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Lori A Mitchell
Chaffee County Clerk

BY-LAWS

OF

THE MISSOURI PARK DITCH COMPANY

2022

**THESE BY-LAWS SUPERSEDE ANYTHING
WRITTEN OR FILED BEFORE THE ABOVE YEAR
STATED**

**BY-LAWS
OF
THE MISSOURI PARK DITCH COMPANY
2022**

The Missouri Park Ditch Company (MPDC) is a contract/volunteer company. This means that the company will operate without the need for employees/payroll. The Company will be operated with the guidance of three (3) documents:

1. Articles of Incorporation, dated 2019, which are filed with the Secretary of State in the State of Colorado. This is the formal, legal document for authorizing the creation and continued operation of the Missouri Park Ditch Company, established on March 9, 1882.
2. By-Laws of the Missouri Park Ditch Company, dated 2022, which are filed with the Chaffee County Clerk in Chaffee County, State of Colorado. These By-Laws are a legal document that defines the structure, management, and rules for operation of the Missouri Park Ditch Company. The By-Laws provides comprehensive guidelines to ensure the Missouri Park Ditch Company operates smoothly, efficiently, and effectively.
3. Policies and Procedures of the Missouri Park Ditch Company. These Policies and Procedures are maintained in the company files by the Secretary/Treasurer of the company. They provide the Board of Directors and Officers an instrument to adopt operating procedures to implement the company's Articles of Incorporation and By-Laws.

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ARTICLE 1

ORGANIZATIONAL STRUCTURE, DUTIES AND RESPONSIBILITIES

The affairs of the MPDC shall be managed by:

- President
- Vice President
- Secretary Treasurer
- Board of Directors
- Head Gate Manager
- Box Representatives
- Volunteers
- Shareholders
- Contractors

The duties and responsibilities of members of the organization shall be as follows:

1. President

- a. **Duties:** The President shall serve as the CEO of the company and provide overall management of the operations of the MPDC.
- b. **Responsibilities:** The President shall preside at all leadership meetings of the Company. Parliamentary Procedure shall dictate the conduction of these meetings. The President shall sign all certificates of stock and sign all contracts made or entered into by the Company. The President shall assume the duties and responsibilities of the Secretary/Treasurer if that person is absent, unable to fulfill their duties or the position is vacant. The President shall appoint and supervise the Headgate Manager for the duration of the water year. The President shall form and appoint members to any special committee deemed necessary. The President is the direct supervisor of the Vice President, Secretary/Treasurer, Headgate Manager and Box Representatives.

2. Vice President

- a. **Duties:** The Vice President will assume the duties and responsibilities of the President whenever the President is absent or unable to fulfill his/her duties. The Vice President shall be the Project, Volunteer and Contract work coordinator for the MPDC
- b. **Responsibilities:** The Vice President shall identify any maintenance anticipated for the MPDC and provide an updated report at each monthly Board of Directors Meeting. The Vice President shall call, organize, and supervise all Volunteer work on the Missouri Park Ditch (MPD). The Vice President shall maintain a report of each shareholder's participation in

required work projects. This report shall be presented at the monthly Board of Directors meeting. The Vice President shall be the contact person to coordinate and oversee any Contractor activity deemed necessary by the Board of Directors and Officers.

3. Secretary/Treasurer

- a. **Selection:** The dual position of Secretary/Treasurer may be elected from among the shareholders at the Annual Meeting held the first Saturday of March in the current calendar year. If not elected from among the shareholders, the position may be filled by a contracted individual whose compensation is determined by the Board of Directors and Officers. Whenever possible, the Secretary/Treasurer position will be held by one individual. If this is not possible, the President may appoint/hire an additional person. A contracted Secretary/Treasurer shall not be a voting member of the Board of Directors.
- b. **Duties:** The Secretary/Treasurer shall keep the corporate seal of the Company, record the issuing and transfer of all Certificates of Stock with the name of all parties to whom they were issued and record all surrenders and transfers of the same shares. The Secretary/Treasurer shall also keep a list of the names and addresses of the shareholders of the Company. The books and records of the company shall be open to inspection by the shareholders.
- c. **Responsibilities:**
 - 1) The Secretary/Treasurer shall receive and disburse the funds of the company, safely keep all money, bonds, and evidence of indebtedness of the Company and keep receipts of all transactions.
 - 2) The Secretary/Treasurer shall keep accurate accounts of all transactions and deposit money and any negotiable papers only in the name of the Company and only in a bank approved by the Board of Directors and Officers.
 - 3) The Secretary/Treasurer shall pay out the funds of the Company only under direction from the Officers and the Board of Directors.
 - 4) The Secretary/Treasurer shall submit a statement of the receipts and disbursements at each regular meeting of the Company. He/she shall produce the financial records and attend any shareholders' meeting when requested. An annual report to the Board of Directors and Officers shall be made covering the Company's business from the preceding year prior to each Annual meeting of the shareholders.
 - 5) The Secretary/Treasurer shall attend all meetings of the Board of Directors and shareholders and keep a true record of the proceedings.

