



## Minutes

<b>Date/Time/Location:</b>	October 18, 2023	07:00PM	Leeds Town Hall
<b>Type of Meeting:</b>	<b>Board of Directors Meeting</b>		
<b>Note Taker:</b>	Layna Larsen		
<b>Attendees:</b>	Members/Staff: Don Fawson (P), Kurt Allen (VP), Doris McNally (IT), Alan Cohn (M) Mark Osmer (Field Mgr), Layna Larsen (Corp. Sec) Shareholders: Susan Savage, Terry Allen, Michelle Peot Special Guest: Clint Hardman & Steve Newby from Landmark Excavating,		

## Agenda Topics

### I. CALL TO ORDER [Don Fawson- @ 7:03PM]

CALL TO ORDER	<b>Don Fawson</b> - Lets begin. We would like to welcome you here tonight.
ROLL CALL	Present: Alan Cohn, Brant Jones, Don Fawson, Kurt Allen, Doris McNally

### II. PRAYER [Doris McNally]

### III. PLEDGE [Don Fawson]

### IV. CONSENT AGENDA, PRIOR MEETING’S MINUTES & POLICY APPROVAL/VOTES [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 months minutes.
VOTE	MOTION TO APPROVE PRIOR MEETING’S MINUTES: Doris McNally   SECOND: Alan Cohn <b>MOTION APPROVED:</b> Unanimously
VOTE	MOTION TO APPROVE TONIGHT’S AGENDA: Doris McNally   SECOND: Alan Cohn <b>MOTION APPROVED:</b> Unanimously

### V. DECLARATION OF ABSTENTIONS OR CONFLICTS [Don Fawson]

DISCLOSURE	DECLARATION OF ABSTENTIONS OR CONFLICTS		
ADMISSION	Alan Cohn – NONE Doris McNally – NONE	Brant Jones – NONE Don Fawson - NONE	Kurt Allen – NONE

### VI. MEETING OUTLINE [Don Fawson]

DISCUSSION	<b>Outline of Meeting</b> [Don Fawson]
<b>Don Fawson</b> – Reviewed Agenda for the meeting.	

VII. OFFICERS REPORTS [All Board Members]

a) PRESIDENT'S REPORT [Don Fawson]

DISCUSSION	<b>Silver Eagle Estates :: Development</b>
<p><b>Don Fawson</b> - Just have a couple of things. I understand we've received the Development Agreement for Silver Eagle Estates, had it reviewed by an attorney, and it has been signed and recorded.</p> <p><b>Kurt Allen</b> - That's correct, the development agreement was recorded at the County Recorder's Office today. We met Silver Eagle or Mountain West Development there and recorded the Development Agreement with them.</p> <p><b>Don Fawson</b> - OK. Thank you. That's been a long process and we appreciate getting that done and I am sure they do as well.</p>	

DISCUSSION	<b>Utah Department of Environmental Quality Division of Drinking Water Sanitary Survey</b>
<p><b>Don Fawson</b> – Mark, Doris and Layna will talk about this later, but we did complete the State Sanitary Survey which happens every three years. You will hear more about that later. As part of that, my wife and I cleared all the weeds in the spring enclosure, so they are all cut down.</p> <p><b>Doris McNally</b> - Thank you, Don.</p>	

DISCUSSION	<b>Water Right Change Application</b>
<p><b>Don Fawson</b> - We also received notice from our attorney that the Water Rights Permanent Change Application was approved by the State Engineer without the need for a public hearing.</p> <p><b>Alan Cohn</b> - Do you want to just kind of clarify what water rights for everyone to understand.</p> <p><b>Don Fawson</b> - All of our water rights were reviewed. I think it was around 500 acre feet.</p> <p><b>Doris McNally</b> - We cleared up the point of divisions on those.</p> <p><b>Don Fawson</b> - There is a copy here if you want to look at it.</p> <p><b>Alan Cohn</b> - No, I think I saw that.</p> <p><b>Don Fawson</b> - So that was good. I know that there were questions with some of these water rights. Mark, do you want to go ahead and give your report?</p>	

b) FIELD OPERATION'S REPORT [Don Fawson & Mark Osmer]

DISCUSSION	<b>Monthly Water Quality Test Results</b>
<p><b>Mark Osmer</b> - We passed out BacT test again this month.</p> <p><b>Mark Osmer</b> - We collected the lead and copper survey samples and sent them off to Chemtech Ford. We haven't received the results yet. We also completed the nitrate tests.</p>	

DISCUSSION	<b>Repairs &amp; Maintenance [UDOT Hydrant Damage]</b>
<p><b>Mark Osmer</b> - UDOT was cleaning weeds down on South Main Street and they ran over a fire hydrant and broke it. So, we had to replace that fire hydrant. We also repaired a couple of PRV 's that were leaking, and then just completed general maintenance.</p>	

DISCUSSION	<b>Division Of Drinking Water Sanitary Survey</b>
<p><b>Mark Osmer</b> - Like Don said we completed our Sanitary Survey. There were a few things we needed to do. They wanted more dirt placed on top of the Oak Grove Tank, which is buried underground. So, we put an</p>	

extra two feet of dirt on top of that so the water wasn't sitting on top. We also went up to the Spring, cleaned that all up and found the drain valve and drainpipe. We put a screen on the end and sent pictures to the inspector so we would get points removed for that and we had an air-vac on Main Street that we had to install a screen on, so we did all those. That's about it.

**Don Fawson** - Did the inspector have any comment at all on his evaluation of the system.

**Mark Osmer** - He thought it was really good. That's all he found. The Oak Grove tank, an air-vac didn't have a screen on it, and the drain on the Spring.

