Cottonwood Mutual Water Company

Annual Shareholders Meeting Minutes Wednesday April 19, 2023; 6:30 PM

Board Members:			
Earlene Lee	District 1	2022-2025	Present
Blaine Murray	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- Preside	Present		

Visitors: Kevin Bell, Lori Murray, Eric Plyer, Mike McMillian, Scott Trageser, Louise Earley, Brittany Wayman, Wayne Johnson, Glen McMillian, Ray Nettleton, Nell Nickerson, Greg Watkins, Robert McConnell, Sheila Wilkinson, Chris Wilkinson, Mark Wilkinson, Bill Coutts, Royal Lamb, Jesse Summers and Reid Wilkinson.

Welcome: President Blaine Murray

Introduction of each board member. The need to fill Dave Dutson (district 4) seat and anyone interested in serving, please mail resume to Blaine by email, his address is on the Website.

1. Sean: Update on Silver Leaf Reservoir

Looking good, full, but not spilling over the runoff. Anticipate that it will spill into the spillway that takes it down to Mike McMillians property. Clarification on the dam breaking and breaching was given. The dam is safe right now and looking good. Some shareholders have reached out to possibly use the reservoir for recreational use. If there is anyone that is interested in being on the committee reach out to Earlene Lee on the board.

2. Heidi: Information on Water Rights for Silver Leaf Reservoir (slide Presentation on Website)

The board has been busy for the last few months. Several Developers looking into new developments. Research into contracts and State Laws. Want to clarify shareholders information that was sent out to shareholder that the culinary water company could not operate without MGSWC and stated that the Silver Leaf Reservoir was an intricate part to the secondary system.

The Presentation: We own a Reservoir.

- A. Two parts to store water: 1) State Administrative Right received from the state 2) Property Right Land or location the water is stored.
- B. Silverleaf Reservoir according to the State, Stores 250+ Ac/Ft Water. This is broken down into three groups according to the amount of water they have in their water right. CMWC (50 Ac/FT) OTHER CAPACITY CLAIMANTS (179.53 Ac/Ft) and MGSWC (3 Ac/Ft)
- C. CMWC owns the land of the reservoir. The culinary and secondary water company entered into an agreement to lease "water storage space."

- D. Priority Access (Reservoir Storage Capacity Agreement MGSWC/CMWC 2014) shows the priority access is as follows: FIRST: CMWC; SECOND: Other Capacity Claimants/Owners and THIRD: MGSWC
- E. CMWC has received documentation from "Other Owners" submitting proof of ownership. CWMC reached out to MGSWC to confirm they had necessary Administrative Rights according to the conditions of the Agreement. We have yet to receive any State Documentation.
- F. Any questions regarding the Water Right contact the State.
- G. Recreational Committee for following information:
 - a. Dam safety, Insurance, work with MOA, and the State Requirements of how to maintain the minimum standards.
- 3. Mike: Financial Report (15:48) (Handout of breakdown)
 - A. Revenue was down due to the water usage being down a great deal from last year. Also, the number of connection fees were down.
 - B. In 2021 a complete audit was done by Childs/Richards. The suggested recommendations have been put in place to add to security of received payments. Review of the use of the credit card invoice by a board member. A double check on payroll before making the direct deposits to employees. Access of the yearly budget, making the budget in PDF form and sent out to all board members after it was approved.
 - C. Loss in 2022 due to the income & possible loss in 2023 due to the expense of the new wireless meter. The meters are being replaced as the old meters go out.
- 4. Question & Answers by Board Members (25:50)
 - A. What is the fee for a new hook up? Divide connection fee by 1500.00 for price. About 30
 - B. Why is the invoice for legal fees not available to shareholders. Per recommendation of our legal counsel, not to give out any information due to client/ attorney privilege. The Board of Directors are the client not the shareholders.
 - C. Water Leases: Are all the leases being used or available to buy? All have been sold or reserved by a developer.
 - D. Is there not an offset of expenditures to offset the water rights. No, due to not having all the shareholders complete a change application to Municipal water rights.
 - E. Why connection fee \$1500.00 Substantiate the cost for the connection fee and our cost to install. Other companies have much higher connection fees, it would help out CMWC "loss" if we charged more. The board is working on reviewing all fees. Not able to use impact fee or impact fees to make up the deficit.
 - F. Fees for MGSWC Gardner developer are written to the MGSWC. Nothing to do with CMWC. Send request for contract to board so they can address it further. (39:10)
 - G. Development credits interact with CMWC & MGSWC and how that works. Blaine will check with the attorney regarding contract and people being able to see them.
 - H. (41:50) Storage Capacity sharing water agreement a8708 is flow right. The only change is the point place of use and diversion. A change application must be done in order to change them into storage. The Board of Directors has hired legal counsel for the company, not the individual board members.
 - I. Will the other capacity claimants be helping take care of the Reservoir. Their claimants are still pending but if they are approved; they then will help maintain the reservoir.

