



Minutes

Date/Time/Location	February 4, 2025	7:00 P.M.	The Cosmopolitan
Type of Meeting:	LDWA ANNUAL SHAREHOLDERS MEETING		
Note Taker:	Layna Larsen		
Attendees:	<p>Board Members: Don Fawson (P), Doris McNally (Treas.), Brant Jones (M), Michelle Peot (M), Dan Brown (M)</p> <p>Staff: Mark Omer (Field Mgr) Layna Larsen (Corp Secretary)</p> <p>Shareholders: Phillip Ayers, Ronald Baldwin, Dale & LuAnne Barnes, Michael Harding, Tyron Bennion, Charles Bentley, Robert Breskin, Dan Brown, Julie Bruley, Alan Cohn, Patrick Collins, Brett Comas, Bruce Cormack, Ron Cundick, Anita Deblinger, Don Fawson, James Gardner, Jay Harris, Scott Hayes, Bill & Troi Hoster, Brant Jones, Layna Larsen, Kyle & Jennifer Lefler, Jean McCullum, Robert & Doris McNally, Cindy Neubauer, Peart Land Dev LLC, Michelle Peot, Wayne Peterson, Mary Pettit, Darla Rex, David Rhoads, Susan Roberts, Jetta Robinson, Angela Rohr, Susan Savage, Cath Schmutz, David & Danielle Stirling, Craig Sullivan, Holly Sullivan, Ned Sullivan, Tyson Sullivan, Doreen Thiem, Stephen Wilson, Dale Woodbury</p> <p>Guests: Riley Vane (Jones & DeMille)</p>		

Agenda Topics

I. CALL TO ORDER

DISCUSSION	Meeting Call to Order (Don Fawson)
Don Fawson - Welcome everyone to LDWA's 2025 Annual Shareholder's Meeting, it is 7:05 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	Larry Bruley's Resignation (Don Fawson)
Don Fawson - We want to announce that Larry Bruley has resigned from the LDWA Board. We are saddened by Larry's need to reduce his workload to a more manageable level, but we totally respect his decision and I personally want to thank Larry for his thoughtful dedication to his position on the LDWA Board. He worked closely with Mark on a number of projects and especially on bringing our safety practices into compliance with UOSH, which is Utah's form of OSHA. This involved both new equipment and safety practices to keep Mark and his helpers safe. Thank you, Larr., He will be missed, and his letter of resignation will be read into the minutes at our next regular Board Meeting, which will be on Wednesday, February 19th at the Town Hall.	
The Bylaws, Article 5, Officers and their duties Section 5: Any officer may resign at any time by giving notice to the Board or any officer of the Board. Such resignation shall take effect on the date of the receipt of such notice or at any time later specified. The acceptance of such resignation shall not be necessary to make it effective. We did acknowledge and accept Larry's resignation, sadly, as I mentioned.	

Filled Vacancy

A vacancy in the office may be filled by appointment of the board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces. Larry's term of office was until next February 2026, at which time it was to be filled. Dan Brown was approached, accepted and was appointed by the vote of the board to take Larry Bruley's Board position. And the reason that Dan was selected was because of the following.

- He had accepted the position of Cross Connection Supervisor and was already registered to take his week-long training later this month at the Winter Rural Water Conference.
- He had accepted the responsibility to monitor and record the Oak Grove Spring levels on a regular basis, which he had already begun.
- He had been attending regular LDWA Board Meetings.
- He helped Mark restore the Oak Grove Spring line after it was damaged and disconnected as a result of a vehicle accident on the Oak Grove Road just below the Spring. (And we'll show that later)

By doing so, he was showing a dedication to maintaining our amazing water system, even under difficult emergency circumstances. Dan is very positive and energetic and willing to share his thoughtful opinions with the Board. So, I'd like you to welcome Dan to the Board.


DISCUSSION	Roll Call (Don Fawson)
Present: Dan Brown (M), Michelle Peot (M), Brant Jones (M), Don Fawson (P), Doris McNally (T)	

PRAYER	Brant Jones
PLEDGE	Brant Jones

DISCUSSION	Thank You (Don Fawson)
<ul style="list-style-type: none"> • 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 	

DISCUSSION	DECLARATION OF ANY CONFLICT-OF-INTEREST
Don Fawson – Any conflict of interest?	
CONFLICT	Dan Brown, Michelle Peot, Brant Jones, Don Fawson, Doris McNally – All stated “No conflict”

DISCUSSION	Proof of Meeting Notice (Layna Larsen)
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:	
<p><u>On shareholder's December 2024 Invoices</u>, produced and postmarked 01/02/2025, 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 4, 2025 at 7:00 PM. The meeting will be held at The Cosmopolitan Building, 1915 Wells Fargo Rd in Silver Reef, UT. 84746.</p> <p>On the same day (01/02/2025) this notice was also posted on the Leeds USPS Corkboard for public notice, on the LDWA office door, and also on the LDWAcorp.org website.</p>	




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 4, 2025 at 7:00 PM. The meeting will be held at The Cosmopolitan Building, 1915 Wells Fargo Rd, in Silver Reef, UT 84746.

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.




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

Then on shareholder's January 2025 invoices, produced and postmarked 02/01/2024, a "Meeting Reminder" note was included on the back of the cards, it was posted on the Leeds USPS Corkboard for public notice, on the LDWA office door, and also on the LDWAcorp.org website.

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

II. APPROVAL OF MINUTES OF LAST ANNUAL MEETING

DISCUSSION	Previous Year's Minutes (Don Fawson)
<p>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.</p> <p>To improve the timeliness of information to our Shareholders, the Board chose to review and approve the posting of the 2024's Annual Meeting Minutes in its February Regular Board Meeting, 15 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.</p>	

III. BOARD MEMBER REPORTS

a) PRESIDENT'S REPORT

DISCUSSION	ELECTION CHANGE (Don Fawson)
<p>Don Fawson - In the past we have given a number of reports first, and because some have indicated that we are not that interesting and kind of boring and that they prefer going home and doing something else, we've decided to go ahead with the voting first. After the voting, we'll give our reports. That way if anyone wants to leave, they can. Also, we found that there are a number of people that are older and maybe wanted to get home early. Let me just say we have two Board openings this time. My term is up and also Brant Jones, term is up. Doris, will you share the election rules.</p>	

IV. ELECTION

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 (3) on even numbered years and an even number (2) on odd numbered years.</p> <p>In the year 2025, an odd year, we are electing two Board Members to serve for the next two years. The seats being vacated this year are: Don Fawson & Brant Jones.</p>	

DISCUSSION	Nominee Qualification [Doris McNally]
ARTICLE IV, SECTION 2 STATES THE FOLLOWING “The only qualification for nomination to the Board is that all nominees shall be members in good standing with the Association.”	
DISCUSSION	Nominee Expectations [Doris McNally]
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.	
DISCUSSION	Nominee Considerations [Doris McNally]
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.	
DISCUSSION	Estimation of Time Given in a Month [Doris McNally]
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. On average the Board feels that a nominee should be prepared to give at least 10 - 12 hours of effort a month and sometimes more. Certifications may take 8 hours to an entire week to complete depending on what they are. 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: <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? Layna has these questions on a sheet to help candidates and will hand them out.	
DISCUSSION	Vote Counters [Don Fawson]
ARTICLE IV, SECTION 2 STATES THE FOLLOWING “The President shall appoint three (3) judges (Counters) 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. 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? Ron Cundick, Susan Savage, Jennifer Lefler. 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.	
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. 	

- 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?

Don Fawson -

- 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: Doris McNally MOTION APPROVED: Unanimously

DISCUSSION	Nominations from the Floor on Chalkboard [Riley Vane]
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Don Fawson - At this time, I will take nominations from the floor.

Nominations:

- Don Fawson by Ron Cundick / Don Accepted
- Brant Jones by Julie Bruley / Brant Accepted
- David Rhoads by Michael Harding / David Accepted

Don Fawson - Any other nominations? At this point I will ask for a shareholder to call for nominations to cease.

DISCUSSION	Call to Close Nominations
VOTE	MOTION FOR NOMINATIONS TO CEASE: ? Shareholder SECOND: ? Shareholder MOTION APPROVED: Unanimously

DISCUSSION	Nominee - Don Fawson
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Most of you know me.

- How long have I been in Leeds? My wife and I have been here for 54 years, we moved here in 1971.
- Previous experience: I started out working one summer in the pipe shop at a shipyard and received experience there with piping and so forth. Served on the LDWA Board a number of times, most recently for the past four years. One of the original founders of the Leeds Fire Department. Fire Chief for 14 years. Firefighter for 32 years. Fire board member for 10 years. Have a general understanding of water systems related to Fire Protection, which is an important part of what we do in LDWA, specifically our system.
- Why am I willing to accept the Board position? Basically, because at this point, we are involved in some very big projects, and I would like to see them through.
- What I hope to accomplish while serving on the Board: Finishing the projects, we have started such as getting a new well drilled and updating the 75-year-old pipeline from the Spring down to the Dugway, putting in a new pump house, and an emergency generator, and then going down the West side of Main Street replacing some of the sections that are still 6". We have been working on these for a

couple of years. Right now, the permitting process is the thing that's holding us up, but we are hopefully getting close on that.

- What else do you want to know about me? I just, love the water system here. I helped install the original pipelines through Town down in the ditch with the pick and shovel and some of those things. So, I'm somewhat acquainted with that as well.

Don Fawson - Brant do you want to go next.

