



MINUTES

Date/Time/Location:	August 18, 2026	7:00 PM	Leeds Town Hall
Type of Meeting:	Board of Directors Meeting		
Note Taker:	Layna Larsen		
Attendees:	Board Members: Doris McNally (VP), Brant Jones (M), Michelle Peot (M), Donald Baldwin (M) Staff: Mark Osmer (Field Operations Mgr), Layna Larsen (Corp Sec), Shareholders: Susan Savage, Chris Harvey, Wayne Peterson, Amy Jones		

Agenda Topics

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

CALL TO ORDER	Doris McNally - Welcome, We're a small team tonight. We have Michelle on the phone. Don is away with family. We have quorum. So, we will have a short meeting. I call the meeting to order. Don, would you do the invocation, the prayer?
ROLL CALL	PRESENT: Donald Baldwin, Michelle Peot, Brant Jones, Doris McNally ABSENT: Don Fawson

II. PRAYER [Donald Baldwin]

III. PLEDGE [Donald Baldwin]

IV. CONSENT AGENDA & PRIOR MEETING'S MINUTES [Doris McNally]

DISCUSSION	Doris McNally - Okay, Layna sent out the agenda or the minutes from the prior meeting. So, I'd like to take a motion to accept the minutes from the last meeting.
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 that are in front, can I get a motion to accept the consent agenda
VOTE	MOTION TO APPROVE TONIGHTS MEETING AGENDA: Brant Jones SECOND: Donald Baldwin MOTION APPROVED: Unanimously
VOTE	MOTION TO APPROVE PRIOR MEETING'S MINUTES: Brant Jones SECOND: Donald Baldwin MOTION APPROVED: Unanimously

V. DECLARATION OF ABSTENTIONS OR CONFLICTS [Don Fawson]

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

VI. ADMINISTRATIVE REPORTS

(a) TREASURERS REPORT (Layna Larsen)

DISCUSSION	ANNOUNCEMENTS/BILLING/COMMUNICATION [Layna Larsen]
	Doris McNally - Okay. Layna, can you talk about where your billing communications are? BILLING Layna Larsen - The billing for July was completed and mailed August 1st. NEWSDRIP Layna Larsen - The August mailed invoices included an article regarding "Keep Fire Hydrants Ready for Emergency". For our upcoming mailing in September we want to do a Smart Water Monitoring article about the FLUME.  KEEP FIRE HYDRANTS READY FOR EMERGENCY RESPONSE With the 2026 wildfire season already active across Utah and dry conditions increasing fire danger, the Town of Leeds is reminding residents that public fire hydrants are for authorized use only. No one other than authorized employees of the LDWA or Hurricane Valley Fire & Emergency Special Service District may open, operate, or connect any hose, tubing, or pipe to a public fire hydrant for any purpose without first obtaining a fire hydrant use permit. This helps ensure hydrants remain available and in good working order when firefighters need them most. Opening a hydrant without permission can waste more than 1,800 gallons of treated drinking water per minute, reduce water pressure needed for emergency response, damage hydrants, and create serious injury risks from high-pressure water or flying caps. Residents are asked to help protect the community's water supply and emergency response resources by reporting concerns and leaving hydrant operation to trained personnel. 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  Smart Water Monitors Change the Way We Consume Water. If you are looking for a way to monitor your water consumption and alert you to leaks in your systems, you should look at this Smart Device, FLUME 2. • Self-install in under 10 minutes. • Detect water leaks and get notified immediately. • Monitor and manage your water use, indoors and out. RECOMMENDATION . . . If you select to order a FLUME 2, when your shipment arrives call the LDWA (435-879-0278) and leave a message with your name, account # and phone number. The LDWA office will coordinate with you on a time when field engineer can come and assist in installing your device. 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
VOTE	MOTION :: I MAKE A MOTION THAT WE ACCEPT THE SMART WATER MONITORS ARTICLE:: Brant Jones SECOND: Michelle Peot MOTION APPROVED: Unanimously

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. Ol:	\$32,870.18	88.3%	Ord. Field OE:	\$9,337.31	44.6%
	Other Ol:	\$4,350.41	11.7%	Ord. Admin OE:	\$1,232.60	5.9%
		\$37,220.59	100.0%	Professional OE:	\$2,906.00	13.9%
				Labor Expenses:	\$7,455.80	35.6%
					\$20,931.71	100.0%
Net Ordinary Income:				\$16,288.88		