- J. Any tracking of the cost, billing, and payment that is happening. The board is trying to understand, and do good for all parties, and what our obligation is. We are trying to communicate better with the shareholders about what is their responsibilities.
- K. (52:20) Who has access to the water? How do they get it out? Each party if they follow proper steps. To prove access to the water will have to find way to pump it out. What happens to the water that isn't being used by the other users. Still need to work out together with all parties involved in that aspect of unused water.
- L. (56:23) What are the other water rights/ leased water and how much are they? CMWC owns water but Weber Basin came up and acquired all unclaimed water. Now any developer needs to get a lease from Weber Basin.
- M. (1:04:10) How is water diverted from reservoir to the different parties and how is it accounted for? Water coming in from everywhere but mostly Bohman Hollow drainage and the natural run off. Cottonwood Canyon water line is closed for now. Question not really answered regarding how it is accounted for.
- N. Will the water right not being used be taken away? If rights are changed to Municipal water rights wouldn't need to worry, but for now just file extensions till all are changed to municipal right.
- O. Who owns the water in the Northside Creek Reservoir? MGSWC owns the water to use for recreation not irrigation. They had water rights to fill it, once filled they need water rights to fill it due to evaporation loss.
- P. Does Weber Basin have the right to use water from the Reservoir? We are holding 50 AC/Ft for Weber Basin per their lease agreement.
- Q. 1:09:16) How many AC/FT was delivered by the culinary water company last year? The annual report shows the amount of water usage. Mike can't remember the exact number of? Is there a amount of Silver Leaf Reservoir? There is a meter but has not been monitored and hasn't any agreement with MGSWC. That is another agreement that the board is looking into with the attorney.
- R. Is there a breakdown for the amount of fees for the reimbursement and other fees. Still under further research.
- S. Why wasn't the vacant board seat voted on during this Shareholder Meeting. Board The Board wasn't notified within the required time to notice. Getting clarification regarding Corporation and the Bylaws from our attorney. Anyone interested or know anyone that would want to serve.
- T. What is generating all the negative/positive talking within the last couple of months? 1:15:33) We are all new board members who are questioning the agreements and due to the growth, we want to be fair with all shareholders. We are just trying to get current information to uphold all the agreements and they are being upheld legally.

Dismiss

The culinary water company, which has been around since 1972, is an independent company. Silverleaf Reservoir is the property of Cottonwood Mutual Water Company, however the water it holds is owned by multiple people or entities.

*The following is our current understanding of information gathered from the Utah Division of Water Rights and the Water Storage Capacity Agreement to clarify who owns water where.

