



## MINUTES

DATE/TIME/LOCATION:	February 18, 2026	7:00 PM	Leeds Town Hall
TYPE OF MEETING:	<b>Board of Directors Meeting</b>		
NOTE TAKER:	Layna Larsen		
ATTENDEES:	Board Members:	Don Fawson (P), Doris McNally (VP), Michelle Peot (M), Don Baldwin (M)	
	Staff:	Mark Osmer (Field Operations Mgr), Layna Larsen (Corp Sec), Dan Brown (CC-Backflow)	
	Shareholders:	Susan Savage, Sharlyn Geddes, Chris Harvey, Wayne Peterson	

## Agenda Topics

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

CALL TO ORDER	<b>Don Fawson</b> - Welcome to our meeting tonight. We will do a Roll Call starting on my left.
ROLL CALL	PRESENT: Donald Baldwin, Michelle Peot, Don Fawson, Doris McNally ABSENT: Brant Jones

### II. PRAYER [Donald Baldwin]

### III. PLEDGE [Donald Baldwin]

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

DISCUSSION	<b>Don Fawson</b> - Layna, would you go over the location of the notice for the meeting. <b>Layna Larsen</b> - Yes, we have it posted on the Leeds Outpost Bulletin Board, We have it on the LDWA door in our office, and We have it on the LDWA 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: Doris McNally   SECOND: Don Baldwin <b>MOTION APPROVED:</b> Unanimously
VOTE	MOTION TO APPROVE PRIOR MEETING'S MINUTES: Doris McNally   SECOND: Don Baldwin <b>MOTION APPROVED:</b> Unanimously

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

DISCUSSION	We'll have a motion at this point to approve the annual board meeting minutes.
	<b>MOTION TO ACCEPT THE ANNUAL BOARD MEETING MINUTES WITH THE CORRECTIONS THAT NEED TO BE FINALIZED:</b> Doris McNally   SECOND: Michelle Peot <b>MOTION APPROVED:</b> Unanimously
CONFLICT	Don Baldwin, Michelle Peot, Don Fawson, Doris McNally – All stated "No conflict"

## VI. OFFICERS REPORTS

### a) PRESIDENTS REPORT [Don Fawson]

DISCUSSION	<b>ANNUAL SHAREHOLDERS MEETING MINUTES</b>
<p><b>Don Fawson</b> - We'll have a motion at this point to approve the annual board meeting minutes.</p> <p><b>Michelle Peot</b> - We need to make a few changes and verifications.</p> <p><b>Don Fawson</b> - The minutes will be posted on the website as soon as they are corrected for anyone interested in going over them.</p>	
CONFLICT	<b>MOTION TO ACCEPT THE ANNUAL BOARD MEETING MINUTES WITH THE CORRECTIONS THAT NEED TO BE FINALIZED:</b> Doris McNally   <b>SECOND:</b> Michelle Peot <b>MOTION APPROVED:</b> Unanimously

DISCUSSION	<b>FOREST SERVICE</b> [Don Fawson]
<p><b>Don Fawson</b> - I did have a chance to talk to Riley tonight to get another update on the progress of our permit from the Forest Service because all the other projects, equipping the well, putting the pump in, and also the well house and those connections, installing a fire hydrant, as well as the spring line, installing the generator, and the propane tank, along with the Main Street East side waterline replacement project are all tied together. He said <i>he's got them separated out, but they are going to be sent out to various contractors and let them bid on which items they feel they can complete. He thinks we can get a better pricing that way.</i> We'll see how that goes. I said, <i>I'm getting a little anxious right now. We've been waiting for, like three years for the Forest Service to kind of figure this out.</i> And he said, <i>they tell him it's just a couple of weeks out.</i> So, we'll see in a couple of weeks if it's actually a couple of weeks, and we'll go from there.</p>	

DISCUSSION	<b>WELL SITE</b> [Don Fawson]
<p><b>TURBINE</b></p> <p><b>Don Fawson</b> - One of the things we asked about was the possibility of putting a turbine in the pipeline coming down to the cement tank up Oak Grove Canyon. That would be for the purpose of providing power to the chlorinator at that point. Riley said that there are some challenges with that engineering-wise in keeping the pen stock full and then also in the cost. He said he's looking at some other things, but the cost of installing the turbine could be up to four times the amount for solar and he's estimating the cost for the solar at \$30,000, which is a lot. So, anyway that's a decision to be made in the future.</p> <p><b>PAIUTE CONTRACT</b></p> <p><b>Don Fawson</b> - Any more on the Paiute contract, have we received any billing on that or anything.</p> <p><b>Doris McNally</b> - No billing at this time but everything has been submitted to them. Mark actually saved them a lot of hours which would probably relate to bringing the price down.</p> <p><b>Don Fawson</b> - Good, and we appreciate you doing that Mark.</p>	