6) The Secretary/Treasurer shall keep a record of certificates of stock issued by the MPDC. This record is to include consecutively numbered stocks, number of shares issued per certificate, the person to whom it was issued, date of issue and history of any transfer or cancellation. All surrendered and cancelled certificates shall be preserved by the Secretary/Treasurer. If a shareholder loses a certificate of stock, the procedure for issuing a new certificate will follow the guidelines in the Colorado Revised Statues.

4. Board of Directors

- a. Duties: It is the Board of Directors' responsibility to ensure MPDC water rights are used in accordance with the purpose of the company and for the benefit of all shareholders.
- b. Responsibilities: The Board of Directors shall guide, direct and evaluate all aspects of the company in the interest of all shareholders. The Board oversees the formulation and implementation of the company's strategic plan which guides the direction of the Company.

5. Head Gate Manager

- a. The Head Gate Manager shall be appointed by the President in coordination with the Board of Directors. The Head Gate Manager shall be directly supervised by the President.
- b. Duties: The Head Gate Manager shall report water flow and water flow concerns to the President as needed during the water season. He/she also shall report monthly to the Board of Directors the status of the water and any concerns. The Head Gate Manager shall maintain close communication with the State of Colorado Water Commission and the state engineer.
- c. Responsibilities: The Head Gate Manager shall ensure that the MPD receives the maximum amount of water available from the South Arkansas River from early March of each year into the fall season. The Head Gate Manager shall monitor the current water call to prevent losing water to other ditches and coordinate water flow with the water commissioner.

6. Box Representatives

- a. The Box Representative of any diversion box and associated lateral is a shareholder on that box/lateral. In cases where shareholder(s) cannot provide the company with a representative to manage and operate that box and lateral due to physical inability, or water year availability, or some other reason, those shareholders on that particular lateral have the option to engage a Representative to manage and operate their box and lateral. The bottom line is every diversion box (Box 1 through Box 15)

and lateral must have a representative that can be responsive to the MPDC daily.

- b. The Box Representative is that person who the MPDC Board and Officers will work with to efficiently and effectively manage a single main ditch diversion box on the Missouri Park Ditch and the associated lateral. A Box Representative is a designated representative of the MPDC Board of Directors and Officers.
- c. The designated Box Representative exercises general supervision over the affairs of that particular lateral.
- d. The Box Representative will work with the shareholders to manage and operate the diversion box and lateral for the benefit of all the shareholders that take their shares of water from that lateral. The Box Representative, with the support and assistance of the Board of Directors and Officers, will work to informally resolve disputes among shareholders occurring on the lateral, including but not limited to those involving water delivery and maintenance of the lateral.

7. Shareholders

- a. A shareholder is a person or entity whose name appears on the stock certificate filed with the Secretary/Treasurer.
- b. Each shareholder shall understand that the initial shares of stock issued in the 1880s belonged to the MPDC. The decrees that belonged to the Company were the basis for issuing those shares of stock. The MPDC will not relinquish the management or operational control of those shares to any shareholder. As such, any sale, diversion or use of water must be approved in writing by the MPDC sitting Board of Directors and Officers.
- c. To protect the assets afforded by ownership of shares in the MPDC, the shareholder must comply and conform to the rules and regulations of the Company.
- d. The shareholder may delegate ditch management participation, voting, holding office and any other privilege of stock ownership to another person by designating that person their proxy, power of attorney or authorized agent/representative.

8. Volunteers

- a. A volunteer shall be every person or members of an entity who possesses ownership of share(s) in the MPDC. If the shareowner does not want to participate as a volunteer, the shareowner may designate a representative to assume the responsibilities of maintaining the MPD.
- b. Volunteer activities are coordinated through the Vice President.