YTD P&L

	TOTAL INCOME			TOTAL EXPENSE		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
	Ord. Ol:	\$181,299.87	86.9%	Ord. Field OE:	\$48,727.47	36.7%
	Other Ol:	\$27,233.50	13.1%	Ord. Admin OE:	\$15,885.00	12.0%
		\$208,533.37	100.0%	Professional OE:	\$8,417.00	6.3%
				Labor Expenses:	\$59,778.06	45.0%
					\$132,807.53	100.0%
Net Ordinary Income:				\$52,391.10		

The LDWA's Banking Accounts [as of 9/6/2026]**BANK ACCOUNTS FOR THE MONTH REPORTING**

	CHECKING ACCOUNTS			SAVINGS ACCOUNTS		
	ACCT	BALANCE	% to TOTAL	ACCT	BALANCE	% to TOTAL
	Checking	\$12,112.20	5.7%	Emergency Reserve	\$264,964.40	55.1%
	DDW Loan Funds	\$199,469.47	94.3%	Loan Reserve	\$170,086.08	35.4%
		\$211,581.67	100.0%	Impact Fee Fund	\$144.68	0.0%
				Cap Facilities Replace	\$27,515.13	5.7%
				Debt Service Reserve	\$18,011.21	3.7%
				Open Acct	\$4.00	0.0%
					\$480,725.50	100.0%

Doris McNally - Okay, great. Thank you so much.

Donald Baldwin - What is the four bucks in the open account.

Layna Larsen - That's just an extra account that we have with just \$4 in it.

Doris McNally - Sometimes those are accounts you use to transfer money from one account to another. So, it's just an open account available.

Chris Harvey - Can I ask a question? Is it a formal process? I'm on a board of directors and in a recent experience, there were financial disclosures that had anybody looked further into it they would have seen an abnormality. It wasn't well hidden. It was just nobody dug deep enough. Now, I'm very, very confident that you guys did and there's a second set of eyes. The list of numbers and the kind of ins and outs and questions, does make sense. So, while you're presenting these numbers, more than one person has eyes on.

Doris McNally - Absolutely. there are three sets of eyes that look at it. Jennifer, who's our bookkeeper, she originally does most of the bookkeeping work. She sends it over to Layna and myself to review. Layna looks at

all the detail. I look at the detail, even down to every single one of the checks that are signed. What we try to do in our detailed budgets is we actually have subcategories. So, we make sure for example, let's just use the category legal fees. We don't just say legal fees. We have legal fees, developers, and then we actually have the individual developers. What we report out to the Shareholders is the legal fees. But we have the detail in there. So, there's double checks. Many times, what will happen is an expense from the prior month might be recategorized, and we actually pick that up in the review. So, I appreciate your interest in this.

Layna Larsen - And there's more detail I could read, but I'm trying to not bore you. But it is there when the minutes are posted onto the website.

Chris Harvey - No, it's just a matter of process. Thank you for taking note.

Doris McNally - And it's the same thing even with PayClix's that we used to report on. We still look at that behind the scenes every month, too.

Brant Jones - It's a really good question though, Chris, because we do try and show transparency, but by reading through it like that, I'm not sure you come out thinking I know where the money went.

Layna Larsen - But if you read the minutes online, you'll see the detail.

Chris Harvey - I don't question that, it is just my current situation on the board that I'm at, it is just 3, 4 or 5 months ago when I was first on the board, why didn't I look harder? Why didn't I see more? And it's just a matter of saying, that's very valuable and to ask the question and to say who's really involved.

Doris McNally - We also have a budget that we run to, and if we see trends where we're going over budget in a category, we have conversations about it and try to address how we can bring it back into budget or is this something that just happened and we need to address it with reductions elsewhere. So, once again, great question.

Layna Larsen - In our annual meeting, it's spelled out in more detail than our regular meetings. And you can read everything in more detail online after the minutes are approved and posted for shareholders to view.

Brant Jones - and if Shareholders have more questions, want more details or explanations feel free to ask them, we are happy to answer.

VOTE	I MAKE A MOTION TO ACCEPT FINANCES AS REPORTED:: Brant Jones SECOND:: Michelle Peot MOTION APPROVED: Unanimously
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b) OPERATION / FIELD REPORT [Mark Osmer]

DISCUSSION	REPAIRS & MAINTENANCE [Mark Osmer]
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Doris McNally - Yeah. Mark, do you want to go over your stuff.

Mark Osmer - So, we passed our monthly BacT again this month.

DOUBLE CHECK VALVES

Mark Osmer - I have been doing the double check valves. I've got about 20 more to do and then we're good for this year.

REPAIRS

Mark Osmer - We've had a bunch of leaks on the east side of...

Brant Jones - I saw the text on them.

Mark Osmer - Yeah, and there's another one of the...

