

	MEETING MINUTES	
	MTG NAME	2017 Annual Meeting
	DATE	February 6, 2017
	TIME	7:00 pm
	LOCATION	Sweet Elementary School

ATTENDEES

BOARD MEMBERS	President, Joe Zavaletta; VP, Roy Moses; Ditch Ryder, Creek Walker; Secretary, JaNae Neyman
SHAREHOLDERS	Joyce Arthur (33), John & Barbara Avila (2), Ralph Barker (5), Art & Bonnie Beal (4), Donald Betzold (35), Tom & Lori Braislin (5), Mel & Linda Bromgard (14), Tom & Leann Carlson (70), Dan & Pat Carlson (5), Michael Carrier (4), Randy & wife Christensen (5), Paul Drake (105: 30 + 75 Proxy- Greg Drake), David & Jennifer Furst (4), Keith Goode (5), Dave & Wanda Gorley (5), Melvin & Georgia Hale (27), Cyndi Hall (5), Bruce & Carolyn Hamilton (5), David & Valerie Jones (3), Rick Link (52: 22 + 20 David Leary + 10 Walter Swain), Harold & Peggy McKean (6), Robb Menlove (1), Harry Mondor (3), Roy Moses (92), Brian Noland (13: 5 + Proxy 3 Butler, 5 Mary Johns), Mike Oliver (8), Mary Pinengar (5), Kyle Rex (5), Richard Rex (1), Linda Rhoton (1), Monte See (33), Paul Shay (47), Brian Spears (51: 16 + proxy 35 Mark John), Paul Springer, Marcia Todd (3), Sheila Turner (7), Steve Wilfong (51), Joe & Carol Zavaletta (10).
PROXIES	Angie Waldner (120 Proxy Nancy Waldner), Creek Walker (65 Proxy Lee Perkins)
VISITORS	Lane Russell, John Whitiscle, Levi Russell, Daryl Morgan, Heather Villatoro, Bryan Moses, Pete O'Dell.
PRESIDING OFFICER	Joe Zavaletta

ANNOUNCEMENTS/NOTES/CALENDAR EVENTS

- A-1 **Call Meeting to Order** by Joe Zavaletta
- A-2 **Pledge of Allegiance** led by Joe Zavaletta
- A-3 **Moment of Silence**
- A-4 **15+ people attending a ditch meeting for the First time** (By show of hands)
- A-5 Approximately **4 new move-ins** this year (By show of hands)
- A-6 Meeting will follow **Robert's Rules of Order**: Motion, Second, Discussion, Vote. This is not a gripe session, nor a finger-pointing session. We want to focus on SOLUTIONS for a peaceful community.
- A-7 **Outline** for meeting given by Joe Zavaletta.

- A-8 **Instructions for speaking** during the meeting: Only shareholders in good standing allowed to speak and vote. Use microphone and state name when addressing the Board and/or group.
- A-9 **"Who we Are"** explanation (see slide 1, 2, & 3 in notes) by Joe Zavaletta.
- A-10 **Roll Call** by JaNae Neyman. See shareholders listed above.

UNFINISHED BUSINESS/2016 REPORTS

- UB-1 **Reading of 2016 Annual Meeting notes** by Joe Zavaletta.
MOTION: Bruce Hamilton gave motion to approve notes. Sheila Turner gave 2nd Motion. Motion unanimously carried.
- UB-2 **Financial Report** by JaNae. Explained format of report and reported that all figures reconciled to the Company Bank Statements. Delinquencies to date total \$2,802.62. Paul Drake asked regarding Dam Repair details not shown on Financial Report. Deferred to Dam Repair report given later. No other questions asked. (See Attachment 1: 2016 Financial Report)
- UB-3 **Diversion Dam Report by Paul Drake.** (See attachment #2: Priority Construction Invoice) Paul explained that the repairs on the Dam totaled \$33,128.42. Paul was able to secure a grant that paid for \$16,564.21 of the project. Paul & Greg Drake donated \$10,000 of time and supplies to the project. The balance of \$6,564.21 was paid by the Ditch Company. Paul explained that we will not be doing a 2nd phase repair in 2017 and will not need to budget for this expense as the water is too high to pour.
MOTION: Roy Moses explained the great service the Drakes have provided to the Shareholders/Ditch Company. He proposed that a plaque be made in the Drake's honor (to be placed at the Dam) and that the Dam be named, **"Drake Dam"**. Joe Zavaletta gave a 2nd Motion. Motion carried.