9. Contractors

- a. A Contractor shall be any person hired by the MPDC to perform a particular activity on behalf of the Company.
- b. Any Contractor hired by the MPDC must be licensed and insured. A certificate of insurance shall be provided to the Company before any contractor is allowed to begin any project.
- c. All Contractors shall be under the direct supervision of the Vice President of the MPDC.

ARTICLE 2
ELECTIONS

1. All shareholders will be eligible to vote at the Annual Meeting or any Special Meeting. The Shareholder will receive votes equivalent to the number shares held by the Shareholder. If the Shareholder is unable to attend such meetings, the shareholder will be entitled to designate a proxy, who will vote for the shareholder.
2. The President, Vice President, and Secretary/Treasurer, if running, shall be elected by a simple majority of the shareholders or their appointed proxy at the Annual Meeting held on the first Saturday of March of the current calendar year. The President, Vice President, and Secretary/Treasurer shall serve a 3-year term. The President, Vice President, and Secretary/Treasurer, if elected, are limited to 6 consecutive years.
3. The five (5) Directors shall be elected by the shareholders or their proxy at the Annual meeting held the first Saturday of March of the current calendar year. Additionally, up to four (4) alternates may be elected. The alternates shall not be voting members unless occupying an absent board member's position. The Directors are elected to 3-year staggered terms. Directors may run for re-election for a second term. A Director is limited to 6 consecutive years and must abstain from running for a period of one year after serving two terms. Alternates are elected to a 1-year term.
4. If the President is unable to complete their term in office, the Vice President will become the President and will complete the President's current term.
5. If the Vice President is unable to complete their term in office, the Board will select an individual from the Board to become Vice President, who will complete the Vice President's current term.
6. If a Director position becomes vacant, it shall be filled by the Alternate Director who received the next largest number of shareholder votes at the Annual Meeting. The Alternate will serve for the remainder of the vacating Director's term. Additionally, a position shall be vacated if a Director fails to attend three consecutive monthly meetings without notification/justification to the Officers and other Directors of the Board.
7. Any Director or Officer may be removed at any time for cause by a vote of the shareholders of more than 50% of capital stock outstanding. This may be accomplished by notarized signatures on a petition circulated for that person or at a special meeting called for that purpose.

ARTICLE 3

STOCK CERTIFICATES AND SHAREHOLDER RIGHTS AND RESPONSIBILITIES

1. Certificates of stock shall be in a form determined by the Board of Directors. Each certificate shall be consecutively numbered, contain the number of shares issued, the name of the person or entity to whom it is issued, the contact information for that person or entity, the of date of issue and the date of surrender and cancellation. the stock of the Company shall only be transferable upon the books of the Company.
2. The MPDC has issued 100 shares of stock, which represents the full allocation of water available to the MPDC. All shares of stock shall be deemed personal property and transferable as such in the manner provided by these By-Laws.
3. All surrendered and cancelled certificates shall be preserved by the Secretary/Treasurer and entered upon the stock ledger kept by him/her.
4. For the transfer of a certificate of stock, the old certificate will be surrendered to the MPDC and cancelled, and a new certificate of stock will be issued in accordance with 1. above.
5. In case of the loss of any certificate of stock, the procedure outlined in the Colorado Revised Statutes will be followed. When those requirements have been met, the Board of Directors may, at a regular meeting, order a new certificate to issue upon the person claiming the same, filing a bond with securities conditioned to save the Company harmless, whereupon a new certificate shall be issued.
6. Each shareholder is entitled to make use of water equivalent to their share(s) of the MPDC issued stock.
7. To resolve any issue that arises involving the use of a Shareholder's share of water, the Shareholder should first reach out to the Box Representative. The Box Representative will work with other Shareholders and the Board of Directors to resolve the issue, to the extent possible (See Article 11 for additional information).
8. It shall be the policy of the MPDC, its directors and officers that all decreed water allocated to or delivered by the MPDC to its stockholders or others shall be beneficially used and administered only within the boundaries of the MPDC's area of service. The boundary of these lands is roughly described as the land that mainly lies north of U.S. Highway 50, south of the Bureau of Land Management fencing adjacent to the San Isabel National Forest, west of U.S.

Highway 285 and east of the Walton Estates property line. It is recognized that certain laterals off the Missouri Park Ditch do run east of Highway 285 and provide irrigation to those areas.

