



Minutes

Date/Time/Location	February 6, 2024	7:15 P.M.	The Cosmopolitan
Type of Meeting:	LDWA ANNUAL SHAREHOLDERS MEETING		
Note Taker:	Layna Larsen		
Attendees:	<p>Board Members: Don Fawson (P), Kurt Allen (VP) Doris McNally (Treas.), Alan Cohn (M), Brant Jones (M)</p> <p>Staff: Mark Omer (Field Mgr) Layna Larsen (Corp Secretary)</p> <p>Shareholders: Dolin Anderson, Phillip & Jani Ayers, Rex Ballou, Sandi Bassett, Aaron Bateman, Brandon Beesley, Natalie Bennion, Larry & Julie Bruley, Cynthia Burch, Tracy Comas, Drake Comas, James Comas, Ron Cundick, Anita Deblinger, Steve Dyroff, Joe Ellison, Greg Estaban, Ron Fowlks, Kohl & Shayl Furley, James & Rochelle Gardner, Manuel & Joy Goy-Yu-Chin, Christine Harvey, Rex Heaton, Lisa Hepworth, Laura Hermes, Natalie Holt, Bill & Troi Hoster, Steve Iverson, Sharon Johnson, Catherine Mattingley. Rita Mattingly, Paul McCullough, Bill & Rhonda McLaughlin, Robert McNally, Stacie Moss, Miranda Nessen, Cynthia Neubauer, Steve Penrose, Michelle Peot, Wayne Peterson, Mary Pettit, Aaron Price, Gerard Reposa, Eugene Roberts, Corrine Rodriguez, Angela Rohr, Karen Sanders, Susan Savage, Bruce Sharp, Bill Snyder, David & Danielle Stirling, Clayton Sullivan, Craig Sullivan, Marvin & Dee Thiem, Jim Thomas, Robert Verbic, Cynthia Wright</p>		

Agenda Topics

I. CALL TO ORDER

DISCUSSION	Meeting Call to Order (Don Fawson)
Don Fawson - Welcome everyone to LDWA's 2024 Annual Shareholder's Meeting, it is 7:15 P.M.	
Don Fawson - Explained what to do in case of the Need for Fire Evacuation...	
Don Fawson - Under the Bylaws ARTICLE IV - Board of Director - Section 7, Quorum. "A majority of the number of Directors shall constitute a Quorum for the transaction of business." In our Case a minimum of 3. "A Quorum is Present"	

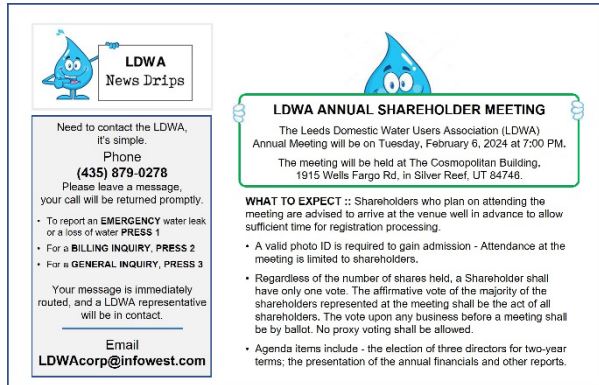
DISCUSSION	Roll Call (Don Fawson)
Doris McNally (T), Kurt Allen (VP), Don Fawson (P), Brant Jones (M), Alan Cohn (M)	

PRAYER	Brant Jones
PLEDGE	Alan Cohn

DISCUSSION

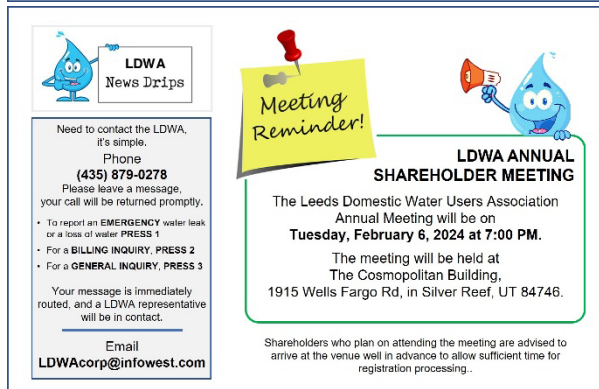
Proof of Meeting Notice (Does McNally)

In accordance with the LDWA's ByLaws Article III - Meetings of the Shareholders - Section 8. Procedure: Proof of Meeting Notice was delivered in the following Manner:



On shareholder's December 2023 Invoices, produced and postmarked 01/02/2023, the following note was included on the back of the cards: 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 The Cosmopolitan Building, 1915 Wells Fargo Rd, in Silver Reef, UT 84746.



On the same day (01/02/2024) this notice was also posted on the Leeds USPS Corkboard for public notice. Also, on the LDWAcorp.org website.

Then on shareholder's January 2024 invoices, produced and postmarked 02/01/2024, a "Meeting Reminder" note was included on the back of the cards.

Satisfying the LDWA ByLaws ARTICLE III, Section 3. Notice of Meetings requirements.

DISCUSSION

Thank You (Don Fawson)

- Ron Cundick and the Silver Reef Museum Foundation for use of the Cosmopolitan
- Brant Jones for providing and managing the Sound System
- To each of you for your interest and support in your Water Company

II. APPROVAL OF MINUTES OF LAST ANNUAL MEETING

DISCUSSION

Previous Year's Minutes (Don Fawson)

Don Fawson - Typically, at this point in our meeting, we ask for a motion to accept minutes from last year's Annual Meeting. In the Past the Annual Shareholder's Meeting minutes have not been reviewed and approved until the following year.

To improve the timeliness of information to our Shareholders, the Board chose to review and approve the posting of the 2023's Annual Meeting Minutes in its February Regular Board Meeting, 7 days after the Annual Meeting. You can access these minutes and all other regular monthly Board Minutes on our Website at: LDWAcorp.org, under Administration: Meetings Archive: Meeting Date. We plan on following this same procedure once again this year, and hope this continues with future Boards.

III. BOARD MEMBER REPORTS

a) PRESIDENT'S REPORT

DISCUSSION	Silver Point Estates (Don Fawson)
<p>Don Fawson - We partially read the Will-Serve letter for Silver Point last year and some of you were interest in seeing the entire document and you can go online and look that up in that same minute's section, or there will be something there to direct you to it.</p> <p>Don Fawson - Also, I might just mention, some people have seen some construction going on in the Silver Point area and have asked why Mark has his equipment there. He does not, it is not his. It is the owners of that land who have brought in equipment and material to be able to bring that area up to the Department of Environmental Quality standards.</p>	

