



**ANNUAL SHAREHOLDERS MEETING
OCTOBER 12, 2021
6:00 PM**

WELCOME: The meeting was called to order at 6:00 pm. 32 shareholders were in attendance representing 48 shares. Doug Child introduced himself as President of the Board. Doug also introduced all other board members as well as Thom Summers, and Annette Story. Doug explained that Ron Lackey former President of the Board has resigned due to some other opportunities and family situations that are going to be taking him out of town a lot. Doug wanted to thank Ron for all his time and effort he has put into Eden Water Works.

Doug gave a brief review of the History on Eden Water Works (see attached Power Point).

FINANCIAL REPORT: Doug is a board member and a CPA (he has been a CPA for over 35 years). Doug went through the financials and reviewed the increase and decreases throughout the income and expenses. We had an increase in income due to increase in monthly dues and paying members. We had an increase in certain expenses this year, due to some very large projects EWWC is working on that Thom will discuss in the maintenance section of the meeting. Doug stated that EWWC is a non-profit corporation and how the seats on the board of directors' work and the responsibilities of the board. Doug stated that our Net Revenue is currently (year to date) sitting at approximately \$118,000. Yearend total last year was approximately \$40,000. We are lining up to be around that this year after we make our large Weber Basin payment. Doug explained our large payment to Weber Basin Water every year and that this fee is for our rights to the water we provide, this fee is approximately \$72,000. Doug stated that as the corporation we must satisfy the charter, which is supplying water to the shareholders, which we are doing. Doug stated that we have some Work in Progress that EWWC is in the process of and some very large projects such as a new source. EWWC goal is to fund these projects through new stock purchases, grants, and loans. The goal is to not increase the members monthly fees for quite some time. Brian Hansen asked where the new share purchases are classified on the financials. Doug stated they are on the Statement of Financial Position under the equity portion. BG Fuller asked how many shares the company has available. Annette stated the way the system currently sits the State of Utah has told us we can sell 747 shares, we currently have 510 active shares, that leaves 237 shares available. We are actively looking for another source and bringing a former source (Kemmerer Well) back online. BG asked what the cost of a share is? Annette stated \$13,792. Doug explained the cost of the shares and the reasoning for the rate increase in 2019, he also talked about the growth in the valley and impact this growth will have on EWWC, and not being able to control the growth if we have water available to purchase. A shareholder stated we could probably control the growth if the shares cost \$50,000 each. Cord Pack asked if someone comes in and wants to purchase the remaining 237 shares who approves or denies this, the board or would it have to come to the shareholders. Troy Brunner asked can we make it that the shareholders must approve it? Doug stated that the board has the power to say yes or no because it would need a 2/3 vote from all shareholders if it was presented to them. Doug stated that the board would never grant large amounts of water to any

development without getting the shareholder's feedback. Tina stated that it does pose somewhat of a challenge because if we have water available and we deny a development then that's when lawsuits happen and it's hard to stand against these developers with large amounts of money. Robert Fuller asked if it be possible to adopt a system that would proportion the remaining shares throughout our existing system. Board discussed this option with the shareholders, and they think it is something to investigate and stated they would be interested into looking at a plan on how this system can be legally implemented. Cord Pack stated that it is a good idea to safeguard these shares as they are a great investment. Ruby Raccasi had sent in an email regarding the amendment to the Articles last year and the wording of a special shareholders meeting (see attached email). Doug explained the seats on the board of directors and that the board can amend or adjust the articles and bylaws. Tina stated our last bylaws were put into place in 1938. Doug stated that the articles and bylaws may also be amended or adjusted by the shareholders with a 2/3 majority vote of all outstanding shareholders. It is impossible to get that many shareholders to vote, so it is more easily done by the board members. Doug explained that wording stating voted on at a special meeting of the shareholders was an error and should have been stated a meeting of the directors of the board. We have a call into our attorney to see how to ratify the error, but he is out of the office until the end of the month. Ruby asked if we could let her know how the attorney thinks that be corrected. She is just asking as she needs to update the articles and bylaw for another system.

MAINTENANCE AND WATER QUALITY: Doug turned the time over to Thom Summers. Thom gave a brief history on the Burnett Springs. Up to 1975 none of the work was contracted out it was all installed by the members of the community. Thom stated we would not have this great company if it wasn't for the relatives of the members in attendance. We are here to protect EWWC. Thom gave a brief history of his involvement with EWWC and that in total he has been involved for 52 years. Thom asked if anyone had any questions on the flow or water quality? He stated that we have passed every test that the EPA and Division of Drinking water require. The flows compared to last year are up 27,000 gallons, the Clark East Well has pumped 270 gallons per minute and pumped every other day during the summer, it has not pumped in the last 2 weeks as we are currently able to supply enough water from just the Burnett Springs. Thom thank all the shareholders for there efforts in keeping the usage under the 20,000-gallon allotment. 70-73% of the shareholders never went over the allotment per month. The TED rates were not put into effect to be punitive but was effective in making sure we were still able to supply water during the drought and cut the abusers water usage down. BJ Hogge asked if the TED rates really were effective? Thom stated absolutely. Tina stated that the intent of the company was to provide water to homes, animals, and water gardens. We need to stick to the intent of the company. A question was asked what is the average usage for a house holder? Thom stated during the winter it is approximately 5,000 gallons/month, during the summer 18,000 gallons/month. BJ asked if the rated could be permanent. Annette stated someone would just need to make a motion. Doug stated the motion would need a 2/3 of all shareholders vote, but you could motion for the board to consider making it a permanent increase. BJ Hogge made a motion for the board to consider keeping the TED rated effective, Corby Young seconded, Annette asked if anyone was opposed, Troy Bruncker was opposed. BJ asked Troy his reasoning. Troy stated he knows a family that is struggling to keep it under the 20,000 gallons right now and they are not using it for outside use. Shareholders discussed the pros and cons, Robert Fuller stated he has been struggling to keep it under 20,000 because he does not have secondary water, so he must use the culinary to water his cattle. In total 5 shareholders were opposed. Thom

