MINUTES

Date/Time/Location:	June 17, 2026 7:00 PM Leeds Town Hall
Type of Meeting:	**Board of Directors Meeting**
Note Taker:	Layna Larsen
Attendees:	Board Members: Don Fawson (P), Doris McNally (VP), Brant Jones (M), Michelle Peot (M), Staff: Mark Osmer (Field Operations Mgr), Layna Larsen (Corp Sec), Dan Brown (CC-Backflow Specialist) Shareholders: Susan Savage, Chris Harvey, Wayne Peterson, Amy Jones, Corinne Rodriguez

Agenda Topics

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

CALL TO ORDER	**Don Fawson** - We'd like to welcome everybody here tonight. Just for your information, Don Baldwin has asked to be excused. He's in Cambodia right now. Let's do a roll call starting on my left. Then we will have a prayer, and I'll lead you in the pledge.
ROLL CALL	PRESENT: Michelle Peot, Don Fawson, Brant Jones, Doris McNally ABSENT: Donald Baldwin

II. PRAYER [Don Fawson]

III. PLEDGE [Don Fawson]

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

DISCUSSION	**Don Fawson** - Layna, do you want to tell us where the meeting was posted? **Layna Larsen** - We have it posted on the website. We have it posted on the cork board at the Outpost next to the Post Office, we have it posted on our door, and we also put a reminder note on all of the statements that are mailed out each month. **Don Fawson** – Thank you. I'd like to ask at this point in time for approval of the April 2026 minutes.
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: Brant Jones **MOTION APPROVED**: Unanimously
VOTE	MOTION TO APPROVE PRIOR MEETING'S MINUTES: Doris McNally | SECOND: Brant Jones **MOTION APPROVED**: Unanimously

V. DECLARATION OF ABSTENTTIONS OR CONFLICTS [Don Fawson]

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

VI. ADMINISTRATIVE REPORTS

(a) TREASURERS REPORT (Layna Larsen)

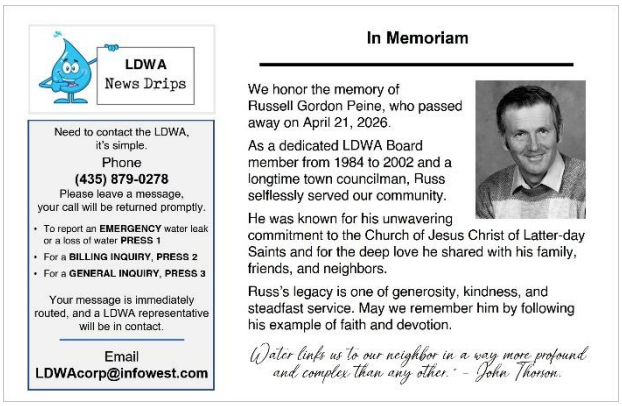
DISCUSSION	**ANNOUNCEMENTS/BILLING/COMMUNICATION** [Layna Larsen]

BILLING

Layna Larsen - The billing for May was completed and mailed June 1st.

NEWSDRIP

Layna Larsen – On the back of the June Newsdrip was a memorial for Russell Piene a long time Leeds resident and prior LDWA Board Member.



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

In Memoriam

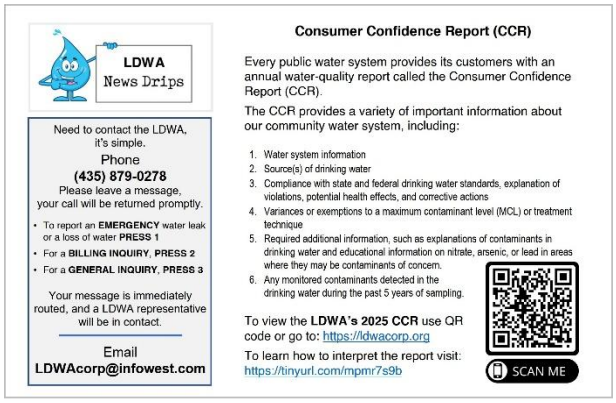
We honor the memory of Russell Gordon Peine, who passed away on April 21, 2026.

As a dedicated LDWA Board member from 1984 to 2002 and a longtime town councilman, Russ selflessly served our community.

He was known for his unwavering commitment to the Church of Jesus Christ of Latter-day Saints and for the deep love he shared with his family, friends, and neighbors.

Russ's legacy is one of generosity, kindness, and steadfast service. May we remember him by following his example of faith and devotion.

Water links us to our neighbor in a way more profound and complex than any other." - John Thorson.



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Consumer Confidence Report (CCR)

Every public water system provides its customers with an annual water-quality report called the Consumer Confidence Report (CCR).

The CCR provides a variety of important information about our community water system, including:

1. Water system information
2. Source(s) of drinking water
3. Compliance with state and federal drinking water standards, explanation of violations, potential health effects, and corrective actions
4. Variances or exemptions to a maximum contaminant level (MCL) or treatment technique
5. Required additional information, such as explanations of contaminants in drinking water and educational information on nitrate, arsenic, or lead in areas where they may be contaminants of concern.
6. Any monitored contaminants detected in the drinking water during the past 5 years of sampling.

To view the **LDWA's 2025 CCR** use QR code or go to: https://ldwacorp.org

To learn how to interpret the report visit: https://tinyurl.com/mpmr7s9b

SCAN ME

Every year we are required to do a Consumer Confidence Report and share it with the Shareholders so that should be our Newsdrip for July 1st.