DISCUSSION	Rural Water Association of Utah Conference (Don Fawson)
<p>Don Fawson - There is a Rural Water Conference held at the Dixie Center each year at the end of February. Mark and I will be attending that. It is a time for water system managers, operators, and employees to certify, take classes for continuing certification, take classes on safety, compliance and other topics related to water. It is also an opportunity for vendors to show their wares and for attendees to see what's new in the world of water. Mark had been asked last year by the Division of Environmental Quality, Cross-Connection Supervisor, Gary Ragar, to make a presentation during one of the breakout sessions. So, Mark, Doris, and I teamed up to make that presentation. Doris created an amazing power point presentation, and the three of us shared various points, including fielding questions at the end. I am going to let Doris and Mark fill in the details, including the response from the DEQ sponsor.</p> <p>Mark Osmer - As Don mentioned we attended the Back-Flow & Cross-Connection Training classes and both of us were re-certified and got our certificates. This is a yearly requirement. Prior to the conference I had shared with Gary Ragar some of the things we were implementing at the LDWA in preparation for our upcoming Division of Drinking Water Sanitary Survey in regard to Back-Flow & Cross-Connection. He was impressed with the things we were doing and asked if we would share the work, we were doing with other small rural water companies attending the Conference. This was an honor to be asked to present.</p> <p>Doris put a presentation together and the three of us delivered our story. Doris can you explain what we covered.</p> <p>Doris McNally - The presentation is up on the website, but in the presentation we;</p> <ul style="list-style-type: none">○ Introduced the LDWA and outlined how we are a Private NON-PROFIT, SHAREHOLDER OWNED culinary water utility company serving the Town of Leeds.○ We shared some info about Leeds and some of its history. We discussed how the pioneer's established this area and all the work they had done.○ We offered some basic demographics about our population and explained the types of customers/shareholders we serve (Residential 358, Commercial 20, Institutional 5, and Industrial 1)○ We talked about our amazing water sources (Spring & Well) and how the water from the Spring is shared with the Leeds Water Co. (LWC), the irrigation company.○ We talked about our infrastructure 5 tanks and well house.○ We shared how all of this is managed by 5 elected volunteer Board Members, 3 staff people, and our head security officer Jack, the Chihuahua!○ We offered an overview of the Back-flow/Cross-Connection Policy we implemented. And how we implemented & monitored our program.○ We shared with them the survey we had created regarding Back-flow/Cross-Connection○ We shared with them the educational News Drips Articles we had created and shared on the back of our invoices. The brochures we created and made available online & in print.	

- o We showed how we built a section on our website with videos and visuals to help our shareholders. And also, how we offered links to other important websites offering additional information.

After the presentation the Rural Water Organization people were so impressed, they asked for copies of our materials in template form and are now sharing it with other small rural water companies as examples on how to implement a Back-Flow & Cross-Connection program. This is a very important topic the State has been pushing for. These are topics that we are judged on when they come in and do our Sanitary Survey. We are the case study for systems twice and three times our size that can now access our templates to show how things can be done.

So, Accolades to Mark, every single day he is out there, he doesn't like talking in public, but he is one of the hardest workers I've seen, and this Board has really leaned in hard to improve things that may have been overlooked in the past.

Don Fawson - Thank you, Doris and Mark, appreciate you every day. One of the things I would like to mention is that during these Water Conferences we have the opportunity to complete some certifications and one of those is Cross-Connection Training which is a 40-hour course. It's 8 hours a day for five days with pretty rigorous testing at the end and I know Larry Bruley completed that course a couple years ago. He and I actually went through that together. It was a very intense and informative training. Also, the DEQ has asked us to supply a water sample for the taste testing competition this year and the results will be shared at our March Board Meeting.

That was a great start to a very busy year. At this time, I will turn time over to Mark & Doris to go over some of the activities/accomplishment in his year-end administrative report.

b) FIELD REPORT

DISCUSSION	Water Quality Monitoring & Tests (Mark Osmer)
<ul style="list-style-type: none"> • Last year we passed <u>all</u> our monthly Bac-T tests, and we have passed January and February this year. • Every year we have a Nitrates Test and we passed that. • Every 3 years we have a Lead & Copper test, and we passed that. <p>I want to Thank Bob McNally, Doris's husband, for going every day and doing the chlorination and keeping our chlorine levels where they should be.</p>	

DISCUSSION	Infrastructure Maintenance (Mark Osmer)
<p><u>Well House</u> Worked with the Forest Service and the Fire Department to clean-up around the area by the Well so we have a fire barrier around the Well. Worked on the pad around the Well house in preparation for improvements and addressed & improved the drainage at the Well site. Installed a new pump with variable speed soft-start and installed new piping in the Well. So, we can now pump anywhere from 150 GPM to 650 GPM as needed.</p> <p><u>Tanks</u> The Highland Tank - We were not sure where all the piping and valves were and what they served, so we Pot-holed the area to locate all the pipes and valves, plotted them and put them into our GIS system. We put a sign on the tank so you can visually see where the pipes are located. While the tank was empty, we cleaned it, repaired and painted it, and replaced the ladder. We put all new ladders in our system Vaults to improve safety.</p> <p>The Oak Grove Tank – Raised the Vent Pipes, as per code, because they were too low. We addressed Drainage on top of the tank because the dirt cover created a bowl and water was getting trapped on it, so we added more dirt and crowned it.</p>	

Oak Grove Spring

I want to thank Larry Bruley. We cleared the area around and, in the Spring, to increase the flow. In the process, we found a couple of valves that were buried. Bundle Bundy and I found the pipe to drain the Spring that was buried and hidden, cleaned it out and added screen to strain large particulates and protect it from animal intrusion. So now it is back useful and protected.

Additional Projects

Repaired a number of Service Lines and Service Breaks, Shareholders had some Frozen Pipes so we helped them with those and also helped Shareholders install their Flume 2 (Smart Water Monitors). We replaced 10% of the Dual Check Valves (Approximately 40 a year) as per DEQ regulations. We installed a number of new service lines and we upgraded others. We did some work on PRV's (Pressure Regulator Valves) in Town. We have 6 and we keep an eye on them.

DISCUSSION

Hydrant Maintenance, Repair, & Replacement [Mark Osmer]

In 2022 the LDWA established a Hydrant Maintenance Policy which covered things like maintenance, yearly inspection, flushing, fire flow testing, etc.

- Last year all hydrants were exercised, flushed and inspected for mechanical repairs, also flow pressure (psi) and output (gal per min psi). This information was captured in logs for future reference.
- We had 2 hydrants that were run over; one by a car and one by a UDOT Skidsteer, so we repaired them.
- Thanks to Bob McNally, Doris's husband, he painted and numbered all 126 hydrants in our system.
- Working with Doris and Jones & DeMille all the hydrants were plotted, marked and added into our GIS system.
- Doris is working with a Leeds Town Council Member & Battalion Fire Chief, Kohl Furley, to share this data with the HVFSSD. (Hurricane Valley Fire Special Service District)
- Repaired AirVacs that were leaking and one froze.

DISCUSSION

Division of Drinking Water Sanitary Audit & Survey [Mark Osmer]

In October completed our formal Sanitary Survey with the Division of Drinking Water (DDW). In 2018 when we completed our last inspection, the LDWA had received 44 deficiency points. Many of these points were due to the absence of a well-documented Cross Connection & Back-Flow Policies & Procedures. There were also a number of physical field issues that also needed addressing.

Working together with Doris & Layna we started preparing for the inspection almost a year before it happened. Much of what I talked about earlier was a part of the work done to address the deficiencies in the field and Doris maybe you can offer some more information on this.

