

Cottonwood Mutual Water Company

Board of Directors Meeting Agenda

Tuesday, December 18, 2018; 5:30 PM

Board Members:	Brandon Love	District 1	2016
	Robert McConnell	District 2	2016
	Jim Collins	District 3	2018
	Devin Miller	District 4	2018
	Doug Dingman	Member-at-Large	2018
Staff:	Mike Johanson	President	
	Mona Wald	Secretary	

Visitors: Clint Wasuita, Kent Wilkerson

1. President

- a. Call meeting to order - *Meeting called to order at 5:35 pm.*
- b. Declaration of conflict(s) of interest. *None*
- c. Approve meeting minutes from September 25, 2018 - ***Brandon Love made a motion to approve the minutes; seconded by Devin Miller. All present voted in favor.***
(Rob McConnell and Doug Dingman arrive to meeting)
- d. Approve share cancellations & re-issues – ***Robert McConnell moved to approve the share cancellations and re-issues; seconded by Devin Miller. All voted in favor.***

2. Public Comment - ***None***

(Brandon Love was excused at 5:45 pm)

3. Business of meeting

- a. Mike Wasuita wishes to approach the board and discuss options for funding the water line installation on Powder Horn Rd (i.e. cost sharing or pioneering agreement, etc.) for providing water to a future home for his son and consider amending the "will-serve" requirement
 - Kent Wilkerson presented various options to the board:
 - a) Cost sharing split 50/50 (preferred by Mr. Wilkerson)
 - b) Pioneering agreement
 - c) Stay with status quo, meaning make developer pay for entire project

Mike Johanson read Article 10 (Expansion of Water System, p. 13) of the Cottonwood Water Company Bylaws, which states: "(5) any and all required additions or changes to the Company's facilities needed to provide the additional service shall be constructed, at the cost and expense of the new member(s)." He prefers that the developer pay all costs up front and get reimbursed as new homeowners build, however nearby neighbors do not have a fire hydrant and the expansion could help to cover the cost for that. Kent Wilkerson laid out the conditions for the Pioneering agreement, but Rob McConnell explained that Pioneering agreements rarely extend beyond 10-15 years and are hard to track, among other concerns. He stated that having a Pioneering agreement would create a risk for the water company, which the company is not willing to take.

Discussion about potential piping layout and cost sharing options continue until 6:38 pm, when item was tabled pending receiving future financial info from Wasuitas on the costs of pipes/materials.

Devin Miller asked to be dismissed from the meeting at 6:38 pm and asked to table and moved to table item 3d (MOA proposal to open Silver Leaf Lake to recreation) and asked to be excused from the meeting at 6:38 pm. Rob McConnell seconded the motion. All voted in favor.

Rob McConnell moved to table item 3a pending further financial details from Wasuitas; Jim Collins seconded the motion. All voted in favor.

A conversation ensued regarding the logistics and water capacity of the Silver Leaf reservoir, which is currently at 285-acre feet, however 26-acre feet of that is soot according to a recent survey. The water company is working with the Division of Water Rights to increase the current capacity of storage in the reservoir, which is not kept so as to reduce the number of safety inspections required. The water company is concerned that more water enters into the reservoir than exits, so during especially wet seasons water is released down the emergency spillway, which affects some residents' private property, which cannot continue to happen.

- b. **Gardner Cottonwood Creek desires a "will-serve" for 68 lots in phase 5 of the Cottonwoods.** Mike J. informed the board that Gardner will be the developer while DRM will build the homes. Secondary water will irrigate the common areas and so they are requesting for indoor connections. They have sufficient source and storage to meet the demand with capacity credits of 605,540 gallons in lower zone, 322,564 in middle zone, and 99.99 gallons of source (includes the million-gallon storage tank).

This development will require 227,200 gallons of storage, 38.08 gallons of source, and 30.6-acre feet of water right, which they currently do not have for this project. The will-serve given will have to be contingent on putting sufficient water right into their company.

In the past, the water company has required new customers desiring Weber Basin water rights, such as the elementary school, to put the water lease in our name and to be responsible for paying the deposit as well as the first year's lease payment up front. They would then be invoiced for the lease payment again until they are built out.