VOTE	**MOTION** :: I MAKE A MOTION THAT WE USE THE ARTICLE REGARDING 2025 OUR CONSUMER CONFIDENCE REPORT AS THE NEXT NEWSDRIP ARTICLE AND THAT WE START DOING THEM :: Doris McNally | SECOND: Michelle Peot **MOTION APPROVED**: Unanimously

DISCUSSION	**FINANCIALS** [Layna Larsen]

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

P&L FOR THE MONTH REPORTING

TOTAL INCOME			TOTAL EXPENSE		
ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
Ord. OI:	$22,629.23	69.5%	Ord. Field OE:	$3,829.10	34.2%
Other OI:	$9,921.09	30.5%	Ord. Admin OE:	$2,737.66	24.4%
	$32,550.32	**100.0%**	Professional OE:	$789.50	7.0%
			Labor Expenses:	$3,843.12	34.3%
				$11,199.38	**100.0%**
	Net Ordinary Income:		**$10,694.81**		

YTD P&L

TOTAL INCOME			TOTAL EXPENSE		
ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
Ord. OI:	$113,251.35	84.1%	Ord. Field OE:	$34,543.34	36.8%
Other OI:	$21,438.18	15.9%	Ord. Admin OE:	$8,805.44	9.4%
	$134,689.53	**100.0%**	Professional OE:	$5,125.00	5.5%
			Labor Expenses:	$45,402.54	48.4%
				$93,876.32	**100.0%**
	Net Ordinary Income:		**$17,478.47**		

The LDWA's Banking Accounts *[as of 5/6/2026]*

BANK ACCOUNTS FOR THE MONTH REPORTING

CHECKING ACCOUNTS			SAVINGS ACCOUNTS		
ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
Checking	$54,470.77	21.5%	Emergency Reserve	$278,511.81	58.9%
DDW Loan Funds	$199,469.47	78.5%	Loan Reserve	$151,472.09	32.0%
	$253,940.24	**100.0%**	Impact Fee Fund	$144.66	0.0%
			Cap Facilities Replace	$27,512.83	5.8%
			Debt Service Reserve	$15,309.15	3.2%
			Open Acct	$4.00	0.0%
				$472,954.54	**100.0%**

Don Fawson – Thanks Layna, any further discussion? I'll accept a motion to accept the financials.

VOTE	I MAKE A MOTION TO ACCEPT FINANCES AS REPORTED:: Doris McNally | SECOND:: Michelle Peot **MOTION APPROVED**: Unanimously

b) OPERATION / FIELD REPORT [Mark Osmer]

DISSCUSSION	**REPAIRS & MAINTENANCE** [Mark Osmer]

Mark Osmer - We passed our BacT again this month.

PFAS

Mark Osmer - We have that PFAS, the plastics test, to complete. So, I will be collecting the samples for that the beginning of next week and get them sent off.

PRV

Mark Osmer - We had a PRV that let go the other week, and I had to fix the sensor valves. I bought new stainless-steel valves and I'm going to see whether they are any better. The quality of the brass valves nowadays doesn't hold up. I left one in the office, it just split in half for no reason. I think it's because they don't put lead in the mix and it's just not as well made. So, we'll try the stainless steel and see whether we have any better luck with those.

NEW ELECTRONIC METERS

Mark Osmer - We installed all the new master meters. So, we have 1 on the Highland tank outlet, 1 on the Pink tank and the Two little tank outlets. We also have 1 on the Spring Line, that catches everything that's coming down and we have 1 on the lower Spring Line that goes into Town. And then we have 2 on the LWC Return Line. One for the overflow and one from our system.

Don Fawson - We appreciate that. Mark's been working very steady on getting these meters in. It's been a big project and it's been out in the heat. We want you to take care of yourself.

Chris Harvey - May I ask a question. What does it really entail when you say you install meter in?

Mark Osmer - So you have to dig down, find the main line, dig a big hole around it, cut the pipe, and drain the line. On the 10" and 12" lines we put in 8" meters and on the 6" lines we put in 4" meters. Then once the meters are set, we use a crane to set a big concrete vault and then put a lid on top of that.

Chris Harvey - So that whole description of all the meters you put in was how many meters?

Mark Osmer - Six.

Doris McNally - Chris, the other thing is these are cellular meters. So, these aren't just regular standard meters. These are meters that will be able to get 24/7 reading access, and they're strategically located within our system to be able to give us data that we are required to have. So, these are new equipment that we've not installed before, we've not really put that many cellular in. Mark's been working diligently. For the Board Members, I gave you a listing of the cellular meters. The company we work with, HydroSpecialists, are going to do training with Mark, and they told me today that they have all six meters up and running. It just requires a little bit of understanding how to read the software.

Chris Harvey - So, there's a valve somewhere where you can turn that flow off so that you can cut the pipe.

Mark Osmer – Yes, you can turn each end off, drain all the water out.

Chris Harvey - How long does it take you to do one meter?

Mark Osmer - Maybe a couple of days, By the time you dig it all up, drain all the pipe, put the meter in, then crane the vault in, and put the lid on top, and backfill, and gravel it.

Chris Harvey - Thank you so much, Mark.

Don Fawson - Those couplings and whatnot, they're not light, they are all cast iron and heavy.