DISCUSSION	<b>THE SPRING LINE</b> [Don Fawson]
<p><b>HDPE</b></p> <p><b>Don Fawson</b> - One of the things that we are reviewing and discussing right now is the possibility of using HDPE pipe for the New Spring Line. I had talked to a gentleman from Huntsville at the annual conference last year, and he mentioned that they had had some problems. So, I was able to get hold of Ron Galt, the Huntsville water manager. Huntsville is a town about the size of Leeds, they have maybe 350 connections in their</p>	

system. He said *they had put HDPE in a section of their town, and they had a leak, and it cost them \$40,000 to repair that leak, which is obscene. So, he said they just received a \$1,500,000.00 loan, from the state to replace all the HDPE in their system.* Apparently, they have water running from their facility down into town, about 3,600 feet. I asked him some things about that pipe, and He said, *'first of all, HDPE comes in different wall thicknesses, and they chose to go with the thinnest wall because it was cheaper. He said they have had a number of leaks in that system.* But he said that their soil, I guess you can call it soil, *is very, very rocky and in the contract, it was supposed to be sand bedded, but it was not. In the leaks, they have repaired; they have never found an inch of sand.* So, no one was doing the inspecting. The other thing he said was *you have to be super careful in cutting the pipe ends flush and aligning them and then heating them to the proper temperatures and cooling them down at a specific rate in order to get a good seal. And he said that they had at least one leak that they worked on where the pipes sections were misaligned. He thinks that there were other joints that were not properly done as well.* So, based on some of the things that *they* experienced, it's extremely critical that we have an experienced inspector certifying the installation. I think we also need to get Mark some training as well. I have my concerns about turning it over to the contractor or just periodic inspections.

**Mark Osmer** - I thought we were going to use C-900?

**Don Fawson** - We have talked about that. Riley said he thought that the cost of C-900 would be a lot. Because they may have to cut shorter joints or something to go around some things. They also need to use HDPE in stream crossings. I'm not sure, but I asked him to put both options in the bid. The other thing that we could make sure if, in fact, we go with HDPE is to make sure that it is the heavier duty thicker wall thickness and absolutely make sure that it is sand bedded.

**Doris McNally** - Don, I'm with Mark. I thought we had moved away from the consideration of HDPE. I also think one of the things that was brought up is that the equipment that is required to repair an HDPE is a totally different set of equipment and expensive. So, we'd have to also re-engineer the organization to be able to have the tools to be able to do emergency repairs when needed.

**Don Fawson** - I asked Ron Galt, about that. He said that other than the one that they had downtown, which was kind of a mess, then they have had some leaks along the way, and they have used mega lugs on those and he said they have not had any leaks. I suspect the amount of line pressure makes a difference. Mark, did you go to that class on repairing couplings for HDPE last year?

**Mark Osmer** - I don't know, but I talked to a few people down there and everyone's ripping it out.

**Don Fawson** - Well, it wasn't really that exciting of a class. It was easy to forget. Anyway, the manufacturer of these mechanical type of repairs, joint couplers they had them down there and they said that basically mega lugs won't do it, that they will continue to fail. And so, they had these monstrous lugs with many bolts on each one.

**Mark Osmer** - Oh yeah, I did go to that class, they were huge money, weren't they?

**Don Fawson** - Yes, they were expensive. So that is a downside. We have had that discussion and Riley keeps pushing for HDPE. So, that decision hasn't been finalized yet.

**Donald Baldwin** - Can I speak a little bit on HDPE? We put in 11 miles of 42-inch HDPE pipe coming down out of the canyon on the Cub River. And it was heavy-walled stuff. But the guys that were doing it, they faced it properly, so it heated properly. We did it in the wintertime because we had to have the water ready to go in

the spring when we were irrigating. And heating it to the right temperature and pushing it together is a critical issue. But we found that coming down the canyon with that where we weren't making any connections was brilliant. It's durable, it's flexible. And we have had no leaks since we put it in 11 years ago.

**Doris McNally** - One of the major benefits Riley positioned to us when he first talked to us about this was the flexibility of HDPE pipe to be able to get through a canyon. So, that was one of the reasons why he was heavily promoting it. But, after Don had gone to last year's Rural Water Association Conferences, and talked to a few people, and recognized the full impact of what it would cost to go to it, we kind of moved away and went to the C-900. So, this is the first time I'm hearing we are reconsidering HDPE again. I would say Don I am open to hearing more information about it.