Doris McNally - This sanitary survey happens every three years but because of COVID it was actually delayed a year and it's a pretty big thing. There are some people here who actually remember that last time in 2018 we had 44 deficiencies, which is really not good. We've been working on this for at least a year and a half to change that. Once again, total kudos to the people in the field, zero points. We had all the points removed that were there from 2018 and after the audit, we got zero points this year. That is huge. We've had calls from people in the DDW telling us that is awesome that you did that. So, all the things that Mark was talking about, all the hard work that Layna does in the office, all the documentation, you know, bureaucracy, let's face it we live in a bureaucratic time. And Aaron (Bateman), if I remember correctly, you were the one who stood up at one of the meetings and questioned the 44 deficiency points a few years back. I see some other past Board members here who understand what a big success that is. So, once again thank you to Mark on that. I'm just going to go through a few other things because we are so appreciative that you guys are here. We love to see you involved in the Water Company because there is a lot of hard work that happens.

c) Admin Report

DISCUSSION	DDW Consumer Confidence Report [Doris McNally]
<p>So, we also had our Division of Drinking Water Quality Report come up and this happens on a yearly basis. Every public water system provides its customers with an annual water-quality report called the Consumer Confidence Report in April. We put that on the back of your April Invoice showing we passed it with flying colors. There is also a formal report on the Website along with past reports for comparison. They are looking at our test results and I don't think we have failed one of our quality tests because of the work that you do, Mark, and if you talk to other water companies near us they cannot say that. This report provides a variety of important information about each community water system, including:</p> <ol style="list-style-type: none">1. General water system information,2. Information on opportunities for public participation,3. Source(s) of drinking water,4. Any monitored contaminants detected in water during the past five years,5. Information on monitoring, Cryptosporidium, radon, and other contaminants,6. Compliance with State and Federal drinking water standards, explanation of violations, potential health effects, and corrective actions, and7. Variances or exemptions to a maximum contaminant level (MCL) or treatment technique. <p>In we published this report in the April News Drip Article, and on our website. LDWAcorp.org, under System Quality>Water Quality Reports</p> <p>Once again, the report was very favorable. Our constant goal is to provide you with safe and dependable supply of drinking water.</p>	

DISCUSSION	Water Conservation & Protection Plans and Environmental Maps [Doris McNally]
<p>As a part of the Sanitary Survey Audit the DDW wants to review a system's Conservation Plans, Emergency Plans, Water Protection Plans, and Environmental Maps. Michelle Peot came to one of our meetings and talked about the fact that we did not really have a very good Conservation Plan. So, we have now documented a full water conservation plan that is available and has been for some time. We also had to build new Protection Plans. So, we have protection plans for not only the Oak Grove Spring but also for the Well House. We also had to identify all the contaminated areas that are identified within the Town of Leeds relevant to water. So, we went online and built Maps to identify all the suspected areas within the Town.</p> <p>All these are the heavy lifting documentations that offer detailed information about our system infrastructure, water sources and quality and Associations Policies. This is what makes this company successful and important because of the hard work of the people that make up LDWA, and so we love to have involvement.</p> <p>All of these documents were created and implemented months prior to our inspection. They are also available for our shareholders to review on our website. LDWAcorp.org, under System Quality>Conservation and System Quality>Back-Flow Cross Connections>Resources</p>	

DISCUSSION	Back-Flow & Cross Connection Survey [Doris McNally]
<p>In compliance with State of Utah Division of Drinking Water (DDW) and Department of Environmental Quality (DEQ), the LDWA is required to carry out a program of Cross Connection Control that helps protect your drinking water from contamination. An essential part of our Cross Connection Control Program is an assessment to determine the degree of hazard, if any, which is posed by each customer's plumbing system(s).</p> <p>We sent out 415 surveys as a part of that program and I want to acknowledge those people who responded</p>	

and thank you for that. I come from the world of marketing and if you get 2% response you are jumping up and down and happy. We had just shy of 67% of our shareholders responding. Again thank you. I want you to understand that from the data collected in this survey we focus our energy on hi-risk situations and work with those shareholders to assess and address their specific needs to mitigate the Back-Flow/Cross Connection potential issues.

There is a policy, there are procedures, and there are also the surveys and that was all done in the last year and a half to two years to make sure that the Sanitary Survey came out well. Once again this was achieved because of great teamwork between our office staff (Layna) and field (Mark), and your involvement.


DISCUSSION	Policies & Applications [Doris McNally]
<p>In an effort to update and ensure work and business policies for the LDWA we updated and implemented a number of our policies to help current and future Board members conduct business. A short list of some of these documents are:</p> <ul style="list-style-type: none"> ○ LDWA EMERGENCY RESPONSE POLICY ○ LDWA CROSS CONNECTION-BACKFLOW POLICY ○ LDWA CONFLICT-OF-INTEREST POLICY for the Board Members ○ LDWA RESTATED STANDARD DEVELOPMENT AGREEMENT POLICY & APPLICATIONS; we just had three developments come in and there will be more, and during the process of working with them we identified things that needed to be modified on the existing policy so we added what we thought would help guide future people on the Board. ○ LDWA SYSTEM HOOK-UP POLICY which we have not had. ○ UPDATED CULINARY WATER SHARE PURCHASE APPLICATION ○ UPDATED WATER METER INSTALLATION APPLICATION ○ UPDATED METER RENTAL AGREEMENT & APPLICATION ○ UPDATED CULINARY WATER SHARE SERVICE APPLICATION 	

DISCUSSION	Other Important Activities [Doris McNally]
<p>In 2023 the Office addressed a number of situations</p> <ul style="list-style-type: none"> ○ <u>Reported and obtained insurance reimbursements for 2 Hydrant Accidents;</u> As Mark mentioned we had a couple of hydrants that were damaged, and they needed to be repaired. I was shocked how much a fire hydrant cost, and we submitted the paperwork to the insurance companies and got full reimbursement for that cost. That is extra work that has to happen. ○ <u>Reported & collected fines for 2 Theft of Water.</u> When someone hooks up to our fire hydrants and takes water, that is theft of service. This is our water; we are all shareholders. If you ever see someone by a fire hydrant with a hose attached, call us, let us know, we will stop it if it is not authorized, because if it is not authorized it can cause problems to our system. ○ <u>Processed a number of Water Rights filings and Protests.</u> One of the most important things we do as Board members is defend our Water Rights. That's your shares and that is an important part of what we do here. That involves a lot of paperwork, details, and meetings, and we have a meeting coming up on a water right this month. ○ <u>Completed a number of complicated and involved DDW documents associated w/ the New Infrastructure Loan.</u> 	

d) FINANCIAL REPORT

DISCUSSION	2023 Profit & Loss Review [Doris McNally]
<ul style="list-style-type: none"> <u>INCOME REVIEW</u> <u>Ordinary Operating & Other Income</u> this year was: \$320,009.75 This income is derived from: water sold via active and standby taps, and Infowest Cell lease. <u>Other Operating Income</u> this year was: \$27,447.64 This income is derived from: Fees Collected from Shareholders, Interest from our Banking Accounts, Meter Rentals, New Build Connections and Fines associated with Water Theft. This brought our TOTAL INCOME for 2023 to: \$347,457.39 	
<ul style="list-style-type: none"> <u>EXPENSE REVIEW</u> There are 4 Major categories for Expenses. <u>Ordinary Operating Administration Expenses:</u> \$34,329.70. (This category YTD represents 15.5% of our expenses.) Expenses for training, insurances, memberships, certifications, licenses, consumable supplies, classes, computer systems, office rent, utilities, postage, mailing, association dues, legal, engineering, accounting services. <u>Ordinary Operating Professional Services Expenses:</u> \$21,195.28. (This category YTD represents 9.6% of our expenses.) Expenses for our CPA Accounting & Tax Prep., Engineering and Legal Processional services. <u>Ordinary Operating Field Expenses:</u> \$70,661.55 (This category YTD represents 32% of our expenses.) Expenses include equipment, pressure reducing valves (PRVs), valving, fire hydrants & maintenance, Cross Connection Program, inventory, consumables and supplies, tools, security systems for infrastructure, safety equipment for field operations, BLM, US Forestry easements, blue stakes, asphalt, excavation, pump utilities, water rights maintenance (filing proofs, extensions, etc.), water testing, meters, meter barrels and lids, sensors for digital metering of water use, and costs related to compliance with DDW/DEQ regulations. <u>Labor Expenses:</u> \$94,671.63 (This category YTD represents 42.9% of our expenses.) Expenses for Consulting, Contract Labor, Payroll & Taxes. This brought our TOTAL EXPENSES for 2023 to: \$220,858.16 OUR NET INCOME CAME IN AT \$126,599.23 We will attach to 2024 Annual Financial Handout offered at this meeting as an attachment to the minutes from this meeting 	