Mark Osmer - Yes, the smaller ones you can lift in by hand, but the big ones you need a track hoe or something to lower the meter.

Chris Harvey - So are you by yourself where you have to go down, get out, get in?

Mark Osmer - Jim Thomas has been helping.

Doris McNally - Yes, special thanks to Jim Thomas.

Don Fawson - OK. Thank you.

(c) PRESIDENTS REPORT [Don Fawson]

DISSCUSSION **FOREST SERVICE PERMIT** [Don Fawson]

Don Fawson - We are continuing to try to get the Forest Service permit completed. I talked to Joe Rechsteiner from the Forest Service probably an hour ago, and he's actually out in Escalante right now at a meeting, but I asked him about where he thought we were, and he said, well, there's a couple more questions. And it seemed like it was tank size and a few things. And I said, I thought we already gave that to you, but he said, he would look and check back. The guy that needs to know that information is actually out there at the meeting with him, so they'll get together and talk about that. But he said, if you need to move forward, we can give you an "Intent To Approve Letter" that would allow you to go ahead and put these out to bid. So, we'll work with him on that. There was a part of this project that The Army Corps of Engineers, had to approve because anytime you cross the stream with pipeline, they get involved. So, there was some authorization that they needed to complete. They want to avoid any problems with fish and wildlife, and of course, having this set up in such a way that it's very unlikely that they'll have to go back and redo this later. So, that parts done. That's all I had at this point on that particular thing. Doris, did you want to talk about the Consumer Confidence Report?

(d) BOARD MEMBER REPORTS

DISCUSSION **CONSUMER CONFIDENCE REPORT** [Doris McNally]

Doris McNally - Yeah, so every year we're required to submit something called the Consumer Confidence Report. That is one of two major reports that we have to submit. One is a Usage Report, hence the new Master Meters and the other is the Consumer Confidence Report. It is also mandated that by the end of June we have to communicate the findings of the CCR report to our shareholders. Our report came in perfectly. Everything's wonderful. It takes a little time to get all the information together. On the back of next month's bill, we will have information about how to review the actual report online, download it, and take a look at it. We've done our Shareholder sharing that way for the last six years, and it keeps the cost of paper down. So, we've met the requirement once again. Thanks to Brandon Mellor and Brandi Smith for their help completing this report.

Don Fawson - Appreciate it. I know Doris puts in a great deal of work to completing that report.
Brant, did you have anything you wanted to report tonight?

DISSCUSSION **LWC** [Brant Jones]

METERS

Brant Jones – Brant Jones – The LDWA and LWC meters have been read and calculations done according to the state calculator. Adjustments have been made for the spring return rate to the LWC. Thanks to Mark for working with me to keep relations good between the two companies.

SHARES

Brant Jones - I also called Michael Freeman, the State Water Engineer, because I missed the meeting in Cedar City with him and I just wanted to clarify and apologize to Michelle, because Michelle, what you were saying is what he was saying; is that Priority Dates and Classes of water shares within a drainage do not change unless

protested and verified that it affects prior rights in that location. However, if water rights are moved from one drainage to another a new priority date is assigned corresponding to the date of that move.

Brant Jones - So, if that happened more in the future and it was all agreed between the companies and there were no complaints, and it didn't affect the bottom water.

Don Fawson - So, one of the things we we're looking at particularly is water right, 81-1123 Class 2 water right, which was changed from irrigation to culinary water rights. Part of the agreement allowing this to happen was that LDWA would continue to pay the fee on those rights to LWC each year even though those rights are no longer irrigation rights. It is a "Hold Harmless" agreement. It consisted of 9.5 LWC Shares times a duty of 6, which equals 57-acre feet. Okay, well, I appreciate you checking on that. All right, thanks, Brant.

Don Fawson - By the way Amberly Judy is here representing the Cove, Jared's group. I don't know if you've met her before. Michelle, would you just give us a report on the Cove, kind of what you understand?

DISSCUSSION **THE DISCONNECT** [Michelle Peot]

Michelle Peot - Amberly's very helpful. Thank you for all the help with the office.
Yeah, and Wayne or Chris, feel free to jump in if I miss something. So, at the last Town Council meeting, the Council voted to allow the Cove to move forward with their disconnect notice. The only modification that was made is that if any of the property owners decide that they do not want to be included in that request, they need to let the town know by the 19th at 3 pm. And also, the Town Council did a great job of negotiating terms for that disconnect, which were included in there. For example; providing some funding to provide water for some of the Town's park and properties. And so, once that list of landowners is finalized, then it moves to the Lieutenant Governor's office for final approval.

Don Fawson - Basically, we have been waiting. We have 105-acre feet of water that was transferred to us about 18 years ago or so, when this project was first proposed. And at some point, we want to transfer that back. There is some negotiation going on right now about how much money needs to be transferred based on, you know legal kinds of things and whatnot, before that happens but once this is finalized which is Friday is the 19th. Then we start looking seriously at this and get it done.

DISCUSSION **CONSERVANCY DISTRICT** [Michelle Peot]

QUAIL CREEK WATER TREATMENT

Michelle Peot - Okay, so there was a Water Conservancy Meeting June 8th I believe, which is Monday. So, the major things were that they approved funding in order to do some improvements on the Quail Creek Water Treatment System. Apparently, there are three phases. This is the last phase, to increase the capacity for water treatment, for example; they selected a bid of $102 million, so they were hoping to keep this entire project completed for under $150 million.
So, if everything goes according to budget, they will meet that goal.