**Michelle Peot** - Can we also get spec sheets from any manufacturers around things like resistance to chlorine, or for example any like alkaline soils, or things like that. There was another entity (WCWCD) that had to prematurely replace their water line in Leeds due to a degrading pipeline because of chlorine.

**Don Fawson** - You are absolutely right. I think Riley said, it wasn't really chlorine, but I don't know that that's the case. So, we do need to get more information on it. Don, there was no chlorine in that water you ran in your HDPE.

**Donald Baldwin** - No, it was just irrigation water.

**Don Fawson** - Was it under pressure?

**Donald Baldwin** - At the top it wasn't. It was just taking it out of the river. But down at the bottom we had almost 500 feet of fall You had about 250 PSI. It was pretty heavy pressure down at the bottom. And we were going to put turbines in, but the cost of the turbines and the necessity of keeping those running, the water volume has to stay pretty constant, or things go south on you in a hurry. And so, we finally gave up on the idea and didn't put the turbines in and our sister company did put some turbines in and it's been a nightmare for them. We are very grateful we didn't do it.

**Don Fawson** - Well, we're grateful that they have had that experience, so we don't have to do it. And that was kind of going along with what Riley said he received when he was doing his research on that, that you had to have a consistent flow. I don't know, from my point of view, if it is really feasible in our system. You may have to buy a few more batteries to keep things up with the solar. But I think that's a minimum cost.

**Donald Baldwin** - How far are they taking power? From where to where? How far has it got to be?

**Don Fawson** - Oh, about five feet. So, it's basically going to be up at that Oak Grove tank, the cement tank up there. And it is just to power a very, very small chlorine injector.

**Donald Baldwin** - The reason I'm asking, is it just standby or backup power in case the public utilities go out?

**Don Fawson** - No, it is continuous use. The cost of us running a power line up there would be absolutely prohibitive.

**Donald Baldwin** - Okay, that's what I meant, how far does it have to go to take power to it.

**Don Fawson** - It is such a minimal amount of power that I don't know but it will probably run on 12 volts.

**Chris Harvey** - I was just going to ask, the pipe that you're talking about is going from where to where?

**Don Fawson** - The pipe runs from the Spring down to the dugway. Mark had replaced the pipeline going from the top of the hill just after you cross the Forest Service bridge to the dugway with a 6-inch C900 pipeline.

**Michelle Peot** - Just for clarification, so everybody knows where the Spring is? It is up near the campground, just before the Oak Grove campground on the left there's a fenced in area.

**Donald Baldwin** - That's where that fence is right there?

**Michelle Peot** - Yeah.

**Chris Harvey** - All the way up to the top, like way up there.

**Doris McNally** - Yes.

**Don Fawson** - Okay, anything else on that. I think we'll move on. I am going to talk to Nathan Fisher in Hildale, they have used a lot of HDPE out there so we'll talk to him and see if we can get any other information on HDPE. And I appreciate the discussion and the concerns.

**Doris McNally** - I think the one thing we need to be careful of is the total cost in, and that includes if we need specialized equipment to do repairs or anything like that, training. I mean, we have one person, and we need to be aware of the cost.

**Michelle Peot** - The other thing I would be concerned about is if it requires that much precision that it's harder to take care of issues, you know what I mean, if Mark's on holiday and something breaks or whatever, to try and bring a person in and have that level of precision is challenging.

**Don Fawson** - You might have to just turn the spring into the creek at that point, wait a day or two.

**Doris McNally** - I think what Michelle's bringing up is a good point is that if we were in a situation like that, who would be the closest backup to be able to help us? You know, if we had to fly somebody in or do something like that, that's all additional cost.

**Don Fawson** - I think there are people locally that we can call on. We could also have some mechanical fittings on hand. I think, from everything I saw, it would be sufficient to take care of it without bringing in another heater and a section of the line. In fact, what Ron said was, if they had a break, they'd go in and they'd whack out about eight feet or so of the HDPE, and then they'd take a section of C900 and stick it in there with two mega lugs. I don't know what the diameter difference is, or if they make mega lugs that connect on both.

**Mark Osmer** - They do make a mega lug that you can put a different gasket in and stuff.

**Don Fawson** - Well, like I said, we need to check on that and the price of some of those other fittings too. I don't want to get into this, and I have basically been against HDPE. But the other piece of it is, I've seen videos of them where they will go ahead and weld a big section of line, maybe even a couple hundred feet and then when they get it done, they just push it in the trench and the whole thing just kind of follows itself down and throws itself into the ditch. Don, did they do anything like that? Or because it was so big, they had to put it in a piece at a time.

