

OVERLAND DITCH AND RESERVOIR CO.

Board of Directors Meeting

April 9, 2015

Meeting was called to order at 4:05 p.m. by President Phil Ceriani

In attendance were:

Directors: Dave Kuntz, Bryan Klaseen, Jerry Adams, Debbie Gray

Ditch Employee: Ray Penland

Ditch Rider: Steve Widner

Secretary/Treasurer: Debbie Christner

Redlands Mesa Board: Reg Cridler,

Stockholder: Ton Howe, Dave Whittelsey & Chuck Benzinger

AGENDA-Box Setting was added under Old Business

MINUTES OF THE PREVIOUS MEETING

The minutes from of the March 12, 2015 meetings were presented.

Dave Kuntz wanted his concern that all correspondence from officers should be part of company records, added under March 12, 2015 minutes Board Concerns.

There was discussion about this.

Phil pointed out that it is not practical to have every e-mail correspondence included in the monthly reporting of the company. Officers of the company have some latitude under the "prudent man" rule of corporate governance to respond to correspondence from outside interests without the need to vet every communication. Historically, the Overland has been very diligent about circulating important e-mail documents among board members. The particular e-mail in question regarded a response by the President to an inquiry from the State engineer regarding water administration procedures on Redlands Mesa. A copy of the response e-mail was forwarded to both the Secretary and to all board members, including David Kuntz.

Dave Kuntz and Debbie Gray said they were not receiving important correspondence.

The secretary reports that the response was forwarded to Dave a second time. It was pointed out that the company has had difficulty in the past with e-mail communication with Dave and suggested he take steps to improve this problem, as e-mail is critical to the management of our company.

Deb Christner will print off the E-mail from Phil to Bob Hurford and mail to Dave and Debbie Gray.

Bryan made the motion to approve the minutes adding Dave's concern 2nd by Jerry. Motion passed with all in favor.

TREASURER'S REPORT

Debbie Christner handed out a list of bills to pay, Budget Comparison and projected expenses for the next 6 months.

Jerry made a motion to approve the financials, and pay the bills, 2nd by Bryan.
Motion passed with all in favor.

The projected expenses were reviewed to assist in setting the first call.
Bryan made a motion to set the call at \$6.50 for , 2nd by Jerry
Motion passed with all in favor.

OPERATIONS: Ray said the opening of the ditch is one month early, he pointed out the opening of the ditch is almost always the same week-May 8, 2011, April 5, 2012, May 8, 2013, May 7, 2014 and April 2, 2015. This year is following 2012.

There is no low water and it is still cold up high so melting has not started. The Culvert by the Schonnaman is leaking and will have to be repaired.

No slides at this time.

Boxes were set April 1st, Reg wanted to know if this had solved Dave Kuntz lack of water concern, Dave said yes it did. Bryan pointed out that this requirement by the Water Commissioners hurts water users, specially the small water user as they would not get any benefit from flood water.

PRESIDENTS REPORT-

Reservoir Expansion-Jerry Adams attended a strategy meeting with CMU (Colorado Mesa University) regarding their FENS study, the plan is to conduct this study at numerous sites adding water analysis. This will be a 3-5 year project and won't begin until 2016. CMU's defines FENS as pete, water and a living plant, there are numerous definitions of FENS by different entities. FENS are supposedly fed by ground water and have a high mineral content. Tom Howe wants to make sure they address how long FENS can be inundated and if any damage is done by inundation. The State wants another basin drainage added to the study.

Tom Howe, from The Expansion Finance Committee, crafted a letter to DARCA, asking them to look into out of state water exchange on a lease when needed basis.

Dave made a motion to approve the letter to DARCA, 2nd by Jerry.
Motion passed with all in favor.

OLD BUSINESS:

The Redlands Mesa Water Users Box Setting Fee.

Tom Howe wanted to know who benefited by the fee, Reg explained the fee is not in addition to previous costs but an equitable distribution of the box setting costs, thus Redlands Mesa Water Users Benefit.

Dave Kuntz stated RMWU are under contract with a 1951 agreement between them and the BOR to set boxes. Dave had two concerns: #1 RMWU is required to set boxes and can't charge Overland, #2 this equates to taxation without representation.

Dave made a motion to send a letter to Overland only shareholders telling them they are not obligated to pay the box setting fee. Debbie Gray 2nd the motion. Much discussion followed, Phil has a call into Aaron Clay addressing this issue. 2 board members were for the motion, 2 board members were against, President voted against. Motion failed.

Reg request the 1951 BOR agreement be sent to Overland Secretary, Dave Whittelsey will look into getting a copy.

It was agreed by all that it is time for RMWU and Overland to create an agreement outlining duties and cost of said duties.

NEW BUSINESS: Phil talked to Kirk Russell of the CWCB regarding the current Line of credit. Work needs to be done on the diversion works, it will satisfy several requirements for the expansion, the expense and possible funding of the work by the CWCB Line of credit will be researched.

The Ware Lost Certificate Affidavit was signed.

STOCKHOLDER CONCERNS

Dave Kuntz wanted it on the record that Reg Cridler created his own problem by putting in a pipeline higher than Dave's outlet for his pond.

BOARD CONCERNS: None

ADJOURN:

The board adjourned the regular meeting at 6:15pm

Debbie Christner, Secretary