

**OVERLAND DITCH AND RESERVOIR COMPANY**  
**ANNUAL SHAREHOLDERS' MEETING**  
**Redlands Mesa Grange**  
**6:00 PM**  
**February 14, 2022**

**CALL TO ORDER**

President, David Kuntz called the meeting to order at 6:05 pm

In attendance were:

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

Secretary/Treasurer: Shellie Gies

District 40 North Fork Water Commissioner: Luke Reschke

District 40 Muddy Creek Deputy Water Commissioner: Doug Christner

District 40 Leroux Creek Deputy Water Commissioner: Paul Schmucker

Town of Hotchkiss Mayor: Larry Wilkening

Luke Reschke gave a brief description of what the Water Commissioners do for water users. Their duties are to administer all water rights according to the Prior Appropriation Doctrine. They are employed by the Division of Water Resources, to ensure the priority system is followed, enforcing the decrees and water laws of the State of Colorado. There are releases along the Overland Ditch that they oversee to make sure decrees are turned to owners appropriately and in order of priority. Paul Schmucker discussed the Cow Creek exchange. The Overland comes into Cow Creek and then into Leroux Creek. He administers the water into the appropriate ditch. This includes Leroux Creek, Overland, Highline and others. He explained there are two satellite stream gauges on the Overland Ditch. One is on Oak Mesa and the second is where the Overland water is delivered to Redlands Mesa. Between the two gauges Overland water is released into the Highline and a couple Shareholders. Therefore, the second gauge reads up to 6-8 cfs lower than the first. This amount will change depending on the time of year. Luke said the Division of Water Resource website has some good information and encouraged shareholders to visit the site.  
[drw.colorado.gov](http://drw.colorado.gov)

**CALL OF THE MEETING**

Shellie Gies read the Call of the Meeting

**HANDOUTS**

The following were handouts at the meeting: Agenda, 2020 Annual Meeting Minutes (Annual Meeting in 2021 was cancelled due to COVID),

2021 Budget vs. Actual/2022 Proposed Budget and the 12/31/2021 Balance Sheet.

**QUORUM**

The Credentials Committee, of Sue Whittlesey and Deb Christner confirmed a quorum of 6,273 consisting of 4,199 shares present and 2,074 represented by proxy.

A quorum was declared.

**MINUTES**

MOVED BY: Shawna Yaussi to approve the February 10, 2020 minutes.

SECONDED BY: Dave Whittlesey

MOTION CARRIED with no opposing votes.

**2021 FINANCIALS**

David asked if anyone had any questions about the 2021 financial reports. Greg Krush asked why so much less was spent in 2021 than in the previous year. It was explained that we had a very short water year, so wages were about half of normal and there were no major slides this year. The total proposed budget for 2021 was \$170,000.00 (\$17.00 per share), but we only called \$8.75 per share. Ray Penland stated that the work they did on the ditch back in 2018 has really paid off. We are not spending as much time fixing repairs. He said we are seeing the benefits of that now. Shellie explained the ditch supplies on the Profit and Loss report were new locks and keys for the ditch. The locks will be changed out this spring. Concrete was purchased for the repair of the Cow Creek diversion on Leroux Creek. Equipment repairs were done on the company chainsaw last year. The \$2,611.24 on Engineering-Environmental, should be only Engineering, not environmental. This was the amount paid to Applegate for the 10-year Outlet works inspection, that was done in 2021.

MOVED BY: Deb Christner, to approve the 2020 and 2021 financial report

SECONDED BY: Sue Whittlesey

MOTION PASSED: with no opposing votes.

## **2020 BUDGET**

The 2022 budget was presented. There is a larger amount under Ditch Repairs. We need to start replacing the aging ditch structures on the upper ditch. There is a new category for ATV Purchase. The total amount budgeted for 2022 is \$182,000.00 (\$18.20 per share).

MOVED BY: Sue Whittlesey to adopt the 2022 Budget, setting the call at \$18.20, to call as needed.

SECONDED BY: Bryan Klaseen

MOTION CARRIED with no opposing votes.

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

David Kuntz discussed the gage rod that was replaced in 2020. It is constructed of concrete and will last a very long time. We may have to replace the numbers as they wear off, but that should be all. We did not have a lot of water last year. The spring run-off was minimal, and the Reservoir had to be opened earlier than we would have liked. David thanked Ray Penland, Robert Stephenson, and Austin Paris for all of their work last year. We are starting to replace culverts along the ditch that have rusted out. The old culverts have held up better than the culverts that were placed in more recent years. Reg Cridler asked if PVC culverts were possible, Ray explained that they cannot be buried deep enough to withstand heavy equipment traveling over them. David stated we would like to replace a couple turnouts on the upper ditch a year until they are all replaced. Robert Stephenson completely replaced the West Terror this fall. The priority for this year is to get the Stucker Mesa turn-out replaced. There is an opportunity to get a grant from the Colorado River District. The Board is looking at ATVs to purchase. Austin Paris, our Ditch Rider, has worn out two ATVs and cannot afford to buy another one. The Board discussed buying one for the company and decided it was in our best interest to have a company owned ATV. \$500.00 was put down on a Honda side-by-side. It is on order and we are waiting for it to come in. A side-by-side was decided on because Ray and Austin could use one machine, instead of riding two, when they were on the ditch together. The 10-year outlet inspection was completed in 2021. The inspection went very well, other than some spots needed to have grout replaced. This was not done in 2021 because it got too cold before we could get it done. We will work on completing that this fall. A couple days ago the SNOTEL site was reading 116%. We received a good amount of snow in the last couple month, but now it is warming up and the snow is disappearing. Right now, we have not received enough snow to fill the Reservoir. We need to have a lot more snow to have a decent irrigation season this year.

