

# Cottonwood Mutual Water Company

## Board of Directors Meeting Minutes

Wednesday, November 8, 2023; 6:00 PM #21

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### Board Members:

Earlene Lee	District 1	2022-2025	Present
Mark Greenwood	District 2	2022-2025	Present/ phone
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: Ray Nettleton, Kelly Down, Dale Harding, Blair Fredricks, Rich Bott, Joe Pettigrew, David Mattson, Aly Archibald, Trevor Helm, Kyler Kendall, Noelle Dunkley, Robert McConnell, Ty Johnston, Reg and Sanda Busson, Louise Earley

On Zoom: Mark Greenwood, Jared, Michelle Oldenborg, Holly, Mindy, Brent Knight, and Mark

1. Vice-President:
  - a. Call Meeting to Order:
  - b. Declare any conflicts of interest: None
  - c. Specify Allotted Time for each agenda item: 15 minutes. The question & answering portion will be 2 minutes per person per comment or question.
2. Welcome Greg Watkins as the new Member-at-large member.
3. Approved meeting minutes for October 11, 2023; Work Meeting on October 12<sup>th</sup> and 30, 2023. Matt motioned to approve Greg 2<sup>nd</sup> approved by Matt, Mark, Earlene (Greg not a member)
4. Approved share issuance, cancellations, and re-issues: Motion to approve Heidi, Greg 2<sup>nd</sup> unanimous.
5. Vote on Directors Positions: President & Treasurer open. The position of treasurer may be open to the public for a more qualified person. Greg motion for Mark to be president and open the treasure to the public. Earlene motions for Heidi to be president: Mike Johanson comment in full disclosure, that if Heidi is president, the board will need to accept his resignation as of November 22, 2023. Matt 2<sup>nd</sup> the motion of Mark Greenwood as president. Matt comments that it is not in the best interest of the company to lose the manager at this time. Vote Greg, Matt & Mark yea, Earlene & Heidi Nay. Mark voted in as President, he will direct the remainder of the meeting.
6. Manager Report: 14:45
  - a. Update of reservoir inspection, Staff gauge and trash rack. The staff gauge was located and made some modifications to that and be able to utilize it for the future for the cost of around \$1500.00. Checked the intake box on the upstream side of the dam. Brett Dixon wondered why there was no trash rack on the top of box. Brett suggested having one to protect the plugging of the outflow pipe. One is being made for the cost of \$875.00.
  - b. (16:35) PFAS & PFOA class action lawsuit: (PFAS = the forever chemicals) Rural Water suggested to sign up for the class action lawsuit, should our system is found with these

chemicals, and a judgment is issued, there will be funds available to litigate those fore ever chemicals. They are requesting a base line data. Discussion on which lab to use. Mark has resources for a lab in Salt Lake City to collect and run. Mike will contact AWAL for an estimate to collect and run the lab. The cost is \$3,240.00 to have the samples from the five wells.

- c. 22:05 Meeting on Tuesday regarding Lee's market. Those who attended were Mike, the contractors, representative from Lee's Market, Duane and Wayne Johnson, and Rulon Gardner. The purpose of the meeting was to identify where the location for the connection of the water would occur. Lee's wanted to start ordering water pipe to connect, so that Lee's could start building vertically. Sunrise Engineering (unbiased) will be the third party for the water inspection. With CMWC and Gardeners negotiating on a storage agreement for service. Since we are working on an agreement with MGMWC as to which company will be servicing Lee's. Mike stated that he did not commit CMWC to deliver water. (29:00) Mark clarified it was at the meeting with Gardners, Johnson, and the attorneys that the subject too started to go vertical was started. Robert McConnell asked if there was a hydrant at the sight, and since there was one there available, the county should be ok for them to go vertical. To have fire suppression was a concern. Move to Item #9 on agenda.

