



Minutes

Date/Time/Location:	January 20, 2024	7:00 P.M.	Leeds Town Hall
Type of Meeting	Board of Directors Meeting		
Note Taker:	Layna Larsen		
Attendees:	Members:	Don Fawson (P), Kurt Allen (VP), Doris McNally (IT), Brant Jones (M)	
	Absent:	Alan Cohn (M)	
	Staff:	Mark Osmer (Field Mfr), Layna Larsen (Corp. Sec)	
	Shareholders:	Susan Savage, Ron Cundick	

Agenda Topics

I. CALL TO ORDER [Don Fawson @ 7:03 P.M.]

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

II. PRAYER [Don Fawson]

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: Kurt Allen MOTION APPROVED: Unanimously
VOTE	MOTION TO APPROVE TONIGHT'S AGENDA: Doris McNally SECOND: Kurt Allen MOTION APPROVED: Unanimously

V. DECLARATION OF ABSTENTIONS OR CONFLICTS [Don Fawson]

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

VI. MEETING OUTLINE [Don Fawson]

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

VII. OFFICERS REPORTS [All Board Members]

a) PRESIDENT'S REPORT [Don Fawson]

DISCUSSION	Utah Department of Environmental Quality Division of Drinking Water Sanitary Survey
	<p>Don Fawson - All right a couple of things here. Appreciate Dora sending out the development application. I hope that everyone had a chance to look at that and I wanted to have a little discussion on that at this time. Just a few things, it's very comprehensive. Did you use a template for that?</p> <p>Doris McNally - No, what happened was, that in 1984 was the original document, then in 2014 it was restated. OK. And then going through the Silver Point Estates and also the Silver Eagle Estates, we had identified things that were missing in the document. So, what I've done is I've incorporated those elements into the existing document. So, this is not a rewrite or a new policy, it is considered a restatement of the existing document, and it incorporates things like, for example, a checklist so that as we go through the process with the developer, the developer sees that they have to meet all these requirements. So, it doesn't get left to the memory of whoever is in the company. As for the shareholders, what we have noticed over the years is that many times the new Board Members as they come in don't have the knowledge of what the process is and so by putting a checklist into the actual restatement that will help. We also identified that we didn't have a developer's agreement, a written document so what I did was I crafted a developer's agreement that the developer would have to fill out ahead of time, give us plats, give us information about their septic system, and other information, then that would come to us for consideration for a Will Serve. In the past those once again happened through independent little emails and sometimes text which don't get captured into our system. So, this way it is a way of capturing the formal documentation so that the people beyond us, 10 years, 20 years from now, if we're still around and if we're not with the company, somebody can look at them and say, oh, that's what happened to get that to go to the next point. So that is what the purpose of the restatement is.</p> <p>Don Fawson - OK, As I went through this, like I said, it's extremely detailed and I felt like there were some things that really are not part of the water company detail, they are actually the town. Once we receive a building permit, then we don't need to be involved with the sewer, we don't need to be involved with setbacks, we don't need to be involved with the type of building they're building or anything else. The only thing we really need to be involved with is whether they've been issued a permit. Because all those other things should have been involved in that. I think too, it almost sounded like we need detailed information on the structure of the building and all those kinds of things, and the only thing we really need on that, to me at least, is a plot plan just to show where the building's going to sit so that the water can be connected to it. Umm. Let's see, on page 2, it just says, there starting at the top it says completed and detailed construction plans and drawings of improvement shall be submitted to the LDWA board, I just put in there for review prior to commencing construction. And then as we went down all of those items like, in particular in B, the question is do we really need all of those things and I'm not sure, it just seemed to me that this seemed to be more comprehensive than really what we needed. I think my personal opinion is, it needs to cover what we need, but it shouldn't be any more complex than that. And down on item C, there on page two we had minimum cover and I think we also need to put bedding in there. We want to be able to see that.</p> <p>Doris McNally - And that's why I said this out after the last work session. So, I think that we should definitely incorporate those changes and once again, it is a restatement. It's not anything new in those areas. It was what was in play all the way back. I would say probably those were expanded in 2014.</p> <p>Don Fawson - What I would suggest, have any of you really taken the time to really looked through this.</p> <p>Brant Jones - I read through it and my feeling was I was hoping we could simplify it some. But I didn't want to try and get specific without a discussion because I wasn't really clear on why or if anybody felt like specific things were needed. So, I didn't want to scratch anything without that discussion.</p>

Kurt Allen - I read through it myself and had the same feelings. And I've always felt like anything beyond the back of the meter doesn't really pertain to this Board and so, I think that our clarification in this document needs to end at the back of the meter with the exception of maybe a plot plan showing where the buildings setting.

Don Fawson - Well, could I have a motion to table this and let's do a work session on it. And everybody kind of really dive into it. I think one of the things I really appreciate, Doris, is this has been presented to us before and we haven't really got into it. You have, you've done your homework and done everything above and beyond and I really appreciate that. I think that we just need to get serious about this and get it taken care of.

Doris McNally - We do, because the things that are in it like the application, and also the checklist, are the things that we got caught up on with the developments we've been talking to. And Layna is getting a number of people requesting new things because this is also individual parcels, and we need to give proper guidance to the office and these documents are the things that give the guidance to the office. As you stated Don, I visited this about a year ago, it seemed like we have to address it, we can't keep kicking the can down the road, it needs to move forward. In whatever state this board is, it is the only way that you can give proper guidance to the office and to the field.

Don Fawson - Yeah, and that's fair I think that's the only way and we need to move ahead with this. One of the things I wondered even on the checklist if there were some things that might apply, well you have down here whether it's commercial, industrial, and so forth. Then I think one of the things it says down here is we can provide service size up to 12 inch which is pretty hefty, and then meters up to 12", I don't know maybe we won't. But I think we need to look this over and be serious and do a good meeting on it and see if we can't pare it down to what we all feel is relevant.

Kurt Allen - Do you think before we have a vote that we take care of this within two weeks. Should we kind of put a deadline on ourselves here and implement that.