NEW BUSINESS/MOTIONS

- NB-1 **2017 Proposed Budget and Shareholder Assessment.** (See attachment below : 2017 Proposed Budget) JaNae Neyman reviewed proposed budget items as per report. Paul Drake suggested to increase budget amount of Heavy Equipment by at least \$1,000, the brush Removal by \$500, and the cost for Xylene by \$1,000. JaNae Neyman reported that the Xylene price was confirmed by Dale at SGS for budgeted amount of \$3,300. Creek Walker suggested to increase Ditch Rider by \$2,000 and Heavy Equipment Rental by \$1,500. Board agreed to increase the budgeted items of Brush Removal to \$1,000, Ditch Rider to \$5,500 and Heavy Equipment to \$4,000 increasing total expenses to \$21,768.75. With the increase in expenses, the board suggested that the assessment be increased to \$16/share.
MOTION: Paul Drake proposed that the 3 budget item changes be approved (see attachment: 2017 Approved Budget) and assessment for 2017 be increased to \$16/share. 2nd Motion by Dan Carlson. Motion carried.
Note: Concerns were expressed about possible flooding and need to increase assessment to prepare for this possible emergency. Joe Zavaletta said we would not increase assessments for POSSIBLE emergencies. We can always call a meeting and call for another assessment if the need arises. Joe Zavaletta made it clear that we do not need to vote on \$50 EMF fee as it is written in the by-laws.
- NB-2 **Amendment to Article 1 Section 1 of By-laws.**
EXPLANATION: There is a need to define us as a private company subject to Idaho Code.
MOTION To amend Article as follows: "Authority. The Company, formed in 1896, is a privately-formed nonprofit, fee collecting company that delivers water to its shareholders for irrigation purposes. The Company's place of use is found at the Idaho Department of Water Resources and generally defined through Idaho Code and the Snake River Basin Adjudication."
1st Roy Moses, 2nd Paul Drake.
DISCUSSION: Brian Spears addressed ID code 42. Joe- we are not responsible for laterals. Rick Link suggested we need to create associations to care for lateral issues. Roy Moses- Ditch Co. is responsible only to get water to the Headgate. On lateral, you take turns according to shares.

VOTE: Only 1 opposed -Melvin Hale (27). **MOTION CARRIED.**

NB-3 Amendment to Article 2 Section 1 & 2 of By-laws.

MOTION to amend Article 2 Ditch Description & Maintenance Section 1 Ditch Description and Article 2 Ditch Maintenance as follows:

1st Creek Walker. 2nd Art Beal.

"A2S1: The ditch shall consist of all works, structures, in an around the Ditch, including any and all dams, overflows, checks, main ditch weir, flood gates, flumes, culverts, and measuring devices, as well as all real and personal property rights of every name, nature and description, including any easements owned or historically used by the Company, or which may be acquired or used hereafter by the Company for the purpose of diverting water under the water rights of the Company from the public, or any private, water supply. "

A2S2: "The Company shall operate, maintain, protect, repair and replace the Ditch and all essential and proper parts thereof, at the Company's expense during the life of the company."

DISCUSSION: Paul Drake- Company not responsible for pumps. Only 1 culvert in the canyon...no faculties. Nothing other than the ditch itself. Removed the wording of "reservoir". Brian Spears made comments about measurement weir and main ditch weir. Question asked if shareholders own head gates. Creek Walker noted that Ditch Co is purchasing more measuring devices. Keith Goode asked who owns measuring devices. Creek answered that the Ditch owns them.