**Don Fawson** - OK, and he said he would not count that against LDWA if you just sent him pictures showing they were corrected?

**Mark Osmer** - Yep, and I've already sent him all the pictures and he said he would take the points off and it'll be a couple of weeks before his report is completed.




**Don Fawson** - Alright. Anything else?

**Mark Osmer** - No, that's about it.

**Kurt Allen** - Thank you, Mark.

**Don Fawson** - We appreciate Mark and obviously he has his daily routine that he goes through as far as checking tank levels and other issues, and then also from time to time we have Shareholders who have questions or issues that they need help with and he's quick to get on those and take care of them as well. So, we greatly appreciate it, Mark. OK, Doris do you want to go ahead with the financials? Maybe tell us a little about the survey results too, if you would.

**c) TREASURER'S REPORT [Doris McNally]**

DISCUSSION	Announcements/Billing/Communication – [Doris McNally]
<p><b>BILLING</b> For September was completed/mailed on October. 1st.</p> <p><b>NEWSDRIPS</b> The September Invoices included an article on PayClix.</p> <p>Given we are going into the fall/winter months I would like to make a proposal that the NewsDrips article for October's Invoice mailing be an encouraging one. Sunday, November 5, 2023 is when we turn our clocks backward 1 hour.</p> <p>Having shareholders consider that date to also pause their non-essential irrigation water use and winterize their system.</p> <p>With that said I'd like to <b>MAKE A MOTION</b> to approve the use of the <b>"Tick Tok" on the watering clock Article</b> for our upcoming invoice mailing.</p>	<div data-bbox="922 1045 1461 1396">  <p><b>Online Bill Payment with e-check or credit card</b> 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 @ <a href="http://payclix.com/LDWA">payclix.com/LDWA</a>.</p> </div> <div data-bbox="922 1470 1461 1816">  <p><b>"Tick Tok" on the watering clock</b></p> <p>As fall temperatures settle in, and winter months draw closer, residents are encouraged to look for ways to save water outdoors by shutting off irrigation systems until next spring when irrigation season begins again. We encourage all to look for ways to save water.</p> <p>Saving water indoors can be done by checking for leaks, getting a rebate for a water efficient toilet and running full loads in dishwashers &amp; washing machines. Shareholders are encouraged to visit <a href="http://ldwacorp.org">ldwacorp.org</a> for water conservation tips.</p> <p><b>Daylight &amp; Water Savings Time</b> Sunday, November 5, 2023 is when we turn our clocks backward 1 hour, consider pausing your non-essential irrigation water use.</p> <p>Conservation shouldn't end when we turn off our sprinklers and drips. Look for ways to save water today so we have it for tomorrow.</p> </div>
<p><b>VOTE</b></p>	<p><b>MOTION TO APPROVE NEWS DRIPS ARTICLE FOR UPCOMING BILLS PRODUCTION:</b> [Doris McNally]   <b>SECOND:</b> [Kurt Allen] <b>MOTION APPROVED:</b> Unanimously</p>

**DISCUSSION**      **Cross Connection Survey – [Doris McNally]**

**Doris McNally** - About the current cross-connection survey, as you know cross-connection is a very big part of the sanitation survey that we recently did with the Gentleman who came last month, and we have approximately 419 customers. We had over 60% of our customers respond to the survey already. We believe we can actually get a higher response. So, Layna and I have pulled a database of all the people who didn't respond. There could be many reasons why they didn't respond, maybe they didn't understand. But we have an e-mail that we've sent out and we also have a PDF version of the survey that we're sending out to everybody. Our goal is to hopefully get 75% and in talking to people who do surveys, they are happy to get 5%. We are at 60% right now with the goal of 75%, which is massive. In talking to Gary Rager, with the State DEQ, today, he's also very impressed with the work that we've done on cross-connections. So, I want to acknowledge not only Layna and Mark but also Don, our certified Cross Connection Administrator on the work that we've done on cross-connection. A few years back that's where most of the points came from, it was because we didn't have a program. So, my appreciation to you guys for helping us in not only defining a plan but implementing it.

**Don Fawson** – OK, thank you very much. I appreciate that. Would you mind sharing with the rest of the Board and those who are here, Gary Rager's comment as of today on our status relative to other water companies of this size in the State. Let me just say Gary Rager is with the Department of Environmental Quality and is the specialist in charge of cross-connections.

**Doris McNally** - So putting into perspective what happened today, like with any bureaucracy, utah.gov would like to see certain information supplied in a certain manner, so today we received some forms. We've been supplying information in a different way, but we have a lot of great content and it's hard to do that back flow. So, using these new forms, working with Layna today and getting some verification from Mark we filled in the forms, and I called Gary to say, hey, do I need to send this to anybody else or do I just need to send it to you? And I said, did you see it? He goes, yes, boy, you guys are doing great. You are probably one of the best small rural water companies in the State. And considering a few years back when you were getting major negative points on things regarding backflow. You guys have really turned around and done a great job. He said you're the one who did the presentation with Don and Mark, at the last meeting? I said yeah, as a matter of fact, you should invite us back again this year because we have 60% of our shareholders who've returned the responses on their survey. He was blown away by that. So, I believe once again, we're making some heads turn. People are seeing the value of what we're doing here. We are doing the right things by the Company. We are putting a lot of things in place and systems in place and we're getting recognized for it. So, I'm very proud of that. And this is where I want to thank people like Layna and people like Izzy who are in the office and Jennifer, who's not here, who's our accountant. There's a lot of stuff that goes on behind the scenes. They are unsung heroes. And these people are really making us look good. We're putting a process in place and we're putting the programs in place, but they are doing the hard work behind the scenes with the detail. So, my appreciation to all of them.