Don Fawson - I don't have a problem with that if we can get that set up, maybe next week or something like that. I think you're right we need to quit kicking the can down the road.

Doris McNally - There are just too many developments happening right now and we need to tighten it up. And I agree it is voluminous and I think that the thing is, is that you don't want to go into a restatement where you totally change the whole document. A restatement is just adding the things that you felt were missing from the documents.

Don Fawson - Or taking it out, you know, the things that you feel like are beyond the scope of what it should be. So yeah, both things.

DISCUSSION	I make a motion that we table this and reschedule a work session within two weeks to address it and finalize the final draft for acceptance by the board.
VOTE	MOTION TO TABLE AND FINALIZE WITHIN 2 WEEKS: Kurt Allen SECOND: Doris McNally MOTION APPROVED: Unanimously

Brant Jones - I feel better about that too.

Don Fawson - OK, I'll work on giving some dates for next week and see if we can set something up and get serious about this. Again, Doris thank you for all this, moving this along.

Brant Jones - Yeah, that's a lot of work.

Kurt Allen - Mostly thanks for your patience with the Board.

Doris McNally - The paperwork and bureaucracy is never fun.

Don Fawson - Mark, do you want to go ahead with your report for the last month?

b) FIELD OPERATION'S REPORT [Mark Osmer]

DISCUSSION	Monthly Water Quality Test Results
Mark Osmer - We passed out BacT test again this month.	

DISCUSSION	New Well Site
DISCUSSION	Regular System Maintenance
<p>Mark Osmer - We have been doing a bunch of blue stakes. We had a few freeze up issues in that cold snap. I had some RP's that people didn't insulate, they put a box over it, but the wind blew through it, so we went up there and helped them insulate and thaw it out and got their water going. There was a frozen meter, and we did the same thing for them. And then just the general running of the system, that's about it for this month.</p> <p>Mark Osmer - We worked on the well site because when we pumped the waste, it was going right through where they are going to drill the new well. So, I've diverted that by putting a new culvert under the road and got it, so it is completely out of the way.</p> <p>Don Fawson - Where did you get that culvert?</p> <p>Mark Osmer - Landmark gave it to us. It is some of the old 14" EPDM pipe that they are taking out of the ground, so thanks to Steve Newby. So, we used a piece of that discard pipe and it worked perfect under the road. The old covert we pulled out was just junk. It was all patched together and wasn't very good.</p> <p>Kurt Allen - Thank You Mark and Steve.</p> <p>Mark Osmer - We pumped the well to test it and keep it exercised. It's still the same draw down, with the static level staying the same.</p> <p>Kurt Allen - Tell us what the same means.</p> <p>Mark Osmer - I haven't got the figures here but the drawdown is 4 feet. So, when we pumped it, we pumped it for about maybe an hour or something like that while we were working up there. When we shut it off, literally within 5 minutes, it was back up the four feet to its original static level. So, the recharge is really good, and I was pumping between 350 and 400 gpm so that's good. We're still not using the well on a regular basis due to high water levels. We are still running solely on the Spring. The Spring is running around 238 gallons per minute, so it's keeping up with demand.</p>	

DISCUSSION	WCWCD Project Weekly Meetings with Landmark [Mark Osmer]
Don Fawson - Mark has been working with Landmark Construction locating some of our piping and valving and things that they need to have identified. Did you get things figured out at Roundy Mountain Road today?	

Mark Osmer - Yes, that pipe is communications pipe. You're bringing the Vac Truck in, Steve, aren't you?

Steve Newby - Yes. We got to the fire station tonight.

Mark Osmer - So they're going to carry on and pothole where those pipes go across the road, so we know exactly where they are.

Don Fawson - You said they were going to bring a Vac Truck in?

Mark Osmer - Yes.

Kurt Allen - They did today, didn't you, Steve?

Steve Newby - Started today.

Don Fawson - Well, we appreciate that, it's a lot better than a backhoe.

Mark Osmer - Yes. Thanks Steve.

Steve Newby - It is a lot better than replacing a lot of damaged lines.

Mark Osmer - Yes, there are a lot of communication lines and power lines there, so, it's the best way to locate them. So, that will be better, easier, and safer and we won't be breaking any communication lines.

Layna Larsen - For clarification, what are you bringing in? What does it do?

Steve Newby - It is a Vac truck. It is a high-powered vacuum that can suck the dirt and make a pothole right down to where you want it.

Layna Larsen - OK. thank you.

Kurt Allen - So, when you get to the utilities it doesn't damage them or break them.

Mark Osmer - They put water down there and make like a slurry mix, so they just suck all that out and get right down to where they need to go.

Layna Larsen - That's handy.

Don Fawson - We met with Landmark this last Tuesday morning and I talked to them about the traffic lights and asked Clint, the foreman, how much it would take to reprogram them on weekends. He said he would check into that. So, maybe they can shorten the time in-between.

Steve Newby - I will follow up on that.

Don Fawson - If they can do that, it would be great and make people feel a little more like obeying the law.

Steve Newby - Testing patients, are we?

Don Fawson - Steve, did you have anything you wanted to report?

Steve Newby - No I am just here to represent Landmark and see if you guys have any concerns. We are going to be getting into the thick of things here sooner than we think, we are up here a little bit into the residential.

Don Fawson - So what is the current timeline? The end of February or something when they figure that they might be at the South end of Town?

Steve Newby - Yeah, probably, or the end of March, somewhere in there.

Kurt Allen - You are just a couple of weeks away from the North end aren't you.

Steve Newby - Yeah, about 2 1/2 weeks. There is a bigger piece of equipment coming in for the South end to start really hogging things out.

Brant Jones - So, is that light system going to move right into the middle of town.

Steve Newby - No, we are going to take up the current striping and restripe the lanes, shifting everything to the West side of Main Street. So, we can remove the lights and keep traffic flowing.

