

REDLANDS MESA WATER USERS, INC.
ANNUAL SHAREHOLDERS MEETING
January 28, 2011

CALL TO ORDER

The annual meeting of the Redlands Mesa Water Users, Inc. was called to order at 7:05 p.m. by President Dan Hawkins.

CALL OF THE MEETING, ROLL CALL AND MINUTES

Secretary Pam Klaseen read the call of the meeting and the roll call. While the credentials committee (made up of Veronica Minch, Mary Helen Church and Janet Quinn) counted proxies and shareholders present, Pam read the minutes of the 2010 annual meeting. Meeting was then recessed for the completion of the tally by the credentials committee. Meeting was called back to order and the committee reported that 15 shareholders were present and 20 were represented by proxy for a total of 35. A quorum was declared. Dan then asked for any additions or corrections to the minutes, hearing none, the minutes were approved as read.

INTRODUCTIONS

Dan introduced the personnel. Board members Reg Cridler, Pete Klaseen, Lance Hanson and himself, Lou Bridges was unable to attend. He also introduced Bryan Klaseen, ditch manager, Lawrence MacKendrick and Doug Christner, box setters, and Pam Klaseen, secretary/treasurer. Dan thanked the board and then commended Bryan, Lawrence and Doug for doing an exemplary job especially considering that all three were new to their positions and lots of hands on learning took place.

FINANCIAL STATEMENTS

Shareholders received copies of the 2010 P&L and Balance Sheet. After review, Bob Church made the motion to accept the 2010 financial statements, seconded by Robert Burritt. Motion passed with all in favor.

DITCH MANAGER'S REPORT

Bryan gave the Ditch Manager's report. He reviewed the work that had been done in the spring and fall and what was still to be completed. He asked for shareholders to let him know of areas that needed work. Bryan also commended Lawrence and Doug, saying that they had done "a super job." He did inform the shareholders that early in the runoff there was some major fluctuations in the water flow because the water commission shut the water down when it became cold.

OLD BUSINESS

Dan reported that the Lawhead Dump had been completed but it had not been used. It still needs some work. The pipe in the Project Ditch has not been installed as planned due to the focus on training the new employees. The patch is still working and the pipe installation is "still on the menu."

NEW BUSINESS

Veronica Minch said that something had changed in her water delivery between 2007-2008 and she was getting one-half of what she had gotten in previous years, whether it was due to the fact that her neighbor's water was no longer running on the mesa or another reason she wanted assurance from the board that they would check into what had happened. Dan said while we could not determine what had happened in the past we could make sure that we are delivering her water accurately now which included watching it closely and putting in a parshall flume. Bob Church also recommended that she check the Overland website when water is running.

BUDGET

The 2011 budget was handed out to shareholders. Dan highlighted some categories. The 2010 ditch work had been done more efficiently than expected so the 2011 budget was reduced by \$3000.00. As had been previously discussed, the pipe was not installed in the ditch and system upgrade was remaining the same. Wages were over-budget in 2010 due to the addition of the ditch manager's position. Bob Church made the motion to accept the budget as presented and to set the assessment at \$7.50 per share, call as needed. Dan said that the board doesn't anticipate calling the entire \$7.50 unless something unforeseen came up. Billy Varner seconded the motion. Motion passed with all in favor.

ELECTION OF BOARD MEMBERS

The terms of Reg Cridler, Lou Bridges and Pete Klaseen are expiring. Reg and Pete are willing to remain on the board. Veronica Minch made the motion to retain Reg and Pete. Bryan Klaseen nominated Karen Marty and Dave Kuntz nominated Dave Whittlesey. Bob Church made the motion that nominations cease, seconded by Robert Burritt. Motion passed with all in favor. Meeting was recessed for voting and vote counting by the credential committee. Meeting was called back to order and Dan announced the vote count: Pete Klaseen received 33 votes, Reg Cridler received 29 votes, Karen Marty received 34 votes and Dave Whittlesey received 6 votes. Reg, Pete and Karen were welcomed to the board.

ADJOURNMENT

Dan thanked all those attending and adjourned the meeting at 8:17 p.m.

Pamela Klaseen, Secretary