DISCUSSION

Nominee - Brant Jones

I am Brant Jones

- How long have I been in Leeds? I've been here 33 years, I think.
- Previous Experience: I've been on the Board for a couple of years now and it takes a little bit of time to get used to everything and to learn the system a little bit. I too served with Don on the fire department; wildland and I served as an EMT for a lot of years in Town. I ran the ambulance out of the Firehouse that was in town. I have an SUU education, with most of agriculture type water and an agriculture degree there.
- Why am I willing to serve: I did want to just show my gratitude for everybody that's on the Board, and all that Don's mentioned and also David Rhodes for running. This is a good day, to have more people than we have seats, to be interested in the water. I would like to be on the Board position, just because I love to serve the community. I love this this Town and I love the water that we have, the Spring Water that we have, and I would love to be a part of protecting that.
- What I hope to accomplish while serving on the Board: Some of my assignments have been to work with the LWC, which is the irrigation company. So, LWC has the water in Leeds Creek and then the LDWA has the wells, and we each have percentage of the Spring. Part of my assignments has been to work with both of the companies trying to help manage the water and particularly this year will be a big change and will be a little difficult to manage because of the limited resources. The stream is very low. But I just want to help anyway I can with all these projects that are going on and preserve the water. Not only the water volume but the water quality that we have in our homes to use. It is pretty rare here in Leeds. It is an amazing place. Thank you.

Don Fawson - Thanks, David would you come up.

DISCUSSION

Nominee - David Rhoads

Hi, my name is David Rhoads.

- How long I have been in Leeds: Lived in Leeds for 5 years.
- Previous experience: I'm a registered professional Civil Engineer in the State of Utah. I've been in Utah for 25 years.
- Why am I willing to serve: I think I could help out by managing design and construction, scheduling, estimating, permitting. Done a lot of that over the past 40 years.
- What do you hope to accomplish: I think you know our Town is really special and we've got a great water system and it's in my best interest to help where I can and that's what I've offered to do, and the rest is up to you guys.

Don Fawson - OK. Thank you, David. Really appreciate you.

DISCUSSION

TABULATION OF RESULTS [Ron Cundick]

Ron Cundick, Susan Savage, Jennifer Lefler

- Don Fawson: 38
- Brant Jones: 34
- David Rhoads: 16

Open positions filled by Don Fawson & Brant Jones

b) FINANCE REPORT

DISCUSSION


FINANCIALS [Doris McNally] [PRESENTATION MATERIALS ATTACHED]

2024 Profit & Loss

At our last meeting, in January, we went over our year end numbers for 2024 so this is a repeat of what was shared. There are detailed copies of the P&L and budget over at the front if anybody would like one you can just raise your hand and Layna can give you a copy, it has more detailed information. We of course will add it to the minutes of this meeting. So, here is how our 2024 figures came in as.

FINANCE [For 2024]

P&L FOR YTD REPORTING


	TOTAL INCOME			TOTAL EXPENSE		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
	Ord. OI:	\$354,540.72	98.9%	Ord. Field OE:	\$95,694.55	38.2%
	Other OI:	\$3,826.09	1.1%	Ord. Admin OE:	\$23,020.17	9.2%
		\$358,366.81	100.0%	Professional OE:	\$23,213.00	9.3%
				Labor Expenses:	\$108,755.26	43.4%
					\$250,682.98	100.0%
	Net Ordinary Income:			\$139,311.72		

2025 BUDGET

Looking at the projects that are ahead of us for 2025, we put a budget together and we always use this as a guide to try to direct us. So, the budget for 2025 is relatively the same. We know that we're going to have some more work with the new projects that are coming in. So, there's a little bit more field expenses.

FINANCE BUDGET [For 2025]


2025 BUDGET

	TOTAL INCOME			TOTAL EXPENSE		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
	Ord. OI:	\$364,100.00	91.6%	Ord. Field OE:	\$107,000.00	38.2%
	Other OI:	\$ 33,500.00	8.4%	Ord. Admin OE:	\$ 28,930.00	10.3%
		\$397,600.00	100.0%	Professional OE:	\$ 29,100.00	10.4%
				Labor Expenses:	\$115,000.00	41.1%
					\$280,030.00	100.0%
	Net Ordinary Income:			\$117,570.00		

2024 YEAR END BANKING

Once again at last month's regular shareholder meeting, I shared a status report on our Bank accounts. We have our bank accounts with Mountain America and this year we moved some of the accounts into better yielding portfolios, so we can benefit on higher interest rates.

The LDWA's Banking Accounts [as of 01/04/2024]

	CHECKING ACCOUNTS			SAVINGS ACCOUNTS		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
	1 - Checking	\$116,530.45	44.2%	1 - Emergency Reserve	\$339,657.59	63.1%
	2 - Business Checking	\$147,216.08	55.8%	2 - #3F1892 Bond RSRV	\$108,612.62	20.2%
		\$263,746.53	100.0%	3 - Impact Fee Fund	\$90,082.49	16.7%
					\$538,352.70	100.0%

So, to make it as painless as possible, those are the three areas of finance we need to report on.

Don Fawson - OK, thank you Doris, I will accept a motion to accept the Financials.

VOTE

MOTION TO ACCEPT THE FINANCE REPORT AS SHARED: Brant Jones | Second: Michelle Peot
MOTION APPROVED: Unanimously

c) FIELD REPORT

DISCUSSION	WATER TESTING / REPORTS / MAINTENANCE (Mark Osmer) [PRESENTATION MATERIALS ATTACHED]
<p><u>TEST</u> So, we past all our BacT test this year. We passed our yearly nitrates test.</p> <p><u>REPORTS</u> I worked with Doris, and we submitted the reports that come up yearly; the DDW Consumer Confidence Report, the Water Supply Usage Report, and the Lead and Copper Report. So, thank you Doris for helping with that.</p> <p><u>PRESSURE REDUCING VALVES (PRV)</u></p> <ul style="list-style-type: none"> • We had a repair in Eldorado on a PRV • We put the new PRV in on Main Street • Then the rest of the PRV's we maintained those, and we replaced all the little parts that control them. They are replaced every six to eight months. <p><u>DUAL CHECK VALVES</u> So, every year we have to do 10% of the dual check valves on the meters on the entire system, which is about 40 to 45 we replace a year.</p> <p><u>BACKFLOW PREVENTION</u> We currently have two people certified, me and Don and at the upcoming rural water conference, Dan will also be trained on the backflow prevention.</p> <p><u>OAK GROVE BRIDGE</u> The Forestry is working on the Oak Grove Bridge restoration. And we have a water line that is right in the way so we disconnected it and we have got to move it to the south a little bit. So, we have been working with them this week and they should have the trench dug so we can lay our pipe in and get it put back together.</p>	

DISCUSSION	MAIN ST PROJECT [Mark Osmer]
<p>Mark Osmer - We were, really busy with the Main St. Line upgrade from a 6" to a 10".</p> <ul style="list-style-type: none"> • I went to weekly progress meetings with Landmark, the contractor and Washington County Water Conservancy District. • Shared construction updates regarding traffic disruptions. Service interruptions due to work. So that Doris could put it on the website and let everyone know. • Washington County Conservancy had a PRV down on the South end of town which they were taking out. And I managed to negotiate with, the Washington County Conservancy and they actually gave us the PRV, so we didn't have to purchase one. This saved us a whole bunch of money, like \$20,000 to \$25,000. It was a new one that they had down on their old line that was coming out and they weren't going to use it, so they donated it to us. 	

DISCUSSION	HYDRANT MAINTENANCE, REPAIR, & REPLACEMENT [Mark Osmer]
<ul style="list-style-type: none"> • We upgraded all the hydrants down on Main Street. A few of them had 4" feeder lines going to them and we upgraded them to 6" lines. • We took ownership of three fire hydrants from Washington County WCD, which are on Majestic Mountain Road by the Fire Station. So, we took them over and we connected them to our system. • We've been doing hydrant maintenance and repair. All the hydrants were exercised, flushed, inspected for mechanical repairs. We also took flow pressures and gallons per minute. We have a special meter 	

that we have that we can read and then record our numbers. This information was captured, and Doris put it all into logs and we have got a spreadsheet for it now. We are running on the new 10" line.

- We are going to re-test the hydrants down on Main Street just to see how much more flow we have got from the 10" line and the 6" lines connected to them.
- We helped Angel Springs, they had an accident over there and one of their hydrants was damaged, so we helped them out over there.

Don Fawson - One thing I wanted to mention is that when WCWCD was installing their 24" line down through Town, we were able to talk them into paying for and attaching 3 hydrants onto that 24" line.

- One of them is across from the Post Office,
- One is just across from the Town Hall, and
- One is down by the Church.

So that should give us not only give us added flow flow from our 10" line to main Street hydrants but also the 24" line when that is needed. So, we really appreciated WCWCD being willing to do that. These flow rates are gathered up by ISO, the Insurance Services Office, which is a rating company that helps rate areas for fire insurance. So, the better the fire flows, the better our rates will be. That is one component, because the Fire Department (Equipment, Training, Personnel) and Communications and so forth are also included in that rating.

DISCUSSION

CONFINED SPACES [Mark Osmer]

Mark Osmer - Then earlier on I was working with Larry for Confined Space Entry and Hazards. Larry and I and Don worked with UOSH and they came down and inspected us and we passed all their requirements. We bought a bunch of safety equipment including:

- a fan,
- a harness and rescue tripod to go down into the vaults,
- a gas detector.
- a trench-box. When we have a trench over three foot deep we have a trench box that we can put in there when we are excavating to make it safer.

We now have to fill out a permit when we enter these spaces. And then we take the permit, and Doris logs it in. I want to thank Larry and the individuals he trained for getting involved: Phil Eyers, Bill Stone, and Robert McNally. The rules are that you have to have 2 people present to go down into a vault.

