



MINUTES

DATE/TIME/LOCATION:	January 21, 2026	7:00 PM	Leeds Town Hall
TYPE OF MEETING:	Board of Directors Meeting		
NOTE TAKER:	Layna Larsen		
ATTENDEES:	Board Members: Don Fawson (P), Brant Jones (M), Michelle Peot (M), Dan Brown (M) Staff: Mark Osmer (Field Operations Mgr) Marty Mathis (Field Operations) Layna Larsen (Corp Sec) Shareholders: Susan Savage, Amy Jones Don Baldwin, Wayne Peterson,		

Agenda Topics

I. CALL TO ORDER [Don Fawson @ 7:00 PM]

CALL TO ORDER	Don Fawson - Welcome to our meeting tonight. We will do a Roll Call starting on my left.
ROLL CALL	PRESENT: Dan Brown, Michelle Peot, Don Fawson, Brant Jones ABSENT: Doris McNally Don Fawson - We will start with a word of prayer by Dan Brown

II. PRAYER [Dan Brown]

III. PLEDGE [Dan Brown]

IV. CONSENT AGENDA & PRIOR MEETING'S MINUTES [Don Fawson]

DISCUSSION	Don Fawson - Layna, where was the meeting posted. Layna Larsen - It was posted on our door; it was posted on the Outpost bulletin board, and it's posted on our website.
CONCENT AGENDA	Consent agenda consist of the acknowledgment the meeting notice was posted. It is also a vote to accept this month's agenda and the previous month's minutes.
VOTE	MOTION TO APPROVE TONIGHTS MEETING AGENDA: Dan Brown SECOND: Brant Jones MOTION APPROVED: Unanimously
VOTE	MOTION TO APPROVE PRIOR MEETING'S MINUTES: Dan Brown SECOND: Brant Jones MOTION APPROVED: Unanimously

V. DECLARATION OF ABSTENTIONS OR CONFLICTS [Don Fawson]

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

VI. OFFICERS REPORTS

a) PRESIDENTS REPORT [Don Fawson]

DISCUSSION	ANNUAL SHAREHOLDERS MEETING [Don Fawson]
Don Fawson	- I want to remind you of the Annual Shareholders Meeting that is coming up on Tuesday, February 3rd at 7:00 pm at the Cosmopolitan. There will be 3 Board positions to filled at that time: Dan, Michelle and Doris terms are expiring.

DISCUSSION	THE COVE (SILVER POINT ESTATES [Don Fawson]
Don Fawson	- Also, Silver Reef Holdings, The Cove, has requested that we return there 105.08 acre feet of water rights and Peter (our attorney) is currently working on a redo of their application. Hopefully, we will have that completed in the next couple of days ready for our review.

DISCUSSION	WELL SITE [Don Fawson]
RECHARGE	<p>Don Fawson - We had asked John Files, our Hydrologist, to look at the possibility of a Groundwater Recharge Application to allow us to inject water back into the new well from the Spring during times when we are not using all of our water rights to supply shareholder needs. He had sent out an example copy of one that they did for Lemington, Utah, which is in Millard County. I've sent a copy on to each of you. Please take a look at that so you can see what's involved. I don't know whether the cost is just for the application or for everything that was involved, the estimate is about \$8500. Any questions on that? Based on what we're seeing right now, if approved that would gravity feed water from a line well access road to our new well. Probably a 2-inch line. The in-casing portion has to be put into the Well at the same time that the pump stem is installed otherwise we would have to pull the pump out to do it. So, if we are going to move forward with the recharge system, we need to do it when the pump is installed. The feeder pipe does have to be put in below the water line at specified depth.</p> <p>Dan Brown - For verification on that, is that going into the old Well or the new Well.</p> <p>Don Fawson - It would need to be the new Well otherwise we would have to pull the pump out of the old Well to complete the install.</p> <p>PIUTE MONITORING CONTRACT</p> <p>Don Fawson - The Piute Nation monitoring contract has been signed, and Riley has that.</p>

DISCUSSION	TOWN OF LEEDS & WCWCD AGREEMENT [Don Fawson]
Don Fawson	- Before the recent change in administration, the Town had considered a contract with the WCWCD. I have a copy of that, and I wanted to review that and get together with Mayor Peterson, and see if there isn't maybe an additional phrase that would help protect the water company (LDWA) as you're moving forward with whatever you intend to do with that?
Wayne Peterson	- Certainly interested in hearing from you so that we are aware.