"We Own a Reservoir" There are two parts to legally store water

1-State Administrative Right

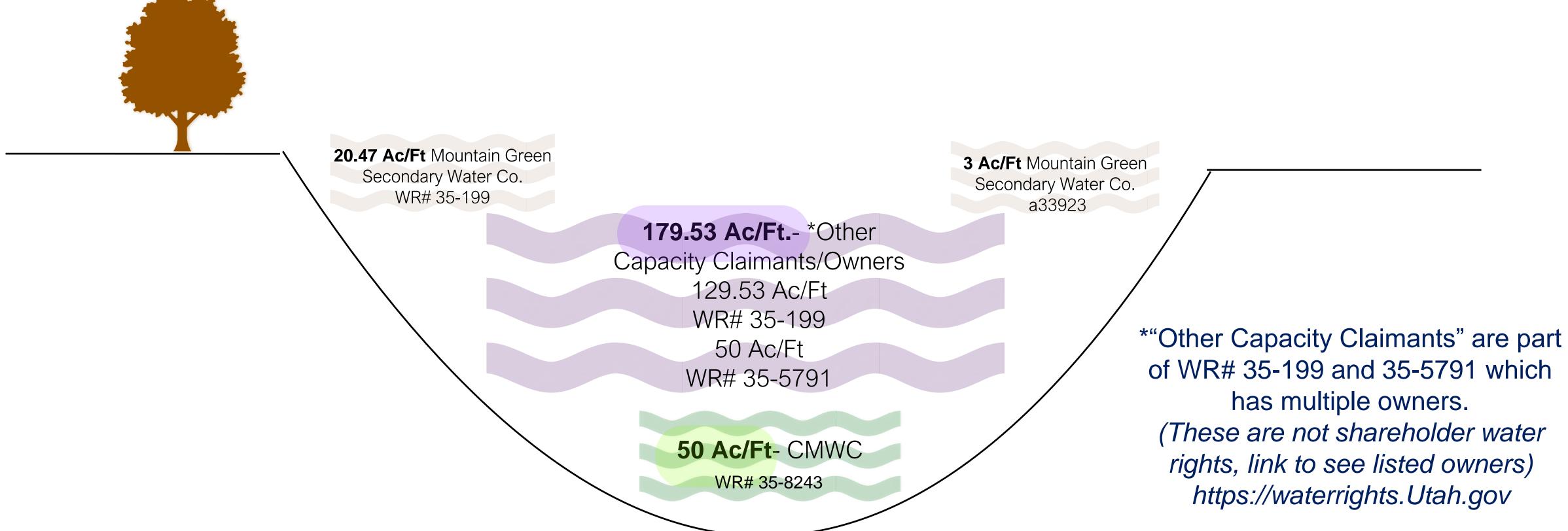
We must have the administrative right which is from the State: they regulate who, where, amount, and how we will be using our water. They will then issue a water right which includes a water right number and the required information that's been submitted.

2-Property Right

The Property Right, is the land or location the water is to be stored.

This is a visual of who owns the water in Silverleaf Reservoir according to the data from State records, (Administrative Rights). The number below the name is the Water Right Number (WR#).

Silverleaf Reservoir Stores 250+ Ac/Ft Water Administrative State Records





This addresses the property right: CMWC owns the "land" of the reservoir. The culinary and secondary water company entered into an agreement in 2014, to lease "water storage space". Under the Terms and Conditions; Section 1 Storage Capacity, the agreement lists the **priority** of access, on **condition** of Administrative Rights.

Reservoir Storage Capacity Agreement MGSWC/CMWC 2014

Priority Access

First-CMWC **Second**-Other Capacity Claimants/Owners Third-MGSWC

To look at it by numbers you'll see that: CMWC owns both Administrative Rights and **Property Rights** The other two are both pending proof from the State.

Silverleaf Reservoir Administrative State Records Stored 250+ Ac/Ft Water

Property Access Right Administrative Right

Cotttonwood Mutual Culinary	50 Ac/Ft
Other Capacity Claimants	179.53 Ac/Ft
Mountain Green Secondary	23.47 Ac/Ft

50 Ac/Ft

Pending

23.47 Ac/Ft (129.53 pending)

We have received some documentation from "Other Owners" submitting proof of ownership.

March of last year CWMC reached out to MGSWC to confirm they had obtained the necessary Administrative Rights according to the conditions in the Agreement. We have yet to receive any State documentation. Though it was suggested to look them up on the internet.



This is from the Utah Division of Water Rights website. This is considered a change application on a water right. It addresses MGSWC's reservoir storage. However, this is a lot of information, so the next slide is edited to simplify what you're looking at.