DISCUSSION

Accident on Oak Grove Rd [Mark Osmer]

Mark Osmer - Then we had a recent incident up at the Oak Grove Spring. A car ran off the road and hit the Spring Weir Box. They basically ripped the Spring Box out, damaged about 80 feet of pipe. So, we put new valves in up there, we put about 80 ft. of 8" new line in, and we also put a new line going under the road for the LWC drain.

Shareholder - Was that covered by their insurance?

Mark Osmer - Yes, Doris is working on that at the moment.

Don Fawson - It was just really fortuitous that Mark, Michelle, and Dan were going up there that day and we're able to make contact with the driver before his wife came and pulled him out and he was gone.

Mark Osmer - Yeah, if we would have been another couple of hours later, he would have been pulled out and gone and we wouldn't have known who it was. But we knew something was wrong because we checked the meter down below and it normally runs about 160 gallons, but it was running at like 30 gallons. So, I knew

there was something wrong out there and then we came around the corner and saw the car up there we immediately turned the water out so that there was no contamination going into the system. We did all our repairs. I took 5 BacT samples, 1 up at the Spring, 1 below the Spring, 1 in the tank and a few downtown, and they all passed. So, then I turned the water back into the system.

Michelle Peot - Can I mention something about the incident. So just for context, this incident occurred in the in the early morning hours of the 31st of December. So, it was great timing and thanks to Mark and Mark's connections, we were able to get deliveries of grading material on a holiday and get everything back together with no disruption in service to any of you and also no compromising of water quality. And I think that was amazing and Mark I think deserves a big hand. Thank you.

Mark Osmer - Thank you it's great working for the LDWA, I love our little town.

d) NEW INFRASTRUCTURE PROJECT REPORT

DISCUSSION

DDW FUNDED PROJECTS [Riley Vane] [PRESENTATION MATERIALS ATTACHED]

Dan Fawson - Riley Vane is with Jones and DeMille, our Engineering firm, and they have been working tirelessly on these projects we have coming up.

Riley Vane - Thank you everyone for the privilege to be up here and talk about these ongoing projects that are so important to the community. We have been busy; you've seen some of that progress that we've been able to make down Main Street. I'm not going to cover all of that tonight. I'm just going to give you an update on where we stand.

So, the projects that were planned for and known about for many years, if you go back in the LDWA planning documents, I think back to 2005 was the earliest we found that involved basically 4 projects and priorities.

- **Project #1** is a new well, we need a new redundant water source. We know that Spring is not sufficient and if there is any reason the current Well goes down, then you have got to have a backup source of water.
- **Project #2** is the Oak Grove Spring transmission line. It is a great sacrifice that was installed 70 some odd years ago and it's been performing extremely well. It is at the end of its service life. 70 years is pretty typical for a ductile iron pipe or any iron pipe. So, we want to be proactive and make sure that line gets upgraded in the normal course of a replacement project.
- **Projects #3 and #4** are very similar down Main Street. Those who don't know there are two main pipes coming down Main Street connected to services on the East and then the services on the West. As Don pointed out, there are some larger structures that require higher fire flow. These current pipes were installed in some cases 50 years ago, which is also about the time you want to start replacing your PVC. And in some cases that PVC pipe is old, it's under classed, so it doesn't have the right pressure rating. Mark's been able to do some repairs along the years and stretch the lifespan out over the course of time. So, now is the time to replace them.

So, in 2022, we first submitted for funding from Division of Drinking Water (DDW) with these four projects in mind. We were encouraged by DDW to submit for all the projects and not just one by one. They want to see a whole plan from all of your Major criteria. So, we were fortunate to get awarded funding for a total of \$7,792,500. Initially that was about \$7.5 million and then we went back and asked for additional \$273,000 to pay off the 2010 loan from DDW, it was from the projects and the pipe that happened back then.

This funding was divided between loan forgiveness of about \$3.5 million (the maximum amount), and a 40-year loan at 0% for the remainder. I can't stress enough how unprecedented this is for a private water

system to receive this type of funding. So, I would take encouragement that at the State level they are paying attention to LDWA and how well it is managed and how well it's been planned for.

Funding sourced through DDW and originating at the Federal level. DDW awarded \$7,792,500 total.

- \$7,519,500 initially
- \$273,000 additional to close out the 2010 loan, saving LDWA \$33,000

\$3,499,500 in loan forgiveness
 \$4,020,000 in loans at 0% interest for 40 years

DISCUSSION	NEW WELL [Rile Vane]
<p>Project #1 is a new Well and about 700 gpm is what is needed. We have selected the site, and we are going through permitting now. The site for the well is on BLM property. It is leased to LDWA. Every time you have to update your infrastructure or anything like that, you have to submit a new lease and go through that environmental permitting step. They do a whole swath of things. They look at your cultural resources, they look at your biological resources. In this case, there were some archaeological sites up there. They have known about that and up to this point, every new application for the permitting process has kind of been kicking the can down the road. Finally, the BLM said, no, we need to address these archaeological sites, get these mapped accurately so that we can keep our impact outside of those archaeological sites. So, the progress has been held up by that. We are fortunate enough to have saved some money with the project down Main Street, and some of those funds are going to get reallocated to additional archaeological work that has to happen up there. We did get some good news that the BLM permitting should be going through this month.</p> <ol style="list-style-type: none"> 1. New Well is combined with Well house, Controls, SCADA, backup generator and propane tank. 2. Estimated Cost = \$1,316,000 3. Permitting acceptance is expected in February. 	

DISCUSSION	OAK GROVE SPRING TRANSMISSION LINE REPLACEMENT [Riley Vane]
<p>Project #2 The next project is the Oak Grove Spring Line. To make things even more complicated, this is on US forestry land and that is a separate lease. They don't always talk to each other, and they have the same federal requirements as far as the environmental permitting, but it has to happen with them as opposed to BLM. So, we are dealing completely with two federal agencies.</p> <p>The good thing about this is we are able to realign this pipe and kind of pick where we want it to go, we can pull this closer to the road and minimize our impact. And that looks good to the to the Forestry who ultimately grant us the permitting. A little section of the 70-year-old pipe is exposed and they couldn't bury it. This line is right at the dugway where the pipe dives down and comes back up. It has been like that for 70 years. It is pretty awesome to behold a pioneer heritage right there that you're able to see so.</p> <ol style="list-style-type: none"> 1. Includes 5 miles of new transmission line, new altitude control boxes, and improved access s for maintenance and monitoring. 2. Estimated Cost = \$2,794,000 3. USFS permitting has been an ongoing process with the archaeologists, biologists, and Native American tribes. 4. We just received notice that this is a categorical exclusion. 5. Permitting acceptance is expected this Spring. 	

DISCUSSION	MAIN ST WEST LINE REPLACEMENT [Riley Vane]
<p>Project #3 Moving on to Main St Projects. I believe Don, you were approached by the Washington County Water Conservancy District (WCWCD) when they had this 24"-line plan to see if you have any additional line work that needs to happen down Main Street? As it happened, yes, we did. So, WCWCD put in a new 24-inch line to connect their Quail Creek plant up to Anderson Junction and part of that came down Main Street. So, in working with their engineer and their project manager, we were able to install a new 10" line parallel</p>	

to their 24" line. As Don stated, this is a 50-year-old line that we are replacing. It has served Leeds well, but it is time to replace it and with that we were able to get new connections over to all the services and so all of that's getting updated and will minimize our impact in the future, as well as tying in all the hydrants along the way.

In addition to updating old infrastructure, Don mentioned fire flow. We have run the model on this several times and for the larger buildings, they have the IFC, International Fire Code on how much water you have to deliver per square foot for construction and with this 10" line we are actually able to meet that code, before we didn't. So, you now have fire flow to your critical infrastructure, the Church, the Post Office, and Town Hall. All those are important things that now this 10" does provides for that fire flow.

I do want to speak about the cost. We initially estimated this project to be about \$1.2 million in partnering with the Conservancy District that actually came down to \$770,000. So, a tremendous savings there of \$430,000. So, we were able to reallocate \$240,000 to the other project needs. So, a great blessing and we are very thankful to WCWCD for partnering with us in that effort. We accomplished the following:

1. Includes 1.5 miles of new 10" PVC line, meter and hydrant connections.
2. Initially estimated to be \$1,195,000 construction budget, final cost came to \$770,640.11, allowing for availability of funds for increased archaeological work and the Main St. East project.
3. COMPLETED in December 2024 in partnership with the Washington County Water Conservancy District.

DISCUSSION	MAIN ST EAST LINE REPLACEMENT [Riley Vane]
<p>Project #4 Next is the East side of Main St. This is the undersized 6" line that is very old. It kind of varies on how much of it's been replaced from block to block to block. And so, you're seeing various lines, sizes, diameters and material. We are trying to clean that up now. This is meant to be a project, if there are funds available, and it'll be scalable as funds are available. So, we are going to be working with our contractor when it comes out to bid to see how much of this, we are able to achieve. We'd like to do it all, but we are assured that we do have fire flow in Main St. which is really the big thing that we needed down Main St. This project includes:</p> <ol style="list-style-type: none"> 1. Includes up to 1 mile of new distribution line, meter and hydrant connections. 2. Estimated Cost = \$1,210,000 3. UDOT permitting is minimal. 4. Intended to be a scalable project as funds are available. 	

DISCUSSION	ADDITIONAL ACCOMPLISHMENTS [Riley Vane]
<p>Riley Vane - I do want to highlight some of these additional accomplishments that I think are really important to notice as part of this funding effort. Don has mentioned, several of them just in passing, but some of the stuff we were able to do,</p> <ul style="list-style-type: none"> • We completed the new capacity study and determined the shortcomings of the system and there aren't much. One is the need for the new Well which we already knew. • We were able to map all the LDWA right-away areas. We created GIS data base of all the infrastructure, so that the Board and Mark can pull that up on their phone and look at it. • We did a complete review of the water rights situation and noticed that there were some that were completely disconnected from the system, and we got those moved up to the well so they can actually be used. • In the course of investigating, we did find some existing infrastructure at the Highlands tank, and we were able to route that so it more efficiently goes to the LWC water company head structure. We did have funds kind of allocated for that in the DDW project, but now we can use those more efficiently as well. • We completed a fire break at the well house. • Doris and her husband numbered all the fire hydrants and got WCWCD to install three new hydrants as a redundant fire suppression line for those major buildings in town. 	

