

**REDLANDS MESA WATER USERS, INC.
ANNUAL SHAREHOLDERS MEETING
JANUARY 27, 2023**

CALL TO ORDER

The Annual Meeting of the Redlands Mesa Water Users, Inc. was called to order at 7:07 p.m. by President Tom Meyers.

CALL OF THE MEETING

Secretary, Deb Christner read the call of the meeting.

INTRODUCTIONS

Everyone introduced themselves:

Tom Meyers, President,

Board Members, Kay Adams, Lance Rundle, David Whittlesey and Bryan Klaseen

Secretary, Deb Christner

Ditch Manager, Josh Kasper

Lead Box Setter, Lawrence McKendrick

PRESIDENT'S REPORT-Tom Meyers

Hopefully everyone was happy with the amount of water delivered in 2022 and how long it ran.

It's shaping up to be another good year as the La Nina continues. Lakes on the Mesa are 140%-190% of average and the state is currently completely out of drought status.

The 7 states of the Colorado River compact have so far failed to agree on any voluntary cuts needed to ensure that Lake Powell will still have sufficient volume to produce power. Lake Powell hit 1040 last year, at 950 it can no longer produce power. At 895 it goes to dead pool and the river effectively runs dry. Thus, the Dept of Interior and the Bureau of Reclamation will be working on mandatory cuts to restore the lake volume. Of course, there will then be litigation!

The board has been working on the ditch piping water optimization project, that the shareholders asked the board to pursue. In April there was a meeting with Paul Kehmeier, Co Dept of Ag to investigate grants. In May, Paul Kehmeier, Rachel Flinker of CSU and Nora Flynn, Ag water engineer from Colorado Water Center of CSU toured Redlands Mesa to get an understanding of the system. A salinity study was done and we have high salinity, which, potentially helps us with government funding.

Redlands Mesa, Overland and Durkee have a Memo of Understanding and are working together on this project. Redlands is taking the piping feasibility assessment management lead.

Tom Meyers wrote a grant proposal to the Colorado River District, with assistance from Paul Kehmeier and Paul Schmucher, water commissioner. The grant of \$22,000.00 was awarded September 16th.

Applegate Engineering was hired to gather data, analysis and map the system, and additional grant writing. The contract is \$32,000.00. Applegate is deep into the work, we hope to see a feasibility report by the end of March.

The grant funds make this portion of the Water Optimization project a 85/15 split. The 3 companies are contributing 15%. Redlands out of pocket for this portion is \$2,000.00.

We want to ensure that we are putting all our water to use. If the Feds begin looking for water, we need to be using all of ours as municipal condemnation supersedes AG use.

Tom thanked Deb Christner for her work, with a lawyer hired by the company on revamping our outdated and increasingly outdated Articles and Bylaws.

DITCH MANAGER'S REPORT-Josh Kasper

The first day of water, last year was April 9th, we had a gradual turn in.

There was a lot of debris during runoff.

Josh talked about the diversion numbers and chart he handed out. It shows amount of water diverted to Redlands and in what months from 1993-2022.

The company does not open the shareholder boxes in the Spring as users might not be ready for water. Opening the box initially to the amount allotted on the card is the water owners' responsibility.

The early runoff will be plentiful this year

We should have a good year current snowpack at Park Reservoir is 191%, Overland Reservoir 170% and McClure 164%.

QUORUM

The credentials committee of Michelle Meyers and Sue Whittlesey reported that 18 shareholders were present and 22 were represented by proxy, for a total of 40.

43 is needed for a quorum, under the By-laws that state a majority of class A stock represented in person or by proxy, but Article XI under the 1969 Articles of Incorporation state one-third of class A stock is needed for a quorum. Thus, a quorum was declared under Article XI of the 1969 Articles of Incorporation.

MINUTES

MOVED BY: Melissa Carlson to approve the March 25 2022 Annual Meeting Minutes.

SECONDED BY: Reg Cridler

MOTION CARRIED with no opposing votes.

FINANCIALS

Shareholders received copies of the 2022 Balance Sheets and 2022 Budget Comparison, proposed 2023 Budget and water delivery fee detail. Secretary Deb Christner went over the financials, explaining the accounting for the Water Optimization Project.

MOVED BY: Nomi Gray to approve the 2022 financials

SECONDED BY: Wyatt Wilson

MOTION CARRIED with no opposing votes.

2023 BUDGET

Secretary Deb Christner went over the 2023 Budget, funds were allocated for additional grant writing and legal. Insurance and mileage were increased, due to inflation.

MOVED BY: Bryan Klaseen to approve the 2023 Budget and set the call at \$4.00 as needed.
SECONDED BY: Reg Cridler
MOTION CARRIED with no opposing votes.

OLD BUSINESS

Deb Christner met with lawyer, Bindi Pennetta to reinstate Redland's Mesa Water Users Inc Bylaw and Articles of Incorporation. Drafts were sent out with the Annual meeting notice.

Members have identified some additional changes and corrections to the documents. A committee consisting of Tom Meyers, Deb Christner, Nomi Gray, Reg Cridler, Karen Marty and Lawrence Mackendrick will hold a work session to finalize the Bylaws and Articles.

The goal is to present these updated Company Governing Documents to the members in a summer meeting along with an update on the Water Optimization Project.

MOVED BY: Reg Cridler to set up a Governing Documents Committee.
SECONDED BY: Nomi Gray
MOTION CARRIED with no opposing votes.

NEW BUSINESS

Shareholders Box Manipulation

3 box locks were manufactured in 2022 and all were being used at one point. The company will be closely monitoring water theft this year and prosecuting. Title 37-89-101 prescribes a misdemeanor with a \$750.00 fine and 90 days in jail.

If you have your box shut and want to let a neighbor use that water you must let, Josh, Lawrence or Deb know, so it can be run through the box card system.

Lawrence talked about being sure to put your box number on your late water orders. This number is on your billing invoices and box cards.

Culvert & Pipe Maintenance

Cleaning of your box and culverts is your responsibility, please be mindful of this as it affects your neighbors.

If something happens, a split board gets away from you etc, let us know we are here to help.

There were a couple of incidents last year, where clogs had to be cleared by Redlands employees late at night, which is very dangerous and the clogs caused flooding of adjacent property.

One landowner insisted pipe belonged to RMWUA, the culvert and pipe were placed in a ditch easement that has been used as an open ditch since at least 1960 (confirmed by aerial photos). The landowner and RMWUA do not have any written agreements where the ditch company accepted responsibility for the culvert. On May 14th RMWUA had no choice but re-channel the ditch on top of the buried pipe to restore the free flow to that portion of the ditch. On May 27th President, Tom Meyers met with Attorney David Skarka to affirm Aaron Clay's statement that culverts and piping not authorized by RMWUA are the

responsibility of the landowner to maintain. There is Colorado Statute and case law confirming this.

If a landowner is installing a structure they have to get design approval from RMWUA.

SHAREHOLDERS CONCERNS-

None

ELECTION OF BOARD MEMBERS

The terms of Bryan Klaseen, Lance Rundle and Dave Whittlesey are expiring.

MOVED BY: Reg Cridler to retain the present board by acclamation.

SECONDED BY: Michelle Meyers

MOTION CARRIED with no opposing votes

ADJOURNMENT

MOVED BY: Reg Cridler to adjourn

SECONDED BY: Stan Adams

MOTION CARRIED with no opposing votes.

Meeting adjourned at 8:20 p.m.

Deb Christner

Deb Christner, Secretary