9. Each shareholder or person receiving water through MPDC's system desiring to change the place to which any water the shareholder or person may be entitled shall be delivered or to make any change in water rights of any kind or nature shall make prior written request to the Board of Directors and Officers. If in the opinion of the Board of Directors and Officers, such change can be made without injury to the ditch, the MPDC Board of Directors and Officers will approve the request. The shareholder making the request must adhere to any terms or conditions imposed by the Board of Directors and Officers. After such approval, the shareholder shall notify in writing all shareholders and other persons affected by the change prior to such change.

ARTICLE 4

PHYSICAL COMPOSITION

The MPDC recognizes the following physical features as descriptive of the Missouri Park Ditch (Main Ditch).

- 1. The South Arkansas River
 - a. The three decreed water rights
 - 1) 10 cubic feet per second (cfs), with a priority date of 11/15/1880, Priority No. 80
 - 2) 30 cfs, with a priority date of 4/15/1882, Priority No. 106
 - 3) 15 cfs, with a priority date of 1/18/1921, no Priority No.
 - b. The Oxbow Cut-off Spillway constructed in 2020.
- 2. The Missouri Park Ditch
 - a. The Headgate, Wastegate, Stage-Discharge Recorder, Parshall Flume and associated waterway from the South Arkansas River to the Parshall Flume.
 - 1) The location of the Headgate is Latitude 38°31'47.58"N, Longitude 106°09'27.66"W (approximate)
 - 2) The location of the Stage-Discharge Recorder and Parshall Flume is Latitude 38°31'46.33"N, Longitude 106°09'23.90"W (approximate)
 - b. The alignment of the Main Ditch from the Parshall Flume to a point on the west side of U.S. 285 across from the U.S. 285 / County Road 148 Intersection. The alignment of the Main Ditch has not been formally ground surveyed and is defined by the physical location of the ditch today. The Main Ditch is approximately 6.23 miles in length and crosses the following roadways:
 - 1) County Road 220: 38°31'50.07"N, 106°09'10.32"W
 - 2) U.S. 50: 38°31'49.36"N, 106°08'11.32"W
 - 3) County Road 140: 38°32'09.80"N, 106°07'32.31"W
 - 4) County Road 250: 38°32'30.74"N, 106°06'43.74"W
 - 5) Antlers Trail: 38°32'46.41"N, 106°06'7.02"W
 - 6) Saddle Ridge Lane: 38°32'53.04"N, 106°05'58.87"W
 - 7) The location of Box #15 is 38°32'37.71"N, 106°04'47.51"W (approximate).

- c. Diversion boxes (Boxes #1 through #15) located at points along the Main Ditch alignment to facilitate distribution water to shareholders via Laterals.
 - d. Other major structures along the Main Ditch include a box culvert parallel to U.S. 50 just upstream of the U.S. 50 crossing, Blanks Gulch Long Span just downstream of the County Road 140 crossing and several driveway bridges at various locations along the Main Ditch alignment.
3. Laterals are secondary ditches that extend from the Main Ditch diversion boxes to convey the water diverted from the Main Ditch to shareholders point of use. Some laterals have splitter boxes along the lateral to distribute water between shareholders, and in the case of Boxes #13 thru #15 inverted siphons under U.S. 285.

ARTICLE 5
MAINTENANCE

All shareholders of the MPDC shall share in the costs for the necessary operations, maintenance, and capital projects of the Main Ditch.

Shareholders along a given Lateral are solely responsible for the costs of necessary operations, maintenance, and capital projects of their given Diversion Box and Lateral.

MPDC and its shareholders are responsible for ensuring that the Main Ditch can hold its 55.0 cfs of decreed water rights at all times during the water season. It is prudent to maintain the ditch to handle an amount in excess of the decreed rights by at least 20 percent, or 66.0 cfs.

Please see the current version of the MPDC Policies and Procedures for other Maintenance and Operations requirements.

ARTICLE 6
EASEMENTS

The MPDC is also obligated under law to keep its ditch in good condition (7-42-108, C.R.S.), to carefully maintain the embankments thereof and to prevent the water from wasting (37-84-107, C.R.S.). Under Colorado law, a ditch owner has an easement as wide as reasonably necessary for the maintenance, operation, and repair of the ditch. For the MPDC, that easement is the space needed to freely access the ditch with a backhoe and other similar equipment to perform maintenance, cleaning, and repair. If there are existing trees within the easement, the easement shall be located adjacent to the trees, so the trees will not hinder access. The Chaffee County "Right to Ranch" ordinance (Article 3 of the Chaffee County Land Use Code) sets the easement at 15 feet from the edge of the ditch/lateral.

