

Cottonwood Mutual Water Company

Board of Directors **Work Meeting Minutes**

Friday, November 18, 2022; 7:00 PM

Board Members:

Earlene Lee	District 1	2022-2025	Present
Blaine Murray	District 2	2022-2025	Present
Heidi Dorius	District 3	2021-2024	Present
Dave Dutson	District 4	2021-2024	Present
Sean Dorius	M at L	2021-2024	Present
Mike Johanson-	President / Manager		Present
Jennifer Jensen –	Secretary/ Treasurer		Not Present

Visitors: None

Heidi suggests changing the order of Agenda discussing item 2, 3, then 1. Then moving on to the remainder of the agenda as time permits. Other board members agree to only address the first three items on agenda moving starting with item 2 first.

2: Board Member oversight & Responsibilities:

Past boards have not identified in any one area as suggested in bylaws, each member has an office or responsibility to one specific area and then bring their knowledge and then share what they learn with rest of the board. More active role for each board member. Check and balance to protect each member.

Regulation coming down: Copper/lead connections. Completed by 2023. Explained by Mike. Discussion of how to determine what type of connection and how many homeowners are involved. Homes built before 1979. Possible 80-90 homes.

(17:40) Tie together some of the responsibilities then assign them to a leadership officer. Calendar the vote on the December 15th meeting for officers & their responsibilities. Officer not needed to be member of the board. Post on CMWC website if there are any shareholders that might be interested in being involved as an officer or a member of a committee.

Mike brought up the Policy & procedure process of obtaining a Will-serve (22:34) Fees collected & not collected from developer. Fee structure. Part of application will be the fee and payment. Never charged developer for planner review. Connection fees cover it. Come up with a fee schedule.

Decide on December 14th @ 6:30 PM next meeting to vote on officers. Put on website that the election of officers and & potential volunteers interested and reference then to the bylaw; Section 4. Also send out an email or put a note on the billing postcard to go to the website.

Possibly assigning a member to focus on updating the website.

Dave: Treasure

Earlene: Secretary /

Sean: planning & development

(36:08) discussion on some shareholders contacting the office and not receiving their billing card. Put on the website what to do to solve it. Will send out notices on bills & CMWC website that electronic billing will be an option starting in January 2023.

3: Financial Review:

(45:40) Handout supplied by Mike

Questions by Dave & answered by Mike.

Profit & Loss Report Cash & Accrual Basis Different between Cash Basis (in hand) & Accrual Basis (outstanding bills) shows as revenue. The difference between cash & accrual is what you collected. # \$3,000.00 still owing in stand by fee which original fee is \$250.00 each. About 60 of them are past due. Interest is being applied. No share certificate attached to property. Must be paid to get certificate. Money collected in 2022 that was due in 2021. Also paid 2021 bills paid in 2022. Mike and Dave will discuss questions Dave has at another time & bring their findings to the board at a later time. Question amount of Legal fees Could would be audit. Legal fees \$26,386.50 huge increase from past. For Amended bylaws cost. (Follow up to make sure what the Attorney fees were for (1:00:41) Payment for tallying votes for elections. Discussion regarding the counting of the votes and why it took 11 hours to count them. Counted three times once each for absentee, in person votes & proxy votes. Completed by Accounting firm of Childs & Richards.

Budget preparation 2023 Calendar year: (1:11:00)

Mike suggests that we hold a Shareholder meeting in March or April with the 2023 budget.

Board members compensation of \$50.00 for each board meeting.

Personnel Budget: Mike Johanson salary, Jennifer Jensen 35- 40 hours & Kevin (maintenance) part time 25-30 hours.

Question regarding health benefits. They received 13 % of their salary to apply to how they seem fit in outside retirement or insurance.

Yearly bonuses that are in the budget for 2022 will be paid out but will be re-evaluate for next year.

Need to have a basic of performance or something, possibly going beyond expected work performance to qualify.

Discussion on possibly clocking in and out of each day rather than written time sheet. Jennifer works 9-5:00 pm on a four-day week, including board meetings.

1: Will-serve Request (1:26:08) Pictures from Mike Lee's market

Heidi questions how we are going to treat the developers when requesting will-serves, now that there are new developers requesting. The representative of Lee's market (Zack) and Mike have a meeting scheduled with on Tuesday November 22 at 10:00 AM on the whole Lee's project. Ray Nettleton reached out to Heidi for the next meeting. Heidi told him to send a letter to Mike and he will get it to the board. Concerns that something got passed by the planning commission with a phone call to the developer. (1:30)

Mike claims he sent a letter to the county that was subject to our approval. Mike met Rulon Gardner and discussed the amount of water rights identified enough water and credits but was not approved by the board. Lee's project is now adding lot 4. They claim they have more than enough & will divide it including lot 4. Shane from county passed due to phone call, without a Will-serve from CMWC.

Dave explains about agreement (1:36: 00) Must live up to contract made in the past with Gardner.

CNWC also billing & for secondary Water Company Mike doing both for a time, but no longer work for them,

(1:45:15) County passed without our will-serve so they have no water. It will be discussed that the amount of water assigned was too much. Blaine suggests that we need to pause to sort out issues with Lee's. Lot 4 not included in the ERU. Lee's felt calculation was too high so they will put one share into lot 4 to get approval. Rulon has the capacity they need so it was passed by the county. No formal will-served was issued for Lee's project.

1:53:21 If something has changed from the first proposal for Lee's market, then we need to just wait. If we had everything in writing, this would not have happened. Need to have the application filled out and approved before will-serve will be issued. Mike provided a rough draft of a Will-serve application.

Looking over application, needs date after 1 year expires, fees needed to pay. Also includes the information needed regarding secondary water. The application needs to be approved in the December 14th meeting.

(1:58:39) Ray Nettle MCCWDG

Sent letter & board reviewing: Dated November 18, 2022, to Morgan County Planning Commission regarding MCCWDG. To be able to start work on tank regarding the upper presser zone. Wants to get Will-serve so they can proceed. Ray has come several times in the past, and, if he meets all qualifications, a will-serve will be issued.

Blaine asked, why before December 8th. Due to the fact that Ray has attempted several times int the past and if he has met all the requirements, the board will vote by electric board meeting to approve discussion on future development.

Prior to our next Board meeting, the board will be having an electronic business meeting to vote on action on the MCCWDG / Ray Nettle Will-serve. The vote will happen on November 30, 2022. Any shareholders that might have questions or concerns can send letters to MCWC prior to November 30, 2022. Notice will be posted on the Website.

Ponderosa (2:09:20) 25 lots See handout supplied by Mike

Request Will-serve again, has been in several time requesting but board has denied. Due to the two wells that are being developed will not affect the pressure that is needed and hasn't got. Put on Dec agenda of the request for Ponderosa. Our system is not set up to boost the water to supply pressure for the hydrants. Letter of denial needs to be worded carefully for the reason why denied and what he needs to do for reconsideration. Mr. Durbano depends on Gardner for the water source but right now Gardner hasn't the water. Gardner suggested a conditioned Will-serve, which we can't approve. Mr. Durbano suggested getting booster pumps that CMWC do not want to do.

Property Must have 40 PSI culinary for fire hydrant.

Will review the generic Will-serve and start using it and adjust it as we use it, and questions arise.

2:31:13 Motion to exit work meeting by Dave 2nd by Earlene Unanimous

Next Board meeting scheduled for December 14, 2022.