**DISCUSSION**      **Finance – [Doris McNally]**

**PAYCLIX**  
 In September we had 88 shareholders paid their bills using this payment option. The total amount collected through PayClix was \$9,854.02. With 60% paid via credit cards & 40% via echecks. This is the single highest month since we made this option available to our sharerholders.

	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
Aug-23	48	\$3,720.80	34	\$3,148.02	82	\$6,868.82
Sep-23	50	\$5,937.19	38	\$3,916.83	88	\$9,854.02
	<b>414</b>	<b>\$29,498.76</b>	<b>272</b>	<b>\$19,632.23</b>	<b>686</b>	<b>\$49,130.99</b>

**FINANCE [September 2023]**



TOTAL INCOME		
ACCT	BALANCE	% to TOTAL
Ord. OI:	\$34,104.31	96.4%
Other OI:	\$1,263.47	3.6%
	<b>\$35,367.78</b>	<b>100.0%</b>

TOTAL EXPENSE		
ACCT	BALANCE	% to TOTAL
Ord. Field OE:	\$7,812.27	47.3%
Ord. Admin OE:	\$955.59	5.8%
Professional OE:	\$578.00	3.5%
Labor Expenses:	\$7,161.99	43.4%
	<b>\$16,507.85</b>	<b>100.0%</b>

**The LDWA's Banking Accounts [as of 10/15/2023]**



CHECKING ACCOUNTS		
ACCT	BALANCE	% to TOTAL
1 - Checking	\$280,772.17	63.5%
2 - Business Checking	\$161,446.06	36.5%
	<b>\$442,218.23</b>	<b>100.0%</b>

SAVINGS ACCOUNTS		
ACCT	BALANCE	% to TOTAL
1 - Emergency Reserve	\$292,778.65	76.0%
2 - Loan SRF-3F1892	\$31,675.03	8.2%
3 - Impact Fee Fund	\$60,556.63	15.7%
	<b>\$385,009.31</b>	<b>100.0%</b>

**DISCUSSION**      **LOAN #3F-138 - [Doris McNally]**

We are working with Heather at the Division of Drinking Water to finalize the closure & transition of our old loan into the new loan we recently were awarded. I will keep you updated as this should come to closure shortly.

**d) BOARD MEMBER REPORT [Brant Jones]**

**DISCUSSION**      **Leeds Water Company (LWC) Update - [Brant Jones]**

**Brant Jones** - Yeah, you know I am on the Board on both LDWA and LWC, the irrigation company. And we share the same water source. We are continuing to work to create a better working relationship between the two companies. Don and I met with the Irrigation Board recently and we are working on an updated agreement. We are trying to look forward to what might happen in the future with water in Leeds if the Irrigated land were to be developed at some point. We are trying to figure out a way to keep the Spring water, in particular, coming to Leeds. So, we're working on that project. We met with a couple hydrological specialists recently on the carrier water and are trying to get them to get more involved in the project and to come down and help us take a look at that. Carrier water is what water it takes to get water from the Spring down to where the Irrigation Company takes the water at their diversion on Leeds Creek. So, anyway, if we can work it out, it would be nice to be able to utilize the Spring Water in the future for anyone who is building a home. The State is involved in that relative to the water rights. There are also the bylaws for both companies that are fairly complex as far as the agreement is concerned. We're not in total control of it all since the State has is involved as well. You know the question has been asked recently about the Bylaws of the Irrigation Company and there's a website that the irrigation company is working on right now so LWC shareholders will be able to see the bylaws. Susan Savage has been involved in documenting the history of the Company. There's been some challenges with people knowing how to reach LWC. The culinary water is pretty well advertised, through our Website and posters, and so if something goes wrong with the water, people know how to get information or help. There's way more irrigation water than there is culinary water. If there's a water problem, typically the culinary company gets the phone calls because LWC doesn't have anything posted, so contact information will be should be available as well. The last word I heard was a couple weeks on the Website. But as agriculture goes, I think those are dog years, so I think 2 1/2 months. They are a little slower because you have people that work full time jobs and then come home and farm their land and then run off to do other stuff. Everybody's pretty busy, so anyway, they are working on it.

**Alan Cohn** - I think LWC and LDWA are playing nice together and it is a great thing. From what I understand from my time, historically it's been more of an adversarial relationship which did not benefit anyone. So, I think the direction we're going is fantastic.

**Brant Jones** - It's been a good thing and I mean the best thing we could have happen is what's happened this year with the best water year in 110 years, so that makes good friends, doesn't it?

**Don Fawson** - Let's do that again. OK. Thank you. Alan, did you have anything you want to report?

**Alan Cohn** - No I don't.

**Don Fawson** - Kurt do you want to go ahead and give us an update on the projects?

**e) BOARD MEMBER REPORT [Alan Cohn]**

DISCUSSION

**Nothing to Report** - [Alan Cohn]

**f) ADMINISTRATION REPORT [Kurt Allen]**

DISCUSSION

**Infrastructure Project Update** - [Kurt Allen]

**Kurt Allen** - OK. Thanks, Don. First of all, I want to thank both Brant and Doris for the fine work they do on financial things and on LWC and the relationship with them. It's real commendable, the progress we've made all the way around.

**Kurt Allen** - We've got so much going on that Riley and I sat down and kind of outlined a little narrative of all the projects and the things that are happening. Before I start, we have Landmark Excavation here with two representative, Clinton and Steve Newby, and when I'm finished here, I want to turn some time over to them. These guys work for the contractor for the Washington County Conservancy District who is installing the 24-inch line for them and of course coming along with that is our 10-inch line and all the appurtenances within the Town as they come up through Main Street. These guys are going to be very important to us to be able to have a good quality job, and to be able to coordinate with us. You guys need to make sure you talk to Mark before you get out of here. Mark's going to be your daily go to guy to be able to help out and answer any questions you might have. So, you'll become best friends with Mark.