Donald Baldwin - It looks like Polypipe, is it?

Mark Osmer - Yeah, it's all Polypipe.

Donald Baldwin - Is it the thick wall Polypipe?

Mark Osmer - No, it's the thin wall. And they used to make it, so they welded it down the seam. You know, and they keep leaking. This is just two I have done this month on the east side, and they are just Band-Aids. So, we really need to get the pipe down the east side or do something with it, because I'm worried if a PRV let go, it would cause high pressure, and we'd have a whole bunch of splits down there. This was a called out I got the other night at like 10 o'clock there was water all pouring out, so I went there, and it was actually on their side of the meter.

Doris McNally - So, just to fill the board members in on what happened was both Layna and I tried to reach out to the homeowner to let them know that we saw the leak. And we weren't able to get a hold of them, but I did send them an email. Ultimately, we called and called them, and they weren't answering the phone. Mark saw lights on in the house and the garage door was open. Ultimately, the owner called my house around, 10 o'clock at night and I explained what was going on. Mark had turned off the water because clearly, they were going to be hit with a big water bill. So, we let them know that they had a leak on their side of the meter. They were to call Mark the next day, but they didn't. So, later on that day, I called the owner asked if they were okay and asked if they needed any help. She said, No, my husband and I were able to repair it." And I said, Fine, your water is back on and you're comfortable with it. So, this is just to show you that we do reach out to the shareholders letting them know when things are happening.

BAD PRV

Mark Osmer - So then we have a leak on this PRV. This is the one that we took out where the S curve was. You know, it was down just past that little white house, and we moved it up so we could control Bonanza flats all on one. And I don't know how old this is, 30, 40 years old.

Doris McNally - This is an older PRV that we resituated about a year and a half ago, correct?

Mark Osmer - Yeah, it's been working well, but now it's started leaking. A new one is like \$7,000. I was going to try tomorrow to disconnect this, put new seals and washers and bolts in there, tighten it all back up and see if that fixes it. It works still; it's just leaking.

Brant Jones - You think it's just the seal.

Mark Osmer - It could be just the seal. And I need 2 seal kits, they are like \$30 bucks a piece.

Brant Jones - Yeah, that's probably worth trying.

Mark Osmer - I think it's worth trying that rather than spending the money for a new one.

Donald Baldwin - Does it have a diaphragm in it too?

Mark Osmer - Yes. And the little one controls the diaphragm and closes that big one.

Doris McNally - So, the other thing I talked to Mark about is that I want him to reach out to Scholzens and to see if they had another one of these in inventory because the last thing I want him to do is change the valves and the valves really don't work and all of a sudden it's a bigger leak and now we're going into the weekend with a problem. So, he says they have one in stock. So, if he takes care of this tomorrow morning, He has enough time to be able to deal with it before the weekend.

Mark Osmer - I don't think it's going to leak anymore. I'm just going to put new gaskets on there, and tighten it up.

Doris McNally - But you know how things happen. Murphy's Law and always on the weekend.

Mark Osmer - Yeah, you've got something breaking. But I did notice it felt like a little crack.

Donald Baldwin - Is it the flange gaskets that are leaking or is it the internal gaskets and the diaphragm?

Mark Osmer - The flange gaskets. And then we also have a bypass, a 2-inch bypass. And a couple of the ball valves have gone.

Brant Jones - How big is this one here?

Mark Osmer - 6-inch. And we have a two inch that controls regular flow. If there's a lot of flow, then this one takes over. But the 2-inch ball valves are just getting eaten away. I mean, they don't even last a year. So I've gone to a curb stop which is like a ball valve but just heavier duty. We had two of those go bad this month, so we've done those. Then we've had a bunch of fire hydrant rentals and some other general maintenance.

WELL

Mark Osmer - And then with the storms, every time we get lightning, we've got to check the well because if the power trips off for one minute it'll cut the well off and then it'll drain the tank, because I'm pumping to LWC still at the moment, so we've been checking that as well.

Brant Jones - Have you checked the return meter recently, what's it at right now.

Mark Osmer - I think it's like 150, 155 gpm somewhere around.

Brant Jones - I haven't looked at it for a while, I tried to get up there before I came today.

Mark Osmer - I'll go up there tomorrow and check it and then give you a call.

Doris McNally - Anything else Mark, okay, next is the presidents and I'll do the VP report in with it.

(c) PRESIDENTS REPORT [Doris McNally]

DISCUSSION

PERMITS [Doris McNally]

FOREST SERVICE :: SPECIAL USE PERMIT

The 1st thing is, is that the forest service, the special use permit, we received it. It's finalized. We've been waiting for that for a long time. Thank you to Don and for working with Riley and the forest services, he's been trying to get this thing finalized. So this great thing because that will help us move forward with our projects.