REBATE PROGRAM

Michelle Peot -The other thing that is probably more impactful for Leeds, not at the meeting, but separately, I had talked to Doug Bennett, who's our conservation manager, because I had heard that they had voted to let municipalities that were not necessarily being directly served by Conservancy District Water participate in the lawn rebate program. So, Doug confirmed that is the case. But he said that the rate that the Town Folks would get for the buy back is not as large as if you were getting Conservancy District Water because there's a State match tied to it that we may not be eligible for. But he said if that's something the Town is interested in, he would be happy to do a presentation with Council and Planning Commission. I don't know if LDWA wants to participate in that. But he said he'd be happy to meet with folks and kind of give the details of how the program works. And there is a conservation easement component to that, so once somebody gets that rebate, then they,

move into the stage with their title where they have certain landscape requirements. If that is something of interest, then contact Doug Bennett at the Conservancy District. But to me, it seems like a good thing to do in general for the watershed, and it does benefit LDWA and LWC. And I think the other thing regarding the rebate is they bumped the rate up. And again, I don't know exactly what the rate would be for Leeds, but in general for the program, if you're an existing Conservancy District customer, they bump the rate up for the 1st 1000 square feet. I think it's $3 now they're giving you and they're calling it a tree bait, so you get some money to put in shade trees as well.

Doris McNally - Also just so the board knows, it's come to my attention that they're reaching out to non-Washington County, Water Conservancy customers. They're approaching people in the Town Of Leeds. And I just want to go on record. And let people know that that program actually puts an easement on the land if you take a rebate for that land, and it's perpetual.

Michelle Peot - Are you sure that they reached out, or did somebody read that and call in? Because Doug told me that until the municipality agrees to participate, there should not be.

Doris McNally - The individual who talked to me said that they reached out to them, so I'm basing it on that conversation. Maybe Mayor Peterson might have some more information down the line, but I just want to go on record to let people really look at that contract.

Michelle Peot - Yeah, I just meant it's a conservation easement and it stays with the title.

Doris McNally - I understand.

Don Fawson - Appreciate that. There wasn't any update on the progress on the Conservancy pump station at the end of Town was there?

Michelle Peot - They did not mention that.

Don Fawson - At this point, Dan, did you have anything you wanted to share?

DISCUSSION	**CROSS CONNECTION** [Doris McNally]

Doris McNally - Dan was away, so I just want to make sure he knows that the situation we had with the cross connection was resolved, and the person took care of it and paid the fine.

Dan Brown - I am aware, Thank you.

Michelle Peot - Dan you also had an update about the property, because we didn't have the last meeting. Did you want to give an update about the other property on Bonanza?

Dan Brown - Oh. The property on Bonanza is in compliance. The backflow device was inspected as required. And they're good to go for a year.

Don Fawson - Okay, I might just mention I talked to Mr. Lawton, who is one of the certifiers for those RPs. And I guess we had sent out a letter just kind of to everybody and said by a certain date it had to be done. But he said, it wasn’t based upon the prior certification. That some of these aren't due until August.

Layna Larsen - Yeah, and he reached back out to me, and that's all they need to do say, okay, ours is due on here, we'll send it by then. Okay. Because some of them don't do it.

Michelle Peot - Actually, I think it'd be worthwhile to do the general details of the other cross connection issues that we identified just so that other shareholders are aware of what is and is not allowed. Even though you may be paying for a standby, ‘but you have not yet procured a building permit.

Doris McNally - So, I'll do that in general terms. A shareholder owns a parcel with a standby tap and had previously asked about installing a meter on that standby. At that time, the company explained that a meter could not be installed until the shareholder completed the proper Town planning process and had approved plans that met Town ordinances for a habitable home, domicile, building, dwelling, or other physical structure on the parcel.

During recent cross-connection reviews, Mark discovered that someone had illegally connected to the company's system on the parcel. A frost-free faucet had been installed, and a hose was running into a trough for a horse and donkey. Once the connection was discovered, Mark disconnected the unauthorized materials.

The property owner was contacted and informed that the connection was not in compliance. The matter involved theft of service, tampering with company infrastructure, water charges, and related fines. The owner acknowledged the error, which appeared to be the result of a family miscommunication, and made restitution for the applicable fines.

The Board was reminded that unauthorized connections are a serious matter and may rise to the level of a felony. As Mark and Dan continue reviewing properties, similar issues may be discovered. Board members should avoid giving individual guidance without first confirming the facts with Dan, Mark, and Layna so that shareholders receive accurate and consistent information.

The situation was handled professionally and with good communication. The shareholder was appreciative of the company's response, and the company was able to address the compliance, backflow, and cross-connection concerns. Appreciation was expressed to Mark, Dan, Michelle, and Layna for their involvement and support in resolving the matter.

Don Fawson - Thank you, Dan. Is there anyone in the audience here that would like to speak at this point.