**Kurt Allen** - Alright, along with the financial report you heard that we got an influx of money from the Division of Drinking Water into our accounts for the beginning stages of this pipeline project. There's actually going to be 3 stages of money transferred and that's based on the closing of each project with the Division of Drinking Water. The well right now is, of course, is the first stage. The second stage is going to be the Washington County Conservancy District pipeline project having a Deposit come into our accounts to pay for the materials, to pay our portion of the 10-inch water main, and that sort of thing, and then of course the third funding is going to take place at the time we let out the bids to do the Oak Grove pipeline, the chlorination building, the pipeline on the east side of Main Street going down through Town and that's of course the larger project of all three of them. So, there will be three different stages.

DISCUSSION

**Permitting** [Kurt Allen]

**Kurt Allen** - OK. As we've been saying for several months, the BLM and the Forest Service are reviewing the environmental applications to indicate what else is needed for the final environmental assessment of the Federal Land portion? It's completely in the agency's hands at this point until they give us comments. We've asked for updates from Susan at the BLM and then Gregg with the US Forest Service and we'll pass that on as they make the information available. We feel like that's getting close and hopefully at the next Board Meeting we can have some definitive answers from both of those agencies. As far as Main Street goes, for our pipeline going down the east side of Main Street, it is required to get the proper permitting from UDOT and UDOT's categorical exclusion for the environmental permit going down Main Street is in the public comment period at this time and will reach its required 30-day conclusion on Friday. The permit will then be sent off to Heather at the Division of Drinking Water the next week.

DISCUSSION	<b>Right Of Way Mapping</b> [Kurt Allen]
<p><b>Kurt Allen</b> - Riley with Jones and DeMille has been working on that that right-of-way mapping and it's been a big job. I mean if you stop and look at all the right-of-way's that we've got for our pipeline within the Town, there's a lot of them and Riley's been just buried with that the last couple of weeks. It means looking into the status of the system and making sure that the legal descriptions are in the proper place. We've actually found one legal description that sent a right-of-way into Apple Valley on one of the easements. It is kind of an interesting mistake by the surveyor who wrote that. It got into the wrong section and put us in Apple Valley.</p> <p>So, we are compiling the draft on the LDWA system for the right-of-way maps for Peter Gessel's (Smith and Hartvigson, our attorney), and LDWA use. In documenting the system right-of-way and easements that we have on file. Both US Forest Service and BLM will use this right of way map in the final environmental assessment that they are working on currently.</p>	

DISCUSSION	<b>The Well</b> [Kurt Allen]
<p><b>Kurt Allen</b> - The drilling plans are complete with the specifications and contract documents. We are just waiting on positive movement from the BLM before we advertise that for bid and closing on the loan. So once again, the bell will be on them for final approvals to open that up.</p> <p>As I mentioned earlier, the Well House, the Chlorination Building, the Altitude Control Valve, that are in the big project plans are 60% complete, and likewise, we are waiting on positive movement from the BLM and the US Forest Service before advertising for contractor design assist. We don't want to proceed past the 60% plan stage until the contractor for design assist is chosen so that they can be involved in that final design for the last 40% of the drawings. So that's on hold waiting for BLM and Forest Service to give their approval and then we will let that out to bid. Are there any questions on any of the projects?</p> <p>OK. I'd like to turn some time over to Clint and Steve to introduce themselves. Once again, we will all be working with them very closely over the next eight or nine months? So come on up.</p>	

DISCUSSION	<b>Landmark Excavating</b> [Kurt Allen]
<p><b>Clint Hardman</b> - My name's Clint Hardman, the Superintendent of this project for Landmark. We'll be working closely with Steve Newby. Our other project manager, Austin Sorenson, wasn't able to make it tonight. First thing we would like to ask for, is for your patience through this project as it progresses. We will stay in contact on a daily basis to get answers to any questions we may have. Our goal first and foremost is safety. None of this is worth it if people's lives are going to be jeopardized. So, safety is first and foremost to us. And then quality is definitely going to be second to come into play. I don't accept failure. We are going to put it in right the first time. Timeline, is also important on this particular job.</p> <p>If there is anything that you know we need to be doing different, we will definitely be taking into consideration. We know we're in your town and we'll keep our house cleaning up to par. Taking consideration of the residents, our speeds, and the way we're leaving the right-of-way at the end of the day and through the weekends.</p> <p><b>Kurt Allen</b> - That's awesome Clint, we appreciate those focus items that you're doing there and I'd like to say that we've already started our discussion with these guys on the technical part of their installation and as they get closer to the Town which should be a month / month and half, then we will be meeting with them, Mark, Don, and any other Board Members that would like to start talking about means and methods of working through our intersections, working through the other services going into each lot. There are just some things that we're going to expect. There is going to be some technical things we can help you with.</p>	

**Clint Hardman** - Approaches, people's driveways, their services, etc.

**Kurt Allen** - Exactly. Yeah.

**Don Fawson** - We want to make this as easy as we can for you and have it turn out to be a positive experience for you and your company, and the Town's people here as well. One of the things I wanted to ask that I have concern about is security. There's a lot of small parts that are going in on our part of the system and a lot of that's brass which, as you know is in high demand for people that want to go turn metals into the recycle for cash. Do have a plan for security on that material.