Michelle Peot - Will we finalize that with Peter.

Don Fawson - Yes, this is just a suggestion and then we can go from there.

b) OPERATION / FIELD REPORT [Mark Osmer]

DISCUSSION

REPAIRS & MAINTENANCE

Mark Osmer - We past all our BacT's again this month.

PRV'S

Mark Osmer - We installed the two PRV's for Silver Eagle Estates. We moved the PRV off of Susan's land and put it at the end of Wonder Lane. It is in and working. We installed a valve in the abandoned vault after removing and relocating the old PRV, in case we have to turn the waterline off at that location. It's easier than going all the way up to the end of the line. With all the rains we have had, we noticed up at the pipeline end where a wash comes through, it had washed out close to our pipe again. So, we had a couple of 26-foot x 14" HDPE salvaged pipe that we got from WCWCD to control future events. We installed them and then bedded with gravel and rocks. So, hopefully that shouldn't wash out again. We have also just finished putting the other new PRV on Main Street north of the fire station. Tonight, Scholzen's has delivered the final parts that we need so, I can install the 2-inch bypass and redo all the piping so that it will be brand new.

Don Fawson - Do you have any idea when that will be completed?

Mark Osmer - Yeah, we'll have that done tomorrow.

Don Fawson - Very good. Does Silver Eagle have high pressure?

Mark Osmer - They have high pressure up there now. They have 110 PSI at that first fire hydrant, and when it goes over and drops down the hill, it increases a bit down there. They have plenty of pressure with no leaks.

Don Fawson - Layna, do you want to go ahead with the financials.

c) TREASURER'S REPORT [Layna Larsen]






DISCUSSION

ANNOUNCEMENTS/BILLING/COMMUNICATION [Layna Larsen]

BILLING December invoices were completed and mailed out on January 2nd.

NEWSDRIP

Our Newsdrip article on the back of that invoice was advertising the Annual Shareholders meeting. We would like to do a reminder for the next article. So, I just need you to confirm next month's article.

 <p>LDWA News Drips</p> <p>Need to contact the LDWA, it's simple. Phone (435) 879-0278 Please leave a message, your call will be returned promptly.</p> <ul style="list-style-type: none">• To report an EMERGENCY water leak or a loss of water PRESS 1• For a BILLING INQUIRY, PRESS 2• For a GENERAL INQUIRY, PRESS 3 <p>Your message is immediately routed, and a LDWA representative will be in contact.</p> <p>Email LDWAcorp@infowest.com</p>	 <p>LDWA ANNUAL SHAREHOLDER MEETING</p> <p>The Leeds Domestic Water Users Association (LDWA) Annual Meeting will be on Tuesday, February 3, 2026 at 7:00 PM. The meeting will be held at The Cosmopolitan Building, 1915 Wells Fargo Rd, in Silver Reef, UT 84746.</p> <p>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.</p> <ul style="list-style-type: none">• 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. No proxy voting shall be allowed.• Agenda items include - the election of three directors for two-year terms; the presentation of the annual financials and other reports.  <p>SCAN ME</p>	 <p>LDWA News Drips</p> <p>Need to contact the LDWA, it's simple. Phone (435) 879-0278 Please leave a message, your call will be returned promptly.</p> <ul style="list-style-type: none">• To report an EMERGENCY water leak or a loss of water PRESS 1• For a BILLING INQUIRY, PRESS 2• For a GENERAL INQUIRY, PRESS 3 <p>Your message is immediately routed, and a LDWA representative will be in contact.</p> <p>Email LDWAcorp@infowest.com</p>	 <p>Meeting Reminder!</p> <p>LDWA ANNUAL SHAREHOLDER MEETING</p> <p>The Leeds Domestic Water Users Association Annual Meeting will be on Tuesday, February 3, 2026 at 7:00 PM.</p> <p>The meeting will be held at The Cosmopolitan Building, 1915 Wells Fargo Rd, in Silver Reef, UT 84746.</p> <p>Shareholders who plan on attending the meeting are advised to arrive at the venue well in advance to allow sufficient time for registration processing..</p>
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VOTE

MOTION :: SO, I MAKE A MOTION THAT WE USE THE ANNUAL MEETING REMINDER FOR THE BACK OF THE NEXT INVOICE :: Dan Brown | **SECOND:** Michelle Peot
MOTION APPROVED: Unanimously

