, they did a division in a year that has never been repeated. So, this is a really good year for water and we're saying our wells up a foot, but we're not really pumping the well, right. Then we're saying that the LDWA Well is really good and we just said we're not really pumping that either. So, I think we need to look at some history. We should look back at a decade where we had another stiff drought and see how we made it through that and how the Well's held up before we bring more water in and make more assumptions. Because I think we owe it to our shareholders and ourselves as shareholders just the respect and anybody if we don't, we might bring someone into this community who might build a multi-million dollar home and then find out we don't have water for them.

Don Fawson - You know I find it interesting. We've had, myself included, newcomers come into the town. I mean we were newcomers 55 years ago and so the question is... Who doesn't belong here? Who should leave? Or have we closed the door. I'm in now, so close the door, nobody else can come. And on the other hand, we have limited resources. We're not sure exactly what the limit of those resources are. So, it's really hard call, it really is. I know that based on the census, I think from the last couple of years, or last ten years, we received 10,000 more people in Washington County, so we're up to about 191,000. When we first moved here in 1971, it was about 14,000. (Leeds 155) So, it's an interesting dilemma, it really is. Yes Susan.

Susan Salvage - I just want to say I mentioned our well coming up a little bit just because it was interesting that the movement in that direction, but that was a foot and a half and it should have come up 30 feet to reach its original levels. One of our neighbors in Silver Reef who is a builder said, one of his friend's dad said; *"They have been saying for years that we were out of water, and look what's happened, we've been able to do a lot."* Yeah, guess where it came from. It came from that man who stopped farming, it is not new water. It is just repurposing something that was already there being used for something else. That's what's happened.

Don Fawson - Yes, that's very true and that is where Water Rights came from. Anyway, appreciate everybody's thinking on this because we need everybody's thinking about this. One of the things I just wanted to mention, I was going to do this earlier, but this is a compilation of the plumbing code relative to cross connection control. So, this is kind of the Bible, the State has adopted the International Plumbing Code and this book (Manual of Cross-Connection Control, 12th Edition, USC) comes from the University of Southern California as a synthesis of those things that have to do with cross connections. So, there's quite a bit to it, and if anybody wants to look at this, it will be in the Office.

Michelle Peot - Thanks Susan and I want to address some of her comments about the holistic availability of water here because in addition to the articles you mentioned there's been some recent articles on some of the huge developments that are going in, for example down in Ivins, the 680 acre golf resort and then southern shores, they're using huge amounts of water and as Alan mentioned, it's all just paper Water Rights, it's not Guarantee water. So, I do appreciate Susan keeping us informed and also protesting the water right, since all our water comes out of these interconnected aquifers. And just as far as how much the recent storms have brought up the level of Lake Powell, it's still at only 37% full. So, it's not like, we've completely undone all of the drought that's happened over the last decade.

And then one quick comment for Doris, I think a lot of us were like fixated on the survey and how much retrofitting we have to do, etc. Maybe with the reminder, if you could just add that it's kind of a data collection at this point so that we're not, you know, budgeting all of this.

Doris McNally - Appreciate that. I don't know if we had changed the wording, if we would have gotten the 20% response like we have so far. So, I'm happy for that and that's why, as Don mentioned, we're going to add more content onto the website. We had a few people ask us questions because they don't understand all the questions. That's where Mark has been kind enough to go out and talk to many shareholders. All of us have talked to individual shareholders and have walked them through the survey. So, if you have anybody in your community or if you hear of anybody who has a question, just aim them in our direction. And if you want Mark to come up and take a look at the properties, you know Mark can do that too and say this is what you need to do, this is what you don't need to do.

Michelle Peot - OK. Yeah, and that's what people's questions are, is it at this point to just collect data or are there planned actions around that information.

Doris McNally – Just data collection at this point. There are some situations where a cross connection scenario could occur. For example a LDWA culinary shareholder, who is also a LWC irrigation customer. Depending on how that shareholder configures their system a cross connection could cause an issue. So, in those cases, we may have some specific situation we want to look at, but we're not going to be micromanaging everybody's situation. We're collecting it because it is a requirement from the State and we're very pleased with the amount of content we've gotten from people.

Michelle Peot - Ok, Thank you. And then one quick question, what's the status of the Silver Point Will Serve Letter and if they did approve it as it was written?

Don Fawson - It has been approved. It was sent to me as a PDF the day before the last meeting and I didn't find it until recently. So, I've talked to Jared and told him we need a hard copy, but nonetheless, it was signed as written.

Michelle Peot - OK, thank you.

