OVERLAND DITCH AND RESERVOIR COMPANY

Board of Directors Meeting
March 7, 2007

CALL TO ORDER

Meeting was called to order at 4:00 p.m. by President Church. In attendance were directors Bob Church, Tom Howe, Reg Cridler, Phil Ceriani and Bryan Klaseen. Shareholders present were Ray Marvel, Kay Adams, Mary Helen Church and Dave Whittlesey, Dave Kuntz arrived later. Secretary/Treasurer Pam Klaseen was also present.

ORGANIZATIONAL MEETING

Reg Cridler made the motion that Bob Church be President, seconded by Tom Howe. Motion passed with all in favor. Reg made the motion that Tom Howe be Vice President, seconded by Phil Ceriani, motion passed with all in favor. Reg made the motion that Pam Klaseen be hired as Secretary/Treasurer, seconded by Phil. Motion passed with all in favor. There was discussion about the Secretary/Treasurer's salary, she was asked to track her time for awhile and there would be further discussion at a later meeting.

PRESENTATION OF AGENDA

Pam asked that a discussion of minutes be added to the agenda. Discussion followed. Bryan Klaseen made the motion that in lieu of reading the minutes, minutes be e-mailed to directors, with changes being made at the meeting as necessary. The motion was amended to include providing copies for shareholders at the meeting. Seconded by Reg. Motion passed with all in favor.

Other additions to the agenda were under Old Business D. Policy Book and E. Ditch Management Plan and under New Business B. Project Manager for Reservoir.

MINUTES OF THE PREVIOUS MEETING

The secretary read the minutes to the February meeting. Bob asked for additions or corrections, there were none. Tom made the motion to accept the minutes as read, seconded by Reg. Motion passed with all in favor.

TREASURER'S REPORT

Pam presented the February P&L, year-to-date P&L, account balances, receivables, check detail, bills paid in February and bills for approval. Pam asked about paying Chris Turpin and Billy Varner's director's fees for their service at the beginning of this year now instead of waiting until the end of the year. Reg made the motion, seconded by Tom, to pay Chris and Billy. Motion passed with all in favor. Tom asked about setting up a 2nd set of books for the project. Bob said that for now we would wait, and added that he had set up the Ditch Management Plan grant to use the current account. Phil made the motion to accept the Financial Statements as presented, seconded by Bryan. Motion passed with all in favor. Pam asked about the Worker's Compensation billing, should it be paid in installments or in full, saving a little on service fees. Tom made the motion to pay the Worker's Comp. bill in full, seconded by Reg. Motion passed with all in favor.

COMMITTEE REPORTS:

None

OLD BUSINESS

Bob said that there was good news regarding the skidder, he and Rocky Long had been working on it and the repairs were not going to be nearly as extensive as first thought.

Tom reported his work on the grants. The review committee for the Gunnison Roundtable had recommended a grant of $115,000.00 for permitting and engineering and had asked that we reapply on March 23rd. Concerns were expressed about the Overland being a private company as well as the augmentation that could have funded the project. Tom asked that Attorney Bob Thomas be contacted and asked to prepare a statement on the Overland and augmentation to "put it to rest." There was much discussion. Reg said that we should "stand down", take what was offered now and apply again next year for construction funds. Tom expressed his concern that the augmentation issue was not going to just go away. Bob said that the reason Ralph Grover had not allowed the Overland Project to be presented to the entire Roundtable was because he didn't know the Overland had gone through permitting processes in the past, and when he found out we had he asked that we reapply. He also said that Bruce Marvin will help Tom more for this application. Bryan made the motion to send two board members to speak to Bob Thomas, this was amended to include that before any action was taken, the rest of the board was to be apprised of the meeting, seconded by Reg. Motion passed with all in favor. Tom asked if he should prepare two applications, one for engineering and permitting (as revised by Bruce Marvin) and one as submitted before? After further discussion, Reg said that we should only do one application, based on Bruce Marvin's recommendations.

Regarding Federal Grants, Tom said that we had run out of time as those applications were due March 13th and he couldn't do both. We can apply for the fiscal year 2009.

Reg said that he would like the company to hire someone to put together a Policy Notebook. It would include job descriptions, information on how the company operates, and motions. It was also discussed about organizing the records from previous years. Kay Adams was asked if she was interested, she wants to see what kind of project it would be and get back to us. Pam then mentioned that she had been approached by Basil Webb, Lindi Mereness's son, wanting billing information on her water for the last 25 years. It was decided to wait until the records were organized and then see what can be done. Pam will contact Basil.

Bob reported that Becky Nichols is available to start work on the Ditch Management Plan. Phil said that he would work with Becky to start with; he will gather information to discuss at the next meeting regarding her fees, what she has done in the past, etc.

Tom said that he had received a call during the meeting from Bruce Marvin and that he said the Forest Service's information about the dead pool was not correct. He will be e-mailing information to everyone.

NEW BUSINESS

There was a discussion about spring ditch work. Bob asked about using PAM on the lower ditch and the upper ditch where the slip is. Reg will calculate what is needed. Bryan said that Eric Fritchman was going to be cleaning the Project Ditch and that he should just come down the other side. Reg made the motion to hire Fritchman to clean, seconded by Tom. Motion passed with all in favor. Reg also said that Rundle should be hired to remove the snow on the upper ditch; it was "worth the money." There was discussion about spraying willows. This will be addressed later in the year.

Next was a discussion about a project manager. Bob said that we should think about Tom. Bruce Marvin wants someone to work with him on permitting, etc. right now and this is similar to the work that Tom has already been doing. Reg made the motion that Tom keep track of hours for payment, seconded by Phil. Motion passed with all in favor.

SHAREHOLDER'S CONCERNS

Dave Whittlesey asked about stock water. Bob said it had been shut off because of a problem with freezing and that it will be turned back on as soon as possible. There were concerns expressed about the time change for the meeting, some stockholders feeling it was too early, another expressing that the same people were at the 4:00 p.m. meeting as attend the 7:00 p.m. meeting. There were also concerns about enlarging the dead pool.

BOARD CONCERNS

Reg said that we should check into obtaining historical status for the cabin. There would be no cost and the cabin would be protected. There was also discussion about the travel management plan and wanting to maintain the Overland access as is.

ADJOURNMENT

Tom made the motion to adjourn, seconded by Phil. Meeting was adjourned at 6:00 p.m.

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Pamela Klaseen, Secretary