VII. SHAREHOLDERS COMMENTS

DISCUSSION	**SHAREHOLDERS**

CROSS CONNECTION ISSUE

Chris Harvey – I'm Chris Harvey. I live on Valley Road. So, I was going to bring this up at the last meeting. I printed this out; That Riverton had issued, an immediate boil water order for residents from wherever in their neighborhood. Now. I don't know what their water system is, but the cross contamination created this necessity to do this boil order. And so, there was going to be that conversation about cross connection at the last Board meeting, but we didn't have a meeting. So that whole scenario you just described could have turned into a E-coli contamination, and a very bad situation. Which would have required a boil order for the entire Town because that cross contamination could have affected everybody.

Doris McNally - And that's why over the past few years, we have regularly shared information about cross connections and backflow prevention, including notices on the back of our utility cards approximately every three months. Cross contamination can occur from something as simple as placing a hose in a pool, as well as from more complex devices or systems. We will continue reviewing these issues, particularly for customers who have both irrigation and culinary water connections, because the mechanisms used on individual properties can vary. Having trained personnel is important, and we have three people in our organization trained in cross connection control: Mark, Dan, and Don. We take this matter seriously because cross contamination can create significant problems for a town.

Chris Harvey - This could have been a communication issue. Or a misunderstanding type of issue, where somebody who doesn't understand this whole process could think that hose from the trough was just a, oh. I

was just putting the water in. And I appreciate the things on the back of the notice. And I don't know how easy it would be to then post something that says, these are common practices on your property that can lead to, and that could have been something you posted on the back of the bill before too. It's just that when I saw this combined with that conversation and then trying to get up to speed on what does it look like when somebody inadvertently cross contaminates the whole system because they don't know how it works.

Doris McNally - Chris thank you appreciate your thoughts, and I so appreciate that when you're at council meetings, you bring this stuff up. There is an entire page on our website with videos talking about cross connection. So, if it was something that we could aim people to and have them watch-- because I recognize people don't like to read things. They want to see little videos. So, I found a really good video and that's on the website. So, if you can direct people and bring it up, it is an important topic. So, thank you.

Michelle Peot - Chris, do you happen to know offhand if they did a preemptive-- Boil water Warning, or did they actually detect contaminants in the water?

Chris Harvey - They did not confirm Ecoli, that's all the commentary they have.

Doris McNally - They went into it. The news said that an illegal cross-connection allowed secondary irrigation water to mix with the city's culinary water at a private property. The incident impacted approximately half the city.

Michelle Poet - But was it preemptive. Or did they detect?

Chris Harvey – They discovered an illegal cross connection.

Michelle Peot - Yeah, but that's a preemptive boil.

Doris McNally – According to the report I read, the boil order was issued as a precautionary measure, not because water tests failed, but because city staff discovered an illegal cross-connection on a private property. This connection allowed untreated secondary irrigation water to mix with the public culinary water supply

Michelle Peot - Okay, I'll check. It might be something that we think about - What would we need to do, some additional something if we detect something. Because it could be a month time period before that next test rolls around.

Don Fawson - So, Mark, when they do that test. What are they testing for?

Mark Osmer - The bacteria they test for Coliform and Ecoli.

Don Fawson - But again. The coliform is just a precursor. It isn't actually necessarily the problem, but it is a precursor.

Don Fawson - Either way you have to go into that kind of a mode. You've got to be able to identify the source. We did have a cross contamination where people got sick here in town, but it was on their personal line for their irrigation. They had a cross connection that was illegal, and they had inadvertently contaminated their own system and got sick. They wanted to at that point blame it on the culinary. Which was not the case. We got that resolved too. Appreciate you working on that.

Mayor, do you want to go ahead?

CONSEERVANCY REBATE PROGRAM

Wayne Peterson – With regard to Doug Bennett and the conservation program. I spoke with him when a resident asked me about their ability to utilize that. And when I spoke with Doug, he said that $1 comes from the state, $1 was coming from the Water Conservancy. I don't know where the third dollar is coming from that

they're offering right now. And that in order for an individual who was not in an area that was part of Washington County Water Conservancy, their board determined that you would need to sign the water supply agreement as a municipality in order for that individual to be eligible and to get the easement in exchange for tearing out that which is required to come out on a square footage basis. So, I would ask for A Board input in the future as to whether or not you have any particular position and concerns with regard to that role that we would need to play as a signer of the water supply agreement. He said to be candid, nobody's taking us up on the offer.

Michelle Peot - Was that new? Because I had thought that they exempted signing into regional agreement, because I think I did mention that to Doug. And I thought they had made a change.

Wayne Peterson - It was about two weeks ago that I spoke with him.

Michelle Peot - Okay, then maybe he did not answer that. My understanding I think the state is matching, so they bumped theirs to $1.50, meaning the State would bump theirs up to a $1.50.

Wayne Peterson - At the time it was $2 when I spoke with Doug, and he said it was $1 and $1. But the requirement for anybody outside of their service area was the municipality needed to sign that. And that's permanent, and the easement is permanent.

Don Fawson - The only concern I have is if it actually has any effect on those within LDWA's service area in a negative fashion. Anything you know about?

Wayne Peterson - Not that I know, about, I was looking towards you folks to be able to provide the input as to what you saw as any kind of pro or con with regard to that situation.

Doris McNally - Regarding WCWCD's Water Efficient Landscape Rebate, I understand that property owners may receive up to $3 per square foot for replacing grass with approved water-efficient landscaping. I also understand that one benefit to WCWCD may be the ability to claim the converted square footage, along with an estimated amount of water associated with that land, as part of its reclamation program. My concern is that we may not be able to claim that same benefit.