As reported during our January Meeting our **End of 2023 Year Banking Accounts** were:

	CHECKING ACCOUNTS			SAVINGS ACCOUNTS		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
	1 - Checking	\$85,326.17	34.2%	1 - Emergency Reserve	\$295,691.07	66.5%
	2 - Business Checking	\$161,446.06	64.8%	2 - Loan SRF-3F1892	\$78,264.16	17.6%
		\$246,772.23	99.0%	3 - Impact Fee Fund	\$70,545.32	15.9%
					\$444,499.55	100.0%

These numbers sound big and they will fluctuate as we get into the large infrastructure projects.

In 2021 the LDWA introduced PayClix.

Shareholders have the ability to submit their payments online with e-check or credit card (Discover, MasterCard, or Visa) through this service. They can also make a payment over the phone.

In 2023 we processed **943** payments, totaling **\$69,369.72** through the PayClix service.

In 2023, **131** shareholders used PayClix, that's just shy of **30%** of shareholders.

We continue to investigate solutions that make sense for the LDWA to incorporate into its business practices that bring value to our shareholders.

	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
Nov-23	49	\$4,075.95	40	\$2,781.74	89	\$6,857.69
Dec-23	46	\$2,665.49	42	\$3,179.69	88	\$5,845.18
	553	\$40,734.29	390	\$28,635.43	943	\$69,369.72

Don Fawson - Thank you Doris, I don't know if you are getting the sense that there is a lot going out in the field but there is also a lot going on in the office. We really appreciate Doris. She has a lot of background in this so when you go into the office, it is pure organization. It takes a lot of time, energy, and skill to keep up on these things.

New Employees

Don Fawson - We do have a couple of helpers we brought on for Mark. One of the things I was concerned about when I got on the Board is the fact that Mark is out there on his own a lot of the time and it is dangerous working around the machines and holes in the ground and is very tiring. H needed help. So, we have a gentleman named Bundle Bundy that comes in once in a while and we also have Krista that lives here in Town that is helping him and we are extremely happy about that. It adds a little to our cost, but it is worth every penny.

Fire Hydrant System

Don Fawson - Doris also developed a grid system for the fire hydrants. You will notice they are alphanumeric, that they have a letter of the alphabet and number on them. They are in quadrants throughout town and that system helps us identify them quickly within geographic zones.

Waterline Extension Agreement

Don Fawson - We have also been working on a waterline Extension Agreement Policy, in to be fair to people that go to great expense to extent the water to their property. It allows them to recoup part of that cost as others hook onto to a portion of that line. It also details requirements for installation, materials, bonding, deeding, warranting, and easements.

Sanitary Survey

The Sanitary Survey took a tremendous amount of time and energy both in the field, with Mark taking the one doing the survey around our system and also Doris and Layna in the office. The surveyor doesn't just look at the actual infrastructure, but they also look at the detail and records in the office. We got down to the final 10 points and then Doris had to go to work to find out what this was and who she had to contact. She was very diligent in tracking that down and getting that taken care of and we appreciate that very much.

Theft of Service

If you see someone taking water from one of our fire hydrants, it does not mean they are taking it illegally, when someone is building, they come in and rent one of our meters and then Mark will attach it to the hydrant and when they are finished, they return it and pay for the water used. We hope that is the case of all people that are out there but we would appreciate you being vigilant and notifying the office just in case it isn't legitimate.

I am going to turn time over to Kurt. He is our specialist in the projects we are involved in right now.

e) NEW INFRASTRUCTURE

DISCUSSION	Infrastructure Project Update [Kurt Allen]
<p>Kurt Allen - Thank you Don, Doris, and Mark for your reports. I've been the lucky one on the Board that hasn't had to do much of the office work. I've been able to stay out in the field and I've been fortunate to be able to work on these projects. We have our engineer here Riley Vane from Jones & Demille, our engineering firm, and you'll hear from him a little bit later, but we think that you'll find the things that he has to say very interesting.</p>	
<p><u>LOAN</u></p>	
<p>Kurt Allen - In 2022 the Board approached the Division of Drinking Water for a funding package to upgrade our system and improve some of the deficiencies that we may have. One of those deficiencies was our water source and I want to give compliments to our previous LDWA Boards. They worked very hard in identifying these deficiencies in 2015 and a source capacity study was done along with one in 2017 and in 2021. The previous Boards did an excellent job in doing their homework and identifying what our system needed. So, with that, we were able to approach the Division of Drinking Water and receive funding for upgrades to the system. We received a \$7.5 million funding package and nearly 46% of that, almost 4 million of that 7.5 million was grant money that we don't have to pay back. That is just given to us and then the balance of that money was loaned to us for 40 years at 0% interest. Just an amazing funding package. Now I can't express enough how important the work that's done in the office and in the field is and how solid this Water Company is to be able to receive that kind of funding from the Division of Drinking Water. That was the largest funding package issued in the entire State of Utah that month of the 30 or 40 water companies getting funding. So, we are very proud of that, and since 2022 we have gone to work and started designing and prioritizing the projects.</p>	
<p><u>The Well</u></p>	
<p>Kurt Allen - Our first priority was to get a second well going and so as mark alluded to a little bit earlier, we put a new pump motor in our existing well and did a pump test of our aquifer. We are so fortunate to have a strong aquifer that our well is drawing from. We pumped that new pump at 650 gallon a minute and I believe the drawdown was around 12 feet and the recovery time was amazing. What that told us is that the same aquifer would support a second well in the same area we are drawing out of now. Of course, the two wells will probably never run at the same time. So, there will just be one well running at a time. So, we increased our current well capacity from 350 gallon a minute to 650 gallon a minute. The design for the new Well is at about 90% complete now and Riley will address that a little bit later. We are hoping to be able to let that out to contract very soon, once the BLM signs the permit for us. So, we're excited about that.</p>	
<p><u>West side of Main St.</u></p>	
<p>Kurt Allen - The next project that we focused on as a priority was the new 10-inch water main down the West side of Main Street. Even though it's not exactly West we are calling it that. So, down the West side of Main Street all the way from the North interchange of I-15 to the South interchange of I-15 there will be a new 10-inch water main. I can't emphasize this enough; we've been so fortunate to be able to partner and team up with the Washington County Water Conservancy District to install this 10-inch water main. This</p>	

has saved you as shareholders hundreds of thousands of dollars and the Water Conservancy District has been a wonderful partner in this effort providing the engineering for it, allowing our materials to be purchased with their buying power and providing the upfront contracting for it as well. That is now under contract, as all of you know. You're very familiar with all the red lights on the South and the North end of Town and you just love it, don't you? (Not!) That's the new contractor, Landmark Construction, installing the 24-inch ductile iron pipeline for the Water Conservancy District and as soon as they enter into Town, they are going to start putting our 10-inch pipeline in the same trench with their 24-inch and connecting it up at every intersection all the way through Town. So, we will have a new 10-inch pipeline all the way through when they are done. We are very fortunate to be able to have that project come to fruition.