utah Convious	America						· · · · · · · · · · · · · · · · · · ·		
Utah Division of Water Rights		PLACE OF USE>		CHANGED as follows:					
View New Change A Select Related Information (WARNING: Wa CHANGE: a33923 BASE WATER RIGHTS: RIGHT EVIDENCED BY: CHANGES: Point of D * NAME: Mountain Gree ADDR: 201 South Mai Salt Lake Cit INTEREST: 100%	Application Webpage I ion ter Rights makes I WATER RIGHT: <u>35-824</u> <u>35-8247</u> <u>35-11718</u> <u>35-12279</u> <u>35-8247</u> , <u>35-11718</u> (a piversion [X], Place o en Secondary Water Comp. n St., Ste 2015 :y, UT 84111 REMARKS:	Design NO claims as to the a 7_ CERT. NO.: AMI portion of 35-8242), and E Use [X], Nature of Use pany	accuracy of this ENDATORY? No COUNTY 1 35-12279 [X], Reservoir Stora	<pre>data.) RUN DATE: 04/18/2023 Page 1 TAX ID#: ge [X], Split Season []. *</pre>	Sec 20 T 5N R 2E SLBM Sec 29 T 5N R 2E SLBM Sec 30 T 5N R 2E SLBM	NW4 N N S S N W E W E W * : : : **X: *X:X:X:X** :	-NE¼SW¼SE¼ N S S N N S S N N S S E W E W E W E W E W E :X:X:X**X:X:X:X** : : : * : : : ** : : : ** : : : * : : : **X:X:X:X**X:X:X:X*	 Sec 13 T 5N R 1E SLBM Sec 14 T 5N R 1E SLBM	<pre>* : : : ** : : : ** : : : **X:X: : X* * : : : ** : X: : X** : : : ** : : : * *X:X:X:X*X:X:X:X:X**X:X:X:X**X:X:X:X** * : : : ** : X: : X** : : : **X:X:X:X** * : : : ** : X: : X** : : : ** : : : * * : : : ** : X: : ** : : : ** : : : * * : : : ** : : : *X:X:X:X**X:X:X:X** * : : : ** : : : *X:X:X:X**X:X:X:X** * : : : ** : : : *X:X:X:X**X:X:X:X** * : : : ** : : : *X:X:X:X**X:X:X:X** * : : : ** : : : *X:X:X:X**X:X:X:X*** * : : : ** : : : *X:X:X:X**X:X:X:X**** * : : : ** : : : *X:X:X:X**X:X:X:X********</pre>
ImpairDesig[NO] IMP NOTICE:	020 ADV BEGAN: 02/21/2008 s Identified may Experien		08 NEWSPAPER: Standard Examiner	Í			Sec 33 T 5N R 2E SLBM	*X:X:X:X**X:X:X:X**X:X:X**X:X:X**X:X:X
ProtestEnd:03/19/20				d] ActionDate:12/10/2009 PROOF DUE: 12/31/2023	NATURE OF USE>			CHANGED as follows:	
EXTENSION: RUSH LETTR:	ELEC/PROOF:[RENOVATE:] ELEC/PROOF: RECON REQ:	CERT/WUC: TYPE: [LAP, ETC: LAPS LETTER:]	IRR = values are in acres		·		
Status: Approved	on System: 61-WEBER R			*	STK = values are in ELUs DOM = values are in EDUs	meaning Cattle			
*****	****	*****		******** E R E A F T E R**********************************	(or Families).				
******	******	***********************	***************	******************	SUPPLEMENTAL to Other Wate	er Rights: Yes		SUPPLEMENTAL to Other Wa	5
FLOW: 6.21 cfs 0	DR 423.761 acre-feet		<pre>(18.33 in)*(1) The losses wi (5.6 acre-fee the irrigation depletion quaities)</pre>	osses: (12.5 acres)* ft/12 in.) = 19.09 acre-feet. ll be taken from 200 ELU t) and the remainder from n. Evaporative losses and	IRR: 139.3870 STK: 200.0000		USED 03/01 - 10/31 USED 01/01 - 12/31	IRR: and	131.9555 Group Total USED 04/01 - 10/31 Evaporative Loss for USED 01/01 - 12/31
			Application a amounts. Wate and 35-11718 flow of 4.62 35-12279, a s accounts for 3.33 cfs, whi the total hig diverted unde application i	amount for Change 33923 is based on the decree r right numbers 35-8247 combine for a total high cfs. Water right egregated portion of 35-8242, 47.774% of the decreed ch equals 1.59 cfs. Thus, h flow that could be r the proposed change s 6.21 cfs.	RESERVOIR STORAGE>		' 	CHANGED as follows: Storage 01/01 to 12/31, with a maximum capacity Height of Dam: Area Inunda 0.500 Sec 29 T 5N R 2E SLBM	in Silverleaf Reservoir y of 3.000 acre-feet, located in: NW4NE4SW4SE4 5 ft N N S S N N S S N N S S 0 acs W E W E W E W E W E W E * : : : ** : : : **X: : : ** : : : *