DISCUSSION

FINANCE [Layna Larsen]


PAYCLIX

In December we had 109 shareholders pay their bills using this payment option. The total amount collected through PayClix was \$11,305.69


	Credit Cards		Electronic Checks		PayClix®	
	Count	Credit Cards	Count	eCHECK	Count	TOTAL
Jan-25	50	\$3,108.66	46	\$2,552.71	96	\$5,661.37
Feb-25	52	\$3,824.39	47	\$2,534.79	99	\$6,359.18
Mar-25	53	\$3,372.86	42	\$3,255.31	95	\$6,628.17
Apr-25	53	\$3,180.50	49	\$2,772.48	102	\$5,952.98
May-25	50	\$6,235.14	48	\$3,304.46	98	\$9,539.60
Jun-25	52	\$7,391.89	49	\$3,291.33	101	\$10,683.22
Jul-25	47	\$4,263.28	51	\$4,616.55	98	\$8,879.83
Aug-25	55	\$7,225.78	54	\$4,676.95	109	\$11,902.73
Sep-25	61	\$7,327.53	54	\$5,689.79	115	\$13,017.32
Oct-25	54	\$6,197.32	51	\$4,844.77	105	\$11,042.09
Nov-25	54	\$4,583.96	55	\$5,429.44	109	\$10,013.40
Dec-25	74	\$7,145.51	64	\$4,160.18	138	\$11,305.69
	655	\$63,856.82	610	\$47,128.76	1265	\$110,985.58

FINANCE [For the Month of DECEMBER & YTD 2025]

P&L FOR THE MONTH REPORTING


	TOTAL INCOME			TOTAL EXPENSE		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
 Ord. OI:		\$30,903.10	94.9%	Ord. Field OE:	\$10,403.02	38.0%
Other OI:		\$1,666.20	5.1%	Ord. Admin OE:	\$7,407.15	27.1%
		\$32,569.30	100.0%	Professional OE:	\$227.00	0.8%
				Labor Expenses:	\$9,338.42	34.1%
					\$27,375.59	100.0%
				Net Ordinary Income:	\$5,193.71	

YTD P&L

	TOTAL INCOME			TOTAL EXPENSE		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
 Ord. OI:		\$351,187.00	78.8%	Ord. Field OE:	\$146,605.81	50.7%
Other OI:		\$94,582.27	21.2%	Ord. Admin OE:	\$33,359.55	11.5%
		\$445,769.27	100.0%	Professional OE:	\$11,728.50	4.1%
				Labor Expenses:	\$97,475.11	33.7%
					\$289,168.97	100.0%
				Net Ordinary Income:	\$169,220.30	

The LDWA's Banking Accounts [as of 1/13/2026]

BANK ACCOUNTS FOR THE MONTH REPORTING

	CHECKING ACCOUNTS			SAVINGS ACCOUNTS		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
 Checking		\$67,941.09	9.7%	Emergency Reserve	\$274,910.58	51.3%
DDW Loan Funds		\$636,039.97	90.3%	Loan Reserve	\$211,044.97	39.4%
		\$703,981.06	100.0%	Impact Fee Fund	\$26,139.86	4.9%
				Cap Facilities Replace	\$12,507.96	2.3%
				Debt Service Reserve	\$11,706.98	2.2%
				Open Acct	\$4.00	0.0%
					\$536,314.35	100.0%

VOTE	MOTION TO APPROVE FINANCE REPORT: Brant Jones SECOND: Michelle Peot MOTION APPROVED: Unanimously
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DISCUSSION	ANNUAL SHAREHOLDERS ELIGIBILITY TO VOTE [Layna Larsen]
<p>Layna Larsen - I would like approval of the email to be sent to Shareholders who are not eligible to vote at the annual meeting.</p> <p style="padding-left: 40px;"><i>Dear Shareholder,</i></p> <p style="padding-left: 40px;"><i>We are sorry to inform you, you are presently not eligible to Vote at the upcoming Annual Shareholders Meeting due to your December payment not being paid in time, however we hope you will still come to hear what is going on with the LDWA.</i></p> <p>SUMMARIZED VOTING BYLAWS</p> <p>In Compliance with LDWA Bylaws: A shareholder is not eligible to vote at the February 3, 2026 Annual Shareholder Meeting if any of the following conditions apply:</p> <ul style="list-style-type: none"> • Unpaid account balance: The shareholder did not pay in full the balance that was due by December 30, 2025, and payment was not received by January 6, 2026. • Tenant delinquency: The shareholder rents out the property, the tenant is responsible for paying the LDWA bill, and that tenant was delinquent under the criteria listed above. • Late deed recording: The property deed was recorded after January 6, 2026. <p><i>In accordance with ARTICLE III – Meetings of the Shareholders of the LDWA Bylaws, the LDWA books were officially closed on January 6, 2026. This closing date is used to determine:</i></p> <ul style="list-style-type: none"> • Which shareholders are eligible to vote at the February 3, 2026 Annual Meeting <p>Michelle Peot - Explains to meeting attendees - That the Board proposed to notify people in advance if they were not eligible to vote so they wouldn't be caught off guard at the meeting.</p>	