- And probably the biggest win I think out of all of this is we got the new pump installed in the existing well. Now we had originally budgeted to do some testing up there to figure out what's going on with the aquifer and how strong it is. We found out that the most efficient use of money was to purchase a new pump and max the pump out to see how strong that aquifer is. And it turns out it's a very, very good aquifer. I think we pumped that at 650 gallons per minute and we only had about 12 feet of drawdown something like that. So, it is really a tremendous aquifer and because of that we were able to relocate where we originally wanted to put the new well to be a lot closer because we know that is a strong aquifer and it can handle another well in that proximity and we have good odds of success. You never know when you start poking holes in the ground, but that was a good indication that we are on the right path.
- Replaced the PRV on Main St.

DISCUSSION	NEXT STEPS [Riley Vane]
<ul style="list-style-type: none"> • The next steps are going to be permitting, that is the only thing holding us up at this point working through both government agencies, the BLM and the Forestry Service to get the permitting secured so we can start drilling. That's going to be the first ticket. • Then we will work on the remaining projects which is installing the well house, getting the controls put together. • Then all of our work on the Oak Grove pipeline. • Then East Main St. 	
<p>Dan Fawson - OK, thank you. Riley, appreciate that. I just wanted to mention that there are little things that are going to make our system function better and supply water when we need it, where we need it. So, there will be some crossovers that we are putting across Main Street as we put that new section of pipe down the West side and also some looping projects to be able to get the water to flow wherever we want, shut smaller sections down if in fact there are repairs that's needed. The other thing is the power coming into Town comes from the South and it dead ends at Anderson Junction. So, it's not looped. We are trying to work with the power company to get them to loop it through Toquerville so, that in case something goes down on the South end that we can still get power in from the north to run our well pump. And that's particularly important. We had a fire on South Main one evening when the wind was whipping and blowing and crazy and because the power lines were above the fire they shut the power off. Well, they were also taking water out of our pipes through our hydrants, so they were draining our water supply at the same time that they had the power off. So, by looping that power system we'd be able to maintain that power to the Well. But the other thing is, as part of this Project, we are also purchasing a propane powered generator as a backup for the Wells. Propane, is best since it does not degrade like diesel or gasoline, so it can last forever. So, we are in the process of trying to get that completed as well. We are hoping to get some of this done before prices go crazy or a possible supply chain problem. OK, Brant, did you have anything you wanted to add?</p>	

e) OFFICERS REPORT

DISCUSSION	LWC [Brant Jones]
<p>Brant Jones - We received a card around the holiday, because it was very nice, I have been asked to read it since we don't get many of those,</p> <p><i>'Gratitude from us towards the board and what's going on here. The LDWA as another year winds down. We thank you for your diligence and good work and all of your parts of it and the parts of our town we feel protecting our water matters. Our water matters so much. So, your good management is very appreciated.'</i></p> <p>We always appreciate those and wanted to thank you for it. So, a lot of my assignments have dealt with the water. The State of Utah owns all the water, and we have rights to use it. The Leeds drainage is divided into</p>	

different rights, the vast majority of the Leeds drainage is allocated to the agriculture in Town. And when the creek's full and the streams running full there are not really many problems. But life in the desert does present some pretty interesting historical shovel fights, and all the way to fights with attorneys, and big money being spent. So, part of my assignment has been to work with the two companies, LDWA and LWC. The State graciously allows us to work together as companies in Town to manage that. So, this year if water gets really low in the stream, we have to manage both of those rights. So, I've been asked to work with the irrigation company, which is the LWC, and they have been fantastic to work with. There have been some written agreements in the past, the early ones included all of the agricultural rights for animals and of course the Town changes ordinances and so originally there actually were supposed to be more animals, cattle and livestock in the Town of Leeds than people. That first early agreement stated those from the State, but now it's a different place to live. So, you would think it would be pretty easy to put an agreement together between the two companies to manage a low water year. But it's been a quite a process and we are very close and I'm grateful for both of the companies working well together and the opportunity that I've had to try and help it take place.

And we have a great history in Leeds with working together for the most part and when it doesn't happen it gets pretty ugly, and it can be pretty expensive because it goes to the legal battles and then eventually the State. If we can't work it out and we can't seem to get along, they will allocate an engineer to come in and do it for us, but then they bill us for it too. So that's been part of what I've been working to avoid.

It also falls on me to work with Mark and late during the growing season to regulate our shared water. Last year when the water did get low, we took water meter measurements and tried to adjust the different flows so that everybody gets what they have a right to and everybody's taking care of. Part of that is that most people like to drink the Spring Water, and I'm not saying there's anything wrong with the Well Water. The Spring Water is pretty nice, and so to be able to maximize as much Spring Water for our homes as possible we try to adjust flows accordingly.

Don Fawson - Appreciate it very much. Brant and David Stirling, you have been extremely helpful when working through some of these tough issues. Michelle, has been working with government interface and also with the Town.

DISCUSSION

LEEDS FIRE RESILIENCY & LDWA [Michelle Peot] [PRESENTATION MATERIALS ATTACHED]

Michelle Peot - Don has touched on a few of these things and stealing my Thunder, but in light of what happened in California I thought it would be a good opportunity for us to take a look at what lessons we could take to better improve our fire resiliency and needs and what LDWA can do.

Some of the learnings from the Los Angeles area fires.

- We need to make sure that we have sufficient firefighter staffing and management of aging above ground power lines and that's critical year-round. We're fortunate in Leeds that most of our power lines are underground.
- The other lessons that came out of that so far are that home mitigation alone isn't sufficient. Especially when you're in an area with high winds, including where we are.
- Also, hydrant and firefighter water capacity planning need to be factored in early. And it's becoming increasingly important because we're starting to see larger urban fires and fires at the urban wildland Interface, and of course in Leeds we are acutely aware of those risks.

So, one of the things that was mentioned was and these people have been talking about this on Facebook is that some people are experiencing their homeowner's insurance being dropped, or they are asked to do remediation in order to continue insurance, and/or potential rate increases.

So, some of the things that go into your insurance risk are:

- What wildfire or other natural hazard risks are where you live.
- The estimated cost to repair the homes in your area
- The number of ratepayers where they can spread that risk over multiple people
- Then, what Don mentioned was the ISO score, which I'll go into more.

This is what we look like today when you factor in both the risk for wildfire and then also cost to repair. So, it's not great. We are in the relatively high zone, but the projections for say 25 years out, look a whole lot worse. If you notice here, we're in the same color zone as Los Angeles. So, it's important that we consider these things and don't get in a situation where we haven't planned for these risks.

Don mentioned something called the ISO score. And what that stands for is the Insurance Services Office Score, which measures fire preparedness. And in this context, lower scores are better and it's a composite score that's made-up of the:

- Capacity of your fire department operations. (And of note The Hurricane Valley Fire Department recently improved their rating from a 6 to a 4, so shout out to them for doing that.)
- The second most important category in here is the hydrants and firefighting water capacity, and that's obviously directly influenced by things that LDWA is doing.
- Another component is the emergency communications capacity.
- Then community risk reduction.

And what has LDWA done so far?

- We have done a pretty good job of maintaining our network of tanks, fire hydrants and infrastructure as well as access roads to them.
- We also had a big project that Doris headed up to do hydrant geolocation and be able to link certain hydrants and loops with people that might be affected if we need to take those loops down for service.
- Also, we put in a purchase order for a well backup generator as Don mentioned.
- And we have that redundant well in progress.

And some of the things that are in early stages of exploration here are:

- Using our decommissioned Eldorado tank to have backup water storage in the event of a major emergency scenario.
- Whether we could partner with the Forest Service to do some near-term fuel mitigation around our infrastructure. I don't know if you guys know, but there is a 7-to-10-year project on both sides of the Pine Valley Mountains to do a lot of brush mitigation in the watersheds. But we are going to see if there's any way that we could maybe partner with them to do our portion a little early.
- And as Don mentioned, we're looking into additional options to have power redundancy at our Well sites because as you know, if there's a major fire, sometimes they'll cut power to certain sectors.

The other thing I've been keeping an eye on is what's happening with Washington County and water rights. The WCWCD just announced a huge \$1 billion wastewater treatment project. And the goal here would be to collect much of the wastewater through sewer etcetera and then run that through different stages of filtration. And so far, they have been allocated \$250 million, a small portion from the State as a loan and then a very large portion from the Federal Bureau of Reclamation. And there's a challenge because that funding is currently frozen and is being assessed whether that will move forward.

This is a huge project they're planning on putting in 60 miles of new pipeline, pump stations, and multiple new reservoirs, in addition to the Chief Toker one up by Toquerville or Anderson Junction. The initial plan is to use this treated water for irrigation, but the eventual plan is to use it for drinking water which they use what they call an advanced filtration to clean it up. And then where this potentially impacts us is in order for Leeds to receive water from the Washington County Water Conservancy District, Leeds or potentially certain

portions of Leeds will need to participate in the wastewater reclamation portion by installing sewers. So that's just a heads up.