**Clint Hardman** - So, we briefly spoke about this in our pre-con that we had the other day. In our lay down yard, we have a conex that basically will be our parts and tools conex for small items like any copper, the rolls for the services would be store in there and locked up. I will be getting with the owner of Landmark and speaking about maybe possibly having a solar powered surveillance camera that can catch and record any movements or record for a small duration every time there is movement and then send it up to the cloud. We'll also have an office conex as well. As far as the large items, if they can lift them up, I don't say go for it, but I don't think anybody will be lifting those larger items up. At the property that we're using for our lay down yard we funneled it out to where the driveway is in one spot. So, somebody's going to have to do some real 4x4ing to get over there around our gate. We're going to put up some kind of gate at that access point. So, we are going to choke it down to where anybody that shouldn't be pulling in, they are going to have to do it from the side. We are hoping to have some kind of security on site, but we will be storing those brass and copper items inside of that Conex.

**Don Fawson** - I think you know, obviously, Landmark is ultimately responsible for that material, and the loss will be yours if it's lost, but it is also our problem if supply chain become slows down replacements.

**Clint Hardman** – And it's the delay of job.

**Don Fawson** - Yes, the delay of job and all that goes with that, so, I'm glad to hear what you're doing.

**Kurt Allen** - That's a good description and we have had several discussions on this, but the main one was with the Washington County Conservancy District just a couple of days ago because technically the material is owned by the Conservancy District. Once it arrives to the job, there's got to be a handoff made to the contractor and as that material comes in, we need to check it off with you or one of your project managers and this is where you are going to come in Mark or Don or somebody needs to be there on site as that material is delivered, we're going to check each listed box off ; 10" / 90 degree elbows, etc.

**Clint Hardman** - So, we have already had deliveries of pipes. I have all the tickets on those. After speaking at the pre-con the other day, I believe I was going to be in contact with Brett with the incoming parts. Is that correct?

**Kurt Allen** - No, it's not Brett it is Mark.

**Clint Hardman** - OK. On all the parts that are coming in; the 24-inch, 10-inch.

**Kurt Allen** - Oh, no I'm catching up with you. I'm sorry, Brett is the Conservancy District representative.

**Clint Hardman** - And he will only be watching over that end of it.

**Kurt Allen** - He will be watching over all of it because it's all the Conservancy Districts material. They are buying it all, they're paying all the bills, it's their material. We're going to reimburse the Conservancy District for those parts. And so ultimately, it's going to be our responsibility and we're going to have to



pay the bill. So, we want to make sure that the handoff is correctly done so that we know that the materials are there that are required on our project, and we have a list of every fitting, and of course the pipe will be easy just count the sticks and move forward. So, we want to go through that list of fittings and check the box off as those come in and then once we do that, they are going to be your materials and then you are going to be responsible for them at that point.

**Clint Hardman** - So, do you want me to reach out past Brett on that point and reach out to Mark to have him there to check out your materials.

**Kurt Allen** - Yes, you haven't received any 10-inch materials yet?

**Clint Hardman** - No, I have two loads arriving tomorrow.

**Kurt Allen** - Of 10-inch?

**Clint Hardman** - I do believe the two loads are 10-inch pipe.

**Kurt Allen** - OK, I have asked Whit Bundy with the Conservancy District to get ahold of Fergusons and postpone the delivery of the 10-inch materials until you get closer to Town. There's no sense in those materials sitting down there in the sun and you being liable for them being stolen. The pipes are not too big of a deal. But I don't want any materials delivered to the site until you're just rounding the corner down there, and a week or two away from getting into our portion of the project. Once we get to that point, then that's when we need to have them all delivered at the same time and we can go through and check them off and turn, them over, it's an important handoff process.

**Clint Hardman** - I've reached out to where some of the pipes have been coming from out of Alabama. I reached out to them today to tell them, you know, we need to hold off on even the 24-inch since we don't have the real estate to store it.

**Kurt Allen** - You're well ahead of yourself already.

**Clint Hardman** - So as far as that 10-inch? So just turn them around and tell them to store it. Or should I accept those two loads?

**Kurt Allen** - You accept them. The pipes not the problem. I'm going to reach out to Whit Bundy with the Conservancy District and get him to put a stop to that so that we don't get everything delivered up front and have it sitting there for two or three months.

**Clint Hardman** - And I expressed that to Mr. John Bird with his shipments since they were trying to push it. I'd already come to the determination that I didn't think that was a great idea until we start getting material in the ground. We can get so much in and then have more delivered. Then we had our meeting and I shared that with him and he's 'well, that's funny I just had a talk with someone else and they told me to go ahead and get it going.' I said no, that's not the discussion we had.

**Kurt Allen** - You need to get a handle on this because this material management or source management is going to run away with us if we don't watch it.

**Don Fawson** - Are you going to start at the top or the bottom?

**Clint Hardman** - We are going to start at the South end of the project. So, we originally were going to come out with that fused 14-inch and go into a flange and come out that way. Things have changed a little bit since then.

**Kurt Allen** - This is down by Harrisburg?

**Clint Hardman** – Yes and things have changed, but we'll basically kind of skip past that because there's another project going on that's going around Quail Lake, is that correct?

**Kurt Allen** - Yes. it is being designed right now.

**Clint Hardman** - So we'll just kick off that way and we're expecting to try, or our goal is to go about 1200 feet per week and that would be excavated, in the ground, and backfilled, that's our goal. The first week will be just getting the crew and everybody where they need to be and getting the system down. So, we may follow just short of that the first week, but I believe the second week rolling into that we will put every bit of that in the ground every week.