SOURCE: Cottonwood	l Creek		SOURCE: Cottonwood	Creek and Sulphur Springs				Sec 30 T 5N R 2E SLBM	* : : : ** : : : ** : : : ** :X: : *
COUNTY: Morgan			COUNTY: Morgan	COM DESC: Mountain Green				 Storage 01/01 to 12/31,	in Buram Reservoir
The water from this application will be diverted into a pressurized secondary irrigation system. These decreed rights in Cottonwood Creek will be diverted from the points of diversion authorized under Change Application Number(a8708), from Buckmiller Dam, from Sulphur Springs (a tributary of Cottonwood Creek upstream from the historic points of diversion), or from a new point of diversion near the proposed Gravel Pit Reservoir. The Water Company also plans to install a series of storage and regulation ponds pursuant to this application. The beneficial uses allowed under this application have been diminished to the extent necessary to cover evaporative losses from the series of storage ponds. Finally, the place of use has been expanded to allow use of the water anywhere within the anticipated service area of the Water Company.		<pre>nto a pressurized secondary stem. These decreed tonwood Creek will be diverted ts of diversion der Change Application , from Buckmiller Dam, Springs (a tributary of eek upstream oric points of diversion), w point of diversion near Gravel Pit Reservoir. The also plans to install a rage and regulation ponds his application. The es allowed under this</pre>				with a maximum capacity Height of Dam: 10 Area Inunda 5.000 Sec 15 T 5N R 2E SLBM Storage 01/01 to 12/31, with a maximum capacity Height of Dam: 10 Area Inunda 5.000	y of 80.000 acre-feet, located in: NW ¹ / ₂ NE ¹ / ₂ SW ¹ / ₂ SE ¹ / ₄ 0 ft N N S S N N S S N N S S N N S S 0 acs W E W E W E W E W E W E W E W E * : : : ** : : : ** : : : **X: : : * 		
					with a maximum capacity Height of Dam: 20 Area Inunda 2.000 Sec 20 T 5N R 2E SLBM	in Cobble Creek Reservoir y of 20.000 acre-feet, located in: NW4NE4SW4SE4 0 ft N N S S N N S S N N S S N N S S 0 acs W E W E W E W E W E W E W E W E * : : : ** : : : ** : : : ** : : : ** : : X: *			
POINT(S) OF DIVERS	ION> MAP VIEV	[****	CHANGED AS FOLLOWS:	(Click Location link for WRPLAT)			i	 Small Dam Permit Require	ed?: No
Point Surface:		 ec 16, T 5N, R 2E, SLBM	Point Surface:	908 ft from W4 cor, Sec 14, T 5N, R 2E, SLBM					
Dvrting Wks: Rand		SC IV, I SM, K ZE, SLBM	Dvrting Wks: Conc	rete Headgate and Pipeline onwood Creek #1	*				*
(2)N2000ftEDvrtingWks:Rand	0 ft from S4 cor, S all Bros. No. 2 Ditch	ec 16, T 5N, R 2E, SLBM	1 <u>(2) N 1556 ft E 1</u> Dvrting Wks: Rock	& concrete diversion dam (Buckmiller Dam)	FILED: 12/03/2014 PUB E ProtestEnd: PROTE	BEGAN: ESTED: [NO		NEWSPAPER: No Adv Require SE ACTION: [Approved] Act	ed tionDate:01/15/2015 PROOF DUE: 12/31/2019
Source: Cottonwood Creek		Dvrting Wks: HeadSource:Cott	676 ft from SW cor, Sec 16, T 5N, R 2E, SLBM gate and Pipeline onwood Creek #2 0 ft from N4 cor, Sec 20, T 5N, R 2E, SLBM	FILED: 01/31/2020 PUB E ProtestEnd: PROTE	BEGAN: ESTED: [NO	PUB ENDED:] HEARNG HLD:	NEWSPAPER: No Adv Require SE ACTION: [Approved] Act	ed tionDate:04/13/2020 PROOF DUE: 12/31/2023	
Image: Solution of the soluti				***************************************	* * * * * * * * * * * * * * * * * * *	**************************************	**************************************	**************************************	