ARMY CORE OF ENGINEERS

Leeds Creek stream alteration application No. 26-81-06SA was approved by the Utah State Engineer, allowing replacement of two existing water pipeline crossings to improve reliable culinary water service in Washington County. Agency review was favorable, including confirmation from the U.S. Army Corps of Engineers that the project meets Programmatic General Permit requirements. Approval is subject to environmental protections, including fish salvage coordination with the Utah Division of Wildlife Resources. The order remains valid through May 13, 2028, and a post-construction compliance certification must be submitted within 30 days of project completion.

DISCUSSION

SILVER CREEK ESTATES [Doris McNally]

Earlier this month the LDWA met with the town and also the developer of the Silver Creek Estates and all the utility companies that are going to be working on that project. This is the 45 homes that is referred to as the Sitla property, but it's also called Silver Creek Estates. They finalized their drawings for the 45 homes, and they shared them with the utility companies. The utility companies were then to give their input about any modifications or changes that they wanted to see happen. So, Don, Mark and I met together, and we put together a list that we represented to the mayor and also to the developer. And the other thing we discussed is that the original agreement with Sitla was many, many years ago, it was a water agreement that was signed many, many years ago. We never went into a developer's agreement with them because we never really got the building plans or anything else. We just had gotten that they were going to bring us water and work with us to develop this land in the future. So, we crafted the developer's agreement and sent it over to Sitla for their review. I have not heard of any review back, but I know that Don was in conversation with Aaron Langston, who is the head of Sitla So we're just waiting for them to give us any feedback on that one or for any additional questions.
So some nice movement.

DISCUSSION

THE COVE [Doris McNally]

Doris McNally - The other part of that is, Layna, I don't think we've heard anything back from the Cove, AKA Silver Point Estates, relevant to the discussions we had back in May.

Layna Larsen - Nope I had sent them an email and there has been no response

Doris McNally - The last conversation I had with the mayor and I'm looking at Chris because she might know differently. But I asked if the lieutenant governor had approved the disconnect for the properties that are listed in there and the mayor said he had not heard anything from their attorney so I don't think there's been any update on that right there's nothing going on so I guess that still needs to happen so that'll be something we'll be looking forward to hearing in the future.

So, with that, I'll go on to Brant do you have any updates on the LWC or anything else that you might want to share

(d) BOARD MEMBER REPORTS

DISCUSSION

LWC [Brant Jones]

Brant Jones - Just what I reported on the phone to Don, and I think some of you were there but it's pretty close. The current challenge right now is just on how to meter it as far as in a low water year which is most years. At some point the water does get low and, in an attempt, to put as much spring water in our homes, the irrigation company that owns rights in the spring, they send water down the main line to go into the tanks and then into our homes. So, we get spring water in the homes, but then there's a return rate that comes back from the LDWA that has to go back in to replenish what was taken out of the spring water. And they are just trying to figure out the details on what's the best way to calculate that. Now, the state engineer has

given us a calculator, so we have the numbers we can run it through, but the last time it got pretty heated, the legal counsel was that we went meter to meter, we only have two meters, you read the meters and then figure it that way. The USGS has a meter in the stream. There is also the weir that could be used to measure water in the irrigation. The LDWA really only has a meter option, but right now it's kind of ambiguous in the agreement and they want to just tighten that up and go to meter to meter. And the only other thing, Mark, I would say is that the agreement kind of reads that when the water drops, it goes to the irrigation company to request from the LDWA, the culinary company, for replenishment of that water. In other words, when they see the water's dropping, the process seems to be initiated in the agreement by the LWC or the irrigation company. But then it almost reads continually like the LWC is responsible to make sure that they get that water back. And a lot of the board members on the irrigation company are saying, if the irrigation company is generous enough to the town and the LDWA to send that extra water down, why would it be that the LWC has to continually through the year babysit the LDWA. And I'm like, yeah, that probably doesn't make sense. Once you're notified or we're notified and you know about it, Mark, you and I can keep an eye on that. And it shouldn't be the irrigation company going up and having to check all the time. I mean, they can, but as far as the agreement goes, once the LDWA has been notified we're under our full allotment, then they kind of want it to switch and say, now the LDWA has a responsibility to track it and make sure that water is returned. So those are the only two items that I know of in the agreement that are still kind of, they want to have a little bit tightened up.

Doris McNally - Do the cellular meters in any way help that along a little bit?