**Don Fawson** - So based on that about how long would it take to get up to South Leeds?

**Clint Hardman** - So, South Leeds, I believe it is about 3700 feet is what I kind of roughly guessed.

**Kurt Allen** - I'd be surprised if it's not a little bit more than that.

**Clint Hardman** - Maybe it is a little bit more and that's just to Pecan Drive. It might have been 4700 I'm not sure on those numbers, but I figured it would be about the third week before we get to that South interchange up to I-15 and then we will be able to keep on moving until we get to about Pecan Lane and I think that's when all the stuff starts getting pretty complicated.

**Doris McNally** - So, we are talking about the Town feeling it about when? what month? What time?

**Kurt Allen** - They're starting the cut project on Monday, a week from Monday and if it takes, say, four weeks because you're going to have a slow startup week, so you are a month out. You will be coming into the South side of Town.

**Doris McNally** - The first week of December?

**Clint Hardman** - Then moving forward through Town as we get a little bit closer into Town where things really start getting pretty complicated with a lot of valves, a lot of things are going on there and we will be bringing in a second pipe crew so that we can still get those things done, run the 10-inch, and get that 24-inch run and still meet the deadline to get that 24-inch up and operational. So, we will be running two full crews by the 1st of January for sure.

**Don Fawson** - Mark will be your “go to guy” on identifying where the existing lines are.

**Doris McNally** - Don I have an idea, given that this is going to be a pretty significant thing with the Town and given it's something that's going on with the Washington County Conservancy and LDWA, maybe we could talk to the Mayor about potentially adding this to his next Town Newsletter. An article about what's going to be happening and have him frame out not only what the Water Conservancy District is doing but also what the LDWA is doing and inform all the people in the Town, because it is going to cause some inconvenience and things like that, especially if you're on Main Street. So, I think that getting in front of it and communicating to the shareholders and to townspeople giving them a heads up would be the thing to do. So maybe we could reach out to Bill?

**Kurt Allen** - I just want to close by saying I've been working with Landmark Excavating for probably 3-4 months now out in Ivins on a different project and they're a great contractor, they are great to work with, very reputable, and we are looking forward to a great project.

**Clint Hardman** - Thank you. Appreciate it.

## VIII. SHAREHOLDERS COMMENTS

### SECTION SET-UP Shareholders Input [Don Fawson]

Don Fawson - Procedures for making comment:

- 1) Shareholders must step to the podium to make comments,
- 2) Clearly state your name and then ask your question,
- 3) Please limit your time to 3 minutes per person
- 4) No Action may be taken on a matter raised under this agenda item
- 5) Comments need to be confined to issues, not individuals.
- 6) If an item or question has already been discussed, we will cordially move on out of respect for everyone's time.

### DISCUSSION Water Rights Comments [Susan Savage]

**Susan Savage** - We, our group has filed a non-use application with the State and they granted it. The non-use application requires you to specify why you are asking. It gives you seven years to solve whatever your problem is with your water. Like in our situation, like I've told you, that our water level has dropped it's not recovered, it's down 30 feet from what it was originally and hasn't recovered.

**Don Fawson** - So let me clarify this if I can just for myself. So basically, you have to prove that you are using the water within a seven-year period and then if not, you have to have some justification for why that was not the case. Is that it?

**Susan Savage** - Right. So, when they grant you that, then you're not at risk of forfeiture while you're trying to solve your issue. You have seven years to try to solve it. So, I thought you might be interested. Since Doris got me connected with the way to look online and see what's happening in the area, I just sign on to watch what's happening in all of Washington County. And those notices come out every Thursday evening and so during the last few months there have been dozens of non-use applications throughout the county. So whatever people's reasons are, you know, people may say it, like in our case, the water level dropping, or it may be a well situation, so they may need to decide whether to withdraw or whatever, but it's something to do with not being able to get their water and I think that's pretty interesting before, prior to that we hadn't seen that.

**Doris McNally** - Susan, can I ask you a question? Do you think that it also might be because they are feeling pressure that if they don't justify or document in this manner that the water rights could be taken away from them in one way or another? I'm just clarifying what they're feeling, I mean the motivation may also just be pressure at this point

**Susan Savage** - That is what would happen. In our case you know our water levels dropping and if we're losing our water, we are still responsible to water a certain number of acres then we are really hurting. So, the State has offered that option to people to give them time to solve their problems. And then a few weeks ago when I went down to the District on a private matter, the person that I talked with down there who is in a leadership position there said to me; *'so I guess Leeds is going to start buying water from the District.'* And I didn't know if you had any idea where that might be coming from.

**Don Fawson** – That information isn't coming from LDWA. They are obviously looking at things. I would guess that it is things like Grapevine Wash and whatnot that LDWA itself is not going to be able to supply water too. So, that would be the only other source they have.

**Susan Savage** - And I suggested at the time that it must be some of the big developments, but I didn't know for sure.

**Don Fawson** - It's obviously not LDWA.

**Michelle Peot** - Is there the possibility that they got Angel Springs locked into Leeds?

**Don Fawson** - I guess it's possible. I know that Angel Springs has talked to the Conservancy District and you know, it's been interesting. Their President at one time said '*no, we don't need any help.*' But I know that Zach Renstrom has indicated that could be a possibility and they are not excited about it. But I'm thinking from what you're saying, it was probably more something like Angel Springs than the Town getting water from the Conservancy District. I'm just speaking off the top of my head. I don't have direct knowledge of that.

**Susan Savage** - I think one of the Grapevine Wash developments came up in earlier years that they had said that they had a Will-Serve from the Washington County Water Conservancy District. There was something general on that so that maybe what they were talking about.