The next thing that was a major announcement is they are going to be starting what's called a groundwater management plan for Sand Hollow. And they just kicked this off. So, they had a big joint public meeting. I went because I thought it would be really useful to see how the process works. It is very data-driven, and it is a very collaborative process. And the goal is to get all of the water rights holders within that watershed to collaborate, come to an agreement about how they will manage the watershed rather than having the state come in and enforce some draconian rules. It is a fairly lengthy process to get that going, but I will provide updates as they come in. The other thing that I thought was very interesting about this is Sand Hollow is unique in that it was built as a recharge reservoir so it was intentionally made so that the water would trickle down back into the aquifer, and they have spent quite a bit monitoring what is in that area.

Alan Cohn - If that water is not going back into the ground, is that going to affect our aquifer?

Michelle Peot - So, to Alan's question. We have some concerns about aquifer recharge. So, the way that the Division of Water Rights engineers work is they make decisions based on the best available data as to whether they should approve a water rights diversion application. The problem here is that our hydrology is extremely complicated. We have interconnected aquifers, we have a lot of geologic fishers etcetera and we don't really have good models about how to predict where if I take a water diversion from here, how it's going to affect water rights holders over there. So, a lot of the decisions they're making are just, you know, guesses or informed with very preliminary data. Coupled with that the WCWCD has been very aggressive in pursuing new water rights diversions as well as surface water recapture and then in addition this big wastewater treatment project. So, it would be in our best interest to pursue a groundwater management plan for our area and that's something that the WCWCD supports. Susan, and I spoke to the Division of Water Rights and they suggested that the first step is to look into options for starting to measure our well depth and, and see if other folks in the area would be interested in doing that. And there's a threshold for starting a groundwater management plan and that is if the drawdown exceeds the safe yield rate. So, the first step in that is for us to be collecting data in a systematic way in order to inform that. I think that's it.

Don Fawson - Thank you, Michelle. Appreciate that very much. Dan, Do you have anything you wanted to add?

Dan Brown Not right now.

Don Fawson Thank you. All right at this point we're going to go ahead and open it to questions and answers.

f) SHARHOLDER COMMENTS

DISCUSSION	SHAREHOLDERS QUESTION AND ANSWERS
	<p>Ron Baldwin - I have two questions that has to do with the drought that we're in. Given that we are at about 24 or 25% of normal water, that is not going to recharge the aquifers very well.</p> <ol style="list-style-type: none">1) How do we look as far as us having water for the next year?2) What would the impact be with the planned developments around us that are within WCWCD purview? Do you understand all that? <p>Don Fawson - I think so. An interesting thing: the claim is that the Oak Grove Spring recharges from water that was actually put in the ground 3 to 7 years ago. I don't know if that's true. We are currently measuring the height of the Spring. We have been measuring the gallonage and that has stayed pretty steady over time even with the Creek dropping. The Creek will drop up to a cubic foot per second a day up and down.</p>

And then of course, the volume is depending on how much rain and snow we have had. So, that is something that we just need to pay close attention to. As far as the WCWCD is concerned, I'm going to say we don't think that they are drawing water off of our aquifer here. In other words, I don't think there is anything they are doing that's going to affect the Spring because we are above whatever they have. As far as the Well is concerned, the Well has been extremely consistent. So, the well hasn't dropped at all and the Re-Charge rate on the well has been consistent as well. It drops 2 to 3 ft. when you're pumping normally and then it's back up within 2-3 minutes. So, the well is probably one of the best Wells in the County quite frankly. Beyond that what the WCWCD does, like I said, I don't think it's going to affect us at all. I mean, obviously they are going to have their issues with whatever water they serve within the community or wherever because it's affected by their entire system. So, what my feeling is we are extremely blessed, and probably as safe or safer than anyone in the County. But we are certainly not going to let anybody die of thirst, if things get very bad we are going to have to work together to face any challenges. If in fact it comes to that point, we are going to all work together to try to figure that out, and that's one of the things that Brant was talking about here, how do we manage the water in case there is a drought that is significant. One of the other things we did is we did talk to the WCWCD and Zach Renstrom, the director. He had indicated that if in fact it was the other way around, if we were short on water, that they would be willing to try to help us out. And they said they could connect the two lines within a day or two. This would be a last resort and we would not consider that unless things were dire. There is also a reason not to do that and that is as long as we stay separate, we do not have to enter into that, WCWCD Regional Water Agreement, which can be very onerous.

Ron Baldwin - The water flows both ways, they could take it from us as easy as provide it to us.

Don Fawson - Yeah, that kind of gets into the State water rights thing. And so, it's not like they can come in and just eminent domain us. So, hopefully, we're good.

Michelle Peot - May I answer? So, part of the reason that we should start looking into measuring the well depth is in order to inform us with that groundwater management plan and that kind of helps provide data through a holistic picture of what's happening with the aquifer. Because even if we're not seeing it at one point, I know there's other folks in town that have reported drawdown within Leeds and there are new water rights diversions happening up at West Sandy etcetera, as well as surface water recapture. And again, because it's not an instantaneous thing you know, this happens or I'm by a reservoir. It is going to take some time to see what the impacts will be. And without getting the baseline measurements, we could get caught off guard. So that's the whole point of the groundwater management plan.

Don Fawson - Did that answer your question? Anything else?

Bob McNally - I want to ask Mark, how often does he have to run the Well and is the Well running now?

Mark Osmer - No the Well is not running at the moment.

Bob McNally - When do you usually run it, in the Summer?

Mark Osmer - Yeah in the Summer then I exercise it maybe once every 6 weeks. Right now, we are just running on the Spring.

Don Fawson - That is one of the things in working with LWC is that during the times when they are not growing crops, then we are able to take the entire Spring Flow, which we normally have to share. And they have been very good about allowing us to do that. Any other questions?

Alan Cohn - So all our tanks are full right now.

Don Fawson - Yeah, Mark is very careful about watching that. He checks them every day and worries about them on the weekends. He's very, very conscientious about watching that. So yes.

Troi Hoster - So, the new well that we want to do, what advantages is that to LDWA?

Don Fawson - 2 things. Source capacity. It allows us to pump more water when we need it. And if in fact we have all the fill in for the water rights that we have, there's a good chance we need to have that back additional Well for that. The other thing is that the well that we currently have was drilled in 1976. And it was probably, I don't know, 15-20 years later, it collapsed. The well was gone. And so, the only way we were able to get water was from the Spring. LWC was very good at that time, and allowed us to take the entire Spring Flow in addition, shareholders were asked to conserve. And it was a very stressful time because normally you don't re-drill a Well. And yet, it was such a good well that we were willing to risk it. There was a lot of bullets sweat during that time, I can tell you that. And the well had not been cased all the way down at that time. And what they found was there were voids down there. We had to actually pump concrete down and fill those voids and then drill back through the concrete and then case it. So, it's good and stable right now, but the normal lifespan of a well is 40 to 50 years, and we are past that pretty much. But like I said, from my point of view, God's been good and blessed us with that. So, it is also redundancy. Then let's suppose that the pump went down in the well. It's going to take time to get a well driller to come down and pull the pump out and maybe even find another pump to put back down in the well. So, it is 1) Source Capacity and 2) Redundancy.

Danielle Stirling - Doris. Can you reiterate what the engineer was explaining that you digitized? Was that all the meters? I didn't quite catch all the details of that, I'm not sure what that meant,

Doris McNally - What we have done is taken all the meters, hydrants and water lines in our service area and have put their locations into a geolocation system called GIS. So now we have a database that has the specific longitude, latitude location numbers for each of these infrastructure assets. Where this is a benefit, for example, is when the HVFSSD Fire Department was looking for information for their ISO Audit, we were able to hand over to them a current detailed map of every single hydrant in our system. We also were able to share with them the reports Mark and I create from our Hydrant Maintenance Program. This includes details on the tests Mark runs when he flushes the Hydrants. Things like PSI, Flow Pressure and Gallons Per Minute, and all the maintenance work Mark does on the hydrants.

This data is very important and offers data on our infrastructure, so we now have a historic record of our system. Mark can literally pull up on his cell phone and track the line. We purchased this software about two years ago and since then we've been working with Jones & DeMille and Mark and a few other people, my husband even, not only marking them but getting this information into the GIS program.

Don Fawson - One other thing on that, Bill (Mayor Hoster), maybe you can help us with this. We send that data information to the fire Department. I know some fire departments actually have that in their database and they actually have a computer in their fire trucks so they can actually plan what hydrants they can take water from when they get into Town based upon where fires are. Is that the case?

Bill Hoster - Oh, yeah.

Don Fawson - So, that's an important part of that, too. Thank you.

Chuck Finley - How many fire hydrants are in the system?

Doris McNally - I want to say 124 -127. We have added some recently.

Cindy Neubauer - So when Michelle was talking about the ISO, I know I've had a couple of neighbors lose their homeowners insurance due to the fire risk. And so, it's been a big topic of conversation. I don't know exactly how the insurance companies give you a rating for the ISO, but with the new construction and more demand on the water, will it affect the water pressure to the fire hydrants, how will that affect our ISO rating, will more people start losing their insurance?

Don Fawson - It shouldn't change that because there's always a water modeling through the engineering company before we actually add on to any kind of infrastructure like that. Bill, I was going to ask you to kind of address that.

Bill Holster - Yeah, so that's a completely different system, ISO is than the critical fire buttons. And so, I got the same notice on my house they wanted to drop it and it was double the cost to go somewhere else and a lot of people in Toquerville, and LaVerkin are getting hit as well. So, there's a new House bill that's sitting up there right now, it hasn't been numbered yet for this administrative session. It is going to dictate to the insurance companies what map they can use. So, you saw on the map that Michelle had up there, that was produced by the insurance companies, they were saying, well, we discussed this and if you're within this critical fire area, which is 85% of Washington County, we are going to do this to your insurance rates. And the state is trying to push back and say, hey, look, we have gone out and reassessed some of these areas with investments of funds into some of the stuff that Don just mentioned. Clearing away some different areas and such. And so, watch the latest session really close over the next couple weeks. We are hoping that gets numbered and gets before our legislators to move that forward.

