

Cottonwood Mutual Water Company

Board of Directors Meeting Minutes

Wednesday, September 13, 2023; 6:30 PM

Board Members:

Earlene Lee	District 1	2022-2025	Present
Mark Greenwood	District 2	2022-2025	Present
Heidi Dorius	District 3	2021-2024	Present
	District 4	2021-2024	
Sean Dorius	M at L	2021-2024	Present
Mike Johanson	Manager:	Present	

Visitors: Forty-six (46) signed in with approximately twenty-five (25) listening online. See attachment posted with minutes.

1. Vice-President: Heidi
 - a. Call Meeting to Order: 6:30 pm
 - b. Declare any conflicts of interest: none
 - c. Specify Allotted Time for each agenda item: 15 minutes.
2. Appointment of District 2 Representative – Mark Greenwood, He introduced himself.
3. Approve Share issuance, cancellations, and re-issues: One correction was caught and corrected. Unanimous in favor of the correction
4. Approve meeting minutes of March 15, 2023, August 9th, board meeting and August 15th work meeting minutes. Heidi motions to approve all minutes. Earlene 2nd unanimous
5. 2202 Audit Report by McKinna Myers from Child Richards.
 - Explanation Fixed Assets, Income, and operating expenses.
 - New Accounting Policies (page 8 packet) Retained earnings changes due to new leasing standard.
 - Disaggregation of revenue & performance obligations (page 11) breaks down the revenue we are receiving.
 - Separate packet of the deficiency findings. Due to the small size of the office, cash receipts, controls over disbursements of credit card, and pay rolls need to be checked by board member before & after payment.
 - Need to have a formal approved budget by the board, with documentation of any changes. Mike is currently working on a budget.
6. Discussion regarding Silver Leaf Reservoir and bids to purchase.
 - Appreciation to all those attending the meeting.
 - Heidi information of the different offers for the Reservoir in the past years. Went to the state to check on the water rights for the Reservoir. More developers that have water they want out of the reservoir. Still unable to get any information proof requested from MGSWC. Water right 35199 from state total of 150-acre water feet, breakdown 111-acre feet to DURST, 20.47 to MGSWC, and 20.47 to Wilkinson Family Farm.
 - Remarks from Wayne Johnson bring up the boards Legal counsel and why we had to change.

- Noel explains her thoughts on water rights and who owns them. As a shareholder and as an MGSWC board member.
- Eric Plyer (DURST) defends his ownership of water rights in Silver Leaf.
- Bill Coutts is concerned if the reservoir is sold. #1 Result in reduction of current service area, #2 if you sell are you guaranteeing current users still get their current capacity, #3 Will it affect current or new water storage capacity? Also questions regarding Bylaws Article 9 and 10 and Section 12. Heidi addressed that we are culinary water company not secondary water company.
- Mike Johanson explained that how agreements came about. 2014 Mike claims that the storage capacity agreement with MGSWC on the reservoir granting them a property right in the reservoir, although Eric Plyer owns a water right, that administrative decision about storage capacity in the reservoir is an administrative right only, it takes both. In order to get it, they have to establish it through court order. Which MGSWC would have to pay the legal fees.
- Mark Greenwood purpose that the Board speak for 15 minutes and purpose that the remainder agenda items be moved to next meeting. Heidi would like to keep the points of diversion on tonight's agenda. Mark makes above motion Earlene seconds unanimous.
- Marks second motion that board has 15 minutes to discuss and after that each person will have two minutes and we'll go as long as we have to. Heidi seconds it Unanimous. Agreed by most shareholder present.
- Heidi address CMWC doesn't want to be between the two water companies and the water agreement. We are unable to get the necessary information from MGSWC, who has threatened to sue us a couple of times, and the information out there is biased and misleading. That's why we proposed it to the two water companies that are our shareholders. The requirement that they knew with their bid, was that they must take on the water storage capacity agreement. It should not, as long as the agreement is being run correctly, they have to take that on. In the 2014 agreement the storage capacity agreement only has 150 -acre feet that is able to be leased. Do you know how many homes have come in since then? We cannot guarantee, I apologize, that you have enough water. That was what you were guaranteed that was our agreement 150-acre feet, that is what you have.
- Mark Greenwood comments on working together and working out our differences have to happen for everyone to be able to move on to a bigger picture. No one is going to be happy by the end of the compromise, but at least we will be moving forward. We will at least have the ability to make decisions for the community. FOCUS ON THIS TOPIC ONLY and state your name, and who you are representing. Raise hand.
- Noel Dunkley shareholder. What is DURST offer and does it say what their intention for the reservoir? Mark There are two offers available for anyone who wants to see them we can make a copy for you.
- Eric Plyer gives his time to Ray Nettleton Owner of DURST to explain his offer. Not here to disrupt the water and just want the water that belongs to them. We will use what we need and the extra will go to the community. They also have difficulty working with MGSWC. Eric Plyer wants to purchase it and be good stewards.