**Donald Baldwin** - They had it come up out of the right-of-way that we were following and then put it into their clamps so they could face it off right. So, they would put three sections together, they are 45-foot sections. And then they would take and put them in. They didn't just roll them in because it would torque the pipe while they were doing it, but they supported it with a strap underneath and would pick it up with a backhoe in sections and put it in there until they got to where they had one section out again and then they'd put three more on.

**Don Fawson** - Did they bed it?

**Donald Baldwin** - Yes, we bedded it, and part of it we had to blast the area where there was rock. The part that was just clay we didn't have to bed. We just bedded where there was rock and then up in the canyon of course you are going to run into cobble rock from a creek.

**Don Fawson** - You bedded all the cobble rock?

**Donald Baldwin** - We bedded it and then we had them compact it too while they were bedding the pipe.

**Don Fawson** - And that is one of the problems too, I asked Ron how big the rocks were that were against the pipe, and he said oh about as big as a football with jagged edges on it. So they had thin wall pipe, not embedded, against large jagged rock.

**Donald Baldwin** - I don't know what a smaller pipe would do, but the pipe that we had, the walls were 3.5-4 inches thick, in that price range, it was a pretty heavy pipe.

**Don Fawson** - Well, the walls on that pipe up there are pretty thick, about an inch aren't they Mark?

**Mark Osmer** - I don't know, I wouldn't put it in.

**Don Fawson** - Anyway, a lot of investigating to do and any of you that want to do some on your own that would be appreciated.

DISCUSSION | **SILVER POINT ESTATES (THE COVE)** [Don Fawson]

**Don Fawson** - All right, so Silver Reef Holdings, we have been working with them. They had given us 105-acre feet, of water originally, when they were planning their subdivision up there, to be used for that subdivision. Since the city, I think, was okay with like 115 lots and they wanted 144, I believe.

**Wayne Peterson** - If I can just be clear, 115 was what Planning Commission recommended. It never got approved by Town Council at 115. But they were asked to approve the full 144.

**Don Fawson** - So, we are going to deed that 105-acre feet back to them. We have worked with our attorney, Peter Gessel. He has come up with a contract to transfer that water back to them and I read in the emails today that they have accepted that contract to do that.

**Layna Larsen** - Do you want to give them their final bill before we transfer the water back to them?

**Don Fawson** - Oh, absolutely. Do you have that together?

**Layna Larsen** - No we can work on that.

**Don Fawson** - Okay, whatever you come up with, let's see if we can't finalize that. Then we'll send the contract to them to sign, and then we'll bring it back here and sign, because there's a certain number of days that we have in contract to complete the transfer. Does that make sense? I sent the draft out to everyone, and I hope that you have taken a time to read through it and see if there's any issues that you have.

**Doris McNally** - Did you share the draft document with Jared?

**Don Fawson** - Yes. He has had it and taken it back to his people, and he said, yeah, that looks good.

**Michelle Peot** - I just want to note that when we say we want to be frugal, when developers say we will bring you these water rights. But it's not just the paper water rights that matter. We have to assess, can we move those water rights into our point of diversion? Is there even potentially enough wet water to serve them if we were to do that? So, we want to be very cautious about accepting those in order to not exceed what we can realistically draw from the aquifer now and in the future.

**Don Fawson** - That's definitely one of the concerns that we have, and I voiced that at the Annual Meeting. I that I feel that there is no common sense being applied to the growth that's going on around here. I talked to John Files, and he said that Washington City is starting to mine water which means they are drawing out more water than there is available in the ground. So, you just keep dropping that aquifer. I know in California, in some areas, they are down to 4,000 feet.

**Susan Savage** - As you turn that water back to them will that take the diversion point out of the well.

**Don Fawson** - It has to, Yes. I asked Peter Gessel (LDWA Attorney) that very thing and so we will make sure that happens. We don't want it anywhere in this area If they can, they need to move it. All right, I'll work with them on that and Layna, you will go ahead and get all the billing done for them.

**Donald Baldwin** - Don, I thought I read somewhere, I don't know if it was in the bylaws or it might have been in that book that Susan had but something about them not being able to bring water into this district. Is that something that is a fact?

**Don Fawson** - It was a fact, and then it changed. And so, it was a fact for a lot of years that nothing could be moved across the Virgin to this side. But I don't know whether it was when the Conservancy District got involved or whatever, all of a sudden, the legislature changed that, and so rights could be brought across but the reason that it was forbidden basically was because there was a sense that there wasn't enough water to support the water rights being brought in. If that makes sense so, yes and no.

