

OVERLAND DITCH AND RESERVOIR COMPANY
2007 ANNUAL SHAREHOLDER'S MEETING

February 12, 2007

CALL TO ORDER – ROLL CALL

Meeting was called to order at 7:00 p.m. but was recessed until the credentials committee, made up of Nomi Gray, Mary Helen Church and Steve Wolcott, completed the processing of proxies. Meeting was called to order and the secretary read the roll call. Meeting was again recessed for the credentials committee. Upon completion of tallying shareholders present with those represented by proxy, Nomi Gray announced that there were 4,245 shares present and 3,102 represented by proxy, for a total of 7,347. A quorum was declared.

MINUTES OF PREVIOUS SHAREHOLDER MEETINGS

Kay Adams read the minutes to the 2006 annual meeting which had been reconstructed from notes and tapes of shareholders and minutes from the former secretary Theresa Neuberger. Tom Howe made the motion to accept the minutes as read, seconded by Pete Klaseen. Motion passed with all in favor.

Pam Klaseen read the minutes to the Special Stockholder's Meeting held in August, 2006. Pete Klaseen made the motion to accept the minutes as read, seconded by Dan Hawkins. Motion passed with all in favor.

DITCH RIDER'S REPORT

Jim Harris reviewed the year. He began in April working on the skidder which had some serious problems and is still not useable. May 15-19, Rundle Construction removed snow, rocks and trees. He repaired turnouts and helped remove the liner, along with Marvin White, that was in bad shape. He said that area has held up real well. July 3rd there was vandalism that caused lost water. August 24th was the last day of water run. In late September he again worked with Rundle, making repairs to the ditch. October 10-14 he put the ditch "to bed" and reseeded the area where the liner had been removed.

Tom Howe said that he felt Jim had done a very good job and wanted to thank him.

Dave Kuntz said that usually there was a report on the reservoir at this time. Bob said that he was coming to that. The reservoir was closed on September 19th; by Oct. 1st there was 14' of water from rain. The Snowtel was reporting that there was 113% of average for total precipitation but the water equivalent was only 79% of average. He said that 6 major leaks were repaired with Rundle from the reservoir down to the cabin.

OLD BUSINESS

A. CWCB loan

The CWCB loan is set and is ready whenever we want to start. Dave Whittlesey asked if Bruce Marvin had new cost estimates, Bruce said not yet.

B. Cloud Seeding

Tom made the motion to pay for cloud seeding, seconded by Bryan Klaseen. Motion passed with the majority of shareholders in favor, two opposed.

C. Engineering – Bruce Marvin

Bruce said that we are in the early stages of the design process. He expects to be advertising for bids at the end of the summer and beginning construction in the spring of 2008. He is working on three permits: Forest Service, Corp of Engineers and the State Engineer. The permit process is controlling the schedule. Nomi Gray asked what the effect of construction would be on running water. Bruce said that he doesn't expect any interruption of service, but that the worse case would be a shorter season.

Steve Wolcott stood and said that as a point of order we needed to deal with Resolution Article 4: Section 2 regarding a Director being prohibited from holding a paid position with the company, as was a part of the minutes of the 2006 annual meeting. Marvin White made the motion to withdraw the motion, seconded by Pete Klaseen. Motion passed with all in favor.

NEW BUSINESS

A. Delta Conservation District

Bob said that the Conservation District had set up the VIP tour in August and that the board would be meeting with them on February 19th. He also said the Conservation District had prepared a Ditch Management Plan with the Bureau of Reclamation, and that if we meet the criteria we will receive a \$25,000.00 grant for a ditch survey. He said that will open the way for other grants.

B. Painted Sky

Painted Sky has completed a grant application to the Colorado River Water Conservation District for \$150,000.00 for the dam expansion. They are also working to find other grants. Dave Whittlesey asked if they were charging us. Bob responded that the board had approved a fee of \$1,500.00.

Bob said that we had received a \$10,000.00 grant from the CRWCD for engineering, \$5,000.00 which had just been received and an additional \$5,000.00 when the project was completed.