- The \$300,000.00 bid to make improvements due to the AMEC Report. The cost would be much less if we just kept the 50-acre fee that we need. But to store the water for MGSWC use we must do those repairs. If another water company wants that storage, they can take on the cost, so that is another reason we would put it up for bid.
- Male: can board sell it without a vote of all the shareholders? Title 16.6a.12.02 Board can from our interpretation of the Title Need's attorney knowledge. We can open up to the shareholders. David Gossling suggests that HOA own it & was told to enter a bid,
- Bill Coutts President of MOA: The MOA is not set up to own the reservoir.
- Gretchen Sheffield: What percentage of culinary water users are secondary? Mark 72% but don't know for sure. MGSWC has 100 acre-feet in Northside Creek of secondary water but the developer refuses access. Why? Noelle can answer that question after the meeting.
- Raelene Blocker: We are all neighbors; we all have great ideas that we can collaborate and bring together. People go home and think about how to solve the problem, send a email and if the board is willing to read all ideas work together we can make a really good decision.
- Matt Bingham: Need to come together as shareholders. Need another meeting and discuss operations. There's way more that needs to be solved that can't be solved here.
- Andrew Phillips: Rulon Gardner is on the MOA board also.
- Wayne Johnson: Board members are on the board for the good of the people. Need a new board with fresh people come into it with open minds and run it for the good of the people.
- Tyler Nielsen: Has there been any engineering studies that outline impacts of the actions that were purposed? How much water is there, how much water do we need, what is going to happen to secondary & culinary water?
- Mike Johanson: A hydraulic study done a few years ago, also an impact facility study and now working on our current source availability and what would happen in the future and what it would take to maintain certain levels of service.
- Ron Hartman: Needs more cooperation together. If there are any conflicts on the board, they need to reclus themselves. Bring more of our community onto the board to help make these decisions as a community & shareholders.
- Alesha Archibald: With what has been happening at this meeting tonight, clapping, Oh yea! Oh yea!, people looking at people like "Yup that's you" You're sitting in this meeting say "come together" but and you are doing exact opposite of these people here on the board. Is it possible to disagree, but can we work this out together?
- Trevor Compton: Is there a benefit for the shareholders and with the distrust with the Northside Creek Development, why are we trusting a developer to do what they say? The benefit is the CMWC will have storage that we need to have, that is already available. That part of the bid is to take over the 150-acre storage agreement.
- Jake Allred: Concern regarding a conflict of interest here. Also baffled that shareholders do not have access to the documents.
- Dustin Dayton: How many board members are secondary water holders? Right now, only one but not a full board. Next elections to change board members they can be recalled.

- Sheila Wilkinson: The fight is against Gardner’s and Johnson” who want to control all the water.
 - Conversation with Duane Johnson and Heidi over proof of water for the Will Serve for Lee’s market. CMWC was never given any type of proof of water from Weber Basin or MGSWC and so the will serve was never issued.
 - Lynn Stevenson: Clarification on the paper trail for a will serve instead of verbal agreement. Is that why we don’t have the tank because it was a verbal agreement instead of a written agreement? Mike answers We were working out the agreement,
 - Nathasha Plyer: If MGSWC buys the reservoir shareholders will pay for it, but if DURST buys it, they will pay for it, not any shareholders.
 - Blair Frederickson: Wants to send in his application to be on the board.
 - Jason Johnson: What is the duration of the contracts of the culinary & secondary storage? Renewed every 5 years How many shareholders that don’t have secondary water that don’t have secondary water. DURST Water company has the States administrative right to store water and then MGSWC does not, according to the State, unless you recognize an agreement, they made with DURST Water Company.
 - Buster Delmonte: In understanding this correctly, as a shareholder, in ownership, generally speaking is better that not owning something. I want it registered that tat this point, I haven’t heard enough in favor of selling an asset that I believe I am part owner.
 - Jeremiah West: Want to put in bid 41,000.00 bid.
 - Louise Early: What is the timeline for the board to make this decision? Heidi no due date or pressure point. Will be discussed the grievances that have been brought up. Will announce the decision in public meeting.
 - CLOSE THE COMMENT SESSION OF MEETING
7. Well points of diversion. Mark wants to know what is going on with the well and not off speculation. Mark hesitant to pull the diversions but want to talk to Lee’s before we move forward. To find out what is happening there. Hold off until the next work meeting.
 8. Mike claims there is a hydrant meter agreement and will get a copy of it to the board.
 9. Motion to adjourn Earlene Heidi seconded Unanimous.

Next Work meeting Tues Sept 26th Interview any applications received for District 4.