9. (30:18) Update on Lee's Marketplace: Use of the fire hydrant for fire suppression during construction. Do we have water, storage, or water rights. Can CMWC have water for the fire suppression? Yes, it is only used if a fire should happen. The fire hydrant is metered for what water Lee's use in the construction process. Possibly a letter to the county saying that we will not be able to provide any other services at this time. Lee's is using water and paying CMWC for the water they are using for construction. (41:45) Source and Storage doesn't apply with concern for the hydrant use, just a service we supply to the different contract. Heidi asks why we are still obligated to maintain the resolution when they didn't provide? (42:29) Mike responses are we going to work in good faith Heidi asked what is good faith? Mike gets irate, leaves abruptly, and claims he is done and gives his official resignation until Heidi resigns. Some visitors encourage Mike to step out and take some time. Mark and Heidi then get into a conversation and Greg interrupts to get back on the agenda topic. (46:15) Matt makes a motion for Lee's to use the fire hydrant during construction with them being responsible if there is an emergency. They will reimburse us and also knowing it does not constitute a will serve and have it in writing. Greg 2<sup>nd</sup> Unanimous. 47:20 Matt update on the agreement we are working on to take possession of the tank with the two attorneys. (Mike returns to the meeting) (50:18) Gregs' concern regarding our agreement will hinge on what Highlands Water company does and the dispute with their expansion of service area. Best to wait and see what the decision of the Public Utilities. Negotiations are still pending. 54:00. Heidi asked Zack if he ever received a letter from Rulon Gardner for proof of storage and storage or even the request from CMWC for that proof. Zack did receive the request but doesn't recall if he sent it to CMWC and will check.

7. (56:47) Consider the topography of the reservoir: Mike said one was done on 2019 at various elevations. And the topography was done to determine the amount of water that the reservoir holds. The cost to have another one done would be around the cost of \$25- 3,500.00. Mark suggests to table discussion since we have time before the reservoir fills up again.

8. Source and storage agreements/ proposal: (59:38) Ray Nettleton explanation of his history to obtaining a will serve. Waterboard needs to make polices that will protect the CMWC board and be fair

to other development of the community. Lack of policy is what is causing the issues today. Matt validates Rays remarks but due to the new board members are not up on all the information. Greg motion to have our attorney review Rays proposal and then advise the board on what direction should go. Mark 2<sup>nd</sup> Matt, Greg, Earlene all voted yea. (Heidi had to leave the meeting) (1:06,40)

10. Discussion of potential supervisory committee: (1:08:57) Start a supervisory committee appointed by board with a set roll. They can check to see what the staff or the board is doing and also create a pool for possible new qualified board members. CMWC will reach out to those who applied for past vacancy seats and open it up to any other shareholders. Also opens a pool of educated people to fill any board positions.

11. Discussion on the 2024 budget preparation: Mike transfer budget from excel to google spreadsheet, then shares it with the board with explanations of different items. The initial budget looks like we might need to adjust the rates to meet all the expenses. Mike informed the board of his vacation from November 9-15<sup>th</sup>. Mike apologizes to shareholders here and board for his lack of professionalism. (Heidi was not present)

12: Question & Answers 1:12:40 Two minutes per person for comment or question.

1. Blair Fredrickson: Support for Mike Question to Mike if he had a “friendly board” could he get the agreement done with the Gardner’s and Johnson in a timely manner? Mike responded yes that he can work with a couple of board members and attorneys. Would they then turn it over to the company as it was intended? Mike seems to think it could be written in the agreement.
2. Kyler Kendall: Is it true that if we find resolution with Gardner and Johnsons, their water company would dissolve. And the only reason they formed the company was because they couldn’t get water. Mike responded. They are concerned and want to protect their investment. They don’t want to have their water company.
3. Ally Archibald; We have been fine without a Lee’s market. Questions regarding the mapping on the CMWC, the website doesn’t include Johnson into the Cottonwood water. Proposed services areas are not shown on the current map until they are serving people. Why are we serving a will serve when Highlands Culinary offers on. Mark response that we are already tied to the tank and we need to get it worked out whether we serve Lee’s or not. Also looking at the wells for future development.
4. Trevor Helm: (1:23:26) Question of how many attorneys the board has had. There have been two. Matt Johnson is still our attorney.
5. Joe Pettigrew: Support of Mike
6. Ray Nettleton: Talking about the tank is difficult, the well will be much more difficult to come to an agreement. The water company is used as a pawn to establish a monopoly.
7. Noelle Dunkley: Response to the letter Heidi brought up. Someone needs to serve Lee’s and CMWC won’t, they started their own company to make sure Lee’s moves forward.
8. Reg Busson: Is the CMWC against growth? Matt addressed that we are not a district or planning expansion. If someone what to expand the service area they need to produce water right, source and storage. If they provide the capacities, they need they can become shareholders in the company.
9. Dale Harding: Support for Mike Discerning with the present board turn around in members. Need to come together and work together.

13. Adjourn: Mark Motion to adjourn. Greg 2<sup>nd</sup> unanimous (minus Heidi) 1:34:58 closed door