C. Gunnison Roundtable

Tom Howe said that after waiting months to get on the agenda, we made a presentation in December. In January we submitted a grant application for \$666,000.00. February 23rd we will make a presentation to the screening committee. We have been working with local, state and national legislators and they have been very supportive.

D. DOW and Forest Service – Enlargement of Dead Pool

The DOW and Forest Service are both interested in enlarging the dead pool to improve the fishery. The DOW has grant money available. The Forest Service could “forgive” some of the special permit fees. Bruce Marvin said that by putting a plate on the trash rack on the outlet and adding one foot that would add 19-20 a.f. to the dead pool. Bob asked if the shareholders wanted the board to continue to pursue enlarging the dead pool. Marvin White made the motion to continue to pursue this but added that he doesn’t believe the State Engineer would allow anything to be added to the outlet. Tom said that the Forest Service has said that in the last reservoir project in 1985 or 1986 the Overland committed to an 82 a.f. dead pool. He said that we don’t know for sure, nor do we know how large the dead pool is at this time but that the DOW is going to measure it. Tom also said that we may be forced to do something, money or not. Dan Hawkins seconded Marvin’s motion. There was further discussion. Motion was voted on with the majority of the stockholders in favor, 3 dissenting.

E. Equipment to Replace Skidder

Bob said that the skidder was “real tired” and that the board was wondering if it shouldn’t be replaced with something like a small Kubota tractor with a front end loader and backhoe. There was much discussion with most of the shareholders expressing that they didn’t think it would be a good idea to get a tractor. Marvin White said that it might be possible to repair the skidder. Ray Penland made the motion to fix the skidder or see what it would cost and authorize the board to spend up to \$5,010.00, seconded by Pete Klaseen. The motion was amended to allow the board to make the decision at their discretion if necessary. Motion passed with none opposed.

F. Frequency of Assessment

Aaron Clay had suggested that calls should be limited to one or two per year. After discussion it was decided to leave things as they are.

FINANCIAL REPORT OF 2006

Vice President Varner called for a short adjournment to allow shareholders to review the financial report. Meeting was called to order. Ray Marvel made the motion to accept the Financial Report as presented, seconded by Ray Penland. Motion passed with all in favor.

2007 BUDGET AND ASSESSMENTS

There was discussion and questions about the proposed budget. Dan Hawkins asked how far the \$31,000.00 would go towards the engineering. Tom said that the loan agreement requires we pay 10% towards the project and that we have elected to pay a portion of that 10% in engineering. Ray Marvel made the motion to accept the budget and set assessments at \$18.04 per share call as needed, seconded by Kay Adams. Motion passed with all in favor.

ELECTION OF DIRECTORS

Bob announced that terms for Billy Varner, Chris Turpin and Reg Cridler were expiring. He turned the floor over to Billy, who said that he had been on the board since 1961 and that he was done. Chris Turpin said that they had sold their property and she was not running either. Bob opened the floor for nominations. Kay Adams nominated Reg Cridler, seconded by Marvin White. Steve Wolcott was nominated; he declined, but then nominated Phil Ceriani, seconded by Nomi. Billy Varner nominated Bryan Klaseen, seconded by Ray Marvel. Dan Hawkins made the motion that nominations close and that a unanimous ballot be cast for the three nominees, seconded by Steve Wolcott. Bob repeated the call for nominations three times, hearing no others, the motion was voted on and passed unanimously.

SHAREHOLDER CONCERNS

Dave Kuntz expressed his concern that the board had given authority to the treasurer to pay bills without board approval and wondered how everyone else felt about that. Pam clarified that authority had been given to pay bills up to \$500.00 without prior approval. There was no additional concern expressed.

Bob Sargent said that he would like to see the money spent on cloud seeding going to other projects.

Finally there was discussion about ways to make it easier for shareholders to hear.

ADJOURNMENT

Bob called for an adjournment. Marvin White made the motion to adjourn the meeting, seconded by Rod Hall.

Meeting adjourned.

Pamela Klaseen, Secretary