d) BOARD MEMBER REPORT

DISCUSSION	LWC [Brant Jones]
<p>Don Fawson - OK. Brant, do you want to go ahead with the your update report on the LDWA/LWC agreement or anything else you want to report on?</p> <p>LDWA LWC AGREEMENT</p> <p>Brant Jones - I just looked over the agreement, the LWC will be meeting soon, they are trying to get it put together for this weekend. I like the changes you made, but I can't speak for the LWC until they get together. But I think it is a step forward for sure. I do like what you've done there.</p> <p>Don Fawson - Tom Beach, the President of the Irrigation Company (LWC), sent me an e-mail today and we've set a time tomorrow to discuss this. We'll try to iron out any issues then he can take it to the LWC Board. Appreciate you working with that.</p> <p>Michelle Peot - I have one request. Is it possible that we could share our data just so we can track that over time?</p> <p>Brant Jones - I think that's what we have been doing this year's is sending over all the readings that we had.</p>	

Michelle Peot - I just wondered if it would be possible to do it more formal so that we can just have it in our records and that way we can compare with the USGS Gage.

Brant Jones - I will bounce that off the Board.

Michelle Peot - Thank you.

SPRING

Don Fawson - I just checked the stream flow today. In fact, it was about 5:30 pm this afternoon and the Creek is up to 8.12 cubic feet per second, or about 3644 gallons a minute and the low in 2003 at this time of the year was 1.57 cubic feet per second, so it's significantly higher. There is still snow on the mountain, which we are glad to see. When the Full Stream Flow reaches 2533 gallons per minute, then we are allowed to take our Max Spring right, 172 gallons a minute. So, we are well past that right now, which is nice.

OK. Michelle, do you have anything?

DISCUSSION

CENTRAL REUSE PROJECT [Michelle Peot]

Michelle Peot - I'm actually not on the BOR council, but I can give an update as to the Bureau of Reclamation meeting that Chris Harvey and I attended. This was for the big central reuse project. So, dividing that into two phases, Phase 1: being the Lake Powell Pipeline and Phase 2: being a lot of the reservoirs that are going to be built to hold this reclaimed wastewater. I did write some comments on LDWA's behalf because of concern. The way this process works is it's under the NAPER process. At the first meeting they proposed a scoping document. They open it up to public comment and they say, "*Are we going to cover the areas that are of concern to you*" and there are two different pathways. You can either do an Environmental Assessment, which is kind of a lightweight analysis of impacts, or you can do a more thorough one, which is an Environmental Impact Statement. Given this is a billion-dollar project and there are potential impacts on aquifers and obviously LDWA, we are proposing that they do an Environmental Impact Statement for that. But of note, they did a fairly poor job of noticing this event. The only reason some of us found out about it is we happen to be at the Washington County Water Conservancy District Meeting on that Monday, but they didn't notice it through the Utah Public Notice System that a lot of us subscribe to for the Conservancy District. They didn't notify the Area 81 water rights holders, which was troubling. The water rights holders weren't even listed as a stakeholder group. So, these are some of the things I put into the comment. I would encourage anybody else who's interested, like you LWC, for example, to comment. Comments are due on the 23rd of this month.

Don Fawson - Thank you, Michelle.

Dan Brown - Michelle, I have a question. I don't know where I heard it, but I heard that the recharge is a 2 phase process. Initially it's going to be for separate reservoirs for the recharge water only, but that ultimately it will migrate to all reservoirs for culinary. Is that true?