Brant Jones - They would but the irrigation company doesn't have cell meters. You have to go up and just read the meter.

Doris McNally - I've been hearing about a second one, so I know you guys are thinking.

Brant Jones - Yeah, there's a plan. There is one other meter that goes over to the Angell Springs area that comes out before the main pipe.

Mark Osmer - That one is cellular now though.

Brant Jones - Yeah, that's true.

Mark Osmer - The other cellular that is going on your line that one won't make any difference. It's just the one going to Colony Field and the one in the pit. They're the two.

Brant Jones - Yes, those are the two that will have to be read.

Donald Baldwin - On that it is just the one to one. They don't have any shrink loss or anything like that for either side, do they?

Brant Jones - So that is kind of the challenge with it, if you go to the USGS meter, there would be shrink loss, but you have to go to the diversion points. So, for the LDWA, the diversion point is the spring. For the LWC, the diversion point is the screen. And so, to take it up before that, like this time of year, there's about 200 gpm lost from the USGS through the screen, is what the LWC is figuring. And that's part of the reason they're wanting to say, okay, well, I mean, it would be like going up above the spring and saying, you know, we're going to calculate how much the LDWA gets before it gets in the pipe. That's doesn't make any sense, right? That's the only place that they can divert or that we can divert as LDWA. And then the LWC, the only diversion point that they have is at the screen. And after that there shouldn't be any more than normal water loss, which we have. We just pointed that out with these pictures, we have some normal water loss, Broken lines, things like that will happen. The point of the meters and the calculation of the lower water isn't the loss as much as how much is actually coming down through the pipe. The total volume, then you go to the

engineer's calculator, and it determines how much it has to be adjusted to make it right back to the rights that the state has given both companies. It's a little complex.

Doris McNally - a little complex? It's a lot.

Brant Jones - It would be nice if the pipes were full all the time but when it drops below the full rights for both companies it gets a little sticky.

Donald Baldwin - Does it usually do that every year?

Brant Jones - Yeah, sometime during the year, it is pretty rare to have a full water right all the way through the year.

Donald Baldwin - That's a normal year. A dry year like this, that's when you get kind of.

Brant Jones - How many years have you seen it, Aunt Susan, where there has been a full right all through the year? Never lost a B share. Can you remember a time?

Susan Savage - I think there were one or two times in the last 45 years. Pretty rare.

Chris Harvey - So, with this amount that comes back from the LWC, is that given by diverting something into a different pipe?

Brant Jones - It comes from the well. So, rather than putting the well water into the homes, we use the spring water as much as possible.

Chris Harvey - And that's a physical function where someone turns something and then LWC gets it water back.

Brant Jones - Yep, and then we have to read those meters, and the physical turning is what Mark's doing. And it's tricky because you would think when we get some nice storms like this that it would really bring up that water and it would just level out but when it dries up and it hits 110 it only takes about three days and that Springs back really low.

Mark Osmer - Plus when you get it low like that, you get all the dirty sediment and you're actually losing water because you've got to get it out of the sand trap.

Brant Jones - Yeah, you got to open it all up if it gets too bad, it'll just clog the system. Of course, when the irrigation or the agriculture water is coming out of the sky you don't need to change your sprinklers either, which is nice. So, here's that.

Doris McNally - Well, thank you. Don, do you have anything?

Donald Baldwin - I don't.

Doris McNally - Okay. Michelle, do you have anything, you typically have some things you want to report on?

DISCUSSION

WASHINGTON COUNTY CONSERVANCY DISTRICT MEETING [Michelle Peot]

CENTRAL REUSE PROJECT

Michelle Peot - Yeah. So, firstly, I wanted to talk about that drought environmental assessment for the central reuse project. For context, this is the billion-dollar infrastructure project that the Conservancy District is