Don Fawson - The other thing I wanted to mention while we are just gathering data right now, we obviously encourage people if they would like to have more information on what they can do personally to take care of their own possible contamination issues that we'd be glad to help. One of the things that's really easy is the HBVB (Hose Bib Vacuum Breaker) which just screws onto one's outside taps. Some people already have them, some don't, and some don't know what it is. We'll try to put something online indicating where they can pick these up, what they look like, and so forth. So, I personally have two PVB's I installed on my place to prevent cross contamination from my irrigation system. It protects my system from my own self contamination.

Michelle Peot - Thank you.

Cynthia Neubauer - I was on the LDWA website and I thought it was really organized well. So, whoever is in charge of that, they're doing a really good job. I would just like to make a request that perhaps, like the Town Council, who always puts out an outline of the upcoming meeting, if that's something that could be done?

Doris McNally – As a privately held company we have a standing agenda. If we have topics that are more public oriented, what make a special change to the agenda. So, in the case when we talked about Silver Point Estates, we did have a separate agenda for that one.

Cynthia Neubauer - So if you have something big coming up that is where you will change.

Doris McNally - Yeah, if it is something that we want to call out as a special public meeting that's when we will do it that way.

Cynthia Neubauer - Just because we were discussing that 20-year plan from Washington County, I guess about two weeks ago St. George was on "60 Minutes." I don't know if you guys saw that, and Zachary Renstrom stated that Saint George could run out of water in 5 to 10 years because of the current growth.

And my other questions were about the backflow. So apparently, I don't have to worry about that now. So, my question was, is there like a main valve you can put on your shut off in your front yard or is it going to be on individual faucets?

Doris McNally - It's dependent on everybody's home. I mean, one of the things I usually recommend to people is a Pressure Reducing Valve because you don't want to have a situation where you are blowing your valves in your house. So, if once again, if you have a question about your property and if you'd like to have Mark come take a look at it, he can take a look at it very easily and say this is what we would recommend. The other thing that's very nice is that we have three plumbers within the Leeds Town that actually are certified in our cross connection and backflow, one being Alan Roberts, Scott Lawton and the other gentleman, his name just escaped me right now. But there are resources within the Town. If it's something that you can't do by yourself and you need to have a plumber, we can aim you towards somebody who's local who can do that for you. Does that make sense?

Cynthia Neubauer - Yeah, Thank you. And then my last question is? I notice on the survey it says that you're going to have to get your homes inspected annually. Will that be from an outside source, or will you guys be coming in or?

Don Fawson - Let me clarify that, basically for those RP's, PVB's, and SVB's. Those need to be inspected annually, but not by us. So basically, that is an outside certifier that comes in and actually puts a test meter on that device and sees if it is working properly and then you are required to send the results to LDWA.

Cynthia Neubauer - OK, so you would hire a plumber or somebody to come out and do that test?

Doris McNally - One of those certified people that I mentioned earlier. And the thing is, Don correct me if I'm wrong, but for the most part it's the larger commercial facilities and RV parks and things like that at this point that they are focusing on. So, it's not residential. You know, once again they're trying to protect the water from a governmental perspective so I would not be surprised within 10 years if they do roll it down to individual homeowners. It is a trend and we're trying to get people to get ahead of it. Believe me, we've gone to the rural water meetings and our little water company is considered one of the top in managing things like this, which is very pleasing to see. But there are towns that have twice or three times the number of customers we have and they're nowhere near where we are in getting in front of this. So, that's why the survey is important. We are just trying to raise people's awareness, get them educated, and identify where the bigger problems might be.

Cynthia Neubauer - OK, Thanks.

Don Fawson - Yes, I just might mention on the Cross Connection, we started with those entities that are the highest potential for possible cross contamination. And that would be places like the Town Mall over here, the plastics plant, the church, and the fire station, and some of these other places where there's a possibility where they're using chemicals or something else, as well as the trailer parks where there's a lot of different people with hose bibs here and there and whatever that could possibly have or create cross contamination. So, we've been working with them specifically over the last year and a half or so to get RP's (Reduced Pressure Principal Backflow Prevention Assembly) installed to protect our entire system. So, that's what we have been doing.

OK. Any other comments? questions?

Doris McNally - Good comments and questions tonight.

Don Fawson - We appreciate everybody being here and for the comments and questions that have been presented and with that if there is nothing else, I will accept a motion to adjourn.

V. MOTION TO ADJOURN MEETING

VOTE	MOTION TO ADJOURN MEETING: Kurt Allen SECOND: Doris McNally MOTION APPROVED: Unanimously
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ADJOURNMENT: 8:05 PM



Layna Larsen / Corporate Secretary