Michelle Peot - So there are two phases. The First Phase: would be to use reclaimed water strictly for secondary water. The Second Phase: they're calling ultrafiltration where they would then ultra-purify this water and use it for drinking water as well. I'll attach the scoping document because there's a lot of details in here that I think will be of interest to folks. <https://www.wcwcd.gov/centralreuseea/> But also included in there is how the pipeline phasing will go and whatnot and their plan is for example to buy as much of the agriculture water rights as they can to kind of supplement and ideally use that for drinking water during this phase one. It's pretty sobering what the graph looks like as far as when the demand will exceed the water supply. Because it was thrown out not that long ago that it was supposed to be by 2040 and now, they're estimating closer to 2034. So, they're trying to fast track this giant project, but there's a lot of other things in play like The Colorado River Agreement or The Management Plan that is being negotiated right now. So, a lot of the water that's supposed to

go into this system is coming from the Colorado River and technically we're in the Lower Basin and we haven't been following the Lower Basin Rules. So, there's a lot of moving parts here and the State is being very aggressive to try and lock things in. Obviously, the Conservancy District is trying to lock in the money for the infrastructure and fast track this. But we could end up holding the bill as taxpayers for this project and not have enough water and LDWA could also be impacted from diminishing aquifer flows.

Don Fawson - OK, that's really depressing, thanks. Anyway, it is serious stuff. We appreciate you following through on that.

Michelle Peot - And I'll give a broader update kind of on the holistic water picture, and any laws that are coming down the pipeline at the State level at the Annual Shareholder Meeting.

Don Fawson - Just a question on these secondary water reservoirs. Is that like a sewage treatment pond? What is it?

Michelle Peot - So, it is to hold the treated water. It wouldn't be considered a sewage treatment pond because for example: they are going to allow people to use nonmotorized boats on the Toquerville Reservoir, and I can't imagine they would say no swimming, right? But, it will be treated to a point where it is safe for recreational use.

Don Fawson - So, that's going to be secondary water in Toquerville?

Michelle Peot - Yes, and I'm not sure what the layout is in terms of, when they do this ultra filtration, and which reservoirs. So, there is Toquerville Reservoir, also, they have the land for Warner Reservoir. So, there is a whole reservoir system. But what's concerning about a lot of these is they're making the bottoms impermeable, and I don't know what the impact is going to be on the larger hydrology.

DISCUSSION

CROSS CONNECTION [Dan Brown]

Dan Brown - We have two properties identified for cross connection issues. I've sent out a notice to the Mulberry property previously and another one is on its way. I identified another property that just changed hands, so there's new ownership. So, they will be getting a letter as well stating that they need to be in compliance.

Don Fawson - What are they doing? How are they out of compliance?

Dan Brown - One property has irrigation with no backflow prevention. The other property has automatic pool filling equipment as well as irrigation with no back flow.

Don Fawson - Very good. Appreciate you staying on top of that. You know, this new house down on Boulder Way, the furthest South, is going to be putting in a swimming pool. So that might be something to discuss with the installers as it's being constructed so they don't have to come back and redo something later. Thank you so much Dan for dealing with that.

VII. SHAREHOLDER COMMENTS

DISCUSSION

SHAREHOLDERS

Wayne Peterson - We are looking into the Water Conservancy Water Supply Agreement you mentioned. One of the clauses in it directed us to come to an agreement with Ashcreek about becoming members of the Sewer District. We are looking to gather information about the status quo, maintaining just septic, going with Ash Creek and also with an alternative enhanced septic system just to try to get all the information together at one

point and time, unbiased. There are pros and cons to all of the different avenues that could be chosen. And then we are looking to figure a way to really get input from the public to really understand, given all that information, what they feel would be best. So, it's going to be a process, but it's one we're trying to move quickly on in terms of just not letting time tick by without making progress. But, it will take time to get to a final decision. We are happy for input from others and appreciate whatever comments you want to share with regard to the agreement as well.

Don Fawson - Appreciate that Wayne, I'm sure that as you move forward that the attendance at Town Meetings will continue to increase. So, we appreciate your taking that on. It needs to be done.

Anything else? SEEING NONE, I'll accept a motion to adjourn.

VIII. MOTION TO ADJOURN MEETING

DISCUSSION	Don Fawson - OK, I'll take a motion to adjourn.
VOTE	MOTION TO ADJOURN: Brant Jones SECOND: Dan Brown MOTION APPROVED: Unanimously

ADJOURNMENT: 7:24 PM



Layna Larsen | Corporate Secretary

