

Cottonwood Mutual Water Company

Board Meeting Minutes

Wednesday, November 10, 2022; 6:00 PM

---

Board Members:

Earlene Lee District 1 2022 – 2025 present Mike Johanson - President/manager Blaine Murray  
District 2 2022 – 2025 present Jennifer Jensen - Secretary/treasurer Heidi Dorius District 3 2021  
- 2024 present  
Dave Dutson District 4 2021 - 2024 present  
Sean Dorius M-at-L 2021 - 2024 present

Visitors: Chris Bramhall, Robert McConnell, Lori Murray, Cori Lee, Lilia

1. President - Mike Johanson
  - a. Call meeting to order - 6:08pm
  - b. Declare any conflicts of interest - none
  - c. Specify allotted time for each agenda item - Board decided to implement a 15 minute time for each item as suggested by Heidi.
  - d. Approve meeting minutes of September 14, 2022 - There were still some items that needed to be discussed before approving. One being Heidi said she didn't vote to approve them. Tabled until next month.
  - e. Approve share cancellations and reissues - Motion by Dave, 2nd by Blaine, Unanimous
2. Conflict of Interest training including fiduciary duties regarding board of directors and staff - 6:46 pm - Chris Bramhall, the Water Attorney, presented a short presentation concerning the fiduciary responsibilities of the board, and what determines a "conflict of interest" when voting on agenda issues, etc. If there is a conflict of interest, board member needs to disclose that conflict at the beginning of the meeting, and not participate in the discussion of that agenda item or vote on it. A copy of the CMWC Conflict of Interest Acknowledgement and Agreement Statement was passed around & signed by all board members and staff.
3. Review of voting process and results and motion to ratify results 7:15 pm - Talked briefly about some of the concerns by some of the shareholders concerning the election, and possible ways in which it could be improved. Board agrees that there needs to be some substantial time spent discussing this issue and have decided to wait & discuss these matters further in a work meeting. Board has requested the letter from the Auditor concerning any issues they had, and would like to review the Invoice. Mike has provided them with a copy.
  - a. Questions & issues raised during the election process
  - b. Bylaws & recommended amendments
    - i. Election of Directors (section 2.1)
  - c. Articles of Incorporation and recommended changes
    - i. Voting Rights (Article VII)
    - ii. Board of Directors (Article IX)
    - iii. Member Meetings (Article XII)
4. Lee's Marketplace requests a will-serve for a grocery store and lots 2,3, and 6 for office space. There is sufficient source, storage, and water rights to meet the 17 ERU's this project will require. - 7:40pm - Board discussed at length the current process of requesting "Will-Serves" and would like a link posted

to the CMWC website, where the individual requesting the “Will-Serve” can fill out an application for that request. The board decided not to approve the “will-serve” for Lee’s Marketplace at this time, **because they had various questions regarding where source, storage and water rights were coming from and who the group was representing Lee’s Marketplace. The board would like answers to these questions before proceeding.**

5. Discussion regarding plans for the future - Tabled until they meet for the work meeting
  - a. Projects
  - b. Shareholder notifications
    - i. Agendas
    - ii. Minutes
    - iii. Website information
    - iv. Meetings - Next board meeting to take place on December 14, @ 6:30 pm
  - c. Other
  
6. Board Member oversight responsibilities - To Be Discussed In Work Meeting
  - a. Budget & Finance
  - b. Employee & Customer Relations
  - c. Regulation & Compliance
  - d. Operation policy & procedures
  - e. Planning & Development
  
7. Weber Basin lease invoice (this has not yet been received; this item may need to be tabled)
  - a. Reimbursement totals
    - i. Standby fees
    - ii. Leases
  
8. Company financial review - To Be Discussed in Work Meeting
  - a. YTD P&L
  - b. Balance Sheet
  - c. Audit report
  
9. Board member questions & answers
  
10. Adjourn - Motion by Blaine, 2nd Heidi, Unanimous

The Board wanted noted the upcoming work meeting to be held on November 18th @ 7:00 pm

The Board also wanted Mike to post on the CMWC website and on the monthly bill card, a message, approved by the board, concerning the election of officers.

*See January 11, 2023 meeting minutes for conditional approval of the November 10, 2022 board meeting minutes*