But there are two different systems. I'm learning a lot about it as we go too and it's very frustrating. But I can tell you the challenge that we're concerned with the most is that what happened in California was they did the exact same thing, and they raised those rates on the people and the people pushed back and said Hey, legislators cap what they can charge us and the insurance companies said hey, too bad, we are just going to leave. And so that's why all those people didn't have insurance. And we're trying not to do that in the State of Utah from what feedback I have gotten. So, we want to try, and I guess, walk the fine balance there, but that's what's happening right now.

Don Fawson - Just a question. You know, when we first moved to Town, we had an ISO rating of 10 and that is one of the reasons we got involved in getting a fire department started and we actually got our ISO rating down to a 4. But before we joined Hurricane and we had our own Class A Fire trucks and whatnot, but one of the things ISO did, as I understand it, they added to their requirement that anytime you apply whatever the ISO rating was, it had to be within 5 road miles of the fire station. And right now, I don't know what's going on. I know our station is not full time here. So, I do know that apparently there was a change so that they are not using this as a Wildland Station anymore.

Bill Hoster - Well, it's intended to be designated as a maintenance building, as soon as the new fire station is built, between Toquerville and the Grapevine Wash. So, as soon as that one gets built, which is supposed to be a multi-jurisdictional as well, there will be a Sheriff's Office and I think there may be one other jurisdiction.

Riley Vane - And so you are a couple years out before that happens?

Bill Hoster - Yeah, and they want to keep this one as a mechanics place or something like that for somebody to have. But it won't be more than a mile and a half away from the one or two miles from the one that's there.

Don Fawson - OK. And so, is that five-mile designation affecting ISO right now?

Bill Hoster - That is a factor yes, if you're outside of that you could be X'd after your ISO rating and so right now everywhere in Leeds pretty much qualifies to stay with where that fire station is at right now. So, we are all in good standing. I think you know, just understanding though that the ISO rating, once we get below that 5 mark, it starts to get like the 10% drop in our ratings every year. So, I was going to put this out in the newsletter, but I'll put it out here. So that ISO drop, don't solicit your insurance companies just yet because they haven't received all of that information. So, they should re-audit you within about four months. So, wait until then, get back to them and let them know that you want to be re-audited with the new ISO rating. It should lower you up to almost 20%.

Don Fawson - So, one of the things you want to do, I don't know who's on the District Fire Department now but maybe they would be willing to come out and do a wildland or urban interface fire assessment of your property to see if you need to cut down trees or whatever to lower your fire risk. I know when we were in training on wildland, one of the things they told us was: if there is a big tree sitting next to the house and it is going to burn the house down. Don't you touch that tree because you're going to get sued. If in fact the tree is cut down and the house doesn't burn down, they could come in and sue you. So, my point with this is, that you need to do the pre-mitigation on your property.

Cindy Neubauer - I'm confused, you mean if there's a tree by the house, the firefighters can't go in?

Don Fawson - No, they can go in. And obviously they will try to help out. But if you get a strong wind going, those things go up like a Roman candle. And you have to understand that the standard length of a flame is 4 times the height of the fuel. So, if you have a 2-foot grass in front, you're going to have 8-foot flames. If you have a 10-foot tree, 40-foot flames in a good wind. We've seen it around here. So, anyway, just be aware. I'm not trying to scare anybody, but I am saying that it would be good to get that looked at.

Bill Hoster - I just got this yesterday. We got the State Funding through The Fire District. It's not a lot. It's like 8 grand for the fire district to do mitigation. So, if somebody is in need of it, they are going to just allocate that 8 grand to those hours. So, it's free for us if you have a dire need or you see something contact the clerk or you can contact anybody up here, but it's a first come, first serve basis and we'll start probably this Spring. If we need more, they'll try to apply for more.

Doris McNally – On the Utah Division of Forestry, Fire & Safety website they offer some useful information regarding Wildfire Protection. So, if you go onto their website and you can download plans for around your house, how to create a defensible space around your house and also it talks a little bit about how they address fires, wildfires in the area. I'll include the website into the minutes for those interested:

<https://ffsl.utah.gov/fire/wildfire-community-preparedness/community-fire-planning/>

There was also a good series of webinar videos hosted by the **Utah Department of Natural Resources** Division of Forestry, Fire & State Lands last year. I'll also offer those in the minutes.

- Click [HERE](#) for the **Resilient Landscapes** presentation.
- Click [HERE](#) for the **Structure Vulnerability** presentation.
- Click [HERE](#) for the Safe, **Effective Wildfire Response** presentation.
- Click [HERE](#) for the **Fire Adapted Communities** presentation

V. ADJOURNMENT

DISCUSSION	Meeting Adjourned [Don Fawson]	8:29 P.M.
OK. Anything else? Thank you so much for coming out tonight. We really appreciate all of you.		
DISCUSSION	Administration of Oath of Office to the New Board Members	Layna Larsen
Don Fawson, Brant Jones		

Layna Larsen

Layna Larsen, Corporate Secretary

ATTACHED COPIES of PRESENTATIONS

Finance :: 2024 P&L



2024 YEAR END

TOTAL INCOME		TOTAL EXPENSE	
ACCT	BALANCE	ACCT	BALANCE
Ord. OI:	\$354,540.72	Ord. Field OE:	\$95,694.55
Other OI:	\$ 35,453.98	Ord. Admin OE:	\$23,020.17
	\$389,994.70	Professional OE:	\$23,213.00
		Labor Expenses:	\$108,755.26
			\$250,682.98
Net Ordinary Income: \$139,311.72			



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1

Finance :: 2025 BUDGET



2025 BUDGET

TOTAL INCOME		TOTAL EXPENSE	
ACCT	BALANCE	ACCT	BALANCE
Ord. OI:	\$364,100.00	Ord. Field OE:	\$107,000.00
Other OI:	\$33,500.00	Ord. Admin OE:	\$28,930.00
	\$397,600.00	Professional OE:	\$29,100.00
		Labor Expenses:	\$115,000.00
			\$280,030.00
Net Ordinary Income: \$117,570.00			



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2

Finance :: 2024 BANKING



2024 YEAR END

CHECKING ACCOUNTS		SAVINGS ACCOUNTS	
ACCT	BALANCE	ACCT	BALANCE
1 - Checking	\$116,530.45	1 - Emergency Reserve	\$339,657.59
2 - Business Checking	\$147,216.08	2 - #3F1892 Bond RSRV	\$108,612.62
	\$263,746.53	3 - Impact Fee Fund	\$90,082.49
			\$538,352.70



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3

Board Responsibilities



POLICIES IMPLEMENTED IN 2024

The review, modification & development of policies that set clear “how to’s” for the LDWA. In 2024 we delivered the following policies:

- APPLICATION TERMS FOR DEVELOPMENT
[POLICY# [2024-01](#)]
- HOOK-UP POLICY
[POLICY# [2024-02](#)]
- WATER LINE EXTENSION POLICY
[POLICY# [2024-06](#)]
- HAZARD COMMUNICATION SAFETY PLAN
[POLICY# [2024-07](#)]
- CONFINED SPACE PROGRAM
[POLICY# [2024-08](#)]

WATER EDUCATION INITIATIVES

Another role we take on as your Water Board, is the sharing of information that helps our shareholders understand relevant water topics. In 2024 we offered the following information.

- [LDWA System Loan Projects Update](#)
- [Water Quality & Hardness](#)
- [Understanding Water Pressure](#)
- [Lead and Copper Facts](#)
- [About Back-flow & Cross Connections](#)
- [Where Does Our Water Come From?](#)
- [Understanding Water & Land Use Terms](#)
- [About Shareholder Paper Certificates](#)
- [Water Rights 2024 State Updates](#)
- [Responsibilities of Board of Directors](#)
- [Understanding Board Elections](#)

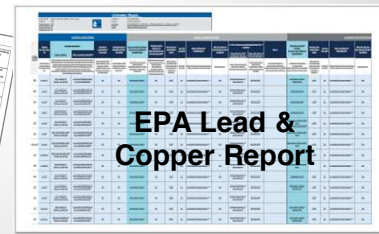
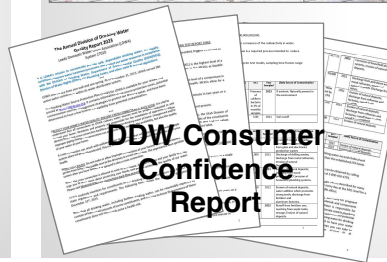
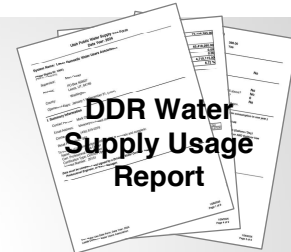
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4

Water Quality Monitoring & Tests & Reporting



- **Passed**
All Monthly Bac-T Tests.
- **Passed**
Yearly Nitrates Test.
- DDW Report
Consumer Confidence.
- DWR Report
Water Supply Usage.
- EPA Report
Lead & Copper Report.



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1

Main Street Distribution Line Replacement [West]



- Weekly progress meetings with Landmark (the contractor) & WCWCD.
- Shared Construction updates regarding traffic disruptions & service interruptions due to work.
- Negotiated PRV contribution from WCWCD.
- Hydrants:
 - Upgrade all hydrants to 6" feed line.
 - 3 New Hydrants from WCWCD.
- Offered emergency support/repair.
- Insured pipes were sealed at night & during weekends.