working with the Bureau of Reclamation on, and they have to go through the NEPA process because some of it crosses federal land. So, we have gone through our project scoping phase, and we submitted a comment on the scope because they were barely touching the hydrological impacts of this. And then they dropped a draft environmental assessment, which is the next phase. I never got a notification of it, even though I was on the mailing list. And then apparently, they just published something in the St. George News. It never went through the normal public notification system. So, the deadline they gave for commenting was not even 30 days. So, I spent a bunch of time reading it, I talked to the Division of Water Rights about implications on aquifer recharge, and I put those together in the Document. And then for additional context, I had spoken to somebody from the USGS during the Sand Hollow Groundwater Management Plan meeting who helped to develop their hydrology model and asked him if he had any concerns that they were planning to line all of these new reservoirs. And he said he did and voiced them and was ignored. So, I'm not the only hack here with regard to raising concerns about aquifer recharge, but there's, you know, experienced water engineers at Division Water Rights or USGS that have also expressed similar concerns. So, I'm going to be offline for a week, but if folks could take a look at that draft, I will look at Doris's comments when we get out of this meeting and incorporate that and then resend the draft back out with a link to the documents for the environmental assessment, but if we could do that ASAP I would appreciate it because we have to have comments in by the 28th. The other thing that I incorporated in there, um, is that I spoke to somebody fairly senior in the Division of Water Rights and he indicated that we're pretty limited in terms of what we can do once there is an impairment, so our best bet is to try and preempt an impairment by raising concerns now, this also then establishes a precedent, should this ever go to court that we did raise these concerns early on, but part of the issue is Division of Water Rights their purview is scoped to things dealing with water rights, diversions, etcetera. When you're getting into things like, for example, you're capturing gray water and moving it to another point, that's not something that they deal with unless they're explicitly using it to recharge the aquifer, which in this case they aren't. So, for example, I gave them the hypothetical scenario of the Sitla land, and what claim do we have to any of that wastewater that would be potentially captured by Ash Creek and then put into the reuse system? And he said that from the Division of Water Rights standpoint, we have no legal right over that. So that's concerning because I think given how this project is paired with all of the things that are going on, and pushing folks on to sewer, that there are potential major changes that could happen with the hydrology that would impact us and folks like LWC. That's why I think it's important to at least document our concerns for this filling.

Brant Jones - Thank you, Michelle, for your work on that. That's a lot of work. I think you're absolutely right. And that's usually the way the state works. They don't like to get overly involved until something bad happens. But if we're not on record of stating our concerns, then it's difficult to make a stand. One question I've had on it, I read through it. It mentions tourism, what were you thinking the impact of tourism?

Michelle Peot - So the reason why is part of the justification for this central reuse project is oh, well, there's nothing we can do about tourism, nothing we can do about development. The only options we have are either to do nothing or this system. There's no middle ground, but I think there are things that could be done from the middle ground to decrease the demand. And that's something that I don't think was addressed at all in the environmental system. And the way those work is you're supposed to provide multiple alternatives and then say the pros and cons of each.

Doris McNally - So, Michelle, when you read my feedback, that was one of the things that I was suggesting is that maybe as a summation to the letter, you can say something like the LDWA formally requests that you look into this, you do this, this happens, and kind of clearly state what we feel they need to do more proactively than just saying we're doing it. So, just take a look at that because, you are so much more involved in it. But from reading it from my perspective, we did a really good job of complaining about the issues that we feel could happen, but we didn't do a good job in kind of saying, well, all this said, this is what we're asking you to do have more public meetings, have whatever. You can fill those in.

Michelle Peot - Yeah, I can summarize. One of the items that was suggested by the Division of Water Rights is I had mentioned that there is a geothermal power plant up in Beaver, and there were a lot of protests filed in the agricultural community for those water rights that would go for the power plant. And the company agreed to put in this, they called it a groundwater monitoring plan. So, they agreed and then have to scramble to do the monitoring for multiple years as part of a formal ground management plan.

Doris McNally - Once again, excellent work and thank you for being on that because I agree with you. I think we need to be in front of legal things like this and go on the record. We may be small, but we know what we're doing. So, thank you again for doing that.

SILVER CLIFF RATE STRUCTURE

Michelle Peot - No problem. And then I have some updates from the Conservancy District meeting from the 3rd. So, they had a public hearing for Silver Cliff's rate structure, but of course, there's no residents there and no one showed up from Silver Cliff's so there were no comments and so they just voted in their rate structure. I have photos of some of these things if people want the exact rate structure.

FEDERAL LAND

Michelle Peot - The next item was, I don't know if folks remember, but there were some sort of midnight amendments put in place by both Celeste Malloy and then a second time Mike Lee to try and make federal land available for sale that would benefit the county and the conservancy district, and they were kind of secretive about those parcels. Neither of those passed, so the Conservancy District now is trying to just put a separate bill through that then would allow them to procure that land. They actually answered my grammar request, so I have a copy of those maps, but it's mostly Land that would fit into this central reuse project so it would allow them to bypass NEPA if this goes through. So, it would speed up the process as far as permitting and what not?

Chris Harvey - Where are the parcels?

Michelle Peot - I can email it to you, Chris.

Doris McNally - Then once again, we finalize that other document that you put together. I think that's also something we can add to the minutes or something. Once we finalize that one.