**Sharlyn Geddes** - Can they just bring water rights from anywhere, or does it have to be in this vicinity?

**Michelle Peot** - When we met with Nathan Moses, the State Water Engineer, before he Joined the WCWCD, he told us that there is still that boundary and the Division of Water Rights will look at - does it makes sense, are you trying to move across watersheds, and they will also discount water rights sometimes, or you'll lose your seniority, and so there's a bunch of factors that they consider, but Nathan did tell us in that meeting that the Virgin River rule still applied.

**Donald Baldwin** - Even if somebody wants to bring a right that doesn't necessarily mean that there's water or a delivery system to bring the water. You might have the right to it but if you have no delivery to it, it's a mute issue or if there's no actual water with the right then again, it's a mute issue, it doesn't do us any good, we have got to have the water here and delivered to us.

**Don Fawson** - Yeah, the challenge is nobody really knows how much water is down there, I mean they can guess and those kinds of things, but who knows for sure, besides that it varies I think from year to year or at least decade to decade and those kinds of things. We did have an issue here in Town years ago when the Town issued a building permit for someone to build a home. They built, and they realized that the Town was not supplying the water and the Town had not required that as part of their building permit process, and there were no other water rights available. So, they did not get water for two years until LDWA was able to purchase additional shares and then sell them a share of water. Their neighbor put a garden hose in their outside tap and ran it into their outside tap to feed water into their house. Everybody winked at that, but it just kind of goes to show you that you not only have to have the right, but you also have to have the water.

**Wayne Peterson** - Just what Chris was asking, I will share that on Friday we are going to be posting an agenda for next Wednesday and the town council will be seeing that they do now know a disconnect request has come in, not surprising given that they wanted the water back from LDWA but that will be a subject of public hearing, probably March 11th, and then within 45 days after that the Town Council needs to act on the request.

**Don Fawson** - Yes, I asked Jared about that. He said yes, we are probably heading that direction. I said, I want you to be sure because this agreement is a one-way ticket and once that water is given back, then it's not going to be coming this direction again.

**Susan Savage** - Can I just back up to the other issue of bringing water in and out? One of the engineers told me one time that for years, they thought that the Virgin River was the dividing line between the two, that the water didn't mix. And then they decided from things they saw happening that maybe it was following fault lines. And I think I told you that we had the Forest Service hydrologist who gave a lecture up at the museum said you can't tell from topography where the water is going because he said that they would put tracer in the water where it was sinking and expect it to come out at a certain place and it never did come out there, and sometimes it came out in a very different place. And so, when we say that the house didn't have water for two years until the LDWA was able to buy water. What they had to do was find someone within our area who was willing to sell it. So, Allen Howard sold some of his water and people over in Hidden Valley, sold some of their water. So that water did not come in from outside the area.

**Don Fawson** - Exactly, it was just a transfer of rights within the area.

#### DISCUSSION

#### **AQUIFER RECHARGE** [Don Fawson]

**Don Fawson** - Don Fawson - Also, I've been talking to Riley and John Files relative to this aquifer recharge idea. And I wasn't really sold on this to begin with, but I feel better about it at this point. What the idea is, is that you take excess water during the wintertime, and you inject it into the ground into your Well and then it is supposed to keep the aquifer healthier and if in fact you have a well that needs to be flushed out or whatever it can help with that. So, we have a situation, and John has checked with the State, and the State regulator has indicated that we could put up to 50 gallons a minute back into the Well. So, during the winter, we have been given the right both by the irrigation company and according to Nathan Moses, who was the in Cedar City at the time, that during the winter we could take more water from the Spring as long as we did not exceed our yearly total water allowance based on our water rights. That was my understanding. It makes no sense if we would be pumping water out of our well and then be putting it back down the well. Mark according to what I understand from what you've said that we, at least at this time, with the number of connections that we have that we actually do not generally pump the well during the winter and that we also have excess water.

**Mark Osmer** - We probably have 50 gpm excess water.

**Don Fawson** - So, we would be able to put that back down the well. John said, the challenge with this is that we would have to transfer some water rights, and I don't know whether he meant that we had to take our diversion point and put it up into the Spring or what we would have to do. We have the benefit of being able to just run a pipe from our supply line coming out of the Highlands tank and run it from a pipeline that we already have reasonably near the well, probably 300 feet, to the well and just drop it in. It would be gravity feed. We do have to meter the line and report that to the State. But John said that the state had approved 100% of that water as being water we could recoup in a sense.