Oak Grove Spring Line / East side of Main St. / Well House

Kurt Allen - The third project which we are managing is going to be funded all in one project.

1. It is going to be a five-mile pipeline coming from Oak Grove Spring down the Canyon to the lower side of the sandstone dugway. We will replace our existing 4" ductile iron pipe with a new 8-inch line for five miles down Oak Grove Canyon.
2. Part of that same project will be a new 8-inch pipeline down the East side of Main Street replacing the old 6-inch line that's currently there now from Vista Ave south. What that is going to mean for you that live on Main Street is that you'll get new services going into your lots on both sides of Main Street all the way through Town. You'll have new service connected to the new main line and so it will be a great upgrade and it replaces some older pipe that's been giving us some trouble.
3. Part of that same project is a new Well House for the new Well. The New Well will be drilled by a well contractor. The Well House will be built by the contractor that's doing the pipelines. He will subcontract that out to a builder to build the Well House and an electrician to install the electrical, a SCADA company to install the SCADA telemetry system, which is the communication system for the Well.

So, this third contract is going to be the largest contract that is going to be let out and we are currently working with the BLM and the Forest Service to get the permits. Riley will address this a little bit later, but that's been and continues to be a long process. As many of you may know, working with the BLM and Forest Service can be a long process, taking a lot of patience. We are really happy with the progress we've made and over the next year or two years you are going to see these projects completed. We are really proud of our accomplishments there. Are there any questions?

Robert McNally - Yes, I just want to know if the five-mile replacement will be done in sections?

Kurt Allen - Likely not, they will probably start up at the Spring Site and work downhill replacing that.

Robert McNally - The whole thing will be installed before they turn it on?

Kurt Allen - Yes, the whole thing will be installed. It will be pressure tested, and chlorinated, and we will turn the whole thing on at the same time. And so, that is going to impact the travel going up the Oak Grove Canyon.

Jim Thomas - How will they monitor it if there is a leak with the two pipes running together on Main Street, the Water Conservancy's and LDWA's.

Kurt Allen - We are going to put a lot of additional valving in the new pipeline so we can isolate zones, and so if there is a leak on Main Street, you're seeing water coming up to the surface, it is just going to be a matter of starting to close valves, isolate the system, and we will be able to tell if it's coming from our pipeline or the Water Conservancy pipeline and complete necessary repairs.

Don Fawson - Thank you. One of the things we've discussed with Landmark Construction, who is actually the company installing this water line, is how we can keep our hydrants active as construction continues up Main Street. They have come up with a plan to be able to do that. There may be one that's out or two that are out of service while the rest of them will be active. That way we have fire coverage as construction

continues. Then at some point, once the pipeline is in, we are going to be able to have Mark go through and start transferring shareholder's individual connections over just activating that portion of the line as the process continues. It is not an easy process; it is actually pretty complicated so we just ask for your patience.

Don Fawson - I just want to say how much we appreciate Kurt and the expertise that he has brought to the Water Board in helping us to work through these challenging processes like being able to pick Engineering Companies, and Contractors, and understand the processes that they have to go through and looking over the plans and picking out anything that needs adjusting or seemed to be missed.

Trench

Don Fawson - When we talk about those lines being in the same trench, there will be a separation between them but still in the same large trench. The trench will be wider as it comes through Town to accommodate both lines.

Hydrants

Don Fawson - The other thing that we appreciate about the Water Conservancy is Their willingness to install three hydrants in town that are hooked to their 24-inch water line. They were very willing to accommodate that request. So, they are putting in a hydrant near the Post Office in that area, one near the Town Hall, and then one by the Church. Those are areas requiring high water flows in case of fire. So, once installed, we will be able to pull from both systems, both the Washington County Conservancy, and from our Town Water System.

Generator

Don Fawson - We are also putting in a backup generator for our wells and that is part of this whole loan package. I don't know if any of you remember the recent fire we had at the south end of Town. It was pretty very windy that night, so the fire was blazing and the power went out. So, the fire departments were calling for a high volume of water and we were unable to pump our electrical powered well. It was a perfect storm. Between our storage capacity and the Spring, we were actually able to meet that demand, but it was not a good position to be in. Mark was keeping a close eye on our water supply. I called the power company, and asked why they couldn't shut off power from the south and wheel power from Anderson's Junction? They said there's no connection there, this is a one-way street on this power line. So, this backup generator will take care of that issue. It will be propane based because propane as you may know is non-degradable. It is one of the only fuels that can sit there for years and be just fine and not only that, it doesn't gum your generator's fuel system. So, we're looking forward to getting that online.

Spring Line

Don Fawson - How many of you know where the sand mountain dugway is? You know when you're going up toward Oak Grove where the road narrows and you are kind of driving along the Cliff on the left side and the river gorge on the right, Mark has actually installed a 6-inch line up to that point and that's where that 8-inch line will connect into.

Landmark

Don Fawson - Also, we've talked to Landmark. Something you may want to know, I'm sure you are irritated with the lights, it is a pretty long wait, but anyway, what they are planning to do, at least at this point is to move traffic over as they come through Town so that we actually do not have to have lights through Town. It will just be a steady flow both directions when they get to that point just below the curve at Vista Avenue. They are working with UDOT right now and are trying to figure out the best way to get that done. We have a meeting with Landmark every Tuesday morning down at the pipe staging area South of town. We always have a checklist of people that we go through, and they always come to us and ask us if there is anything that they can do to help move things along and work with the public. One of the things that we have done is ask if they could, at least on weekends, when they're not working, cut the time down between

light changes and they have indicated that they are willing to do that. So, please give us some feedback on whether that's happening or not.

Shareholder - Anytime they're not working, like after hours, they should be able to have two sets of lights and not three on delays. What I'm saying is that maybe a red light and a green light when they're not working, as soon as the cars pass through should be a green light and not a hold pattern of no go for everybody because you have 2 red lights for the same period of 5 minutes that should go away during non-working hours.

Don Fawson - Obviously, because of separation distance their needs to be some delay when both lights are red but you're right, the time needs to be reasonable. I'm hoping that is going to happen. If it doesn't, then let us know and we'll see if we can put another bug in their ear and get that done.

Loan

Don Fawson - One of the comments that those who have worked with the State and for the State relative to the loan that we were able to procure, was that this was an "unprecedented" loan package, and that was their words. So, they were pretty amazed that we actually got the loan package we did.

OK. Moving right along. Riley, did you have a presentation or something you wanted to take care of?

DISCUSSION

Engineering of Projects [Riley Vane]

Riley Vane - It is a privilege to be here. Thank you, everyone. I just wanted to take a minute to also open the floor up to any questions you might have about the projects. Kurt answered several already, but I just wanted to give a brief status of where we are at and where we are planning on going over the next couple of months.