RENEWAL FOR THE INTERLOCAL AGREEMENT WITH KOLOB RESERVOIR

Michelle Peot - Next item. There was a renewal for the interlocal agreement with Kolob Reservoir. Folks use that, which allows the candidate to manage all the camping and sanitation and whatnot up there. So, they just extended the expiration date of that.

TOQUERVILLE PUMP STATION

Michelle Peot - They approved funding for a pump station up in Toquerville to further the Toquerville Reservoir. I'll skip the Sand Hollow land procurement thing.

MUNICIPALITY AGREEMENT ISSUES

Michelle Peot - I thought this was interesting. So, there is a developer in Diamond Valley that wanted to pay for all of the infrastructure up there and then turn it over to the Conservancy District. But the board is being very aggressive about trying to force these little communities into a municipality. So, they did not approve that until St. George has the say as to whether they want to annex that or not.

ANGELL SPRINGS

Michelle Peot - And speaking of small water districts, Angell Springs came up again and they were denied any grants from the Conservancy District to help with their infrastructure and the sole proposal that was presented by the Conservancy District was for them to come up with 4-million dollars to replace all their

pipings and connect into the Conservancy District and then they had a fee increase for them. So, the folks from the present and former Angell Springs Board spoke up and just mentioned that there were other incremental things that could be done and so they agreed to meet separately with Angell Springs and some of the shareholders to try and come up with a compromise and then ultimately it would be up to the shareholders, what they want to do and potentially including having the Angell Springs annexed by the Conservancy District.

But it took me a back that they were unwilling to give them any grant money for this, even though, as the board pointed out, people have been paying property taxes to the Conservancy District for decades.

Doris McNally - I think I've heard that tomorrow night they have a meeting, and I think the shareholders, or their customers will be talking about that. Michelle, anything else you want to bring up.

Michelle Peot - Those were the highlights, everything else was kind of land acquisition things. Supposedly things are going well with their endangered species, Virgin River fish stuff.

Doris McNally - Ok, with that, we can go to shareholder comments. Any questions? Any input?

VII. SHAREHOLDERS COMMENTS

DISCUSSION

SHAREHOLDERS

HIGH-WATER DITCH RUNNING THROUGH SITLA LAND

Susan Savage - Well, I don't know that this concerns you, but I have to say while I'm thinking about it that Aaron Langston, we met with him, Brant and I did, and he's supposed to get back to us about the easement for the high-water ditch that comes through that development. So, I was wondering how we get that map to see what they are doing with this. And so maybe that's talking to Wayne.

Doris McNally - Yes, I believe that the town has a copy of it too.

CHRIS HARVEY'S REPORT ON LDWA

Susan Savage - Also if you were not at the town meeting, I think you'd be interested in reading the minutes to see what Chris reported about LDWA. It was extremely positive and, in her staff, reports she makes quite a point of how much work it takes and how dependent we are on the LDWA. And how much work is being done by the small group of people and that if people would come to this meeting, they would be able to hear, what's really happening.

OLD PONDEROSA PINE

Susan Savage - Then the third thing was just for your interest, maybe you've noticed that just up past what we call the Red Dugway, which is the sharp drop off into the canyon, the creek, before you get to the Oak Grove turnoff. Just beyond that, there's been an old patriarch a ponderosa pine that as I ride up the road it's base is right down in the stream and it's taller than my head as I drive up the road, to give perspective of its size. So, it died this summer, and we talked about could it be beetles something like that but nothing else around it is affected. And it died from the top down, so I just wonder if that's giving us some clues about something, about groundwater.

Doris McNally - Agree. And I think that there's been some interest about doing groundwater studies and things like that that we're trying to work with right now. Do you want to say anything on that, Michelle?

Michelle Peot - No, I don't have anything additional.

Doris McNally - Okay, thank you, Susan and Chris, always, you guys don't get a chance to always go to the meeting. I know you went for a little while, but at the end of the meeting, Chris was so flattering to the LDWA,

and we appreciate your attendance and your extending our voice. Because I don't think people really understand what it takes and it's very involved. But we appreciate the deeper relationship we have with town now, which is lovely.

PERMITS

Chris Harvey - Yeah, I think it was when Jeff brought up getting the spreadsheet on the permits so that there's another set of people asking who pulled a permit. I mean, I thought that was a good segue that I didn't even think of.