Greg Knight stated he would like the Board to look into the pay for the Overland employees. They should have a raise, if needed. He did not want to lose good employees.

Wyatt Wilson will be doing the maintenance on the new Honda side-by-side.

Ray Penland shared some information from the past water seasons. In 2018 the reservoir filled to 31.5 ft. 2019 it filled and spilled. 2020 it filled to 36 ft. 2021 it only filled to 29.5 ft. It was not even half full. Right now he thinks we will do a little better than last year, but not by much, if we do not get more snow.

## **OLD BUSINESS**

NONE

## **NEW BUSINESS**

This year we will continue to replace the structures on the upper ditch, starting with Stucker Mesa this fall.

The Overland had an issue with water being pumped out of the ditch. This was taking place by Leroux Creek. The Board filed a police report with the Delta County Sheriff's Office. The Sheriff's Department told the Board that the District Attorney would not file charges. We could take them to small claims court. We did recover \$1,500.00 from the company and individuals who pumped the water, without going to court. They were also told this is absolutely not allowed and was against the law. The Overland's Attorney Rob Pierce helped with the issue. The fear moving forward is that this will not stop. The Shareholders decided to all get together and send emails and letters to the District Attorney's office, requesting them to start prosecuting the theft of water. This should not be tolerated. In a county that depends on Agriculture, this needs to be taken seriously. It was also suggested to get the other ditch companies involved in this, so that hopefully we will be heard. Nomi Gray suggested contacting the County Commissioners as well. Another suggestion was contacting our State Representative.

David discussed the possibility to combine the Redlands Mesa Project Ditch and the Overland Ditch at Leroux Creek. Right now, there are two separate turnouts and ditches. The Overland goes along a very steep hillside that is moving. Between the Overland Ditch and the Highline Ditch, some large cracks have formed. We had an engineer

look at this area a couple years ago. He did not believe that this was caused from the Overland leaking water, but could not be positive. There is a belief that the hillside will come down and slide into the Highline Ditch, with the possibility of taking the Overland Ditch with it. Redlands Mesa Water Users and Overland Ditch & Reservoir are in the early stages of talks to move forward with this project. This is not something that will happen within the next year or so. The funding will need to be established. There are other logistics to look at, regarding a couple shareholder's headgates that would be affected. The pipe would go along the current Project Ditch. Not only will this help with Redlands water delivery but would get the Overland off the side of the hill.

Reg Cridler mentioned being careful about who we applied grants from. Some grants come with other agendas in mind.

### **SHAREHOLDERS CONCERN**

Red Cidler spoke about the recent water years being so short, we needed to think of ways to help with water delivery. He was concerned about leakage in the ditch and spraying the ditches. He also stated that he read where 60 to 70 % of water was saved by using PAM in the ditches. He thought there were some spots that could use PAM. He also suggested changing the use of water on our Articles of Incorporation from irrigation purposes only to Agricultural use only. He is concerned about what may happen to our water, since Lake Powell is getting critically low. They may take our water since domestic water is the priority. Reg was concerned with what he had read in Tom Will's paper about the Town of Hotchkiss's Overland shares. The Town was considering using their Overland shares for domestic use. Shellie stated that the Town has never contacted the Overland Board. The only thing we know is what we have read in the paper.

Town of Hotchkiss Mayor Larry Wilkening said he would like to have a work session with the Overland Board, concerning the Town's 300 shares of Overland. He stated that they did learn that there is not a domestic decree on the Overland and it would take a change of use to be able to use as domestic. He would like to get together with the Board and the Town Trustees to discuss the best use of the Town's Overland shares. The Town helped fund a new automatic headgate at the Carl Smith Reservoir for Leroux Creek. This has saved Leroux Creek Water Users over 100 acres ft of water loss in 2021. They are willing and want to help the irrigation companies anyway they can.

### **ELECTION OF BOARD MEMBERS**

The seats held by Debbie Gray and Jerry Adams are up for election. David asked the Shareholders how they wanted to handle the elections, since we did not have a meeting in 2021.

MOVED BY: Reg Cridler, to retain the 3 Board Members that were up for election (David Kuntz, Wyatt Wilson and Bryan Klaseen) last year and allow them to serve their terms until next year, as well as be paid for their service.

AMENDED BY: Nomi Gray to add, due to COVID there was no meeting, therefor no elections in 2021 were held.

SECONDED BY: Dave Whittlesey

MOTION CARRIED: with no opposing votes.

Elections for 2022

MOVED BY: Reg Cridler, by order of acclimation to retain the current two Board Members (Debbie Gray and Jerry Adams) for another term.

SECONDED BY: Sue Whittlesey

David asked 3 times for any other nominations.

None were presented.

MOTION CARRIED: with no opposing votes.

David asked if there was any other business. There was none.

Meeting was adjourned at 7:40pm

Submitted by: Shellie Gies, Secretary