Don Fawson - Probably need to take the West side parking lane out. Anyway. OK, Doris, we are going to turn some time over to you.

c) TREASURER'S REPORT [Doris McNally]

DISCUSSION Announcements/Billing/Communication – [Doris McNally]

BILLING

Invoices for December were completed/mailed on January 2nd.

NEWSDRIPS

The new drip article in the last billing was for the annual meeting and that's in compliance with the By-laws which state that it has to be announced by a certain date. So that is done on the next billing. We talked about sending out the reminder so, that's already to go. So, when you get to the annual meeting section, you'll see those two things as proof of notification.

LDWA News Drips

Need to contact the LDWA, it's simple.
Phone
(435) 879-0278
Please leave a message, your call will be returned promptly.

- To report an **EMERGENCY** water leak or a loss of water **PRESS 1**
- For a **BILLING INQUIRY**, **PRESS 2**
- For a **GENERAL INQUIRY**, **PRESS 3**

Your message is immediately routed, and a LDWA representative will be in contact.

Email
LDWAcorp@infowest.com

LDWA ANNUAL SHAREHOLDER MEETING
The Leeds Domestic Water Users Association (LDWA) Annual Meeting will be on Tuesday, February 6, 2024 at 7:00 PM.
The meeting will be held at [TO BE DECIDED], [PHYSICAL ADDRESS OF LOCATION]

WHAT TO EXPECT : Shareholders who plan on attending the meeting are advised to arrive at the venue well in advance to allow sufficient time for registration processing.

- A valid photo ID is required to gain admission - Attendance at the meeting is limited to shareholders.
- Regardless of the number of shares held, a Shareholder shall have only one vote. The affirmative vote of the majority of the shareholders represented at the meeting shall be the act of all shareholders. The vote upon any business before a meeting shall be by ballot. No proxy voting shall be allowed.
- Agenda items include - the election of two directors for two-year terms, the presentation of the annual financials and other reports.

LDWA News Drips

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DISCUSSION	FINANCE [Doris McNally]						
<p>PAYCLIX</p> <p>In October we had 80 shareholders pay their bills using this payment option. The total amount collected through PayClix was \$7,535.86</p> <p>With 60% paid via Credit cards and 40% via echecks.</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
	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
	Oct-23	44	\$4,494.09	36	\$3,041.77	80	\$7,535.86
		458	\$33,992.85	308	\$22,674.00	766	\$56,666.85

FINANCE [December 2023]

TOTAL INCOME			
ACCT	BALANCE	% to TOTAL	
Ord. OI:	\$36,233.17	91.0%	
Other OI:	\$3,599.62	9.0%	
	\$39,832.79	100.0%	

TOTAL EXPENSE		
ACCT	BALANCE	% to TOTAL
Ord. Field OE:	\$13,975.36	52.3%
Ord. Admin OE:	\$2,417.31	9.0%
Professional OE:	\$1,797.00	6.7%
Labor Expenses:	\$8,551.30	32.0%
	\$26,740.97	100.0%

The LDWA' Banking Accounts as of 12/14/2023

CHECKING ACCOUNTS			
ACCT	BALANCE	% to TOTAL	
1 - Checking	\$81,674.29	33.6%	
2 - Business Checking	\$161,446.06	66.4%	
	\$243,120.35	100.0%	

SAVINGS ACCOUNTS		
ACCT	BALANCE	% to TOTAL
1 - Emergency Reserve	\$293,684.49	71.8%
2 - Loan SRF-3F1892	\$54,851.42	13.4%
3 - Impact Fee Fund	\$60,559.21	14.8%
	\$409,094.12	100.0%

DISCUSSION	Old Loan- [Doris McNally]
	<p>Doris McNally - I'm just going to answer a question Riley had. We have negotiated with the State to have the old loan rolled into the new loan at 0% interest. So, we have a payment that is due this month. It is actually due by February 2nd that amount is \$40,712.00. We have two options, Heather told us we still need to validate this, but I'd like to get a Board vote on it so I can at least move forward with the decision tomorrow.</p> <p>The two options are:</p> <ol style="list-style-type: none"> 1) We can pay this year's amount due of \$40,712.00 and take the remainder of \$212,000 and move that over to the new loan. 2) We can take the whole \$242,000 and move it over to the new loan. <p>Now there are pros and cons to both. However, there is a young lady named Teresa that I just need to get something in writing from saying she would accept option 1, because it seems that Teresa and Heather may not be talking together, but if we get agreement that we don't have to pay the \$40,000 this year and just roll the \$242,000 I would assume financially that would be a better deal for us because we could take that \$40,000 and earn interest on it in our accounts. So, I will verify if that is possible. Since we have to make the payment by February 2nd, I'm going to make a motion that if tomorrow I talk to Heather and Teresa and they give me something in writing saying we can move the whole \$242,000 over, that both of them agree, then that is what we will do. If Teresa says we need to pay this year's due amount of \$40,712 then we have a check ready to be mailed and we have to mail it. But I'd like to make a motion that you agree that I'm going to try to move the whole amount into the new loan and if I can't make that happen, then I'm going to make the yearly payment before February 2nd.</p>

Brant Jones - What's the interest on the roll over loan?

Doris McNally - It's 0%. The previous office management was very good in keeping a coffer of money to pay the loan off quickly and nicely and they did a very, very good job of that. Because of that we have always been in front of this and that is why this doesn't hurt us at all. The question is what's the best way to handle this? So, I talked to Jennifer Lefler tonight about the best way financially to do it is to roll the whole \$242,000 into the loan. Right Riley, you following me?

Riley Vane - Yes.

Doris McNally - And if we can do that, we should do that. My recommendation would be to do that.

Kurt Allen - I agree with that.

Doris McNally - If we can't though, we still have to pay the \$40,000 which is due before February 2nd. We are actually slightly behind. We should have paid it last week, but I knew this meeting was coming up and I wanted to get a Board decision.