suggested the first 20,000 gallons as is, the next 20,000 at a reasonable rate for people using for the intended purpose of the company, but after the 40,000 gallons then it becomes punitive. Mike Binkerd stated how about a CARES rate that takes into consideration the elderly, low income, or people using it for livestock use. Thom stated that maybe hard as we must treat all shareholders equally. Mike asked about making an agricultural share since we have a commercial and residential share. Doug suggested that the board look over the rate structure and come up with a reasonable plan and send it out to the shareholders for input. Shareholders agreed. Thom explained that EWWC has hired JUB to GPS the entire system including valves, lines, hydrants, and all meters. We have also hired JUB to put together a master plan and model of the system. This master plan prioritizes improvements, pipe size to adequately provide fire flow, engineering estimates for the improvements. After the master plan is completed, we can have an impact fee study completed to see if the cost of shares needs to be increased. A question was asked if this master plan will include pipe sizing for future growth? Thom answered yes, they project on a 40-year growth plan. Thom explained getting the Kemmeyer well reactivated and into use. A shareholder asked if getting the Kemmeyer well back in operation will it add to the shares available in the company. Thom stated yes probably a few 100 additional shares. Craig Bradford asked if the new development of 240+ homes on the west hills has Thom worried as far as septic systems. Thom explained the source protection zones and that this subdivision is going to be required to install a pack bed septic tank. Craig also asked about the water testing on the Kemmeyer well. Thom stated it is high in arsenic and that we must blend the water with the spring water. Once it is blended the level is with in the allowable levels and can be used. Craig asked if he could get a copy of the monthly testings. Thom said yes, they are available at the office. Thom did state that the septic systems and the irrigation water is his biggest concern in the valley. Thom explained that EWWC is looking to purchase land to put a new well on. The land is looking at costing between \$250K - \$400K. The cost for land, a test well, and then to drill a well, piping, etc could possibly be a couple million dollars. Thom then explained that Weber Basin Water and Weber County are looking into options to help with the water situation in the valley. One possibility is to build a treatment facility, treat the water out of Pineview, and wholesale water to the water companies in the valley. There is \$50 million dollars from the federal government available for a possible project. They are working to get \$50 million in addition from the State. Thom asked if anyone had any other questions. Shareholders thanked Thom for all his work and knowledge of the system.

ELECTIONS: Annette Story presented 1 seat (Seat A) that is vacant (Ron Lackey's) and 2 seats (Seat B) that are up for election/re-election. Annette asked if there were any nominations for Seat A that is currently vacant. Thom Summers nominated Chris Hogge. Chris was unable to attend as he was out of town, but Thom has spoke with Chris and he is interested in sitting on the board. Thom gave a brief history on Chris and stated that he just retired from Weber Basin Water. Zane Froerer seconded the nomination. Jason Dalpias nominated himself. Jason gave a brief history on his self and stated that he has a background as a hydrogeologist and is currently working at HAFB. Doug Child seconded the nomination. Zane Froerer closed nomination for seat A. Annette handed out Ballots, Steve Spencer and Annette Collected Ballots. Thom Summers and Annette counted ballots. Annette announced that Chris Hogge is now the Seat A director.

Annette asked for nomination for the first seat B (Jon Werner's). Zane Froerer nominated Jon Werner be re-elected, seconded by Steve Spencer. Doug Child nominated Jason Dalpias,

seconded by Tina Allred. Nominations were closed by Zane Froerer. Annette handed out the ballots, Steve Spencer and Annette collected ballots, Thom Summers and Annette counted ballots. Thom announced that Jon Werner was re-elected.

Annette asked for nominations for the second seat B (Doug Child's). Thom Summers nominated Doug Child. No other nominations. Robert Fuller made a motion that Doug is re-elected by acclimation. Zane Froerer seconded the acclimation, ayes carry.

LIST OF ACCOMPLISHMENTS

- ▶ Consumer Confidence Report completed in March 2021
- ▶ Board Members Volunteered 209 hours
- ▶ Current number of Shareholders is 510 (14 new since last year)
- ▶ TED rates were effective. Thank you to everyone for helping with the drought situation.
- ▶ 2 Water Operators attended the Spring Conference and renewed their Operator certification, both operators Thom Summers and Matt Summers are D4. Highest level of certification.
- ▶ Working to bring Kemmeyer well back online and in use.

QUESTIONS/COMMENTS/CONCERNS:

Doug asked if anyone had any questions/concerns. None were presented.

Thom thanked everyone who attended the annual meeting.

Motion to adjourn the meeting was made at 8:16 pm by Zane Froerer, seconded by Steve Spencer and the ayes carried.