Well

Riley Vane - Concerning the well drilling, we have submitted the Environmental Application to the BLM. And we received verbal approval for the Categorical Exclusion. That's the lowest NIPA Permit process that there is. So that's a great blessing that should expedite the permitting process. It's still a process but giving that verbal approval lets us start to move forward and get ready for contractor procurement. We can't break any ground, we can't start drilling until that's signed, but that is forthcoming. We've also gotten design approval from DDW. We used successfully submitted change applications for the new well and for the new source for those underground water rights. The next step is to obtain the written BLM categorical exclusion, and review the bid and contract packages, advertise, and then drill and test pump the New Well.

Oak Grove Spring Line / East side of Main St. / Well House

Riley Vane - The second contract that will be going out, like Kurt said, involves the well equipping, the West side pipelines through Town, and the Oak Grove pipeline. That will be one large contract that we can closely monitor altogether. We are about 90% design completion on that. The BLM permitting is at the same stage as the well drilling, however, we are still waiting on Forest Service. The Forest Service has accepted the application, but they have not told us what level we need to provide the environmental documentation for. We are closely monitoring that, and we keep bugging them as much as they will allow us.

Loan

Riley Vane - Also, briefly about the loan. We are doing a programmatic approach with the DDW, meaning they will disperse the loan amount proportional to the project as that portion comes online. That way we don't have to wait till the end, and we can start getting payments for the contractors for example for the Washington County Water Conservancy District portion. Then we'll do the same for the drilling portion, and then for the larger contract. So, this process allows us to keep projects moving. WCWCD has been pretty great to work with. We expect the Water Conservancy District portion to close in February. So, this month we're really excited to get that process going and pay the Water Conservancy District for LDWA's allotment. That's all I wanted to update.

Don Fawson - Thank you, Riley, we really appreciate that. As I mentioned before, Kurt's relationship with Jones and DeMille has been invaluable in helping to get them the information that they need and also helping us understand what this process is. Thank you, Kurt. Thanks again, Riley.

WCWCD 24-inch Pipe

Don Fawson - Just a couple of things that people have asked about. The 24-inch water line that is coming through town. That Ductal Iron line is coming into Town from both ends right now. It is supposed to meet in the middle. That waterline will be carrying culinary water, it will not be carrying water into the new reservoir at Anderson Junction. If needed, it will be carrying water from the wells up at Anderson Junction South to the water treatment plant below Quail Lake. Or, if they needed it will carry water from the treatment plant back up Toquerville way. So, it will be multidirectional depending on where the water is needed at any given time. The water for the Ash Creek Reservoir at Anderson is coming from Ash Creek, from the top of the Black Ridge where that intermittent lake forms. So, WCWCD is bringing that water down as well as water collected from springs along the way.

Replacing Silver Reef Bridge

Don Fawson - Also, one other thing that's kind of exciting that kind of ties into some of the projects that we are working on is that the Forest Service Representative told us the other day that they are planning to replace the bridge at Silver Reef. They will be widening it up to 28 feet and about 32 feet long. We're involved with them in the placement of our water line because it appears the bridge will impact the placement of our water line. So, we are going to have to move that line further south in order to accommodate the bridge. They said they have \$750,000 and they will repair as many bridges as they can with that amount of money and begin with that bridge. They said every day that amount of money is getting skinnier and skinnier. I think we can all relate to that.

At this point, I wanted to turn some time over to Brant Jones if he had anything he would like to share relative to LWC, the Leeds Water Company or the irrigation company? And we appreciate the fact that we have a member of that Board on our Board. In the past couple of years, we have been able to build a relationship that just really hasn't been there previously so we appreciate Brant and David Sterling who has also served in that position.

DISCUSSION	LWC [Brant Jones]
	<p>Brant Jones - Thank you, Don. The history, as was mentioned, is that LWC shares a water source with the LDWA, the Oak Grove Spring. Since the days of air conditioning, we all like living in the desert, but there is a limited resource, that of water. In the past, during tough years when the water was low, there has been some legal fees that have been incurred by both companies trying to establish each other's share of the Spring water. That's not good for either company or any shareholders. By the way, I came onto both Water Boards, just like everyone else, I was nominated and voted on, and happy to serve. The other thing is that in some Towns that are similar to ours, the State will actually assign an Engineer to come and babysit the two companies and then both companies also have to pay for the Engineer. So, this is where having a really good working relationship together is helping to avoid any of those extra costs. Part of the agreement you can read online, and is dependent on the future of Leeds. There's agriculture land, that if turned to homes will allow us a better chance to keep our water in Town and still be able to meet the needs of both those companies. So, we are working on updating the written agreement between the two companies. Right now, we are working on the fine details. Luckily, we have had a pretty good couple of water years, and we are doing pretty well water wise, at least today and for the last week or so and the mountain is starting to look beautifully white again, so that helps a lot. But taking advantage of these good years to make sure that if there's dry years that come that we are in a good working relationship. So, we are happy to be working together.</p> <p>Don Fawson - Thank you, Brant. Appreciate that. There has been an agreement in the past and this is simply an update to that to bring it into conformity with a usage chart created by the State Water Engineer. The State Water Engineer, Nathan Moses, in Cedar City and he took time to review LDWA and LWC's water</p>

rights as they relate to the Oak Grove Spring. He created a Chart showing how much water each company has the right to take at any given flow rate for the entire water system coming down the Creek. So, that has been very beneficial and something that can take some of the angst out of who gets how much water, at any given time. Based on that information, we have created a system that allows us to monitor, deliver and verify the appropriate proportions.

Alan did you have some comments you would like to share?

DISCUSSION	Personal Comments [Alan Cohn]
<p>Alan Cohn - Hi, folks, some of you know me and some of you don't. I've only been on the Board for probably about a year, and I just want to say in that time that I have come to respect the current members of the Board. I came on a little cynical. I had heard all the stories, and I drank some of the Kool-Aid about some people. I'm going to point out and say I heard some negative things about Doris going into this and I have to say it is a lot of BS. I have a lot of respect for Doris and how hard she works. She doesn't have some nefarious agenda behind her. She only cares about the water company as do the rest of the Board Members. I won't be running again so don't nominate me. Unfortunately, due to work, the job that actually pays me, I don't have the time to devote to the Water Company and shareholders so, it is not fair for me to continue in this position. But I know, Larry's running and some other people. I hope that the Board continues doing the same good work. Again, I have a lot of respect for everyone that is on the Board. Thank you.</p> <p>Don Fawson - Thank you Alan, I want to thank him and his willingness to serve and wish his time commitments hadn't been so demanding and would have allowed him to serve in more of an involved way. I have to say that based on his comments, that it does take a lot of time. And it does take a lot of reading, and that kind of thing to keep up on things. It seems to me that it's like drinking from a firehose. It seems like emails or texts every day. Thanks for your service, Alan.</p>	

IV. ELECTIONS

DISCUSSION	Election Overview [Don Fawson]
<p>ARTICLE IV, SECTION 2 STATES THE FOLLOWING “At each Annual Meeting, the shareholders shall elect Directors for terms of two (2) years, with an odd number on even numbered years and an even number on odd numbered years.”</p> <p>In the year 2024, an even year, we are electing three Board Members to serve for the next two years. The seats being vacated this year are: Alan Cohn’s, Kurt Allen’s & Doris McNally’s.</p>	