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2

Hydrant Maintenance, Repair, & Replacement



- 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.
- Transfer of 3 hydrants on Majestic Lane from WCWCD oversight to LDWA.
- Angell Springs (neighboring water association) damaged hydrant support.
- PRV's:
 - Repair of El Dorado PRV
 - New PRV (WC's) Center & Main
 - Design work for PRV, for SEE



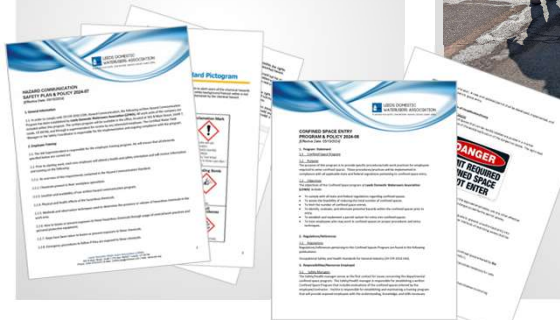
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Confined Space Entry & Hazard Communication Program



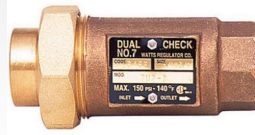
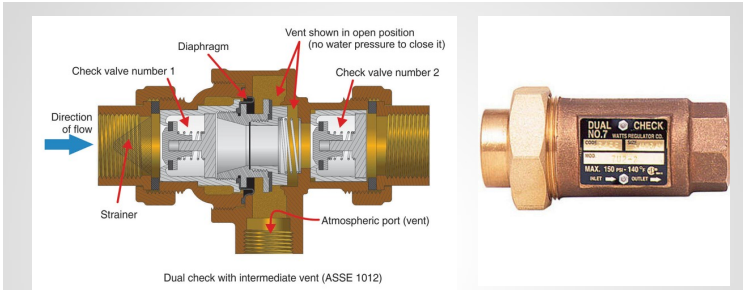
- Occupational Safety and Health Administration's (OSHA's) requires all employers to comply with all applicable OSHA standards.



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4

Dual Check Valves :: Backflow Prevention



BACKFLOW EDUCATION



Cross Connection Control Program of Utah
 Mark W. Owen
 Cross Connection Control Program Administrator



Cross Connection Control Program of Utah
 Donald F. Farnon
 Cross Connection Control Program Administrator



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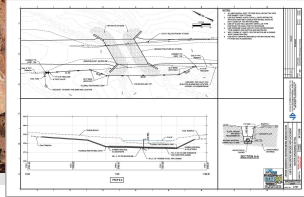
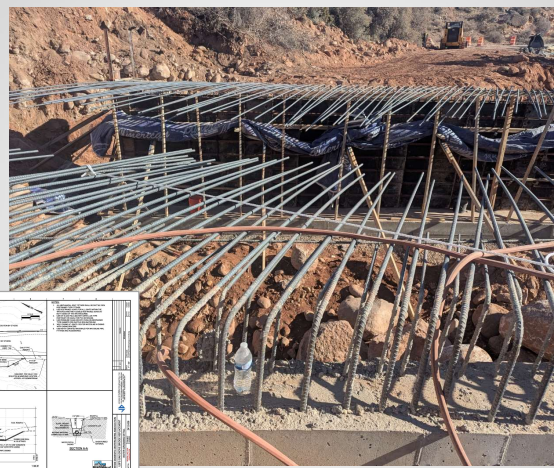
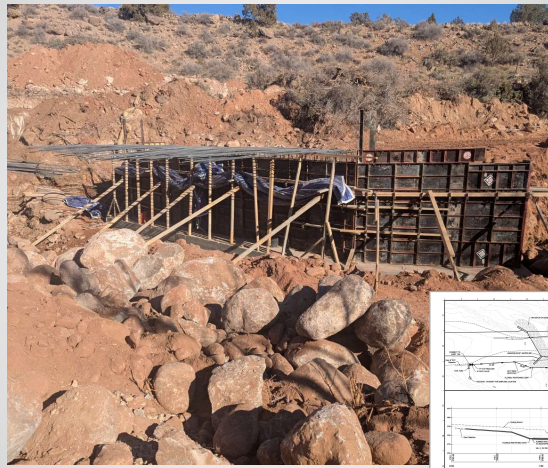
Oak Grove Spring Incident



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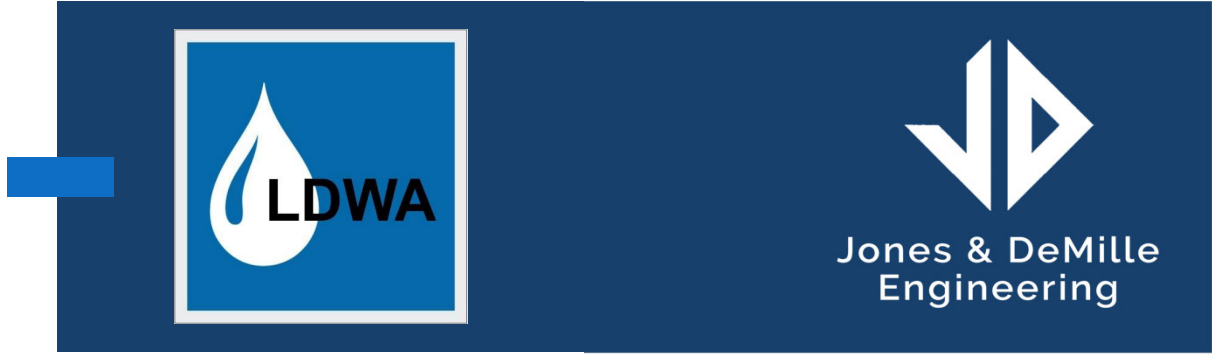
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Forestry :: Oak Grove Bridge Restoration



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LDWA – 2023 DDW FUNDED PROJECTS



1

PROJECT OVERVIEW

- Project 1: New Well**

 - A redundant source to harden infrastructure.
- Project 2: Oak Grove Spring Transmission Line Replacement**

 - Replace 70 year old iron pipe with new HPDE.
- Project 3: Main St. West Line Replacement**

 - Replace 50 year old pipe with new PVC, and upsize for fire protection.
- Project 4: Main St. East Line Replacement**

 - Replace aging and under-classed pipe.

2

DDW LOAN DETAILS

- Funding sourced through DDW, and originating at the federal level.
- DDW awarded \$7,792,500 total
 - \$7,519,500 initially
 - \$273,000 additional to close out the 2010 loan, saving LDWA \$33,000
- \$3,499,500 in loan forgiveness
- \$4,020,000 in loans at 0% interest for 40 years



3



PROJECT 1: NEW WELL

1. Includes new 700 gpm well, combined well house, controls, SCADA, back up generator, and propane tank.
2. Estimated Cost = \$1,316,000
3. BLM permitting has been an ongoing process with the archaeologists, biologists, and Native American tribes.
4. Initially classified as a Categorical Exclusion, the BLM has now requested additional archaeological work as part of the permit.
5. Permitting acceptance is expected in February.

4



PROJECT 2: OAK GROVE SPRING LINE

1. Includes 5 miles of new transmission line, new altitude control boxes, and improved access s for maintenance and monitoring.
2. Estimated Cost = \$2,794,000
3. USFS permitting has been an ongoing process with the archaeologists, biologists, and Native American tribes.
4. We just received notice that this is a categorical exclusion.
5. Permitting acceptance is expected this spring.

5



PROJECT 3: MAIN ST. WEST LINE

1. Includes 1.5 miles of new 10" PVC line, meter and hydrant connections.
2. Initially estimated to be \$1,195,000 construction budget, final cost came to \$770,640.11, allowing for availability of funds for increased archaeological work and the Main St. East project.
3. COMPLETED in December 2024 in partnership with the Washington County Conservancy District.

6



PROJECT 4: MAIN ST. EAST LINE

1. Includes up to 1 mile of new distribution line, meter and hydrant connections.
2. Estimated Cost = \$1,210,000
3. UDOT permitting is minimal.
4. Intended to be a scalable project as funds are available.

7

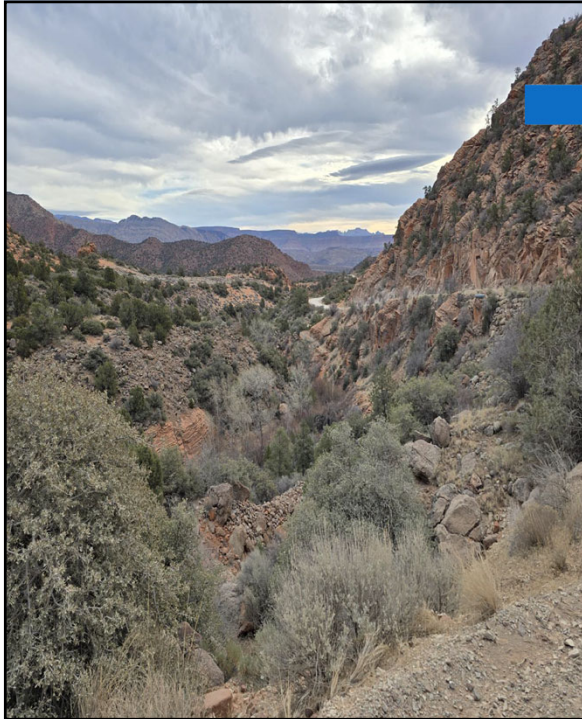


ADDITIONAL ACCOMPLISHMENTS

- Completed new capacity study based on current DDW criteria.
- Mapped LDWA ROW, acquired new easements, and USFS leased area
- Created GIS database of all LDWA assets, including field work confirmation of meters.
- Cleaned up water rights, moved points of diversion to wells.
- Used existing piping to efficiently move overflow from Highlands tank to LWC head structure.
- Removed trees and combustible material for fire break at the well house.
- Numbered and databased all LDWA hydrants.
- WCWCD installed 3 new hydrants in Leeds to service large buildings that need increased fire flow.
- Tested and installed new pump and control on the well (Added 163 gpm capacity!).
- Replaced PRV in Main St.