My second concern is more personal in nature. When I look at the demographics of our Town, I worry that some residents may be approached with what appears to be a good offer and may sign an agreement without fully understanding the long-term implications. I am especially concerned that this could end up costing them money or limiting how they can use their property in the future.

Because the agreement involves a perpetual easement, I am concerned about what happens when the property is sold or when a future owner wants to make changes. For example, if a resident removes all of the grass in a backyard, that could affect whether a pool, new landscaping, or other improvements can be added later without prior approval. I think residents need to clearly understand those restrictions before signing anything.

Michelle Peot - But you can do landscaping.

Doris McNally - I think it is important for residents to understand that, when they participate in the program, a lien or similar recorded restriction may be placed on the parcel. That means the agreement is tied to the property itself, not just the current owner. Going forward, the square footage that was converted may be subject to restrictions on how it can be used. For example, a property owner may not be able to reinstall grass, add a pool, change the landscaping, or make other improvements on that area without first obtaining approval. My concern is that residents may focus on the rebate amount up front without fully understanding that they may be giving up future flexibility on that portion of their property.

Chris Harvey - And then having the Conservancy District not be clear about that as an option. Or if they're going

to people, and they wouldn't because they don't gain anything.

Doris McNally – And they could, that's what I don't understand. I think they can. But I think it's something we (Town & the LDWA) should look into if they are pushing this program.

Layna Larsen - They actually have landscapers or people that are removing turf. They knock on your door. They tell you, oh, the Conservancy will pay you so much if we do this for you.

Doris McNally - And initially, they were going after smaller residential properties. Recently, they've changed their marketing to larger pieces of properties. And they're actually positioning that their agricultural specialist who works for the Washington County Water Conservancy Demonstration Garden, will help advise you. I've met him two or three times, I've gone to his classes, he will actually come out and design your landscaping for your home. So, they really are trying to press it. So, I think it's just something we need to watch. And the more that we know about where you are as a Town relevant to the Regional Water Agreement, that would be important to consider.

Wayne Peterson - Well, there may be other considerations as to whether or not to sign it, but the question is do we sign just to make our residents eligible for this? And my instinct was that there's got to be some benefit to them. They're not just doing it out of the goodness of their heart, that they're trying to capture something, and I don't quite know what it is. The fact that nobody else is taking them up on the offer is another concern that I have that there are questions that maybe have been asked and answered that we have not heard.

Michelle Peot - I think it is in their interest to get these other municipalities to sign into the regional water supply agreement. Because I mean, in their ideal world, there would be no unincorporated land and then the municipalities would then retail their water and then they can apply in whatever their conservation laws are.

Wayne Peterson - He did mention that. If you did go ahead and not sign it that you might see pressure from people who wanted the rebate. So, they realize it's a way to perhaps get residents to try to influence a decision on that.

Doris McNally - And the reason why I've known about this, I actually reported it to the Board about eight months ago, is because I did have two customers reach out to the office and ask us, do you have this program? And I researched it, I looked into it, and I contacted the shareholder back and I said, here is the information, it is your decision. At the time, and that was eight months ago. You had to be a Washington County Water Conservancy customer to be able to get it. But apparently something has changed in their methodology. So, it's just good for us to know.

Michelle Peot - They don't seem like they have an extremely high demand, hence they raised the amount that they're paying back.

Doris McNally - Thank you, Wayne.

PARK WATER

Brant Jones - Wayne, Is there any update on Park Water?

Wayne Peterson - The update on park water is we did agree as Town Council to lease from two different parties. 1 - The Church of Latter-day Saints had .625 shares, 2 - a resident on Main Street had .5 A shares. And the lease documents went out today for signatures and they are effective, Jan 1 is what was proposed. Where we can't retroactively water, but it's for the calendar year. And there is a clause that allows for a mutually agreed renewal on them as well. Although the hope is to be able to purchase and not be subject to one of the least waters being pulled back and suddenly being short again.

Brant Jones - Did the Johnson's mentioned that they may lease one of their shares?

Wayne Peterson - That is not one of those.

Brant Jones - So that's out? Okay. I talked to them, and they have never gotten back with me, I said they'd have to work directly with you for the agreement. Okay. I'll let that go.

Wayne Peterson - Yeah. At this point we're covered for 2026. And thanks for your help on getting that in place.

Brant Jones - Yeah.

Don Fawson - Anyone else?

DISSCUSSION	**THE COVE LEGAL FEES** [Amberly Judy]

Amberly Judy - I'm Amberly Judy with 'The Cove', Gary Crocker. So, we've had some back and forth regarding getting the water shares back. So, I'm kind of chatting to the lawyer and Gary and trying to help them understand. So, I just came here basically to try to understand. We got the email that said you're wanting us to pay the fifteen thousand dollars. It's basically your legal fees. Correct?

Doris McNally - Mutual legal fees, which was agreed in a number of agreements many years ago.

Amberly Judy - Okay, so that's what I want to understand is what we signed that says we would pay those because the attorney's coming back saying, absolutely not. "We haven't signed anything," and I've only been with them for two years, so I just want to understand.

Layna Larsen - In 2023, SRIH paid $8,221.00 in LDWA legal fees without objection. So, them saying we didn't sign anything doesn't make sense because the payment shows that they understood and accepted its obligation to reimburse LDWA's professional expenses.