MOTION	I make a motion that we roll the old loan into the new loan if it is possible or pay the old loan before February 2 nd
VOTE	MOTION TO ROLL OLD LOAN INTO NEW LOAN OR PAY PAYMENT FOR THE OLD LOAN: Doris McNally SECOND: Kurt Allen MOTION APPROVED: Unanimously

DISCUSSION	Fidelity Bond- [Doris McNally]
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Doris McNally - And then, just to stay on the same topic, there are four items that Heather brought up in the conversation for the loan. The First one of course was this subject matter, and it is resolved. The New Loan will be signed off on very quickly and that's why I wanted to get on this. The second thing is in reference to a fidelity bond. There has been some discussion back and forth, we have a number of bonds from the old loan and the new loan, this is the first time I have ever heard of a fidelity bond. So, I called Heather back separately and she explained to me what she was referring to. It is for the insurance and the materials for the construction that's happening on Main Street, but in reading what a fidelity bond is, it's actually covering us. So, I need to get better clarification from Heather, and she has already said to me that I can do a writer extension onto one of the bonds we currently have with our insurance agency. So, I will have an answer probably tomorrow on that for you too. (Speaking to Riley) So out of the four items, the two that were the office things and the other two I think we handled today, so everything is clear?

Riley Vane - Right.

Doris McNally - Ok, so that's the financial update.

DISCUSSION	Hook-up Policy [Doris McNally]
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Doris McNally - Then the last thing, and I'm going to frame this so everybody in the audience understands. In doing all the work for the loan, one of the things we were required to do was identify all the easements that the LDWA has. The office people, meaning Layna and myself, hand culled through all the paperwork and electronic files that we had on easements. We were able to document all the easements we had. In doing so, we found two properties that were not documented properly with easements We are in the process of correcting that. But in looking deeper into that, I realized that most Regional Water Companies are required to have a "Hook-Up Policy." We do not have such a policy. What the draft policy talks about is what the process is if somebody wants to extend the pipe onto their property or add a hydrant onto it, etc. It delineates what the obligations are for that

to occur in reference to the LDWA. Working with the Rural Water Association, I took one of their templates for a hook-up policy and drafted the one that I handed out at the last work session, we talked about it and I think Kurt said he thought it was fine. This is another thing that if we don't have it makes things very difficult. You know, people come into this position, and they don't have the needed background and if it's not written down this is the stuff that we can get caught on. This is another policy to really address the need for better documentation of a procedure that was missing in the past.

Kurt Allen - I thought there was very good information in that, and you did a great job putting that together and we do need to have that, and I supported it.

Doris McNally - So, I had a discussion with Brant about some of the requirements for irrigation and everything else because you know they talk about water in generalities, and they talk about irrigation and culinary. So, I made sure that this stayed very focused on culinary only. I would just say that it is actually becoming a mandate that we have to have this type of documentation. I know the State is going to look for it in the near future.

MOTION

Doris McNally - So, that is why I make a motion that we should accept this. Everybody's had a chance to review this, we have had a discussion on it, this policy needs to be put into place. So that's my motion.

Don Fawson - It seemed like I skimmed through that, and I totally agree with the concept that we absolutely need it. I just don't remember all the detail. Can we do both of these at this upcoming work session meeting, go through them and finalize them.

Doris McNally - Absolutely. That's why I brought them to the last work session, hoping we could get to this point, but that's fine.

Don Fawson - Let's just go through them at the work session and nail it down. Appreciate that again, Doris.

MOTION	I make a motion to approve & set in place the hook-up policy.
VOTE	MOTION TO TABLE AND FINALIZE WITHIN 2 WEEKS AT A WORK SESSION : Doris McNally SECOND: Kurt Allen MOTION TABLED FOR WORK SESSION: Unanimously

DISCUSSION	Year End Accounting [Doris McNally]
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Doris McNally - And the last thing is, the end of year financial numbers are all out and I've sent them all to you. There's a lot of things that are going on, it is going to be very uncomfortable if we all of a sudden cram it in the last three days before the annual meeting. I've sent all the materials that we want to deliver at the annual meeting. This is the actual budget, actual recap and the projection for 2024 and I think we need to sit down and have a separate discussion about it a separate work session. and once again, I've already talked to Don about it, in the case of field expenses, I would strongly recommend that when they get expensed and signed off that they're categorized. Somebody needs to look over the categorization of the of the expenses to make sure they are falling into either the well project, the Main Street project, or the Spring project or the other Main Street project, right now they are all being captured into one and that doesn't help us in really monitoring the performance of expenses.

Don Fawson - Mark that is going to be really important for you to help us with. So, it's only those four. Is there anything else?

Doris McNally - In general, anything. So, for example there was a repair on a piece of equipment and Mark I'm just using this as an example so please don't take it the wrong way, there was a repair on a piece of equipment

that was put on a credit card. Jen categorized it based on what she thought it was because she saw the vendors name so she put it in that category. And in reality, it shouldn't have gone there. So, it really is every expense.

Don Fawson - One of the things that we need to know, if there's anything beyond those four categories because they certainly don't cover everything we're doing, then we need to know what those categories are.

Doris McNally - This is the budget we handed out last year. They are in the office.

Don Fawson - I know but I don't go to this and say now where does that go. I think if you can just give us the six or eight or whatever categories that we're going to be dealing with that would help.

Doris McNally - So if you just look at the field categories right here and this is posted in the office and this is a copy. For an example, if there is a something on cross connection, a piece of equipment that Mark buys on cross connection, it should go into the category called cross connection, they shouldn't be captured into consumables and tools. These are the categories it is the second section of the budget, that the field should mainly be concerned about, and the office has always been concerned about the ones underneath their area. So, I would just say you know, when you get a bill, take a look at it and I actually do this with Jen, I mark it up and say this one goes to this category, this goes to this category, and we've been trying to work with the vendors. In the case of Jones and DeMille, when they send their vendor bill in, and also with our legal department, they are separating them into different classifications so we can capture them properly. So, if there was an expense that came in from Silver Point, it went into Silver Point's category. If there is an expensive that comes in from Jones and DeMille it is being looked at a different way. So, yeah.

Don Fawson – Let's you and I sit down and just clarify each category just so that it is very, very clear and we can go from there. There's certainly no resistance to doing that.

