

OVERLAND DITCH AND RESERVOIR COMPANY
ANNUAL SHAREHOLDERS MEETING
February 13, 2012

CALL TO ORDER

President, Philip Ceriani called the meeting to order at 7:07

In attendance were:

Directors; Dave Kuntz, Bryan Klaseen, Jerry Adams and Debbie Gray.

Secretary/Treasurer; Debbie Christner

Operations Manager; Doug Christner

CALL OF THE MEETING, AND ROLL CALL

President, Philip Ceriani read the call of the meeting. Secretary, Debbie Christner called roll. The credentials Committee, of Veronica Minch, Sue Whittlesey and Kay Adams confirmed a quorum of 6,454 consisting of 3,852 shares present and 2,602 shares represented by proxy. A quorum was declared.

HANDOUTS

The following were handouts at the meeting: Agenda, 2011 Annual meeting minutes, 12/31/2011 Balance Sheet, 2011 Budget vs actual, 2012 Budget, and a Dam Expansion Accounting.

AGENDA

Phil asked for additions or changes to the agenda, there were none.

MINUTES

Debbie Christner read the 2011 Annual meeting minutes. Pete Klaseen made a motion to accept the 2011 Annual meeting minutes, seconded by Dan Hawkins. Motion passed unanimously

TREASURER'S REPORT/2012 BUDGET AND ASSESSMENT

Debbie explained the large receivable and payables numbers were due to the expenses for the Dam Expansion being accounted for in 2011 and a draw request to cover this expense sent to the CWCB at the year end, but not received by the end of the year.

The cost for the slide repair, if needed, and receiving the remainder of the BOR Grant funds are included in the budget.

Kay Adams made the motion to approve the budget as presented, seconded by Joe Marchum. Motion passed unanimously.

Nomi Gray moved to set the 2012 assessment at \$18.00 to be called as and if needed, seconded by Sue Whittlesey. Motion passed unanimously.

PRESIDENT'S REPORT

Board President, Philip Ceriani reminded everyone that the board had been working on the Dam Expansion for over 7 years. He then gave an informative power-point presentation.

The Presentation showed the Overland Ditch and drainages and went over how the ditch operates. The presentation showed how the water is measured and controlled. 40% of the water is distributed before Redlands and the remaining 60% throughout Redlands Mesa.

The improvements and repairs to the ditch in 2011 were shown and discussed. A new 8 foot flume and associated satellite housing structure was installed on Oak Mesa.

Bob Church's service, to Overland, over the years was acknowledged and appreciated. Bob was the President for numerous years and then more recently the Ditch Manager.

Bill Stahl will be running the upper ditch and Doug Christner is the new Ditch Manager.

RESERVOIR MAINTENANCE-The slide area was discussed, Marvin White shared his previous experiences with slide areas, different soils and how the areas are a fight for 3 or 4 years then tend to hold after that. Overland has received BOR Grant funds for a 50% match up to \$23,528.76 to repair the slide area. There are conflicting views as to what is the correct repair method for the slide area.

RESERVOIR EXPANSION-Bruce Marvin from Western Engineers explained the process of getting approvals for the Dam Expansion. The Forest Service, CORE and EPA were all involved and no one entity is willing to take the lead, thus nothing happens. This year it was finally decided that the CORE would take the lead and the Forest Service would monitor the process. The EPA also has input. Overland is to be the new prototype for this process.

During the meeting in December with Overland, Overland Engineers, the Forest Service and CPW the following were desires of the Forest Service and CPW:

A larger Conservation Pool of an additional 203 to 370 acre feet with an approximate cost of \$300,000 - \$500,000.

They also want the spill handled differently which would mean an upgrade to the ditch diversion and stilling basin drain at an approximate cost of \$250,000

Work on a fish entrapment area, this is another approximate cost of \$120,000

Overland asked at the meeting what would happen with the above desires if Overland did nothing to the reservoir.

Dave Kuntz talked about ways to be more efficient, thus not needing the enlargement. Phil Ceriani talked about the value of water and possible leasing water to others. The value of 1 acre foot of water in Western Colorado is \$7,200.00, that same acre foot value on the Front Range is \$132,680.00.

Nomi Gray stated that we should do both, be more efficient and continue to work on the expansion.

Steve Tuck, Water Commissioner talked about the Absolute Water Rights next abandoned date is 2020. Water rights might be loss if they can not be stored, Steve felt this was not a very strong possibility. He stated that the amount of water loss from the reservoir to Redlands Mesa is 7 ½ feet, which is very good.

Tom Howe made a motion to continue the process of obtaining the 404 permit, Nomi Gray seconded the motion. 4 against, majority were in favor, motion passed.

There was discussion regarding delinquents and working with Redlands Mesa Water Users to cease delivering water if the call is not paid on time, it was decided to continue with the previous procedures.

Policies and Procedures will be worked on this year.

An updated website in conjunction with Redlands Mesa Water Users is also a project for 2012.

Phil Ceriani was thanked for his presentation and Nomi Gray suggested we have a shareholders picnic at the Reservoir this summer.

ELECTION OF BOARD MEMBERS

The seats held by Jerry Adams and Debbie Gray are up for election. Sue Whittlesey nominated Debbie Gray, Dan Hawkins Nominated Jerry Adams, Tom Howe moved nominations cease, seconded by Sue Whittlesey. Phil asked three times for more nominations. Current board members remain in office for another term, by acclamation.

Steve Wolcott moved to adjourn, seconded by Marvin White
Meeting was adjourned at 9:50.

Debbie Christner, Secretary