**Michelle Peot** - Would we potentially then get more rights to the spring water in that case?

**Don Fawson** - That doesn't sound right. But I don't know.

**Michelle Peot** - Okay. I mean, not like an exchange thing.

**Don Fawson** - That's a very good question, Michelle, and that's one that we need to be asking John, Riley, and the State. So, there are some things that need to be done. However, the one thing I don't want to have happen is to delay getting the well online. So, one of the things that we could do, and Riley said there wouldn't be a problem with this, is we could go ahead, and put a two-inch line down into the well. We could go ahead and put that in because it has to go in when the pump goes in and the pump wiring, and the two water level site pipes. So, we could put that in and just cap it off and then at some point in time, if we decide to do it, we can hook it up. But let me call John and maybe he can enlighten us a little better on what is going on.

**Doris McNally** - Don, this was not initially put into the loan project. Is this a separate project?

**Don Fawson** - We'd pay for that. Does anybody want to take a part of the information gathering?

**Doris McNally** - I think we all should.

**Donald Baldwin** - I'll do something. I'll see what I can find out.

**Micelle Peot** - I am also willing to contact or go meet with the office up in Cedar City if needed. But I'd like to hear from John Files what information he would like us to kind of round up to help.

**Don Fawson** - Well it's not super expensive, Mark had looked up the cost of the pipe, so basically for us is the cost of some pipe, and a hand valve, and meter, and so then he put down the cost of the permit which was like eight thousand dollars or something like that, which kind of seems to me crazy but nonetheless, I thought I had sent out the quotes on that, I'll get those back out to everybody so you can seriously look at that.

**Doris McNally** - Will we be able to capture the volume of water that will go through this because that would be something we would have to report on. Will it be metered?

**Don Fawson** - Yeah, Absolutely

**Donald Baldwin** - Don, Is the A and B just differentiated by one's a high water right and the other one is for low water?

**Don Fawson** - Yeah, so it's differentiated by the volume of what we call the full system flow. So, it's basically the total amount of water that's coming down the creek passing the USGS measuring device plus the water that's coming down the pipeline from the spring. That's the total system flow. Then there's a chart here that we can go into, and I'll get you a copy of this. So, if the full system flow goes up to 2,145 gallons a minute before it shifts into B water rights. And we have a certain percentage. I think is like 7% of the spring up until the B water rights kick in and we have a bigger percentage. But anyway, I don't know if that clarifies it.

**Michelle Peot** - And then would we also need to then purchase another meter for this?

**Don Fawson** - Yeah. Mark would you go ahead and do your report.

## **b) OPERATION / FIELD REPORT** [Mark Osmer]

### DISCUSSION

### REPAIRS & MAINTENANCE

**Mark Osmer** - okay so we passed our BacT again this month.

#### WELL AREA

I was working with Big Horn (the archeology assessment company) to dig up by the Well site. They were excavating up there and had trouble getting through some of the ground so I dug some holes for them, spread some dirt out, and helped them.

#### PRV

I had a leak on a PRV so I got that all fixed.

#### LEAKS

We had a leak on Silver Meadows so we ended up having to replace that whole service line it was brittle, I don't know what the matter with it was, but we dug that all out and fixed that and they should be paving tomorrow depending on the weather, so they will let me know. If not tomorrow, it'll be Friday.

**Don Fawson** - One question on that service line is there any way that you can stress test that blue stuff before you put it in the ground from now on?

**Mark Osmer** - Not really, no. I don't know what was up with the old pipe, maybe it got left out in the sun. I'm not too sure.

**Dan Fawson** - It's just an expensive, mistake. I mean, not on our part, but Scholzen's.

**Mark Osmer** - Yeah, I don't know what was up with it.

**Doris McNally** - Scholzen's has helped out in the past, when this happened before they actually gave us replacement pipe.

**Dan Fawson** - Pipe is a cheap solution.

**Doris McNally** - But I understand that the pipe was 10 years old. It was in the ground for 10 years.

**Donald Baldwin** - Mark, was that a poly pipe that was so brittle?

**Mark Osmer** - Yeah.

**Donald Baldwin** - Oh, interesting.

**Don Fawson** - But you are saying it was 10 years old.

**Mark Osmer** - Yeah, somewhere around there, yeah.

### c) TREASURER'S REPORT [Layna Larsen]

#### DISCUSSION ANNOUNCEMENTS/BILLING/COMMUNICATION [Layna Larsen]

##### BILLING

January invoices were completed and mailed out on January 31<sup>st</sup> because we only had a couple of days for people to get the reminder regarding the annual shareholder meeting.

##### NEWSDRIP

For our upcoming NewsDrip on the back of February usage we would like to put the new board's picture and let everybody know who they are. And I believe we still have to have a vote on who in this board will hold what position.