And then from some general things, and you may want to ask Michelle Peot something about this from other things she was researching. I just picked up that it sounds like the State has established a Groundwater Management Program for Iron County but not for Washington County, yet, they are re-adjudicating water in our area. So, I think that's hopeful for Washington County to give the county some guidance on what they are doing with their water.

**Don Fawson** - Could you tell us a little more? What's the State involvement in that?

**Susan Savage** - And maybe Michelle could address that.

**Michelle Peot** - I have something to report on that when you guys are through.

**Don Fawson** - OK.

**Susan Savage** - OK, then just some comments. We did protest your Change Application and I just wanted to say that people can take that as an adversarial move. What we take it as is a really important part of the process because the legislature provides for that process and there are lots of reasons to protest. It is a protection for us. If we came to a place where we thought or felt that someone was taking some of our water and then we went through the court system, you can go through the court, and you said, "We think this is happening." They say, why didn't you say something in the beginning? So, if you think that you have an issue, it gives you the opportunity to establish that you actually may have and had documented that concern. The other thing is that last March, when I was asked to research LDWA's water rights, as I looked back in some of the old ones, you know, people say, what difference does it make because the State goes ahead and grants the water rights. But what I saw in those documents was that they were analyzing what had been said in these protests and they were saying, for instance in our area, they were saying it looks like we have to be careful in these areas based on what was documented. But they were saying this about what the Conservancy District is doing because of all the Springs and the water rights, the prior water rights that were already here. So, they were adjusting things in those orders of the State Engineers based on those observations.

Another thing I just felt gratified by in the letter, the order from the State Engineer that came, because it delineated so many things that we have felt like needed to be stated by the State. And one is, they really scrutinized our area. In my conversations with them in the office or on the phone. I think I mentioned before during COVID there must not have been too much activity at the office. But the engineer that I

spoke with spent a couple of hours with me on the phone and I thought I was probably done, and I was saying, well, thank you, and he was saying, let me just show you something else. And so, he talked to me a lot about the Leeds area. He said your area is particularly difficult for us to figure out and that was stated in this order of the engineer.

And so, they've said that to us and they thanked us for our input and said thank you for keeping in touch. And I've contacted them and said, 'Is this pointless for us to be doing this' and they have said 'no, this is really important for you to give us this input'. So, I think it's important, we can have these discussions among ourselves, but as these questions come up and these conversations with them, to me it's really significant and important for them to be put on paper and that they recognize this. They also put in that document, I don't know if you noticed when it first came up online, when I looked at it in the fine print where it talks about the heretofore and the hereafter on your change application, it said that they are adjudicating, and that the Hogan Springs water may be affected by that. It may be diminished by that in the adjudication. You know they decided that wasn't an enlargement, but you have two people using the same water right. The people who are there, in my judgment, it should be available to them for gardening, relying on that and so on.

Back in the years when I was on the Water Board and we discussed that we didn't obtain it, LDWA didn't buy the Hogan Springs at that time, they did later when I wasn't there. But the judgment from the State said, *'If you transfer that water right to the well, then the water down there has to be left, it can't be used by anybody.'* Either way whether it's used by someone or not there are two uses of the same water right and that's why we brought that up.

So, it was interesting that on that document it said in the adjudication that it may be affected by what they do. And then I thought, you know over the years like since the 1970s when you came, Don, and we've been looking at water rights and things. The letters that would come back, the judgments or the order of the State Engineer would be brief and concise, and I'm gratified that they're more detailed now. When we protested the Conservancy District draining the Ash Creek Reservoir which we are concerned about, you know it may be part of what's been feeding our aquifer. Then the decision that came down from them was very restrictive. And the decision they gave to you is restricted. I mean you have to report on each of your sites, each year and how much you're taking out of it so that you don't exceed the depletion level and so on. So, that's really important, I think because Washington County has grown on the assumption and the encouragement that there will be plenty of water. And so, we found out without the Lake Powell pipeline, which has been set aside, at least for a while. that the picture may look different. The last thing I wanted to say was that as I've gotten in the habit of scrutinizing things. My experience is that it's really important to check the paperwork, the documents on what anybody says, no matter who they are, an attorney, a water engineer, whatever. For example, when your attorney, Peter, wrote his letter and said, it came across to me as maybe it's an imposition on the State Water Engineer for people to protest and that's why they have to pay the \$15 fee. I thought, well, that's interesting, you pay an attorney to stick up for you, but that is not why they have the \$15 fee. What they've said to me is because the legislature provides that, the \$15 fee is to cover their paperwork and postage and so on. But I haven't had any conversations with them which they discouraged us from protesting or for asking for a hearing. A hearing is when you get to hear what the other side is proposing and why and how would they see that working and you get to ask your questions. So, that's been really valuable to us.

Somehow, I don't know if it was your attorney or someone during our discussions that said that that LDWA does not have a quasi-municipal status and I don't know how the term quasi in that statement is being defined. But LDWA was given in the 1990's, I was on the Board at the time, the reason I know this is because I was the legal liaison at the time when we worked with the State on this. In 1987, you might remember, Don, that the State Engineer came down and said Leeds was the only private water company left in the State that was serving a municipality and that we were going to lose our water because we didn't have the right to accumulate water for future development. So, the Water Board at the time, after that was said, said I guess we're done. And I said is it OK if I ask our attorney about it. So, we met with the attorney, and he said let me talk to the State Attorney about this, the attorney for the State Board of Water Resources. I believe what they discovered was that there were over 100 private companies in the same situation that we are in. And that the State had overlooked that and overlooked their need for some

kind of policy to protect them. So, they established the policy that if the private company, St. George for instance, had at that time several private companies within the City, that if the private water company established an agreement with the municipality that they would only serve people within the City boundaries, then they could continue accumulating water for the future. I think if that had been rescinded, you wouldn't have the water you have now that you're holding from people who have brought it to you. They would have taken it back, but I have asked for a clarification from that. Another thing that happened was the District's attorneys, when we protested the Ash Creek situation, the District attorneys wrote a long letter to the water engineer, and it was full of things that we'd had our hearing it was full of taking issue with things that we had said in the hearing that we actually hadn't said at all. I don't know if they didn't know our area, or the geology, or what. Or, if we weren't important enough, or as important as some of the other cases, I don't know, but they have a lot of inaccuracies, so it was important to scrutinize that and to say this isn't accurate.