Amberly Judy - Are you able to share with me? I saw the check we paid, but what that was it for.

Layna Larsen - It was on the paperwork.

Amberly Judy - Okay. I'll go back. So, you're saying you want us to pay $15,000 in addition to the $8,000 that we already paid.

Layna Larsen - I think we've had a discussion, and we were going to try to work with you.

Doris McNally - Don, could you fill that in? Because I think that conversation you had.

Don Fawson - Well. The only thing I've done is I've talked to Jared about that. He kind of reiterated the same kind of thing. But you know in talking to him, he kind of said, well, we realize we'll probably have to do some negotiation on that. And that's as far as it went.

Amberly Judy - Yeah, so I talked to Gary and the attorney this week. And again, I'm just trying to solve it. I've only been with them for two years. So, I apologize I don't have all the back history. One of the comments that they made was that they're not held to an agreement that was signed by the person before. And I'm just wondering the agreement you're saying. That says we owe the money is it something Gary Crocker signed?

Layna Larsen - It's what our bylaws say. When we do legal work or have professional work done in a developer's behalf they are responsible to pay the fees.

Amberly Judy - Yeah. I'm guessing they didn't realize what they were paying.

Layna Larsen - And then when we were aware there was the chance of disconnecting, we sent our bookkeeper a request to be sure everything was up to date. She sent us a list of the invoices that she said had never been covered by the developer. So, that is when we sent them out the invoice showing the bills we had accrued dealing with SPE (SRIH) and it showed what it was for.

Kimberly Judy - Okay. And I do have a copy. I have your email.

Layna Larsen - But the fact that they paid in 2023 that's basically saying that they understood and accepted its obligation to reimburse LDWA's professional expenses.

Doris McNally - And signing the Will Serve does as well.

Amberly Judy - I believe that Jared told him something to that effect and they're really bummed that they had to disconnect. Like Gary was really sad when I talked to him this week, he's like, it's not a celebration for me. But it is what it is. But the attorney's telling him that he's not held to the Bylaws because he's not a Board Member.

Layna Laren - It's not Board Members, it's an LDWA shareholders or a developer's policy. Okay. So maybe she's misspoken then because she's telling him that he's not held to the bylaws. And so, I wanted to ask you guys if that's true.

Doris McNally - My understanding is that since he is the developer of the land, he would be responsible.

Amberly Judy - I think it was shareholder. I misspoke, he said he's not a shareholder, so he's not held to the Bylaws. And so, she's telling him he's already paid this amount, and I think he's saying. I didn't even realize that's what that was I've already paid that. I don't think it's fair with everything in the history for them to ask me to pay more. So, I'm just coming to you saying what do you guys think is fair? Is the attorney correct in your eyes? How can I help resolve it?

Michelle Peot - That would be the exact same thing that would apply to a municipality is that you get charged back for legal fees related to development, and that's been the practice with LDWA. So, I don't know how this is any different. And to say that this development is not different from other developments. It's significantly different. There's significantly higher risk. And a lot more scrutiny had to go into reviewing that paperwork.

Amberly Judy - Okay. I didn't hear anyone say this development wasn't different. So, I don't think that's their argument. I think they're just saying we've paid this $8,000 we feel like that was above and beyond. And I will say, I truly feel like Gary feels like he is above and beyond with everything he's agreed with the disconnect agreement and everything. So, I guess if we are negotiating, I would ask that you take that into consideration. I personally would love it if we could come up with us paying the past year's fees or something that's less than half because he has paid that $8,000. And I don't want to get into a back and forth with lawyers. I hate when they get involved.

Doris McNally - The only thing I would offer to add clarity is that it wouldn't be the last year. It would be when they came to us for the new will serve. Because that's where the bulk of the work that we were working on occurred. What happened was the initial. And this is some background, the initial discussion was only about phase one. There was then discussion about the full phase. The discussions we got into got very involved relevant to legal issues and the way the plans were being put together.

Amberly Judy - So, all these invoices regarding the will serve, is that typical for people to have to pay the legal fees for will serve, or is it because this project was just way more in depth and more than you?

Doris McNally - Both, I think the fact that yes, they do and the fact that they were higher was because of the issues.

Kimberly Judy - And I'm just trying to find something I can take back to the attorney and say this is what we signed that said because our community.

Doris McNally - It wouldn't be a signed it would be the Bylaws, and it would be the Will Serves. Can I make a recommendation to have an executive session to discuss this?

Don Fawson - I feel like we ought to go into executive session to make this decision. But I appreciate the input, and it gives us a direction that we can head on this. So, do you have anything else that anybody wants to ask?

Michelle Peot - There were also environmental docs that came out in the interim that then would have changed how LDWA needed to handle the property, say from an excavation standpoint and whatnot and that triggered additional reviews as well.

Amberly Judy - Okay I understand that, and again, they're telling me it's more than what the $8,000 he paid. He's given that. And she's telling him because he's not a shareholder, that he does not have to abide by Bylaws. I wanted clarification from you guys if that's true or not because that's what he's being told. And I will tell you that I feel like he just feels like he keeps getting asked and asked and I feel bad for him. But I also understand everybody's points.

Layna Larsen - We had to pay those legal fees to solve the issues that came up for their development.

Amberly Judy - Yeah, and I think that they are very passionate about the previous Board. I've heard nothing but great things about you guys. I didn't know the previous Board. But everything I hear is that they don't think it's fair that it's gone on this long. And that they don't feel like it's their fault, and so again. I think that's why we're at the negotiation phase of let's try to just make this work.