**Michelle Peot** - Also Dan should be on the NewsDrip as our cross-connection person.

**Doris McNally** - Okay we can add that. He is on the website I just didn't update the NewsDrip.

**LDWA NewsDrips**

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

**Meeting Reminder!**

**LDWA ANNUAL SHAREHOLDER MEETING**

The Leeds Domestic Water Users Association 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.

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

**LDWA NewsDrips**

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

**INTRODUCING YOUR 2026 BOARD OF DIRECTORS & STAFF**

We are honored to serve you, our shareholders and neighbors.


DON FAWSON MEMBER	DORIS MCNALLY MEMBER	BRANT JONES MEMBER	MICHELLE PEOT MEMBER	DON BALDWIN MEMBER
LAYNA LARSON TREAS.	DAN BROWN CC SPEC.	MARK OSMER WATER MGR.	JACK HYDRANT SECURITY	BILLY LEAK DETECTION


##### VOTE

**MOTION :: I MAKE A MOTION THAT WE POST THE LDWA BOARD MEMBERS & STAFF ON THE BACK OF THE NEXT INVOICE :: Michelle Peot | SECOND: Doris McNally**  
**MOTION APPROVED: Unanimously**


DISCUSSION **FINANCE** [Layna Larsen]

**FINANCE** [For the Month of JANUARY & YTD 2026]

P&L FOR THE MONTH REPORTING						
	TOTAL INCOME			TOTAL EXPENSE		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
	Ord. OI:	\$24,661.33	94.5%	Ord. Field OE:	\$11,218.45	45.0%
Other OI:	\$1,430.83	5.5%	Ord. Admin OE:	\$398.28	1.6%	
	<b>\$26,092.16</b>	<b>100.0%</b>	Professional OE:	\$3,096.50	12.4%	
			Labor Expenses:	\$10,215.68	41.0%	
				<b>\$24,928.91</b>	<b>100.0%</b>	
<b>Net Ordinary Income:</b>			<b>\$1,163.25</b>			

YTD P&L						
	TOTAL INCOME			TOTAL EXPENSE		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
	Ord. OI:	\$24,661.33	94.5%	Ord. Field OE:	\$11,218.45	45.0%
Other OI:	\$1,430.83	5.5%	Ord. Admin OE:	\$398.28	1.6%	
	<b>\$26,092.16</b>	<b>100.0%</b>	Professional OE:	\$3,096.50	12.4%	
			Labor Expenses:	\$10,215.68	41.0%	
				<b>\$24,928.91</b>	<b>100.0%</b>	
<b>Net Ordinary Income:</b>			<b>\$1,163.25</b>			

**The LDWA's Banking Accounts** [as of 2/16/2026]

BANK ACCOUNTS FOR THE MONTH REPORTING						
	CHECKING ACCOUNTS			SAVINGS ACCOUNTS		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
	Checking	\$29,279.12	7.6%	Emergency Reserve	\$275,646.06	59.2%
DDW Loan Funds	\$355,052.47	92.4%	Loan Reserve	\$123,418.10	26.5%	
	<b>\$384,331.59</b>	<b>100.0%</b>	Impact Fee Fund	\$26,140.98	5.6%	
			Cap Facilities Replace	\$27,508.50	5.9%	
			Debt Service Reserve	\$12,607.48	2.7%	
			Open Acct	\$4.00	0.0%	
				<b>\$465,325.12</b>	<b>100.0%</b>	

VOTE MOTION TO ACCEPT FINANCES AS LAYNA HAS POSITIONED THEM: Doris McNally | SECOND: Michelle Peot  
**MOTION APPROVED:** Unanimously

**d) ADMINISTRATION REPORTS**

DISCUSSION **WCWCD** [Michelle Peot]

**Michelle Peot** - So probably the biggest thing that caused a stir in the town was the letter from the Conservancy District that was notifying some folks in town that they were in Zone 4 for the drinking water source protection zones. Although there are no restrictions for those zones, thanks to Chris, we found out it was just a normal reporting requirement, but it did cause a stir in town when people receive this letter.

The other thing I was going to note with regard to that is there is an ArcGIS interactive map so you can look at where the source projection zones are for each of the water districts and the one thing that I

found that was interesting is and this is a way you can kind of look at who's competing for the aquifer that up in our area it is very close to St. George City who owns a bunch of water rights up around the Pine Valley Mountains. I thought that was an interesting observation. It's worth kind of digging around at that map if you're interested in who's got sources in various places and what their watersheds look like.