Doris McNally - Let me fill in the blanks for the board members who might not know what is going on. So, one of the problems we've had is, Mark will be driving around, and he'll see a build going on and then he'll call me or call Layna and say, hey, did you know that so and so is building? And we'll say, no, we didn't know anything about it. And he goes, yeah, they are putting a big building up over here and we know nothing about it. Or we'll get a request for a meter, and we didn't even have a heads up that anything was going on. So, in talking with town and one of the things we're looking to build a better relationship on; is when we hear about somebody looking to start a project or if they hear that somebody's looking to start a project, we share that information earlier than later. And one of the things that happened is with some of the recent changes and Michelle, you can correct me, but with some of the recent changes of who gets to review and approve new developments, it isn't always coming through planning. Sometimes it's just going through the person that they've hired to take a look at these things and that person speaks on behalf of the town and gives approval on behalf of the town. So, not even planning would get to see it in many cases. So, Jeff Allen at the last meeting, after he heard this, said, how difficult would it be for a list to be put together on a regular basis and shared with the council members so the council members would get to see what developments are underway? And Mayor Peterson said it isn't a problem at all. I think it's going to be very helpful for everybody because there is going to be a flux of development. I mean, it's not always going to be the 45 homes or the 700 and some odd homes over there. We're starting to already see the single fill-ins starting to increase interest in developing their properties. So, I think that the better we have that dialogue, and we give each other a heads up, the better we can stop any issues from arising between the developer, the town, and the water company.

Layna Larsen - Who is the best person in the town council or the planning to notify when we are aware of something going on?

Chris Harvey - I would say get it to Cari and then Cari can push it out to the council.

Doris McNally - And I think if it's something that's already under development, let's say like we saw that one home that was building the barn on it that we didn't know about, I think then you can add in the mayor and Chris because both of them would be watching those emails too. It's one thing if it's just a hey, we're going to start development in a month. It's another thing if all of a sudden, they are breaking ground. Like we even had that one situation where the person was building the structure on top of one of our easements and they thought they had gotten approval. I said, No, we didn't even know you were building over there.

So, I think, once again, I appreciate you raising this level of awareness within the council and also within the people in the town because it is complicated, and it's involved. So, thank you. Anything else?

Michelle Peot - I was going to add, nothing prohibits the town, it doesn't have to just be a single person. That was a choice made by the town. So, you could have multiple people on that board even under SB 174. But perhaps it sounds like there might be some process improvements with regard to notification that needs to be baked in.

Doris McNally - Right, I think once again, with the amount of development, the town will be going through either through the major developments or the individual homeowners. I think both town and LDWA will be learning a lot because we haven't really had that level of growth and buildings. At least in a long time.

Michelle Peot - One of the things that I had suggested previously is potentially having a shared spreadsheet or something where they could keep track of the different phases of a particular development or remodel or whatnot so that everybody knew where it was in the process. And that way, if something new popped up, it could be added to there for investigation. But then you're not having to call in and say, hey, what's happening with this or that?

Doris McNally - Yeah, and I think that's something when we sit down and go further with the agreement that we're looking to put forward with the town. That's one of the processes because the question is who would be responsible for maintaining that spreadsheet from the town perspective? Would it be planning or this individual that they've hired to oversee this level of development? We don't know. So, it's a good point, but I think it's a good idea. So once again, we're all learning. And at least we're in a better position where we're respectfully and actively talking with each other and doing good things.

Michelle Peot - I mean, because a good example of where we had a cap and nobody realized that the Silver Point development agreement had expired five years ago because you'd have to actually go and look at the agreement versus having a tracker.

Susan Savage - Well, just so you know, on the town council, and each of the council people has chosen areas that they want to represent when they give their staff reports. Chris is the person who does water and she's at the Conservancy District meetings along with Michelle. She's religiously there so she's there all the time and can report those kinds of things to the council as well.

Doris McNally - She does, and I think Jeff Allen has been given the mosquito abatement, correct me if I'm wrong Chris, and also the cemeteries. Aaron was supposed to be overseeing budgets. I think the first time they met they were talking about him overseeing the financial records of the Council and so I think that's his report I don't know if he handles any other things. But Chris also handles the events that go on in the town, so her hands are full she's got a few things.

Susan Savage - You can see from her being here that she is faithful. It's a big responsibility that she has chosen.

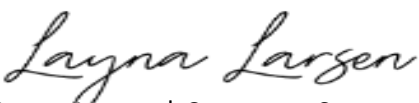
Chris Harvey - And Wayne goes to VTech he does those meetings.

Doris McNally - So any other comments?

VIII. MOTION TO ADJOURN MEETING

DISCUSSION	Doris McNally - All right, so with that, I am going to take a motion to adjourn the meeting.
VOTE	MOTION TO ADJOURN :: Brant Jones SECOND: Donald Baldwin MOTION APPROVED: Unanimously

ADJOURNMENT: 7:51 PM


Layna Larsen | Corporate Secretary