DISCUSSION	Nominee Qualification [Don Fawson]
<p>ARTICLE IV, SECTION 2 STATES THE FOLLOWING The only qualification for nomination to the Board is “All nominees shall be members in good standing with the Association.”</p>	
DISCUSSION	Nominee Expectations [Don Fawson]
<p>It is the hope of the Board that all nominees will seek this position for the purpose of serving the Association at large, protecting the rights of each individual shareholder and the ability of LDWA to continue delivering the highest quality water in Southern Utah. If a nominee has any other desire than these, our hope is that you will withdraw your name from consideration. While we as Board members do not always agree we have healthy and respectful discussions to keep LDWA viable and focused on its mission to protect our Water Rights and our Water System.</p>	

DISCUSSION	Nominee Considerations [Don Fawson]
<p>Some of the things the Board asks that you consider, as part of your decision to run for a Board position, is your realistic ability to devote the time necessary to that position. First and foremost consider, your family responsibilities, your career time demands (do you need to travel a lot), if you are physically able and willing to get your hands dirty, (and that does not necessarily mean in the ditch but getting involved in discussions about policies and so forth), your willingness to take care of emergencies at any hour of the day or night, that you're a team player, that you do possess knowledge and skills that lend themselves to office or field operations, or are you willing to devote time to becoming trained and/or certified, or at least knowledgeable.</p>	
DISCUSSION	Estimation of Time Given in a Month [Don Fawson]
<p>There are many things that need to be done in a normal daily operation providing for you the shareholders, and the quality of water that you demand and deserve. This can range from picking up the mail each day, sorting it and getting it distributed, to going to an associate's home to check on a water leak or issue, to newsletters, deciding legal issues and on and on it goes.</p> <p>On average the Board feels that a nominee should be prepared to give at least 10 - 12 hours of effort a month. Sometimes more and sometimes less. Certifications may take 8 hours to an entire week to complete depending on what they are.</p> <p>After the nominations are complete, I will ask each candidate to respond to the following questions in order to better understand who you are and what you feel you can offer to the Board position, if elected:</p> <ol style="list-style-type: none"> 1. How long have you lived in Leeds? (to give us an idea if you are familiar with the area) 2. What previous experience might lend itself to serving on the Board? 3. Why are you willing to accept a Board Position? 4. What do you hope to accomplish while serving on the Board? 5. What else should we know about you? <p>I have these questions on individual slips, and I have asked Alan to hand them to the nominee's so they have time to look them over.</p>	

DISCUSSION	Vote Counters
<p>ARTICLE IV, SECTION 2 STATES THE FOLLOWING "The President shall appoint three (3) judges from those present to rule on qualification of members, disputes, and to canvas the votes. The results of the voting will be announced immediately after tallying is completed, in the meeting." "Voting shall be by secret ballot." We ask that you actually fill out your ballot and put it in the Box and don't hand it off to someone else to do that.</p> <p>If by chance a ballot counter is nominated for a position, we will identify another shareholder in attendance to count ballots. Are any of you willing to be a vote counter?</p> <p style="text-align: center;">Ron Cundick, Angela Rohr, Daniel Stirling.</p> <p>When the 3 of you go into the back room, please leave the door open so shareholders can watch this process, however, I ask that no-one interrupts the counters or the vote counting.</p>	

DISCUSSION	Procedure for Vote [Don Fawson]
<ul style="list-style-type: none"> • Nominees must be present at the meeting and members in good standing. • If nominated, a candidate will either accept or decline their nomination. • Names of all eligible nominee's will be written on the board for all to see. • At a lull in nominations; <ul style="list-style-type: none"> • I will call for a Motion from a shareholder to cease Nominations. • I will then call for a second. • Finally, a confirming vote of all shareholders "Yea or Nay" 	

- Majority of Yea's nominations cease.
- Majority of Nay's nominations continue.
- Once all candidates are listed, I will invite each candidate to give a brief biography and reasons for running to acquaint the shareholders with the Candidates.
- Following the bio's voting will take place.
 - All nominee's will be assigned a number next to their name.
 - We ask that you vote by placing the assigned number and name on the ballot.
 - Please do not disturb the counting in progress.
- Once all ballots have been deposited in the ballot box the votes will be tallied.
- During the vote counting process additional questions will be accepted by shareholders.

Is there anything that you would like to address now?

Michelle Peot - Can you nominate more than one person?

Dan Fawson - You can only nominate one person. Get your neighbor to nominate if you have more than one.

- The counters will deliver the vote tally to the Board.
- The Board will announce the vote to the shareholders.

DISCUSSION	Call for Motion to open Nominations [Don Fawson]
VOTE	MOTION TO OPEN NOMINATIONS: Brant Jones SECOND: Alan Cohn MOTION APPROVED: Unanimously

DISCUSSION	Nominations from the Floor on Chalkboard [Doris McNally]
<p>Don Fawson - At this time, I will take nominations from the floor. Doris, will you write the names on the white board?</p> <p><u>Nominations</u></p> <p>Kurt Allen by Ron Cundick / Kurt Accepted</p> <p>Larry Bruley by Robert McNally / Larry Accepted</p> <p>Doris McNally by Michelle Peot / Doris Accepted</p> <p>Craig Sullivan by David Stirling / Craig Declined</p> <p>Don Fawson - Any other nominations? At this point I will ask for a shareholder to call for a nomination to cease.</p>	
DISCUSSION	Call to Close Nominations
VOTE	MOTION FOR NOMINATIONS TO CEASE: Rex Heaton SECOND: Bill Hoster MOTION APPROVED: Unanimously

DISCUSSION	Nominee - Larry Bruley
<p>I'll go through this real quick, Good to meet you.</p> <ul style="list-style-type: none"> • <u>How long have I been in Leeds?</u> I've been in Leeds for almost four years. • <u>Previous experience:</u> I was a general contractor with 35 years of experience. And I have a lot of time working with Mark, and I have learned a lot. As Don refers to drinking from a firehose. When I first started working with Mark, boy there was a lot I didn't know about this. It is a little different than building houses or commercial stuff. • <u>Why am I willing to accept the Board position?</u> Well, I'm retired. I do think that our water is the most valuable thing that we have here, and I do think that it contributes to the value of our properties. I believe that. 	

- What I hope to accomplish while serving on the Board. I think it's astounding that this Board and all the other proceeding Boards have been able to operate autonomously as a private shareholder owned nonprofit organization for better than 90 years. That is amazing, thank you to these guys and to everyone who's ever served on the Board, because no matter who you were, you had to do something right because here we are. We're still here today. So, I think that is amazing.
- What else do you want to know about me? Oh, I don't know. I'm strange, just like all you guys. Thank you very much.

Don Fawson - Larry is a great guy, I just really love working with him.

DISCUSSION

Nominee - Kurt Allen

Thank you, and we appreciate your attendance here tonight.

- About me: I'm Kurt Allen. I just loved the opportunity to serve on this Board the last two years. It has just been rewarding, amazing and working with these Board members has just been so rewarding to me. I'm like a proud Papa having this funding given to this organization, real proud of that.
- Previous Experience: My experience in engineering and in construction I think will help working through the next couple of years. Being able to do the installation and overseeing the contracting of the projects and I'm looking forward to that, it is the most exciting part. The best part is still yet to come and so we're excited about it.
- How long have I been in Leeds? I Have been in Leeds for 15 years.
- Why am I willing to serve: I'm willing to run on the Board, because water is my passion. Like Larry says, water is the most single valuable thing that we have in this community, and we need to protect it.
- What I hope to accomplish while serving on the Board: I hope to accomplish getting these projects done, completed, closed out and look for a new era doing something else down the road. That's all I have. Thank you.