We would require the same with Gardner Cottonwood Creek, which is to pay the deposit on the water lease, as well as the first year's lease payment until all the homes are built. Once the lot sells, we will issue the homeowner a standby fee until construction after which the water right fee would be included in the amount of the monthly water bill. As Weber Basin increases their cost on the contract, we will have to consider raising our own rates to cover that cost.

Rob McConnell declared a conflict of interest and would not make a motion on this item. With insufficient board members present to vote, Mike J. proposed that he would send out the vote electronically.

– Doug Dingman made a motion to issue a will-serve contingent on the water rights needed for the 68 lots of phase 5 for Gardner Cottonwood Creek. Jim Collins seconded the motion. Doug Dingman, Jim Collins, and Brandon Love voted in favor. Rob McConnell abstained from voting.

- c. **Scott Trageser desires a "will-serve" for a 4750 SF building located at the NE corner of the Scotsman Center. They will have 10 parking spaces, three toilets,**

two sinks and be open five days per week, nine months per year. Mike J. said that the building will have 30 people per day (according to the R309-510 rules) for a dance studio. Mr. Trageser wanted to run a water line from the building and use their connection, but Mike J. stated that this should be considered a new connection, needing its own meter and water line. Their demand on peak days would be .625 gallons per minute (instantaneous peak days 1.25) and fire flow of 6,000 gallons, but we currently have 454,500 gallons of fire storage in the lower pressure zone, so there is not a need to expand fire storage. The equalization storage is 400 gallons. This connection is similar to one residential connection, though the gallons per minute are a little more. The water right for the indoor connection will be .41-acre feet, but is close enough to the equivalent of one irrigation.

The Scotsman has 8-acre feet of leased Weber Basing water under the name of the previous owner of the Scotsman. The Scotsman is paying the lease payment, though it is not in their name. Their water usage shows that they have not been using 8-acre feet, so Mike would like to see if the Scotsman would assign that water right assigned to the water company, so they can use 4 or 5-acre feet water right to that building.

A discussion ensues among the board members about the logistics of providing water and capacity credits between Rulon Gardner and Tragesers.

Rob McConnell made a motion to approve the will-serve verifying that there is source, storage, and water right to make the connection for the Scott Trageser building located at NE Corner of the Scotsman Center (4750 Old Highway Rd). Doug Dingman seconded the motion. Robert McConnell, Jim Collins, and Doug Dingman voted in favor.


- d. **ITEM TABLED** - Discussion / Decision on Cottonwoods MOA proposal to open Silver Leaf Lake to recreation
 - e. Discussion / Decision authorizing the payment of the 2019 Weber Basin Water Lease of \$91,991.28. This is for 366 AF of leased water for an average of \$251.34 per AF.
Rob McConnell made a motion to approve the payment of \$91,991.28 to Weber Basin for the 2019 water lease. Doug Dingman seconded the motion. All present voted in favor.
 - f. Discussion / Decision on 2019 budget – Board discusses budget items and will continue discussing in future board meetings.
 - g. Discussion regarding 2019 Annual Shareholder Meeting
 - i. When – Bylaws state to hold in March, but due to the difficulty in securing the school building in the past, meetings have been held in April
 - ii. Where
 - iii. Terms ending: Brandon Love, Robert McConnell
 - iv. Election protocol – Consideration and discussion of voting through mailed ballots
4. Reports from president
- a. Lawsuit update – Held deposition with Doug Durbano on November 29th.
 - b. Garage construction

c. Change application filed on 330 AF – Mike J. has been working with Barnetts for this. Browning and Highlands have protested and will be heard sometime in January or February, but the change application will likely be approved. With the municipal right we can show the ability to expand our system and provide additional connections without increasing the water rights because we are maximizing the beneficial use. In the long run that will offset the cost of the annual lease payment because there will be more people participating, which will save on the cost.

5. Board member questions/concerns – None

6. Adjournment of meeting – **Rob McConnell moved to adjourn the meeting; Doug Dingman seconded the motion. All present voted in favor.**

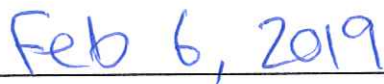
Meeting adjourned at 7:30 pm.



Mike Johanson, President



Monalisa Wald, Secretary



Date Approved