Doris McNally - Yeah, I know that it just becomes very evident when you are looking at the year end.

Don Fawson - Thank you so much, Doris, we appreciate that very much.

MOTION	Motion to accept the financials
VOTE	MOTION TO ACCEPT FINANCIALS: Kurt Allen SECOND: Brant Jones MOTION APPROVED: Unanimously

d) BOARD MEMBER REPORTS

DISCUSSION	Jones & DeMille progress - [Kurt Allen]
	Don Fawson - You know the Rural Water Conference is coming up at the end of February. I asked Layna to go ahead and get Mark and me registered for that Mark. Mark, do you plan on going?
	Mark Osmer - Yeah,
	Doris McNally - And are we going to submit our water for the best tasting water contest?
	Mark Osmer - Yeah, for the best tasting water. Yeah, definitely.
	Kurt Allen - Riley, what is your schedule like on Friday? If I were to come and meet with you to get this update taken care of? Would that work?
	Riley Vane - I think that would work, we can talk offline. But yeah.

Kurt Allen - Yeah, call me or I will call you and let's get something together and get that taken care of and get it back to Doris.

Brant Jones - OK. My question is going back to what Riley was saying about these projects that are pending BLM and Forest approval and questioning the level of need for process, and in involving contractors and things like that. What kind of expenses are we incurring prior to having approval? You mentioned getting some supplies ordered and things, but what if they bump it to a higher, deeper process and it just opens up a big can of worms and we have bills that we are incurring on projects that we can't afford?

Riley Vane - We made some basic assumptions with the State when we were formulating the funding package that these improvements are happening on already developed land or improved land either with the road or a pipeline. So, we are pretty confident it will be a categorical exclusion with Federal agencies. We don't think it's going to go to that level for the Forest Service. So, those expenses to this point have already been accounted for. I guess worst case scenario, the National Forest Service comes back, and they say, you know you need an EA or other type of environmental assessments. Then you generally go back to the Water Board, and say, look, this was an expense that wasn't included and we need this to move forward. You see that from time to time, you know in just about every Water Board meeting you see something to that effect and so it would be, part of the process of going back to the State and petitioning for X amount of dollars to cover the environmental costs that we weren't expecting or planning for. I don't see that level just in conversations, The Forest Service understands where the pipeline is going. It is already in an area where there's a road. Of course, we are all holding our breath because it is the Federal Government. So, we don't know yet, but we are pretty confident it will be OK.

Brant Jones - I am concerned about spending, or moving forward with too much confidence and spending a bunch of money and stuff when we don't have permission.

Riley Vane - That's what I want to avoid, I'm not going to suggest doing any type of real movement on the National Forest side other than getting qualified contractors on board. You know, that's no real expense to LDWA or Jones and DeMille. We are going to go through that. Procurement process anyways. But as far as the BLM that is pretty optimistic to get that well drilling going since we have verbal exclusion.

DISCUSSION LWC [Brant Jones]

Brant Jones - Yeah, with the LWC as it relates to LDWA we talked about meter readings, sharing and things like that. We did approach the State and found, I think there were ten, possible exemptions for individual meters for irrigation companies and so we filed for two of those exemptions and qualified for both. So, currently it looks like LWC will not be putting in the individual small meters throughout the Town. Did you get your billing from LWC for LDWA water and did that break it down the way you needed to have it?

Don Fawson - Did you see anything?

Brant Jones - Or do I need to get more information from them?

Doris McNally - We haven't gotten the information. We received the bill.

Brant Jones - She said the information was on the bill.

Doris McNally - But it doesn't explain. Yeah, it doesn't, not to the level that Don was asking about.

Brant Jones - They should have come to everybody that was being billed, and the information was supposed to be on the bill. But if we need more information, let me talk to them.

Doris McNally - It just has the charge for acre feet for water, but it doesn't go into the detail Don was looking for explanation of what has been on the bill since we got the first one.

Don Fawson - Did you get a recent bill?

Layna Larsen - Yes. It was with the checks I just printed, and I sent you copies of the invoices with a copy of the checks.

Don Fawson - I don't remember seeing the check for the LWC.

Layna Larsen - Doris signed for it, but you were sent a copy of all the checks and invoices.

Brant Jones - So, if there is still information you need on that invoice, I will talk to her. She had said it would be on the bill.

Doris McNally - Yeah, there is just a fee for Leeds A, Silver Farm A, for operation and maintenance, annual connection fee. And I guess Don wanted to have more understanding of what the maintenance and operation was and everything else. He was asking for the detail of what was behind this.

Brant Jones - The other thing is, we talked to Nathan Moses, the Cedar City State Water Engineer, again about the agreement between the two water companies and the urgency about that. He said he felt like most of it is worked out for the system already, now that we both have meters, he says that until we get comfortable with what we want to do, if we want to add or take away from it, he said it is pretty sufficient.

Don Fawson - The concern I have is that some of the detail on how many gallons and those kinds of things should be replaced by the Water Use Chart Nathan created it would really eliminate much of the confusion we have experienced. Anything else? Anything weird or anything like that? Alright, I appreciate that. Is there anything from anyone, Susan, did you have anything you wanted to share? Come on up.

DISCUSSION

Utah Department of Environmental Quality Division of Drinking Water Sanitary Survey

Don Fawson - Appreciate Doris sending out the DRAFT RESTATED DEVELOPERS AGREEMENT & APPLICATION FORM for us all to review. I hope that everyone had a chance to look at that and I wanted to have a little discussion on that at this time. Just a few things, it's very comprehensive. Did you use a template for that?