VOTE: Unanimous vote. **MOTION CARRIED.**

NB-4 RENTAL POOLS / ARTICLE 3 SECTION 1,2 AND 3.

EXPLANATION by Joe Zavaletta:

- Started with Board concerns last summer over uneven water distribution and delinquencies.
- Some stockholders had water but were no longer using (could not/refused to pay), others were asking for more.
- Reviewed all federal court orders for SRBA 2004-2014.
- Roy Moses and I talked to Ron Shertliff at 65
- IDWR has determined our "place of use" for our adjudicated water rights.
- Shareholders manage the water within the place of use to maximum benefit of all. No waste. We *can* temporarily rent the stock to fellow stockholders (we already do a form of that that with our proxies), but we *cannot* rent the stock to non-shareholders, nor can we transfer water rights without sale of land.

MOTION made to add Article 3 sections 1,2 & 3 to the By-laws as follows:

A3S1: Purpose: The Company shall establish a mechanism to create an annual "Rental Pool" for the seasonal rental of stock by and between Company shareholders only. The practical application of the rental pool is to temporarily adjust water within the Company's place of use to allow increased access to those who have a greater need for water. All rental of stock must be approved by the Board in its sole discretion, but in no case shall any such rental; (i) be construed as a transfer of water rights, (ii) cause any harm to other stockholders, (iii) conflict with applicable Idaho Code, or (v) violate the Snake River Basin Adjudication Decrees.

A3S2: Rental Pool: The Rental Pool shall consist of Company shares both in good standing and those that are delinquent (See Article 8). Shareholders having shares to rent (Lessors) and those who wish to rent those shares (Lessees) shall promptly notify the Company of their intended status within a week after the annual meeting.

A3S3: Rental Pool Fees: The Board shall set a Rental Pool Fee payable as follows: (a) Shares in Good Standing. The Lessee shall pay the Lessor's annual assessment plus a Administrative Fee of \$100 to aid with costs associated with management of the Rental Pool. Payment of the Rental Pool Fees must be made to the Company prior to delivery of water to the Lessee. (b) Delinquent Shares. The Lessee shall pay the Administrative Fee, plus the Lessor's current annual assessment, plus a negotiated delinquent assessment. Payment of the Rental Pool Fees must be made to the Company prior to delivery of water to the Lessee.

1st: Creek Walker, 2nd Tom Carlson

DISCUSSION: Brian Spears quoted state law...1"water does not equal 1 acre, and an owner can purchase more water. You can relinquish share w/o giving up right. Michael Carrier mentioned that anyone in company can sell and trade to any other shareholder. Creek Walker- Some laterals won't hold the water- board needs to moderate & use discretion. Keith Goode – get authorization if needed. Pat Carlson- What about past arrears? Joe – debts are only 1-2 years old. Rick Link- those with lateral issues should gather and talk after meeting. Leann Carlson- Does leasing mean you can pump outside of place of use? NO. change wording in By-laws. Harold McKeen- Is it appropriate to lock gate of those with delinquent accounts? Creek Walker – Lock gate to # of inches. Melvin Hale- water should not be taken out of Ditch Company. Creek Walker- Flood irrigating takes more water. Joe Zavaletta- Agree with fee of \$100? Brian Spears- extortion? Wanda- what would cost be to the Ditch Company? Creek Walker- not sure, but it would help recover money of shareholders from delinquent accounts. Dan Carlson- Is anyone even interested? By show of hands, yes. Leann Carlson – Lease is from year

to year? Yes.

VOTE: Opposed- Melvin Hale (27), Brian Spears (51), Paul Shay (50), Dan Carlson (5), total 133. **MOTION CARRIED.**

NB-5 2017 Billing. For all shareholders who have email, we will be billing via email. Otherwise, we send invoices/ correspondence via mail.

NB-6 Robocalls. Article 5 Section 2

EXPLANATION: All meeting notices will be sent out via Robocall from the number 991-2649.