Stream Alt?: No

Point Spring:

Source: Sulphur Springs

Dvrting Wks: Concrete Collection Box and Pipeline

Point Spring:

utah

Agencies

Utah Division of Water Rights

View New Change Application Webpage Design

Select Related Information

Services

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 04/18/2023 Page 1 CHANGE: a33923 WATER RIGHT: <u>35-8247</u> CERT. NO.: AMENDATORY? No COUNTY TAX ID#: BASE WATER RIGHTS: <u>35-8247</u> 35-11718 35-12279 RIGHT EVIDENCED BY: 35-8247, 35-11718 (a portion of 35-8242), and 35-12279 CHANGES: Point of Diversion [X], Place of Use [X], Nature of Use [X], Reservoir Storage [X], Split Season [].

NAME: Mountain Green Secondary Water Company ADDR: 201 South Main St., Ste 2015 Salt Lake City, UT 84111 INTEREST: 100% **REMARKS:**

RESERVOIR STORAGE>	CHANGED as follows:
	Storage 01/01 to 12/31, in Silverleaf Reservoir with a maximum capacity of 3.000 acre-feet, located in: NW¼ NE¼ SW¼ SE¼ Height of Dam: 5 ft N N S S N N S S N N S S N N S S N N S S N N S S Area Inunda 0.5000 acs W E W E W E W E W E W E W E W E Sec 29 T 5N R 2E SLBM * : : : ** : : **X: : : ** : : ** : : ** Sec 30 T 5N R 2E SLBM * : : : ** : : ** : : ** : : ** : : ** * : : : ** : : **
	Storage 01/01 to 12/31, in Byram Reservoir with a maximum capacity of 80.000 acre-feet, located in: NW4 NE4 Height of Dam: 10 ft N N S S N N S S N N S S N N S S Area Inunda 5.0000 acs W E W E W E W E W E W E W E W E
	Storage 01/01 to 12/31, in Gravel Pit aka Northside Creek Res with a maximum capacity of 100.000 acre-feet, located in: NW¼NE¼SW¼SE¼ NW¼NE¼SW¼SE¼ SE¼SU¼SE¼ SE¼SU¼SE¼SE¼ NW¼NE¼SW¼SE¼ SE¼SU¼SE¼SE¼ NW¼NE¼SW¼SE¼ NW¼NE¼SW¼SE¼ NW¼NE¼SW¼SE¼ NW¼NE¼SW¼SE¼ SU¼SU¼SE¼ SU¼SW¼SE¼ SU¼SU¼SU¼SE¼ SU¼SU¼SU¼SE¼ SU¼SU¼SU¼SU¼SU¼SU¼SU¼SU¼SE¼ NW¼NE¼SU¼SU¼SE¼ SU¼SU NE NE Sec 20 T 5N R 2E SLBM *X:X:X:X:X:X:X** : : : ** : : **
	Storage 01/01 to 12/31, in Cobble Creek Reservoir with a maximum capacity of 20.000 acre-feet, located in: NW¼ NE¼ Height of Dam: 20 ft N N S S N N S S N N S S N N S S Area Inunda 2.0000 acs W E W E W E W E W E W E W E W E



*To validate this information or ask questions call: Utah Division of Water Rights (801) 538-7240 They are great to work with and will walk you through their information.

The State regulates water rights and Silverleaf **Reservoir is recorded as a storage reservoir for ONLY 23.47 Ac/Ft for MGSWC:**

- **3 Ac/Ft with this application**
- 20.47 under WR# 35-199 These other reservoirs are also listed as storing water that MGSWC owns.

Silverleaf Reservoir 3 Ac/Ft

Byrum Reservoir 80 Ac/Ft

Northside Creek Reservoir 100 Ac/Ft

Cobble Creek Reservoir 20 Ac/Ft









We're looking to form a Recreational Committee. Help us with planning, State requirements, insurance, safety, accomplishing minimum standards and working with the MOA.

Let's open the **Reservoir** up to our Community!!

Contact- Earlene Lee Secretary

district1@cottonwoodwater.com