Doris McNally - No, this is a restatement document. In 1984 the original document was done, then in 2014 it was restated. While going through the Silver Point and the Silver Eagle Estates Developers "Will Serve" activity, we identified things that were missing in the document. So, what I've done is I've incorporated those elements into the existing document. This is not a rewrite or a new policy, it is considered a restatement of the existing document, and it incorporates things like, for example, a checklist so that as we go through the process with the developer, the developer sees what they have to do to meet all these requirements. As for the shareholders, what we have noticed over the years is that many times the new Board Members don't have the knowledge of what the process is and so by putting a checklist into the actual restatement that will help. We also identified that we didn't have a developer's agreement, a written document so what I did was I crafted a developer's agreement that the developer would have to fill out ahead of time, give us plats, give us information about their septic system, and other information, then that would come to us for consideration for a Will Serve Letter. In the past those happened through independent emails and sometimes text which don't get captured into our system. So, now it is a way of capturing the formal documentation so that the people beyond us, 10 years, 20 years from now, somebody can look at them and say, oh, that's what happened to get that to go to the next point. That is what the purpose of the restatement is.

Don Fawson - OK, As I went through this, like I said, it's extremely detailed and I felt like there were some things that really are not part of the water company detail, they are actually the Town's wheelhouse. Once we receive a building permit, then we don't need to be involved with the sewer, we don't need to be involved with setbacks, we don't need to be involved with the type of building they're building or anything else. The only thing we really need to be involved with is whether they've been issued a permit. Because all those other things should have been involved in the permit. I think too, it almost sounded like we need detailed information on the structure of the building and all those kinds of things, and the only thing we really need is a plot plan just to show where the building's going to sit so that the water can be connected to it. On page 2, it says: starting at the top, completed and detailed construction plans and drawings of improvement shall be submitted to the LDWA Board, I just put in there "for review prior to commencing construction." Then as we went down all of those items like, in particular in B, the question is, do we really need all of those things? I'm not sure, it just seemed to me that this is more comprehensive than really what we needed. I think my personal opinion is, it needs to cover what we need, but it shouldn't be any more complex than that. Down on item C, there on page two, we had minimum cover and I think we also need to put bedding in there. We want to be able to see that.

Doris McNally - That's why I sent this out after the last work session. So, I think that we should definitely incorporate those changes and once again, it is a restatement. It's not anything new in those areas. It was what was in play all the way back. I would say probably those were expanded in 2014.

Don Fawson - Have any of you really taken the time to really looked through this.

Brant Jones - I read through it and my feeling was I was hoping we could simplify it some. But I didn't want to try and get specific without a discussion because I wasn't really clear on why or if anybody felt like specific things were needed. So, I didn't want to scratch anything without that discussion.

Kurt Allen - I read through it myself and had the same feelings. I've always felt like anything beyond the back of the meter doesn't really pertain to this Board so, I think that our clarification in this document needs to end at the back of the meter with the exception of maybe a plot plan showing where the building is setting.

Don Fawson - Well, could I have a motion to table this and let's do a work session on it. I ask that everybody really dive into it. I think one of the things I really appreciate is that Doris has presented this draft to us before and unfortunately, we haven't really got into it. Thank you, Doris, you've done your homework and done everything above and beyond and I really appreciate that. I think that we just need to get serious about this and get it taken care of.

Doris McNally - We do, because the things that are in it like the application, and also the checklist, are the things that we got caught up on with the developments we've been talking to. And Layna is getting a number of people requesting new connections because this also applies to individual parcels. We need to give proper guidance to the office and these documents are the things that give the guidance to the office. As you stated Don, I visited this about a year ago and it seemed like we needed to address it. We can't keep kicking the can down the road. It needs to move forward. In whatever condition this Board is in, it is the only way that you can give proper guidance to the office and to the field.

Don Fawson - Yes, and that's fair. I think that's the only way and we need to move ahead with this. One of the things I wondered about, even on the checklist is if there were some things that might apply. I so see that you have here whether it's commercial, industrial, and so forth. Then I think one of the things it says here is we can provide service size up to 12 inch which is pretty hefty, and then meters up to 12", I don't know, maybe we won't. But I think we need to look this over and be serious and have a focused meeting on it and see if we can't pare it down to what we all feel is relevant.

Kurt Allen - Do you think before we have a vote that we take care of this within two weeks. Should we kind of put a deadline on ourselves here and implement that.

Don Fawson - I don't have a problem with that if we can get that set up, maybe next week or something like that. I think you're right we need to quit kicking the can down the road.

Doris McNally - There are just too many developments happening right now and we need to tighten this up. I agree that it is voluminous and I think that you don't want to go into a restatement where you totally change the whole document. A restatement is just adding the things that you felt were missing from the original documents.

Don Fawson - Or taking it out the things that you feel like are beyond the scope of what it should be. Both things.

MOTION	I will accept a motion that we table this and reschedule a work session within two weeks to address it and finalize the final draft for acceptance by the Board. – Don Fawson
VOTE	MOTION TO TABLE AND FINALIZE WITHIN 2 WEEKS: Kurt Allen SECOND: Doris McNally MOTION APPROVED: Unanimously
Don Fawson - OK, I'll work on suggesting some dates for next week and set something up and get serious about this. Again, Doris thank you for all this, moving this along	
Kurt Allen - Doris thanks for your patience with the Board.	
Doris McNally - The paperwork and bureaucracy is never fun.	

SHAREHOLDERS COMMENTS

SECTION SET-UP	Shareholders Input [Don Fawson]
Don Fawson - Procedures for making comment: <ol style="list-style-type: none">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 person4) No Action may be taken on a matter raised under this agenda item5) 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	DDW Bond Request
Ron Cundick - I have two questions. One, do we know if Alan's going to run for the board for next year?	
Don Fawson - He is still questioning that so, we don't know.	
Ron Cundick - The second question I didn't quite understand the fidelity bond and what it was doing.	
Doris McNally - So what happened is that we were requested from the Division of Drinking Water for something called a Fidelity bond. It was the first time I heard that term used. We have a few different bonds.	
Ron Cundick - I want to talk about this one, what does it do?	

