

Cottonwood Mutual Water Company

Board of Directors Meeting Minutes

Wednesday, December 13, 2023 6:00 PM

Board Members:

Earlene Lee	District 1	2022-2025	Absent
Mark Greenwood	District 2	2022-2025	Present
Heidi Dorius	District 3	2021-2024	Present
Matt Bingham	District 4	2021-2024	Present
Greg Watkins	M at L	2021-2024	Present
Mike Johanson	Manager		Present

Visitors: Robert McConnell, Sean Dorius, Sheila Wilkinson, Lynn Stevenson, Ray Nettleton, Zach Swenson, Ted Taylor, Bill Chipp, Jared Mitchell, Jonathan Badger, Reg and Janda Busson. Wayne Johnson on Zoom, from Recording Lilian Allen

1. President Mark Greenwood
 - a. Call Meeting to Order:
 - b. Declare any conflicts of interest: None
 - c. Specify Allotted Time for each agenda item:
2. Approve meeting Minutes for November 8th Board Meeting: Discussion on procedure on how to suggest changes, or more detail in the minutes. Possible to have Audio available. Suggested to address the procedure at another meeting in January. Mark motion to move to approval minutes to January. Matt 2nd Unanimous.
3. Approve Share issuance, cancellations, and re-issues: Mike clarified the new shares certificates questions. Matt motioned to approve; Mark 2nd All in favor.
4. Lee's Marketplace & Ace Hardware Will Serve Discussion and Vote: (6:01) Board will have discussion, open to questions by visitors on this topic only (2 Minute time) final round of discussion from board and possible vote. Each board member will state their viewpoint. Mark: 7:54 Shared Information from Lee's regarding water, storage & source, Water right with Rulon and purchase from Weber Basin and application needs the water company that will serve them. Lees are waiting for a will served as to what water company to put on their application. Received letter from Rulon Gardner regarding the Water storage from the Rollins Tank, along with two wells on site. There is source available due to the changes of lot sizes in the Meadow Park East development have freed up 15 ERU's. Discussion on the parcels on the plat of land with 1 ERU each plat. Also, Highlands Water Company, incorporating it into their service area. What does the PSC preclude us from moving into that area. Attorney McConnell forwarded a letter from Marjalee Smith from Highland Water Company, that the petition be disregarded and that the different water companies can co-exist in the same service area as a regulated water company. Mark also read a letter from Attorney Johnson stating that if we have an agreement in place with MG tank and Johnson, we will have the capacity to serve that area using the tank and wells. Nothing precludes CMWC from expanding their service area to include the area to where Lee's Marketplace is being developed. We need to make sure we have the capacity capability to provide a service there. That any will serve is on condition on that. (15:43) A concern with the

state and what it shows for service on the map, the state doesn't show service area until pipe is in the ground. Greg: (18:15) Concerns: Service area, water rights and source. Sounds like all have met. Highland gave up their rights to serve that area. The source of water will be pumped from our existing wells, due to the Meadow Park East development. Heidi: 20:47 Do we have a development agreement signed? No, then we need to come up with an agreement. Should be an outline of what developer needs to do, post the fees that need to be paid, bring source, storage and water rights. No cost to CMWC. Show or outline any infrastructure that needs to be put in to serve them. And any infrastructure, water rights storage, it needs to be deeded to the water company. Everything needs to be signed & notarized. This will serve, will not affect the negotiation that is happening with the tank. That the documents be specific and meet the by-laws and (35:49) our Articles of Corporation in going through the will serve process. What needs to happen to be able to add to our service area. Make sure we have everything in the upcoming agreement is specific, with clarity and written out in detail.

