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# *Memorandum*

To: Hon. Bill Hoster, Mayor, and  
Members of the Leeds Town Council

From: Janelle Eurick Bauer, Attorney (Curtis R. Ward, P.C.)  
Richard B. White, Consulting Civil and Env. Engineer (Richard B. White, PE, PLLC)

Date: November 24, 2025

Subject: The Cove at Silver Reef,  
Potential Future Environmental Costs

## **BACKGROUND**

The Cove at Silver Reef is a residential development planned for construction in an area that was the subject of significant mining activity in the late 1800s and early 1900s and then again in the 1950s. This historic mining activity left waste rock and other mining-related materials on the area of the planned development.

To resolve potential environmental concerns, the owner of the property (Silver Reef Investment Holdings, LLC – “SRIH”) conducted significant effort under a Voluntary Cleanup Program Agreement with the Utah Department of Environmental Quality (“UDEQ”) to assess and clean up legacy contamination resulting from prior mining activities before developing the site for residential use. A Certificate of Completion was issued by UDEQ on August 20, 2024, indicating that all proper actions had been taken to render the site appropriate for residential development.

## **FUTURE MANAGEMENT OF ENVIRONMENTAL CONCERNS**

As required by the Voluntary Cleanup Program Agreement and approved by UDEQ, a Site Management Plan (“SMP”) was prepared following cleanup of the property to ensure that the site remains in a condition acceptable for residential land use. This SMP requires annual inspections of the area as well as actions to control exposure to potential contamination that may occur during site construction and to prevent erosion from certain areas within the planned development.

An Environmental Covenant (“EC”) has been recorded with Washington County, thereby keeping the SMP in effect in perpetuity. This Covenant designates that the responsibility for implementing the SMP rests with the site owner (SRIH) prior to final development and then with the Homeowner’s Association following development. Under the EC, if SRIH, the Homeowner’s Association, or any other future owner of the property fails to comply with the EC or SMP, the responsibility to make the required repairs or maintenance primarily falls back on UDEQ, not the Town, to ensure public safety and environmental protection standards are met.

## **LEEDS TOWN ENVIRONMENTAL RESPONSIBILITY**

Although the Town has no environmental responsibility under the SMP or the EC, the Leeds Town Council has expressed concern regarding potential costs to the Town in the event SRIH or the Homeowner’s Association fails to perform its obligations under the SMP or EC. Actual

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costs associated with implementation of the SMP for the past five years are summarized in Table 1. The consultant hours and mileage include round-trip travel from Draper, Utah as well as inspection, minor repair, and report preparation time. Costs for UDEQ oversight of the inspections and review of the annual report are also included.

Table 2 provides estimates of potential future costs associated with implementation of the SMP. The costs of annual inspections and minor repairs provided in Table 2A are based on the consultant traveling from Salt Lake County. Lower costs would occur if the consultant traveled from the St. George area. The responsibility for these costs lies with SRIH or the Homeowner's Association, not Leeds Town. A comparison with Table 1 indicates that the estimates in Table 2A are conservatively high.

Table 2B provides an estimate of the time that an independent consultant would spend reviewing the annual inspection report if the actual cost of inspection and reporting was borne by SRIH or the Homeowner's Association as required by the SMP. This independent review cost would be borne by the Town only if the Town felt a need for such a review. Nothing in the SMP or the EC requires that the Town contract for an independent review of reports generated from implementation of the SMP.

**TABLE 1**  
**Actual Environmental Inspection/Minor Repair Costs,**  
**2021-2025**

Year	Consultant Hours	Vehicle Miles	Field Supplies	UDEQ Invoiced Amount
2021	15.0	542		\$ 2,420.00
2022	14.0	567		\$ 55.00
2023	17.0	546	\$ 1,768.00	\$ 690.00
2024	16.5	543		\$ 1,375.00
2025	14.5	520		
Maximum	17.0	567.0		\$ 2,420.00
Minimum	14.0	520.0		\$ 55.00
Average	15.4	543.6	\$ 353.60	\$ 1,135.00

**TABLE 2**  
**Potential Future Environmental Costs**

A. Routine Annual Inspection and Minor Repair Cost

Item	Units	Quantity	Rate	Amount
Inspection, Minor Repair, Report	hr	20	\$ 150.00	\$ 3,000.00
Mileage	mi	600	\$ 0.70	\$ 420.00
Field supplies	ea	1	\$ 400.00	\$ 400.00
UDEQ Oversight	hr	20	\$ 120.00	\$ 2,400.00
TOTAL				\$ 6,220.00

B. **Leeds Town** Independent Review of Annual Inspections and Minor Repairs

Item	Units	Quantity	Rate	Amount
Independent Consultant	hr	4	\$ 150.00	\$ 600.00