Doris McNally - OK. According to Heather, who's the person from the Division of Drinking Water, she told me that it had to do with ensuring the materials, like for example, the pipes and everything we have stored for the project on Main Street. That is what she told me on the phone. And in looking at what a fidelity bond looks like in definition, it is coverage for Board Members and so, I don't understand why she's using the term fidelity bond. So, it is something that she is asking for, so I need clarification from her on what she actually wants. I'm going to send her copies of the bonds we have and see if they cover what she needs and see if maybe she doesn't understand what a fidelity bond is in relationship to us.

Ron Cundick - I just don't understand how protection on the Board Members is protecting LDWA.

Doris McNally - I understand, I don't either.

Ron Cundick - You have other insurance things that cover you.

Doris McNally - Correct

Ron Cundick - It sounded like we were duplicating some things.

Doris McNally - That is why we are pushing back, asking her to give me an explanation of why? What is this for? Because I think one of the things, we're seeing is that in the Division of Drinking Water, there are a few different layers of people and they are not always talking to each other and they are saying, well, I need this and they're using terminology the other person may not know. So now I have to go back and say to her, please define what this fidelity bond is. These are the bonds we currently have that you have authorized, and you said are fine. Why is this different and why is it needed to satisfy the loan?

Ron Cundick - So, it doesn't have to do with making your annual payment or anything like that.

Doris McNally - Oh no, it's totally separate.

Ron Cundick - I just couldn't figure out how it would apply to protect you when you already have protection from something else.

Doris McNally - That is the same thing we are questioning too, is why? Once again, we looked up the definition, and I'm not a lawyer, we looked up the definition of what a fidelity bond was and it looked like it was offering some type of coverage for the officers, and that's why I said that's a total disconnect from what she's telling me a fidelity bond is. So, I just need to have her explain.

Ron Cundick - Any idea on the cost?

Doris McNally - No, because it is like getting a quote on something you don't know what it's for. We just need to find out.

Riley Vane - The previous loan should have had something very similar, if not that and maybe the name may have changed or adjusted, maybe they are calling it something different. So, it is important to go through like Doris is saying, the existing bonds that you have and make sure the coverage is there that the State is requiring.

Doris McNally - There's been a reference to a surety bond that we had. But Surety was the name of the company that issued the bond. It had nothing to do with the title of what the bond was for. So, that's where you have to go look at the bonds themselves, see what they cover, see what their term date is, and then see if that's what we need to either re-up on, change or find another bond to address what they are looking for, but they haven't been very clear on what they specifically need.

Ron Cundick - the previous loan had a bond to guarantee the payment every year.

Doris McNally - Correct.

Ron Cundick - That was extraordinarily expensive. We found ways to work around that and I just want to make sure it wasn't the same thing because if it was that, there were other ways to approach it.

Don Fawson - Yeah, let's make sure.

Doris McNally - Yeah, at this point, we are just being told this is a branding.

Ron Cundick - It was a bond we had to get for about \$75,000 that we had to pay \$1000 a year. Independent of the balance for the total amount for the length of the loan. We arranged with the State to put some of our money into an account, that \$75,000 and then we could draw interest on it. We didn't have to pay a bondsman.

Don Fawson - Let's work with Ron on that. I know that I've heard the term the surety bond before, not necessarily connected to a company name, but just a type.

Ron Cundick - It was required by the State and that's why you got my attention there.

Kurt Allen - Good point, Ron.

Don Fawson - So is it OK if Doris talks to you about that.

Ron Cundick - Yes.

Don Fawson - OK, great, anything we can do to save money and skirt around some of this that's not necessary, the better. The process, as I understand it, for this West side pipeline is that when we get material, it's delivered by Ferguson out to the storage site and we inventory it, then turn it over to Landmark, and at that point they are responsible for it. Isn't that correct?

Kurt Allen - Yeah, that's correct.

Don Fawson - So, it's not like we need to be insuring it.

Riley Vane - It shouldn't be related to material. I think Heather probably misspoke. It's more along the lines of exactly what Ron is describing as far as, Deposits into an account for a given X amount for surety of the Loan.

Don Fawson - That makes better sense.

Doris McNally - Let's just get a better definition.

Don Fawson - OK. If there's anything from anyone, Susan, did you have anything you wanted to share? Come on up.

DISCUSSION

Water Right Change Application - Protest

Susan Savage - Just a little comment, three things about nominees for the Board. I regret that the bylaws were ever changed from requiring two nominees for each opening. I know people have said it's really hard to get

people to run. But to me that's how you keep people informed and realizing that they need to participate, and it takes away the feeling that somebody doesn't want to run against somebody else. So anyways, I don't know if the Board would consider looking at that again.

The other thing is that today is the final deadline for the protest on the 100-acre feet in Hidden Valley. I learned some things when I took our protest up yesterday, which was that our group just sent one letter with our signatures, and the receptionist said we really would prefer that people, if they had some different information, Alan Howard, for example, has a unique situation, that they would file their own letter because what we're looking at is not how many names are on it, but new information, additional information. I then asked her a few questions and she also said because you asked for a hearing it doesn't mean that they will necessarily grant a hearing. She said they may or may not on this one because there was a previous application on the original location. I just said what's going to happen with the original location because you know, sometimes you've seen situations and maybe this was with your last application, you know that we protested that the water rights had more than one diversion point? There's more than one Well? So, I asked if this a situation where they are asking for two diversion points. They have the first diversion point and they are asking for a second one for the same water right.

She said, no they didn't drill there, and I said oh, there was a drilling rig there for quite a while. She said that there wasn't a driller report. So, she said that this is a new diversion point and that other one, the previous one will disappear. She also said in our protest we had mentioned that the first application for that first diversion point was for irrigation, but the second one they checked the box for change of use, but it didn't specify domestic. And so, what they said was, they were taking away cattle, you know the original one had irrigation and also cattle and they were taking that out. So, she said if the owner of the water right wants to change it to a domestic use to build homes, then they would have to file a new application for change of use, so we could watch for that to come.