**Don Fawson** - Did you actually do that? Did you go back?

**Susan Savage** - We did, I took it point by point and wrote to the State again about that. And then in the past at one point, this is my last example, but it is important, I think, even though we have attorneys and engineers, to make sure that we know what the paperwork is on and what the facts are. There was a group that came to LDWA with a lot of water to sell them and the attorney that came with them was characterized as the equivalent as the Iron County equivalent Ron Thompson and the Washington County Conservation District. And so, he was an attorney, and the question came up about whether there were any encumbrances on these water rights and they assured the LDWA that there weren't. And I think in the past we've tended to trust. And you don't think that people look straight at you and say something that they know isn't true? But we find out that that could be the case. So, we had that burden to check on it. So, what actually happened was, LDWA then accepted that word and agreed. But they didn't pay for the water rights. They agreed to pay for them as they were used. Fortunately, they hadn't used any because the lawsuit came up and it was determined that the people selling the water right to LDWA didn't actually own them. Although it was the attorney who said yeah, they are free of encumbrances. So, LDWA got out of that and that was part of the research that I was doing last spring it showed that some of those water rights had to be returned to the rightful owner. So, anyway, that's why I scrutinize things. To make sure of the facts. And I do hope to be corrected and I do appreciate, you know, as you file for other things, if you're going to do that, we'll probably protest again in order to get clarification on those things. And it's not an adversarial move, is to get that clarification, to have the State nail it down.

**Don Fawson** - We have never felt protests were adversarial. We encourage them, for the very reasons that you stated. I think even in talking to Zach when they came out with that proposal to do those deep drill wells and what not, in talking to him, he said *'I would encourage you to protest.'* So, they recognize that those things need to happen. So, no there's never been any feeling of it being adversarial, to me it's just part of doing business. We do the same thing. We appreciate that very much.

**Susan Savage** - It is one of the ways that the State actually covers their information because they can't be out looking at what's happening with everybody's everything you know.

**Doris McNally** - We appreciate your comments. I also appreciate your comments on validating everything, check and verify everything. I think it's very true and as you see we've been doing that with our water rights and everything. There's an assumption that the stuff that was done in the past is always accurate and you have to look and make sure it's accurate. You have to make sure that it's so. So, I appreciate your comments on that.

**Susan Savage** - You know like the people who came with the attorney and said there are not any incumbrances, they probably trusted the attorney too. You know people come to City Council or the

Water Board and they say this is how it is, and you know people can say OK. You know they can say are there any encumbrances, you know then they can accept their word.

**Doris McNally** - I'm sure they were all quick claim deeds too, which of course they're not the best, but. Thank you.

**Don Fawson** - Thank you, Susan, I appreciate you constantly looking out for those kinds of things. It's a rare individual that has that kind of background and is able to articulate it that well and not only do that but do it in a kind way. So, appreciate it. Michelle, did you want to say something.

**Michelle Peot** - So at the last meeting you mentioned that the Water Conservancy had a new 20-year plan that was issued. I occasionally write blog post for Toquerville's citizens blog and so I scrutinized the 20-year plan as well as legislative updates that had sort of made positive changes regarding Water Conservation and one of the things I noticed in there is there was money allocated for groundwater management plans. Of course, I thought do we have one in the area? Because, you know, we're hitting the aquifers pretty hard here and it turns out we do not have one, which is worrisome. So, I made calls to the Conservancy District and Division of Water Rights to figure out who's responsible for that, and that sits with the engineers at Division of Water Rights, and there's currently no timeline for that. So, we recently had a meeting with Zach Renstrom to talk about the 20-year plan. So, I asked if he knew what the status of that was and he just said, oh well, you know, they're behind and they're just hiring people for it. But the concern is then the Conservancy District is largely relying on their own analysis and what they've done in the past is there was one written by USGS scientist who talked about that our hydrology is so complicated with all the fault lines and whatnot and there is interconnectedness between the aquifers, but they don't fully understand all of what happens if you drill here and what not. And it didn't validate that the deep wells were a good idea so, then they hired a private firm to write them another report to say it was fine. So, that is where my concern is because we're putting so much demand on the aquifers from various places that we don't have a plan for monitoring and analyzing the hydrology here. And so, I do understand that the Division of Water rights is overseeing this, they are doing their best effort. But I think there needs to be more holistic vision.

**Don Fawson** - We appreciate very much you're following through on that. Anyone else want to make a comment? Alright, again, we appreciate all of you being here, appreciate your interest in the water. I don't think any of us individually is smart enough or has enough experience to know everything and maybe it's through our combined efforts, that we can continue to protect the water that we have and hopefully have some for the future. Being able to save the rest of the quality around. It's a challenge. If there's nothing else, then I'll accept the motion to adjourn.

**VII. ADJOURNMENT:: [08:18 PM Don Fawson]**

VOTE	MOTION TO CLOSE MEETING: Doris McNally   SECOND: Alan Cohn <b>MOTION APPROVED:</b> Unanimously
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Layna Larsen, Corporate Secretary

Don Fawson, President