

**OVERLAND DITCH AND RESERVOIR COMPANY**  
**ANNUAL SHAREHOLDERS MEETING**  
**February 12, 2018**

**CALL TO ORDER**

President, Dave Kuntz called the meeting to order at 7:05

In attendance were:

Directors: Bryan Klaseen, Jerry Adams, Wyatt Wilson and Debbie Gray

Secretary/Treasurer; Shellie Gies

**CALL OF THE MEETING**

Shellie Gies read the Call of the Meeting

**HANDOUTS**

The following were handouts at the meeting: Agenda, 2017 Annual Meeting Minutes, 2017 Budget vs. Actual, 2018 Proposed Budget, 12/31/2017, Balance Sheet.

**QUORUM**

The Credentials Committee of Sue Whittlesey and Deb Christner confirmed a quorum of 6,353 consisting of 3,489 shares present and 2,864 represented by proxy.

A quorum was declared.

**MINUTES**

MOVED BY: Dave Whittlesey to approve the February 13, 2017 minutes.

SECONDED BY: Doug Christner

MOTION CARRIED with no opposing votes.

**2017 FINANCIALS**

The 2017 financials were presented: This year is very similar to last year. There was an additional item added for the yearly cost of the Esri map on the website. They will no longer host the map for free and will charge a \$500.00 yearly hosting fee. Another item added was Wages/Office. Deb Christner was paid contract wages, Shellie Gies will be taxable wages. The Diversion repair was done at a much lower cost then was budgeted for. Robert Stephen and Ray Penland placed a concrete structure to help minimize water coming from the spillway, which was causing erosion. We were able to come in under budget for 2017.

**2018 BUDGET**

The 2018 budget was presented; the only item added for the budget is the cost of an overflow box (Flap Gate).

These are to help with flood control. They would like to start with placing an overflow box (Flap Gate) at one of the Hubbards.

There was \$12,500.00 added to the 2018 budget to finish Bruce Marvin's work on getting the Piezometers and some other misc. items done, as per Dam Inspection requests, from Jason Ward.

Nomi Gray asked about doing an audit on the books and when was the last audit completed. Deb Christner stated it had been several years. It was agreed on to do an audit on the 2017 books, by the end of 2018. Shellie will contact Randy Fisher. It was agreed to budget \$2,000.00 for the audit.

MOVED BY: Tom Howe to adopt the 2018 Budget, setting the call at \$20.00, to call as needed.

SECONDED BY: Bryan Klaseen

MOTION CARRIED with no opposing votes.

**OPERATIONS/PRESIDENT'S REPORT**

There were no bad issues on the ditch this year. There were a lot of fallen trees that needed to be taken out of the ditch. Ray Penland stated opening the ditch went well. There has been work on the culverts this year, and they will continue working on them. Right now, the ditch is in pretty good shape.

David wanted to thank Andy Kasper for stepping in and taking over the ditch rider position.

David said we have accomplished a lot on the reservoir this year. Bruce Marvin will be working with Jason Ward this winter to make sure everything is completed to Jason's satisfaction.

Water for 2018 is not looking good. The snowpack is setting at 29% right now. When it comes time to run water this year, we need everyone's input.

Early run-off usually runs until June. This year it will most likely run out in May. When we are pulling water out of the reservoir, we try to make it last until September. Again, this year may be very different. We were able to store water this fall in the reservoir, so this may help a little for 2018. It was discussed that on a good year the Redlands Mesa runs 45 to 47-acre feet. Some Redlands Mesa stockholders wanted less water coming all at once, to be able to run water longer. It was discussed that if we run under 40-acre feet, the shrinkage is way too high for water to be delivered to all.

#### **OLD BUSINESS** None

#### **NEW BUSINESS**

Aaron Clay was present to represent Stucker Mesa Shareholders. Stucker Mesa shareholder use a spring for their domestic water. They are now required to have augmentation water to replace some of the spring water they are using. Mr. Clay proposed that we allocate 2-acre feet of Overland Water to fulfill this requirement. Our Articles of Incorporation would not allow this to happen, without being changed. All Overland shares are to go for agricultural purposes only. Stucker Mesa shareholders would like to change the Articles of Incorporation to allow them to have augmented water. They would have to go to Water Court to get this approved. Stucker Mesa shareholders have agreed to pay all cost associated with this. The arguments against were:

This would set a precedent for others to request augmented water.

We would be required to change our Articles of Incorporation.

This was tried about 10 years ago and was voted down.

Kay Adams said all shareholders need to understand what augmented water is and need to have a vote on this issue.

Aaron stated they wanted to put a provision in the agreement that only Stucker Mesa could have augmented water, and no other requests for augmented water would be accepted by the Overland. Many disagreed that we would not be able to turn down others. There would be lawsuits to follow. Nomi Gray asked if Aaron could get more information to the Board, so that they could notify shareholders with more information.

It would be at least two years before augmentation water could be used from the Overland, because it takes that long to get the Articles of Incorporation changed. Mr. Clay understood this.

David asked to have a show of hands of the shareholders who did not want the Articles of Incorporation changed and to not pursue this any further. Three shareholders raised their hands. David asked a show of hands of the shareholders who would like to look further into this matter and get more information. Seven shareholders raised their hands. We agreed to get more information and look into the information Aaron presented.

There was more discussion had about other options for Stucker Mesa to get their augmentation water. Aaron agreed they would look into all the suggestions.

#### **SHAREHOLDERS CONCERN**-None

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

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

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

SECONDED BY: Tom Howe

David asked 3 times for any nominations. No nominations were presented

MOTION CARRIED: with no opposing votes

Meeting was adjourned at 8:20pm

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Shellie Gies, Secretary