

Cottonwood Mutual Water Company

Board of Directors Meeting Agenda
Wednesday, June 12, 2024; 6:00 PM

Present:

Jesse Summers	District 1	2024 – 2025	
Mark Greenwood	District 2	2024 – 2025	President
Cynthia Mattson	District 4	2024 – 2027	
Greg Watkins	M-at-L	2024 – 2027	
Mike Johanson	Manager		
Amber Rogers	Board Secretary		
Matt Johnson	Via Zoom		

Welcome: Mark Greenwood called the meeting to order at 6:00pm

1. Approve meeting minutes of May 8, 2024

Mark Greenwood made the motion to approve, seconded by Jesse Summers, all were in favor.

2. Approved share issuance, cancellations and re-issues (see attached)

Mark Greenwood made the motion to approve, seconded by Greg Watkins, all were in favor.

3. Discussion regarding the various bank accounts we have and moving the money into different higher yielding funds.

Mike and Cynthia met with First Community Bank about higher interest savings accounts. The board approved changing the Money Market account over to a Premier Savings with a higher interest rate. Also going to set up some CDs over the next few months with money from the Capital Funds account. Cynthia is going to do a little more research on terms and rates for the CD's.

Mark Greenwood made a motion to approve moving emergency funds into a Premier Savings account, seconded by Jesse Summers, all were in favor.

Mark Greenwood made a motion to move \$100,000 from Capital Funds account to start a CD and move the remaining balance into a Premier Savings account, seconded by Jesse Summers, all were in favor.

4. Pros and cons of paying off the office mortgage. The mortgage is tied to an index fund and we were notified that our rate is going from 5.21% to 7.12%.

Board approved paying off the mortgage with the help of a title company to ensure it is done correctly and in full.

Mark Greenwood made the motion to approve, seconded by Cynthia Mattson, all were in favor.

5. Opening the budget to address purchasing a new truck

Board approved investigating the replacement of the maintenance truck; Mike is going to look into prices and financing for approval at next board meeting.

Greg Watkins made the motion to approve, seconded by Cynthia Mattson, all were in favor.

6. Review of Rollins Ranch Tank agreement

Board reviewed the tank agreement with attorney Matt Johnson. The following changes were recommended. Matt Johnson will send these out to the board for approval and if no comment after 24 hours will email them to Matt Jensen.

- 1. In the recitals, paragraph E, the number 129,452 should be changed to 99,030 (both in the first and second sentences). The number 870,548 should be changed to 900,970.*
- 2. At the end of paragraph 2(a), the following language should be added: "Further, CMWC shall have the right to record this Agreement and to reference the Parcel Numbers of the tank and wells that are subject to this Agreement."*
- 3. The numbering of the agreement needs to be corrected. After section 2(e), the next section, "Operation and Maintenance", should be labeled section 3. All of the sections below that, and all references to sections will need to be corrected so that they are consistent.*
- 4. The descriptions regarding easements in Exhibit C-One should match the legal descriptions in Exhibit F-1. F-1 contains bracketed language regarding the easements. The Board will require that the language includes easements to allow access along the utility easement shown in Exhibit One that goes from the cul-de-sac at the end of N Lariat Lane to the tank property. It should include access to the road through the Rollins Ranch LLC property. The tank easement needs to include a complete path connected from the end of Lariat Lane all the way to the tank. That way CMWC can ensure that it has access to the tank. I am attaching a photo of the area to which we are referring so that it is clear as to which area we are referring. We may want to include this as an exhibit.*
- 5. The term in the paragraph labeled 5 should state 2034 as opposed to 2033.*
- 6. In the paragraph labeled 9(a), the number 870,548 needs to be changed to 900,970*
- 7. In the paragraph labeled 15, delete all language after the sentence that ends in "requirements in applying the Capacity Credits."*
- 8. In the paragraph labeled 18, the language may remain as is. However, in April of 2024 the water was tested and although the water met primary drinking water standards, it did not meet secondary drinking water standards. Before the Board is willing to sign off on the Agreement, the Board would need to see a new test showing that the water meets primary and secondary water quality testing from the wells as set forth in subsection (b) in that paragraph. The Board cannot give capacity credits for a well that does not meet secondary drinking water standards. We are hopeful that a 24-hour test would provide passing results.*
- 9. In the paragraph labeled 30, after subparagraph b, add the following language: "MG Tank, MGMWC, Soderby, and Village each represent and warrant that the properties and interests that they have agreed to lease/convey under this Agreement, including but not limited to the tank and the wells that are the subject*

of this Agreement, are and shall be at the time of transfer to CMWC, free and clear of all liens and encumbrances.” The current subparagraph c in that paragraph shall become d, e, and so forth.

10. We want to see the exhibits with the final version to make sure that they are correct before signing. Mark Greenwood made a motion to approve signing the agreement with the above listed changes incorporated into the agreement; seconded by Cynthia Mattson; all were in favor. Updated version will be sent to developer’s attorney’s and if agreed to the board is ready to sign.

7. Will Serve Requests -

1. Trapper Loop Retail: 4 tenants
 - i. Fizz: counter sink and one restroom
 - ii. Ground for Coffee: Counter sink and one restroom
 - iii. Milk Barn: One restroom and counter sink.
 - iv. Farmstead: Not sure except for one bathroom
2. Ponderosa:
 - i. 25 lots service .45 indoor use.
3. Trappers Loop Townhomes: 30 Phase 1
 - i. Indoor water for 30 townhomes at .45 indoor.

Mark Greenwood made a motion to approve the will-serves subject to the tank agreement being signed and the Rollins Ranch wells #1 and #2 being online; seconded by Greg Watkins; all were in favor.

8. Development of initiatives for the remainder of 2024. Topics include:

1. Forming a water district
2. Drafting, review and approval of a resolution limiting the size of future landscapes.
3. Recreation opportunities at Silver Leaf
4. Adjustments to voting guidance in the by-laws and articles
5. Completion of financial audit in 2024
6. System specific sizing adjustment and potential benefit of extra right/source/storage on existing connections
7. Annual agreement reviews and tracking program

Section 8 was tabled for next board meeting. There were no shareholders present for Q & A. Meeting was adjourned at 9pm.