

**Annual Shareholder Meeting
The Blue Stone Ditch Association
February 15, 2024
6:30 PM - De Beque Fire Station**

Meeting called to order at 6:47 PM

All Board members present
Ed Olszewski - Attorney - present

Approve minutes from 12/16/23 -

Jan 26, 2023 - Director's meeting - should shareholders approve annual meetings or Board?
Cyndie Graham said the shareholders have to approve the Annual meeting minutes.
Marvin read the minutes from January 26, 2023
Approval through Shareholders not based on the Bylaws of 1 vote per share.
Board approved minutes.
Marvin read minutes from December 16, 2023 - those were also approved.

Ed pointed out that normally Boards read and approve minutes prior to a meeting.

Financial report -

Karen and Meghan performed a financial review from 2019-2023 that they shared with Shareholders. They found that the maintenance costs have been going up each year and suggested that maybe cost per share should reflect this. The cost that went up the most was attorney fees. There was a mention that there was no information about why Kathy was in correspondence with the attorney throughout the year. Kathy provided shareholders with a detailed breakdown of where all of the attorney costs went and why. Meghan pointed out that we have a negative balance. There was no information provided as to how much money in back shares is owed to the ditch. Kathy mentioned there was no breakdown in regards to how much we are owed by shareholders, how much we are taking in each year. Meghan said we have \$41,000 owed in outstanding share money - \$62,000 including interest as written into the bylaws - however, the P&L for 2023 did not reflect the amount owed with interest included.

Cyndie made copies of the P&L for everyone to review from 2023.

Ed (attorney) - If you have concerns about charges or time spent, his door is open to discussion. Legal fees are not cheap - \$295 per hour - he had to spend some time educating himself about the history of the ditch. Ed said he is happy to provide limited services as needed.

Someone wanted to know if one person was in charge of contacting the attorney on the Board. The Board agreed that having one person contact the attorney based on the budget would be prudent and also be a board decision.

Zach pointed out that there is no reason to involve attorneys in grant information as Marvin had directed because grant contracts are pretty straight forward.

Marvin let everyone know that Guy had had an accident and that he was back to work. (Kathy followed up after the meeting to find out that Guy had not been released from workman's comp and we will get an update on this March 14th) Guy is not back to work until he gets clearance. Marvin let shareholders know that he had been stepping in for Guy while he was out of duty and was doing so voluntarily.

Old Business -

Since 2019, shareholders have been asked to mark their head gates and install swing gates so the ditch rider can access the ditch. Shareholders who have not done so by irrigation season will be done by the ditch and shareholders will be charged accordingly.

Work completed in 2023 - large rocks removed from the Narrows, removed an old pipe that was causing restrictions with water flow, beaver breach in the middle of irrigation season, instead of spraying e mowed the ditch banks - this person is paid as a contractor.

This year other than maintenance, the Board does not foresee any infrastructure issues needing to be addressed. We cannot predict nature. Guy requested that some pipe be put across the upper end of the ditch so that he can cross the ditch.

Kathy pointed out that she was happy to discuss NRCS grant opportunities with landowners.

Public Comment -

Jason Ryan - with all due respect to Guy, the Ditch Rider should not be a Board member because it is a paid position. Zach said it's fairly common to not have a paid member on the board because it is a conflict of interest. Zach had brought this up before at a previous meeting. Ed agreed with this.

Someone else said "If it ain't broke, don't fix it" - he does not understand the conflict of interest. He felt we had bigger issues to worry about.

Zach mentioned that some Boards are paid a stipend for the time they serve on Boards.

Ed mentioned we could vote on it. It was agreed to add to the evening vote whether or not a paid employee should be a board member or not.

Officer Report -

Kathy introduced Luke Gingrich - head of JUB engineering.

Luke provided an overview of services being provided by the grant that Kathy wrote and left draft maps regarding the process they are going through. Creating a Water management plan/assessment provides an insight into the infrastructure, what the potential problems are and what can be done about the problems and bids on how much it would be to remedy the problems. Most ditch companies have these done every 5 years - the last one we had done was 15 years ago. JUB will work with the Board and the shareholders to prioritize projects.

Kathy asked when the project would be completed - Luke said they were about 40% complete. They should be done around the end of May/June and will come back to report findings to the Board and shareholders. They need to see the ditch with water flowing in it.

Luke pointed out that the infrastructure is over 100 years old and we do not end up in a place where the problems become even bigger than they currently are. This engineering study is being done because it is impossible to pursue grants without having an updated water management plan. Luke also pointed out that if we keep good notes, he can easily update the maps that they have and the costs will not be as much as they were this last time. This study was \$30,000 - the cost to the ditch was \$2500 - the rest was paid for through grants.

Luke said a big useful project (and needs to be on our list) would be re-building the in-river infrastructure - the entrance to the ditch (from the Colorado). We may see it come up in the future as something that is being pushed by the water commission.

New Business -

Ideas to thank Rich Livingston - card with gift certificate with Board signatures.

PO Box change - the new PO Box is Box 54, De Beque, CO 81650

We have a new profession email -

info@thebluestoneditchassociation.com

2024 Projects - Double spillway needs a bigger wheel on it. Can we wait to cover this with grant money? Also, the spill out on U and 45 Road. The wash out by Little Horse Thief.

Transfer fees - All paid up for 2023 except 2. Transfer fee is \$100 per transfer. Kathy said she would look into them.

Vote on assessments - It was decided that until we have a budget and a road map created of short and long term goals, that we should not increase or decrease the amount per share. The share amount will stay at \$40 per share.

It was asked how are we going to deal with people that are not paying that are on a shared head gate?

Don Metzler reminded everyone that we always have the option for the Board to issue a Special Assessment if something major happens. John said it is difficult for people on a fixed income to personally budget for people to have to pay Special Assessments. A smaller plan for increase is better than a larger unplanned request.

Someone mentioned that we should allow people to pay quarterly which the Board is open to.

Marvin said we do have a \$50,000 CD that we have not cashed in.

Position of the Ditch Rider - we believe we need a back-up part time ditch rider - or an apprentice - we all believe we do, but until we have a budget we cannot commit to this. Kathy collected names of people that would possibly be interested in the part-time ditch rider position.

Motion to appoint Guy as Ditch Rider for 2024 - motion approved.

Voting on Board members - this has never been done correctly according to the bylaws that there is 1 vote per share. Dustin Sandidge suggested we write all of the names of the candidates on the whiteboard, everyone get a "ballot" to write down who they want on the board and how many shares they are representing and that would be how we decide on the Board for 2024. It was decided that the votes would be counted by the attorney.

Meeting was adjourned at 8:41 PM to count votes.

Results of votes -

Kathy Haas
John Hilderbrant
Zach Pigati
Don Metzler
Karen Latham

Marvin Fender had been elected to be back on the Board, but informed the attorney he was giving up his position. Guy was also elected back on the Board, but based on the vote to approve to not have a paid employee on the Board, he was removed from the board as well. All votes and proxies were given to the attorney to hold on file.

Side note - we were informed on 02/23/2024 that Cyndie had resigned as the Treasurer, but the Board had not been informed via a written resignation.