MOTION to accept Article 5 Section 2 as follows: "Notice of Annual Meeting: At least ten (10) days prior to said annual meeting, a notice setting out the time and place of such annual meeting shall be placed on the Company's website and delivered to each stockholder using USPS, or any appropriate electronic service, including robo-calls, social media, and/or emails. Any notice under this paragraph shall be sent to the stockholder at their physical or electronic address as it appears in the Company's database. The shareholder is responsible to ensure the Company has current contact information, including mailing address, main phone number, and email if available."

1st Robb Menlove, 2nd Mike Carrier

VOTE: Melvin Hale opposed motion. All else voted in favor. **MOTION CARRIED.**

NB-7 Ditch Manager Article 7 Section 6 of By-laws

EXPLANATION: Would Ditch company benefit from adding a Ditch Manager?

DISCUSSION: Steve Wilfong & Brian Spears object to \$50 fee by Ditch Rider. Suggestion made to remove \$50 fee for conflict resolution. Paul Drake – If we approve one (rider), then we approve the other (Manager). Brian Noland suggested we change name of manager to Rider. Creek Walker expressed need to have additional help for Ditch Rider.

MOTION: Remove dispute resolution from Article 7 section 6 and accept by-law as follows: "The Ditch Rider shall report directly to the Board and shall operate under its direction and supervision and shall be in charge of the seasonal maintenance of the Ditch and serve as the Company's investigator and enforcement officer. The Ditch Manager shall have general charge and control over all Ditch maintenance, operations, and functions except the duties designated by law to be performed by the secretary, treasurer, or other Company officers."

1st Steve Wilfong, 2nd Dan Carlson.

VOTE: Creek Walker was only shareholder opposed. **MOTION CARRIED.**

10 MINUTE MEETING BREAK.

NB-8 Brian Spears Conflict.

Paul Drake – You cannot lock a head gate if shareholder is in good standing.

Brian Spears—Never has nor will intentionally flood a neighbor.

Much discussion on the advantages of using a sprinkler system vs flood irrigation and drainage issues. Roy Moses said a check will not work and that the solution is a sprinkler system.

Suggestion made that despite past agreements and approvals, the shareholders need to go forward making a decision that benefits all involved.

Brian Spears mentioned that the ditch is too wide near his head gate and needs to be repaired.

Paul Drake volunteered to work with Brian Spears to resolve flooding issues and report back to shareholders of conflict resolution at the March 6th Meeting.

NB-9 Election of Directors. A Motion was made to elect Joe Zavaletta as President. Motion was made to increase the number of Directors to 5. Robb Menlove suggested that due to the late hour and the importance of the topic, that this motion be re-addressed at the next meeting.

MOTION: Joe Zavaletta proposed that he and Roy Moses serve another 30 days until the next meeting scheduled for March 6th. 1st by Brian Noland, 2nd by Robb Menlove. **MOTION CARRIED.**

NB-10 Meeting Adjourned.

MOTION: Proposed that meeting be adjourned. 1st Carolyn Hamilton. 2nd Paul Drake. Motion Carried & Meeting adjourned.

SQUAW CREEK DITCH COMPANY

2017 BUDGET

FISCAL YEAR: FEBRUARY 1, 2017 - JANUARY 31, 2018

PROJECTED EXPENSES**LABOR:**

Brush Removal	\$	500.00
Cleaning of Canal	\$	3,500.00
Ditch Rider	\$	3,500.00
Secretary	\$	1,500.00

DITCH EXPENSES:

Gas, Diesel, Oil	\$	600.00
Sage Hen Reservoir	\$	1,008.75
Heavy Equipment Rental	\$	2,600.00
Xylene - Weed Kill	\$	3,300.00
Repairs & Maintenance	\$	300.00

EMF EXPENSES

Dam Repair
Bank Repair

OFFICE EXPENSES:

Office Expenses	\$	400.00
Telephone - Robocall Alerts	\$	50.00
Postage & Delivery	\$	100.00
Website	\$	100.00

INSURANCE:

Worker's Comp	\$	410.00
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Total Expenses in Fiscal 2016**\$ 17,868.75**