

**OVERLAND DITCH AND RESERVOIR COMPANY  
ANNUAL SHAREHOLDERS MEETING  
February 9, 2016**

**CALL TO ORDER**

President, Philip Ceriani called the meeting to order at 7:09

In attendance were:

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

Secretary/Treasurer; Deb Christner

**INTRODUCTION**

Phil Ceriani introduced the board members, Dave Kuntz, Bryan Klaseen, Jerry Adams and Debbie Gray, and the secretary, Deb Christner.

**AGENDA**

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

**CALL OF THE MEETING**

Deb Christner read the Call of the Meeting

**HANDOUTS**

The following were handouts at the meeting: Agenda, 2015 Annual Meeting Minutes, 2015 Budget vs. Actual, 2016 Proposed Budget, 12/31/2015 Balance Sheet, 2006 Memorandum of understanding between Overland and Redlands to specify the responsibilities for the distribution and monitoring of water on Redlands Mesa.

**QUORUM**

The Credentials Committee, of Sue Whittlesey, Jean Ceriani and Doug Christner confirmed a quorum of 7,331 consisting of 4,269 shares present and 3,062 represented by proxy.

A quorum was declared.

**MINUTES**

MOVED BY: Tom Howe to approve the minutes as published

SECONDED BY: Dave Whittlesey

MOTION CARRIED with no opposing votes.

**2015 FINANCIALS**

The 2015 financials were presented; Deb noted that Loan CWCB # C15347 will be paid in full in 2018.

\$10,585.00 was paid out towards the expansion permitting and equipment rental went over budget due to all the ditch repairs.

MOVED BY: Bryan Klaseen to approve the financials.  
SECONDED BY: Dan Hawkins  
MOTION CARRIED with no opposing votes.

## **2016 BUDGET**

The 2016 budget was presented, there were no significant changes from 2015.

MOVED BY: Reg Cridler to adopt the 2016 Budget and set the call at \$18.00 to be called as needed.

SECONDED BY: Tom Howe

MOTION CARRIED with no opposing votes.

## **OPERATIONS/PRESIDENT'S REPORT**

Phil noted that 2015 began at 70% due to the rains in the Spring, the reservoir filled and it turned into an average water year.

The Snowtel site seems to not be reading accurately. It looks like the reservoir will fill this year.

Phil gave a slide show which showed the reservoir, ditches and distribution. Redlands Mesa has a complicated, costly, accurate distribution system.

In 2015 the Oak Mesa Flume that was installed in 2011 was replaced by a much larger stronger structure, the flume was funded by the North Fork Water Conservancy District. The reservoir automated controls were upgraded and the ditch was cleaned.

In 2016 work will be done on the Piezometers on the Dam.  
The Hall head gate also needs to be repaired.

Until the political environment changes it is impossible to obtain a 404 permit.

Colorado Mesa University is looking at doing a joint project with the CORE studying FENS, This will not be funded by Overland.

The Family Farm Alliance and Colorado River District are working on water storage permitting problems.

Overland will continue to contribute to the consortium that runs the cloud seeding program.

Overland consists of 10,000 water shares, currently 7,677 are delivered and distributed on Redlands Mesa, of which 2,302 shares are Overland only with no additional Redlands Mesa Water

Phil stated that in 1948, (this was an error, the correct date is 1951) Redlands Mesa Water Users was incorporated.

Attached as addendum.

In an effort to insure no injury to water users starting in 2015 boxes were hard set April 1<sup>st</sup>.

**OLD BUSINESS-**Box setting will correctly be referred to as water delivery from now on.

Historically those with Overland only water, currently 30 stockholders have not been charged for the cost of water delivery and maintenance on the lower ditches.

In 2015 the cost of water distribution was split evenly to all users attempting to equalize the expense associated with this function. Ditch riders and box setting ensure security and accuracy of water delivery.