Michelle Peot - I understand that. But I mean technically the development wasn't even approved to move forward until the 2020s. So, there's nothing that the Town could do, or the Board could do to say move forward because you didn't have approval from the State to move forward at that point.

Amberly Judy - And I don't want to hash it out. As I've sat over the last 2 years, I understand we have different opinions from the owner and you guys. I really appreciate you listening to me.

Doris McNally - Appreciate that, Amber

Amberly Judy - Yeah, anything you can provide me, when you get back with me. If the Bylaws or if you have something that shows that he indeed is held to those or if he's not and she's accurate. I want to make sure I have everything you guys have to go back with whatever you have and try to just get this resolved.

Don Fawson - I think there was also the understanding that we would receive remuneration as people hooked on to be able to kind of mitigate some of these costs that we incurred through the legal process.

Amberly Judy - Is there anything that we have in writing with all of that?

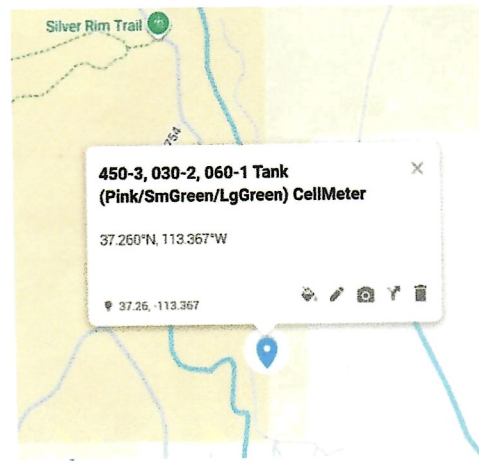
Don Fawson - It is not in writing it was just an assumption based on, I think, every other development.

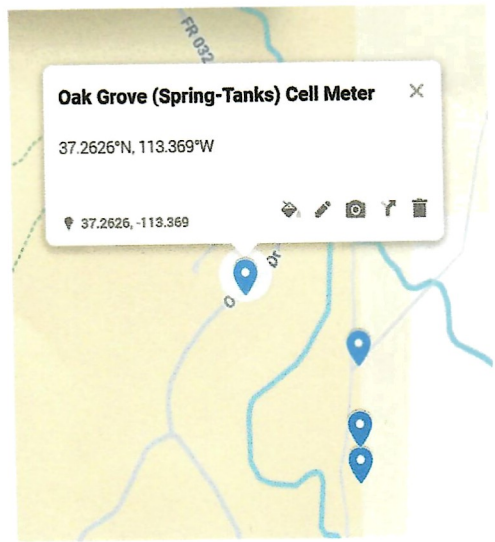
Doris McNally - That's where our Bylaws and our policies have a specific area talking about developers, and you know the semantics of it. That's why it's specifically called out as a developer.

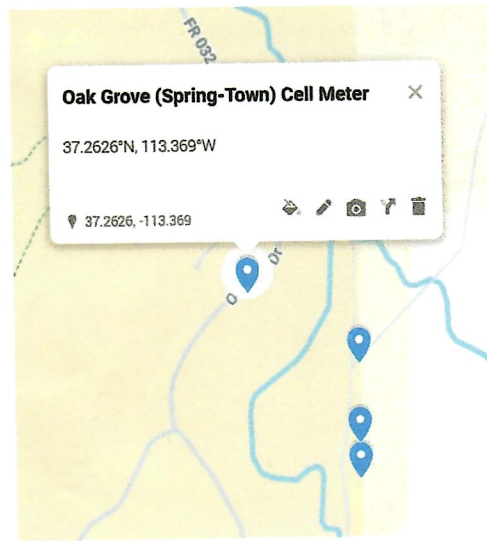
Amberly Judy - And I don't know, I'm not the expert on that at all so that’s why I'm relying on you guys.

CELLUAR METERS

NAME	Longitude	Latitude	METER SIZE	LINE SIZE	METER SERIAL #	END POINT #
350-5 Tank (Highlands)	37.2605 04° N	113.367 22° W	8"	12"	260493886	180461663
450-3, 030-2, 060-1 Tank (Pink/SmGreen/LgGreen)	37.260 60° N	113.367 52° W	8"	12"	260493888	180459583
Oak Grove (Spring-Tanks)	37.2626 9° N	113.369 11° W	4"	6"	260303264	180462875
Oak Grove (Spring-Town)	37.2626 5° N	113.369 16° W	4"	6"	260303260	180462752
LWC CellMeter	37.2616 9° N	113.367 08° W	4"	6"	240207425	132617595







Thank you so much for your time. **Don Fawson** - Thank you. Amberly. All right. Anything else? Okay. Well, I'm sorry but this is going to be a pretty short meeting tonight. So, we appreciate all of you coming.

VIII. MOTION TO ADJOURN MEETING

DISCUSSION	**Don Fawson** - I'm sorry this is going to be a short meeting tonight. Appreciate you coming. I'll accept a motion to adjourn.
VOTE	MOTION TO ADJOURN: Doris McNally | SECOND: Brant Jones **MOTION APPROVED**: Unanimously

ADJOURNMENT: 7:52 PM

Layna Larsen

Layna Larsen | Corporate Secretary