DISCUSSION

Nominee - Doris McNally

- My husband and I have lived in Leeds for about 9 years.
- Previous experience: I've been in the technology industry my entire life. I've had executive positions. I've sat on a number of boards so, I understand what it takes to be on a board. I understand the commitment. I understand the hard work. And it's lovely to be able to be at this stage of my life, to be able to give back to the community. And that's really why we both wanted to move out here and that's why we love this Town.
- Why am I willing to accept this board position? Because I think you've heard this, it's the same old story, I really know that the value of the water that we have is amazing. I've had attorneys in the State of Utah tell us that there will be a day when the quality of our water will actually raise the price of our house. As a matter of fact, Farmstead has published in a recent article, the CEO President, for the reason why he moved his business to Leeds was because of the spring water. We are blessed. We are blessed beyond belief.
- What do you hope to accomplish? There's a lot of work with all the paperwork, the bureaucracy. These guys heard me pull my hair out for a month getting a SAM ID number. If you ever wonder what a SAM ID# is, I can spend hours with you. But, you know, the bureaucracy is miserable. But the thing is, you have it to get what we're working on right now. So, I think I have some talents that can help. I am kind of like a Pitbull and I stay on something and I just bite and hang till it is done.
- What else do you need to know about me? You know that old saying that behind every man is a great woman? Well, the reverse is true. I want to talk about my husband for a second. 40 years, nine months, 6 days, something like that. But every single day he steps up and down that

mountain to do an inspection of our system and also do the chlorine. He does it every single day, sickness, health, whatever. You see that yellow Jeep that drives around town that is filthy. It's the butt of a lot of jokes at our house and we have the mountain to thank for that. But really, it is a blessing to have somebody behind you putting their hand on your back and pushing. So, I want to publicly acknowledge my husband for his support.

DISCUSSION	LDWA Being Taken Over [Don Fawson]
<p>Don Fawson- Since there were only three nominees for the three empty positions the results are obvious: Larry Bruley, Kurt Allen and Doris McNally are the new LDWA Board members for the next two years. Thanks to each of you for your willingness to serve and keep serving.</p> <p>Don Fawson - I've heard a comment that there's a rumor going around about the Washington County Water Conservancy District trying to take over LDWA, and that's just not true. There's been talk about maybe the Town wanting to take over the Water Company, and the Mayor's here and he assures us that that's not true. So, you know, I think we feel comfortable right now. First of all, the water company is in a better state right now, based upon what the State is telling us, than it has ever been and I don't take any credit for that, but I think there is a good group working here and we also have good contacts with the State, and local people, including with the Conservancy, and so forth that have been helping us and we hope to be able to maintain those relationships. It is our number one goal to remain autonomous so, that we do not have a lot of the restrictions and things that could come as a result of being involved with other entities. How many of you appreciate the water you have? (Unanimous Clapping) and I can't take any credit for that either. But the point here is, that Mark works terribly hard with this. The LDWA Board works terribly hard in making sure that it has what they need and that we're focusing on the areas that we need to do that. Thank you all for attendance tonight. Yes, Sir.</p> <p>Bob Verbic - Are you going to have any question time?</p> <p>Don Fawson - Yes, go ahead.</p>	

DISCUSSION	Shareholders Comments
<p>Bob Verbic - A general question. Any developer that comes to the Town is going to have to abide by ordinances and regulations of the Town and the County. Does LDWA have any greater restrictions or requirements than those governing bodies?</p> <p>Don Fawson - A good question. I guess one of the things I do want to say right now, is that we have limited water rights, and we have limited water sources, and those are two different things. And we never want to get our water rights ahead of our water source, does that make sense? In other words, we want to protect what we have got to make sure that we are not over allocating what we have, and we basically have our wheelhouse in a sense based upon our source and rights and that is confined right now to the Town proper, Silver Creek, Silver Point, Silver Eagle, and Silver Reef. The point is that we are pretty confined to our water rights. So, that's our wheelhouse basically. For any of the future developments that is going to have to be something that the Town works out with the WCWCD. We want to make sure that we are protecting our water and that we are not overextending or getting out of that wheelhouse at all. We do have some requirements basically when we've been willing to allow people to develop based on our LDWA Bylaws, that they have to bring water rights sufficient to meet their number of units, if they are actually developing more than three lots. Silver Eagle just recently did that. They came in and were ready to go build and we told them they had to purchase water rights. That took them at least a year or a year and a half, to find water rights, to make sure that they were clear and to transfer them into LDWA. So that has been something that has slowed development down pretty considerably in the past. The other thing the Mayor can address, if he'd like to, is sewer. The ability to be able to carry affluence out of our area has also been</p>	

something that has slowed things down. But there is the WCWCD is an option for culinary water and as I understand it, Ash Creek Sewer District is looking at the possibility of providing some sewer protection for these areas. So, we may see some growth in the area.

I'm just going to say this, this is my feeling and not anybody else's, but people come in to the Town and they want to D-annex and then ahead and build their subdivisions and whatever they want to do. The water that is being served to them is the same WCWCD water. At that point the Town has no revenue coming in and no control over the traffic and those kinds of things, or even input. It becomes kind of silly that we wind up shrinking and still having the problems. So, I appreciate the Mayor and the Town working diligently to try to figure out the best way to handle all of this while keeping the Town out of legal problems by having the proper standards and procedures in place to be able to make sure growth is done reasonably and that citizens have some input into that process. Does that answer your question?

Bob Verbic - Not exactly, So, if the Town approves a development there is nothing else that LDWA can do to say we have this additional restriction.

Don Fawson - Yes, we can say, look we don't have the source capacity to be able to take care of your needs so, you're going to have to go to the Water Conservancy. You are going to have to work with the Town on that. We do not have to supply that water. SITLA brought water to the LDWA years ago and so did Silver Point and so those subdivisions already have water guaranteed in our system for them. So, yes, Mayor.

Bill Hoster - I'll just say that Ron Cundick has done an enormous amount of work on the backside to protect LDWA from competition coming in, which is going to happen when the Washington County Water Conservancy comes in with other developers. But we have built such a platform that protects our own Water Company, LDWA to have first right of refusal and still maintain that priority within the Town. And so, Ron's done all that on the backside, on his own and making all those things happen, which Don has alluded to, but you know, I think that's enormous for our Town and certainly for LDWA.

Don Fawson - Ron has been on the LDWA Board previously, and the President of the Board at one time and we owe him a great debt for everything he has done on the backside of everything that is happening right now and continues to do, I applaud you for that.

V. ADJOURNMENT

DISCUSSION	Meeting Adjourned [Don Fawson]	8:45 P.M.
We appreciate all of you being here. We're available if you have an issue and we're trying to be very responsive to that emergency number that you have that comes on your bill every month. So, please reach out to us if there is a need. Thanks so much again.		
DISCUSSION	Administration of Oath of Office to the New Board Members	Layna Larsen
Larry Bruley, Kurt Allen, Doris McNally		



Layna Larsen, Corporate Secretary

Don Fawson, President

ATTACHED COPIES of NEW POLICIES