Dave Whittlesey expressed his thoughts on what transpired in the past, he believes Overland gave their ditches located on Redlands Mesa to Redlands Mesa to carry project water in perpetuity, in exchange for not being charged for water delivery and ditch maintenance. To date no documents have been found to back up this theory one way or the other. Dave wants the RMWU to prove his theory incorrect with documentation.

Reg Cridler asked Dave Kuntz for copies of documents, Dave Kuntz said he has been unable to obtain them and will be meeting with The Bureau of Reclamation. Dave Kuntz read Stull Agreement-Addendum attached.

Marvin White stated that the Stull was enlarged and there is an agreement with the Stull stating for use of their ditch there will be no charge to The Stull for water delivery and maintenance. This is the ongoing procedure.

Sally Hardy wants Overland to represent her interest with RMWU, she believes the current water delivery fee is not equitable, she is willing to pay but feels the current pay structure is not equitable. She expects to be billed by Overland Ditch and Reservoir, not RMWU as she has no vote in RMWU.

30 Overland only users were billed of which 3 have not paid.

It was stated that RMWU is not required to deliver if less than 10 shares.

Nomi Gray has had an issue with transparency and suggest Overland hire a different attorney as Aaron Clay cannot represent both Overland and RMWU.

It was noted that all Redlands water owners were also charged the same delivery fee

Dan Hawkins stated the cost of water distribution is a pass through and there is absolutely no profit. The argument that Redlands Mesa Water has created the need for box setters is in error, there were box setters before Redlands Mesa water came to be, Red Davis and Harry Wood are two that come to mind. The addition of Redlands water to Overland water is a benefit to all, the more water in the ditch the less shrink. Dan also noted that Dave Kuntz and Dave Whittlesey have been looking for documents for over a year.

Dave Kuntz said the ditches are Overlands until proof otherwise, everyone agreed that the ditch ownership is a legal question.

Both RMWU and Overland boards have work to do. The preference for 2016 is RMWU bill Overland only delivery fees to Overland and then Overland will decide how this is handled. This will then give Overland only stockholders a voice.

Sally Hardy wants to not be billed more for water delivery than what her annual water assessment is.

Tom Howe pointed out that water distribution costs are the same for 5 shares as they are for 1,000 shares.

Lawrence Mackendrick, box setter, stated that he had to set numerous boxes in order for the Hardy's to get their water

Mark Smith of the North Fork Water Conservancy District believes the NFWCD has some oversight on the matter and says too much emphasis is being placed on ditch ownership, move on. He says there is opportunity for any one running water on Redlands to purchase an A share.

Nomi Gray encouraged the boards to keep working on the issue and keep stockholders informed.

A reminder was given that Overland Ditch and Reservoir Company has monthly meetings that are open.

#### **NEW BUSINESS:**

Billy Varner passed away this Fall, Billy was very active with Overland in several capacities and Overland would like to recognize him along with several others. A suggestion of a wooden plaque with a brass plate be given to the family. Several said what would they do with a plaque. Unless a person is a member of the Grange nothing can be put up in the Grange, The Fair grounds in Hotchkiss was a suggestion, this will be investigated.

Changing the Annual meeting date is going to be investigated.  
Pat Frazier suggested having it before the RMWU Annual meeting.

#### **SHAREHOLDERS CONCERNS:**

A question was asked about the condition of the ditch, Dave Kuntz said that the entire board directed Robert, the ditch manager to do whatever it took last Fall to keep the ditch in good shape. As of last Fall the ditch was good but what happens over the Winter and is uncovered in the Spring is always an unknown.

#### **ELECTION OF BOARD MEMBERS**

The seats held by Debbie Gray and Jerry Adams are up for election.

MOVED BY: Dave Whittlesey to have Debbie and Jerry continue for another term.

SECONDED BY: Tom Howe

Phil asked three times for more nominations

Current board members remain in office for another term, by acclamation.

Meeting was adjourned at 9:20.

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Debbie Christner, Secretary