**Don Fawson** - Do we have the right to set up a source protection zone around our waters?

**Michelle Peot** - We have one, as does Angell Springs.

**Don Fawson** - Also the Spring and the Well.

**Michelle Peot** - Then it's recorded with the drinking water division. I'll send you the link for the minutes.

## e) BOARD MEMBER REPORT

DISCUSSION	QUESTION [Donald Baldwin]
------------	---------------------------

**Donald Baldwin** - I'm kind of like a mushroom right now drinking out of a fire hose, kind of a thing. So, I have some questions about these finances, a little bit of what the accounts mean. I just need to understand what these different accounts do.

**Doris McNally** - If you go to the second page, of the finance report we shared with the board, what we have sone is listed all the accounts and a brief description of each one of the accounts and what they mean. Happy to review that with you.

DISCUSSION	CROSS CONNECTION [Dan Brown]
------------	------------------------------

**Don Fawson** – Dan, I know you had a couple of outstanding cross connections. Any progress on those at all?

**Dan Brown** - Two letters out and no response yet.

**Don Fawson** - All right. We appreciate you working on that. It really can be serious stuff, and we appreciate you taking the time to recertify and to pay attention to that.

DISCUSSION	2025 USAGE REPORT [Doris McNally]
------------	-----------------------------------

**Doris McNally** - So this past week I met with Brandon Mellor, with Mark, and we went over our 2025 usage report that is mandatory that we have to submit. So, we submitted all the information, and it was all approved. That is something we have to do, and we also have to communicate that to the shareholders. So that will be one of the articles, probably the next article after this one. The information is already posted on the website, and we post all the usage reports, because we are very transparent in offering that information out to our shareholders.

**Don Fawson** - Okay, thank you. Anything else that you want to share?

**Doris McNally** - Sitting with Brandon Mellor he gave us two new guidelines on how to capture numbers, so for example when we rent out meters to customers in the past we have always captured that water as lost water, we now have to report that under our Commercial category, also when Mark goes and does fire hydrant flushes what we were told is that he does one flush and he measures with a meter, the amount of water he uses on that one meter, and then he multiplies it by the number of meters that he actually goes and flushes. And we have to report that under the Institutional category.

**Don Fawson** - Perfect. Thank you, Doris. Behind the scenes kind of things that happen and need to happen, and we really appreciate Doris, Layna, and Mark and everyone else that's involved with that.

I was talking to a gentleman from a small water company recently, and he was saying they had a leak, and they lost 11 and a half million gallons in a month. they couldn't figure out where it was going, but again, it was an improper connection, and it was going down gravel-based soil and just disappearing. So, I know that we have not had any leaks to that extent, and we are glad we don't.

## VII. SHAREHOLDER COMMENTS

DISCUSSION	SHAREHOLDERS
	<p><b>Susan Savage</b> - I was grateful for Linda Horsely for helping people sign in. Linda and I talked about it... It was pretty scrambled. So, we had some suggestions:</p> <ol style="list-style-type: none"><li>1) <b>Having the sign in sheets stapled would help prevent confusion.</b> I wish I'd taken a stapler so we could have stapled our packets together because as soon as people started coming, they started reaching for pages and then when it got late then we couldn't find the pages and we were scrambling.</li><li>2) <b>Move the entrance to the back door just before meeting starts so it can start on time.</b> One of the things that the Silver Reef Museum board is doing for their monthly lectures is they are going to stop at 10 minutes to so that they can start their meeting on time. At 10 to they are going to start sending people around to the back door so that they don't come in the front and walk through. So, an idea that we had was when the notice goes out if the notice could say that registration would begin at 6:30 and then at 6:50 people would need to go around to the back door. And we would have someone there for them to sign in, and so that the meeting could start on time, and we could still sign people in so that was an idea that we had. People who come in the front door then tend to sit close to the front door and then have to walk past everyone to get to the other side so that would bring people in on that other side. Then, you know, if they have that announcement, then maybe they'll begin to come early enough. Otherwise, everybody shows up just as the meeting is ready to start.</li></ol> <p><b>Don Fawson</b> - The one thing that we do have a problem with up there is lighting. I brought some lights this time and put them on those posts, but you know, trying to get people around to the back I'm not sure what direction they should go. Is there a trail down there that needs to be lighted.</p> <p><b>Susan Salvage</b> - There is a trail, when they do ghost nights, they have lights and I'm not sure what they do but it would have to be well lit so they could get in there safely, and somebody at the door to direct people as well.</p>

## VIII. MOTION TO ADJOURN MEETING

DISCUSSION	<b>Don Fawson</b> - OK, I'll take a motion to adjourn.
VOTE	MOTION TO ADJOURN: Michelle Peot   SECOND: Donald Baldwin <b>MOTION APPROVED:</b> Unanimously

ADJOURNMENT: 8:17 PM



Layna Larsen | Corporate Secretary