We mentioned in our protests that the owner had stated publicly that he had enough water for 40 homes, so we were looking at questioning what that change of use meant and they checked that box. And then the other thing was, and you can just throw me right out of the room for this one. We had a visit from a cousin in Colorado at Christmas time and her husband, just as we were visiting about family things, brought up the subject of water and said do you guys have Wells around here? And I said yeas. He started talking about his involvement with the Rio Grande Water Conservation District is what they call it instead of Conservancy. Anyway, he said the farms at the top of the headwaters of the Rio Grande have had to close because they have lost their water. So, what he said they are finding, and he referred me to a document that I've read part of, but I need to research it more, he said they are finding that the big Wells in the area are pulling water out of the river and that they are creating a space underground that then pulls that water down so that the river doesn't have as much water in it. Then Brooke Shakespeare who is the Dixie National Forest hydrologist called me about a week ago with some questions that I didn't have answers for he was wondering about what LDWA was doing, and he was asking me if I had any historical understanding of the Wet Sandy Water Right, that there were some different things happening within, and I didn't know anything.

But I asked him about the groundwater pulling water out of a surface, and he said, yeah, he said that that seems to be what happens. So, when I say throw me out of the room, that made me think about our situation where we're sharing this water between domestic and irrigation. LWC says that some of the irrigators sell their shares to LDWA and the diversion point is changed to the Oak Grove Spring. Then that reduces the amount of water in the stream for those who are left. Then as additional water rights are transferred into the LDWA Wells it's curious to me that some of us see our water going down and not recovering, but the LDWA Well doesn't. So, I mean, nobody knows, right? But it's in a position to receive water from that the seepage like from the stream. That made me wonder if the money being spent to enlarge the line from Oak Grove, since we've lost our ability to not have chlorination anyway, if it would be something to think about, if it's not too late, to put that money put that money into a water purification system up in the Silver Reef area where the irrigation diversion point is so that if that water is sold to the LDWA it still is the stream, and it doesn't decrease what

water comes down the stream. It might still be decreased anyway if say the well pumping is pulling the water out of the stream. Just an idea, I am just trying to think about that and thinking well the water is being chlorinated anyway, so if the water could remain in the stream and be taken out at the LWC diversion point then it could still be purified to come into the LDWA system. Just some thoughts.

Don Fawson - Interesting thoughts, obviously the longer the water stays in the stream, the more chance there is of contamination getting into that water beyond what just chlorination can take care of, so that would have to be not only a chlorination issue, but also water filtering or whatever else needs to be done with that just like they do down here with the lake and so forth, but it is something to think about. It is interesting that The Spring continues to supply the water that it has and any water that goes beyond the Spring I think it goes back into the Creek. I say that because just below the Spring, you have these seeps and whatnot that go back into the Creek. So all that water is preserved there so if the Spring was developed even more, it would take some water out of the Creek flow. But it's not changing, the water rights, they still remain the same the same at that point.

Susan Savage - Don, the conversations always been that there was historically, in my memory, that maybe the LDWA line was taking more water than it had a right to and so there was some arrangement to turn that extra water back into the irrigation system down here so the bigger pipe, could eliminate some of the evaporation the seeping, but that would also eliminate water in the stream that does these other things, you know, that might be being pulled down into the well. It's just all very interesting. There is a lot to think about. It was interesting to me that this came up at Christmas time and that they were talking about this issue with the Rio Grande River, you know all down through the Santos Valley they are having issues with that.

Don Fawson - There was also someone I talked to, and it was over in Eastern Utah somewhere where they had problems with Beavers damning the creeks up and so they eliminated the Beavers. That in turn eliminated their ground water because the Beaver dams were recharging that ground. So, they reintroduced Beavers. I don't know how good they were able to manage getting that back together, but there's a lot of things we don't understand. Who was the lady that you were talking to about these protests?

Susan Savage - Oh, it was Kaylee or something she is the person that answers the phone and does the documents.

Don Fawson - So, you didn't actually go to Cedar?

Susan Savage - I did, that was one of the things she said, you don't need to drive up here. You can do this online. She showed me how to include exhibits if we have an exhibit to send with that too, and so, I kind of said to her, it was interesting because as I pulled up in the parking lot, I thought I've been doing this for 40 years why do I feel nervous when I come up here? So, I said to her I always feel nervous, even though I've seen you guys and you've been so helpful when I come in here, just hoping that I'm doing things right. So, then she said, let me tell you a couple of things that would be helpful, and that's how we got into that conversation.

Don Fawson - I appreciate you doing that, making that effort, Susan. Layna, did we get our protest turned in?

Layna Larsen - We did. It was like a couple days after we had the meeting.

Doris McNally - We also heard that Angell Springs was probably going to offer a protest too, I haven't followed up to see if they did.

Don Fawson - It's interesting, Susan, when you were talking about the 1954 when they first put the line in from the Spring. If my memory is correct, that there were those who said we don't need that big of a line, a four-inch line coming down. And actually, it turned out later that was important.

Susan Savage - But I do remember also there was all this concern about turning extra water back in. That the line was holding more water and maybe that's not the case now.

Don Fawson - Well, no it is the case and so we actually have an overflow pipeline from our Highlands tank, which is our last tank to fill, that automatically takes anything that is extra coming down that pipe and puts it back into the irrigation system. We also have a meter on that overflow line and if based on the State Engineer's chart if enough water is still not going back to irrigation then we turn additional water back. That way we make sure that we are giving LWC the amount of water that they're entitled to and only use that which LDWA has a right to.

Susan Savage - And I know you have corrected the problem by turning that water back in where the Spring water enters the pressurized. You know I'm a brain-stormer and when I say things, maybe these are some ideas, is because I'm thinking here's an issue or there's an issue and what are some of the ways that might be addressed. I'm not coming in and saying I think it's being done wrong, and I think you should be doing this. Not at all.

Don Fawson - I understand that and it's very helpful. Thank you. All right, anything else? If not, I will Accept a motion to adjourn.

VIII. ADJOURNMENT :: [8:13 P.M. Don Fawson]

VOTE	MOTION TO CLOSE MEETING: Brant Jones SECOND: Doris McNally MOTION APPROVED: Unanimously
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Layna Larsen, Corporate Secretary

Don Fawson, President