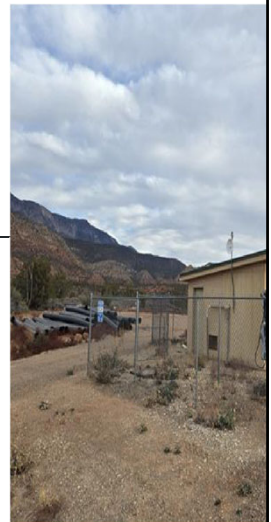
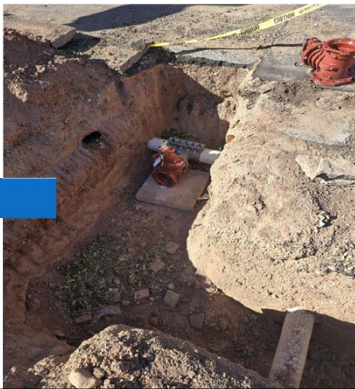
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NEXT STEPS

- BLM Permitting for Well Drilling, House and Controls
- Procure Well Driller and begin Drilling
- USFS Permitting for Oak Grove Spring Line
- Procure Contractor for Pipeline Work, Well House and Misc.

9



QUESTIONS

10

Leads Fire Resiliency & LDWA



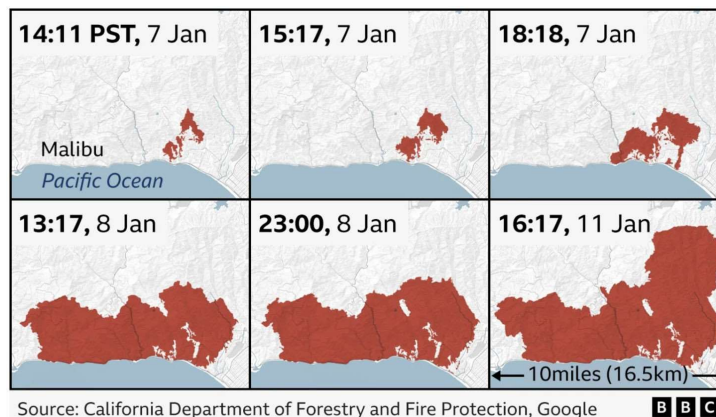
1

Learnings from the Los Angeles area fires

Firefighter staffing and management of aging, above ground power lines are critical year-round.

Home mitigation alone isn't sufficient in the presence of high winds.

Hydrant and firefighter water capacity planning needs to factor in increasingly larger, urban and urban/wildland interface fires.



1

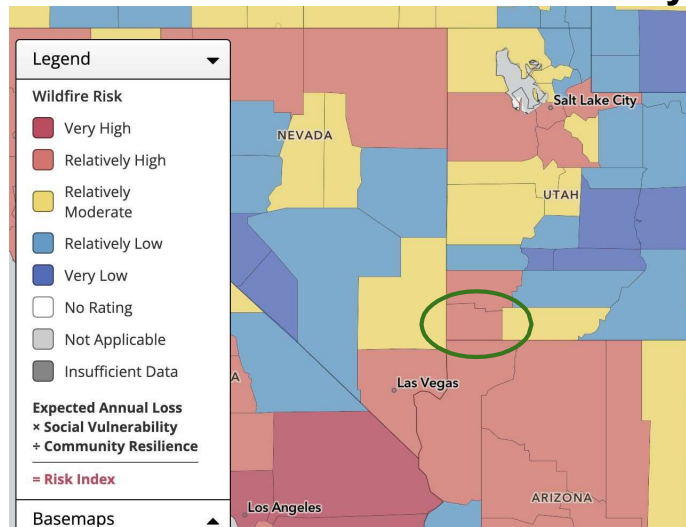
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Fire risk and home insurance | Risk + loss

Today

Assessing insurance risk

- Wildfire (and other natural hazard) risk
- Estimated cost to repair/replace relative to the number of ratepayers in the area
- ISO score



source: FEMA National Risk Index

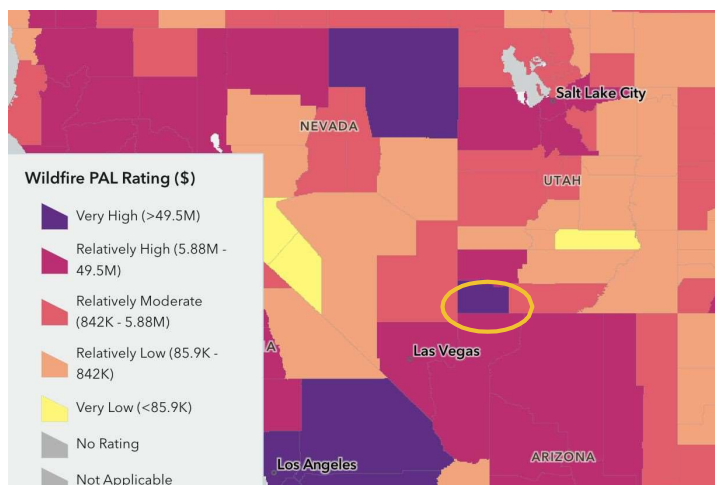
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Fire risk and home insurance | Risk + loss

Projected (~2050)

Assessing insurance risk

- Wildfire (and other natural hazard) risk
- Estimated cost to repair/replace relative to the number of ratepayers in the area
- ISO score



source: FEMA National Risk Index

2

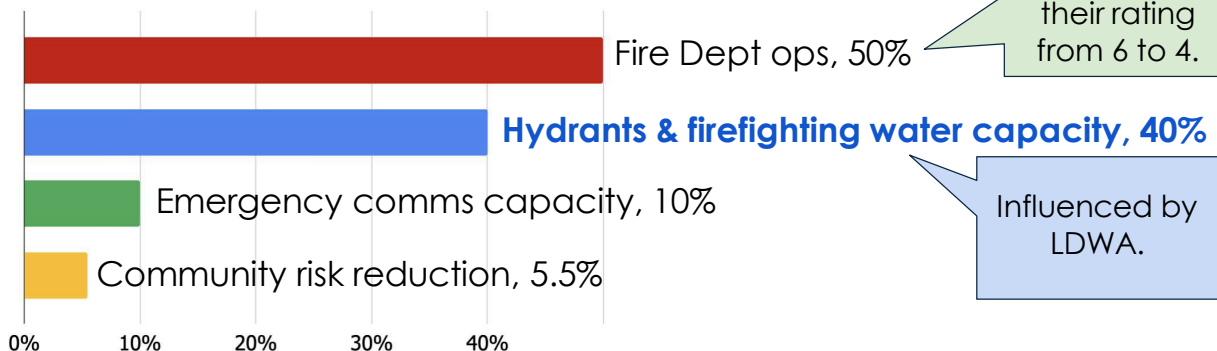
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Fire risk and home insurance | ISO score

Insurance Services Office (ISO) scores measure **fire preparedness**.

Lower scores are better.

How they are calculated:



5

LDWA fire resilience strategy

What has been done

- Well-maintained network of tanks, fire hydrants, and infrastructure access roads
- Hydrant geolocation and communication sectors
- Generator purchased for well backup power
- In-progress redundant well

Under exploration

- Use of the decommissioned Eldorado tank as backup water storage for firefighter use in an emergency scenario.
- Partnering with the Forest Service to do near-term fuel mitigation around our infrastructure as part of their longer-term watershed fuel reduction project.
- Additional options for power redundancy at our well sites

3

6



WashCo Infrastructure & Water Rights Updates

7

WCWCD \$1B Wastewater Treatment Project

- Last month the WashCo Water Conservancy District announced a \$1 billion wastewater treatment project for which \$250 million has been allocated from the state (loan) and the federal Bureau of Reclamation*.
- The project will consist of 60 miles of pipeline, pump stations and a number of new reservoirs.
- The initial plan is to use the treated water for irrigation, but the eventual plan is to also use it for drinking water ("advanced filtration").
- In order to receive water from WCWCD, Leeds (or potentially portions thereof) will need to participate in wastewater reclamation by installing sewer.

* BoR funding is currently at risk, since it was part of the Inflation Reduction Act.

4

8

Sand Hollow Groundwater Management Plan

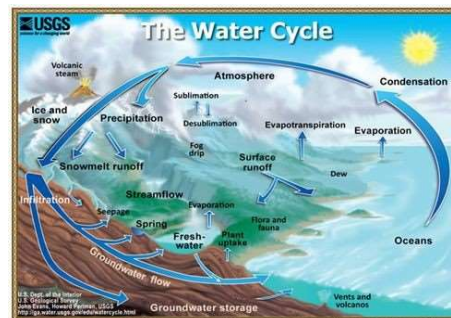
- Last month the Division of Water Rights and USGS held a joint public meeting to kick off a groundwater management plan for the Sand Hollow area.
- It was a helpful glimpse into the collaborative GMP process, as well as how limited the information is on local aquifer recharge.
 - The GMP process helps water rights holders develop a shared plan for managing a watershed, rather than the imposing one upon them.
- Unlike the newer reservoirs WCWCD is building, Sand Hollow was built to recharge the local aquifer.



9

Aquifer recharge concerns & a Leeds GMP

- Division of Water Rights engineers use what data is available to make decisions about water rights diversions. Our hydrology is extremely complicated with interconnected aquifers, and we lack good models to predict how much new diversions will impact other water rights holders.
- WCWCD has been aggressive in pursuing new water rights diversions and surface water recapture.
- We are looking into options for installing well monitoring equipment to gather data to inform a similar groundwater management plan for the Leeds area should the draw down exceed safe yield.



5

10