Public comment: 42:06

1. Lilia Allen: concern of the infrastructure was crossing with the Hightlands infrastructure.
2. Concerns from Ray Nettleton: and his feeling of the board treating the developers equally. Unable to answer some of his questions due to the ongoing agreement with the tank.
3. Ted Taylor: Encourage following the by-laws and doing it right due to having more developers that will be coming in the future.
4. Bill Chipp: Trouble understanding why if the conditional will serve can't be approved if everything has been met.
5. Lynn Stephenson: What will the status be if the tank comes into our system. Will we have ownership? Still under negotiation to own the tank and it will be in writing & signed. Once the agreement has been approved, the board will post it for the shareholders to review.
6. Ray Nettleton: requested and granted a copy of the Capacity Credit allocation schedule.
7. Jonathan Badger from Lee's: His challenge to the board is to get him the water for Lee's and a hardware store. Effecting the continued building of the store.
8. Zach Swenson with Lee's: asking for 1 ERU for the plots around the market and further review later.
9. Board response: Mark feels the will serve will help with negotiations. Heidi response (1:09:38) Proposals are definitely different and that the implication of MGMWC as a third party. Matt: Based on his own research, he feels comfortable signing his name to service that area and assigning the 1ERU for other pads. All his concerns that he had have been met. The storage is a great leverage point in negotiations on the tank. Greg: concern of service area now and infrastructure which is already in place which was clarified. Heidi is not in agreement unless there is something in writing and signed that the tank will be turned over to CMWC.

Motion to approve Lee's will serve as it is written by Matt, Mark 2nd. Greg Agreed Heidi Not

5. 1:31:05 Board Treasurer Position and Formation of Supervisory Committee: Mike prepared an email for treasurer position. It was read to the board for approval to send out to anyone interested shareholders. Will pay the \$50.00 each month same as each board member receive. Mark motion to approve and post the treasure position to the shareholders. Deadline December 31, 2023. Matt 2n All in favor. Will put the advisory/Supervisory committee as a later agenda item for discussion.
6. Authorization to expend \$4,787.15 for three-year service on Barracuda backup system (190 1 TB, Energize updates, Instant replacement, unlimited cloud storage) for office network system. One year service contract is \$1787.86. Having a three-year service contract saves the company \$214.65/year. The existing contract is up January 6, 2024: (1:41:39) Upgrade the cyber security. Mark motion to approve. Greg 2nd. All in favor
7. 1:45:20 Weber Basin Water Lease Fees for 2024: Weber Basin Water requires lease payments in advance. CMWC currently has 480.65 AF of water contracts, Total owing \$138,742.35 breaking it down to \$288.66 AF. It was suggested that we bill for the reimbursement soon after receiving Weber Basin bill. Ray Nettleton requested the breakdown of the contracts with Weber Basin. Ray will email request what he wants and why. Mark motion to approve payment to Weber Basin and have the invoice for reimbursement fee to be sent out by January 15, 2024. Heidi 2nd All in favor. Mark motion to put the discussion for review of reimbursement on next meeting agenda. Greg 2nd All in favor
8. (2:14:50) Discussion / Decision on 2024 Budget: Mike discussed possible adjustments to the budget. Discussion on both the lawn mower expense & leave the landscaping company expense. Change in the utility usage amount. Discussion on the shortage in 2022 & 2023 that we will need a rate increase or cut somewhere else. Mark motion to adjust the items including removing the mower in the new equipment and adjusting utilities to \$43,000. Then send it out digitally for approval. Greg 2nd All in favor
9. 2:39:15 Staff End of Year Bonuses and Raises: (2:39:21) 3% cost of living raise for secretary also and bonus \$1,000. Bonus of 1,500.00 manager for performance. Question on the amount for each not a guarantee but needs to be on a performance review. Going forward there needs to be benchmarks or goals that need to be met to receive it and what percentage of wage be given. Mark motion regarding raises at the turn of the year add 3% raise for secretary and the scheduled increase that was discussed with Mike previously. Greg 2nd All in favor. Mark motion regarding bonus discussion for January. Heidi 2nd all in favor Mark Motion regarding bonus for 2023, \$250.00 for secretary and \$1500.00 for Mike Greg 2nd all in favor
10. Q & A for Shareholders: (2:52:51)
 1. Ray Nettleton: DURST wants to build 50 AF using water rights from Bohman Hollow & deed that for the bottom 50 feet in Silverleaf. Would board consider this? The expansion of the upper zone is the largest the board has ever seen. Possibly have a board member be a liaison between the two parties.
 2. Lynn Stevenson: When issuing a will serve when does the standby fee start to be assist? Fees don't start until the Share is sold to a third person party. Standby fees are issued when the party isn't using water on their property. To vote they need to be in currently in good standing.
 3. Bill Chipp: Requests more information on the minutes of the work meetings.

Adjourn; Mark motion to closed meeting Greg 2nd all in favor (3:10:10)