Any structure that will encroach on the easement for the Main Ditch, including but not limited to fences, bridges and culverts, must be approved by the Board and subject to a written agreement between the MPDC and the landowner.

ARTICLE 7
DIVERSION BOXES

Prior to reconstructing a Diversion Box, a plan with drawings must be developed and submitted to the Board of Directors and Officers for review and approval.

Reconstruction requirements are as follows:

1. Construct Diversion Boxes from a substantial material (e.g., wood, steel, fiberglass) that will ensure that the ditch flow, ground water, freeze/thaw or any other natural force will not cause the Diversion Box to move, vibrate or otherwise interfere with the natural flow of water.
2. Construct the Diversion Box such that the water cannot leak from or seep into the Main Ditch. Construct cut-off walls along the bottom and sides of the upstream end of the Diversion Box to prevent piping under or along the sides of the Diversion Box.
3. Construct Diversion Boxes to the following specifications:
 - a. Length: The Diversion Box must be a minimum of 16 feet in length. Locate the diversion vane 8 feet from the upstream end of the Diversion Box. This allows sufficient distance for the water to establish a uniform flow pattern and for installation of water locking devices if needed.
 - b. Width: Construct the Diversion Box a width greater than the bottom of the Main Ditch and less than the top of the Main Ditch. Install top cross members as needed to ensure the width of the Diversion Box remains uniform along the sides.
 - c. Height: The Diversion Box must be tall enough to prevent collection of debris on top cross members of the box and be a minimum of 12 inches higher than the estimated high-water level. A rule of thumb used by the MPDC is a minimum box height of 22 inches.
 - d. Diversion Vane: Locate the diversion vane to divert the water in proportion to the number of shares allowed in the lateral. The maximum allowable thickness of the leading edge of the diversion vane is 3/16".
 - e. Apportioning: The formula for determining the location of the diversion vane is as follows: Divide the total number of shares coming into the box by the number of shares to be diverted into the lateral. Divide the width of the box by the resulting quotient. The above value is the portion of box width to be diverted into the lateral and is measured from the leading edge of the diversion vane to the lateral side of the Diversion Box. For example, if the box is 4 feet wide and there are 10 shares coming into the box with five shares intended to go into the lateral, the leading edge of the vane would be positioned 2 feet from the lateral side of the box. [10 shares ÷ 2.5 shares = 4 (the quotient). 4 feet (width of the box) ÷ 4 (the

quotient) = 1 foot [the the distance between the leading edge of the diversion vane and the lateral side of the Diversion Box].

Notify the Board of Directors and Officers two weeks prior to reconstruction to allow for a site visit during construction.

ARTICLE 8
INSURANCE

The MPDC shall have a minimum of three insurance policies in effect. These policies shall include:

- Liability Insurance for the Board of Directors
- General Liability Insurance
- Accidental Death and Accidental Medical Insurance for volunteers working on the ditch

It is the Board of Directors' responsibility to maintain such insurance as deemed necessary to protect the MPDC from injury.

ARTICLE 9
ASSESSMENTS

Annual Assessments. These assessments are necessary to provide funds for the overall operation and management of the MPDC. These costs include but are not limited to:

1. Administrative costs
2. Insurance Premium costs
3. Capital Projects costs
4. Maintenance costs
5. A reserve account sufficient to manage emergency projects

Annual Assessments are set at the first monthly Board meeting following the Annual meeting. Each shareholder will be notified of the amount due and will be given a due date in accordance with Article 10 below.

Annual Assessments are calculated on the cost per share held by the shareholder. Partial shares will be assessed on a pro-rated amount. Except, the minimum partial share shall be 1/2 share. For example, one-third of a share will be assessed as 1/2 of a share.

Start-Up Assessments. Yearly Start-Up of the Main Ditch is the responsibility of every Shareholder. Segment Leaders will be assigned to portions of the Main Ditch and each shareholder will be assigned a position under a Segment Leader. A shareholder may choose to fulfill their Start-Up Assessment responsibility in any of the following ways:

1. Attend and participate in the Start-Up activities
2. Provide a substitute person to attend and participate in the Start-Up activities
3. Pay a nominal \$40 Start-Up fee per shareholder to obtain labor and services in support of Start-Up operations

Details regarding Start-Up operations are included in the Policies & Procedures.

Other Assessments. If additional funds are required over and above the annual assessment and start-up assessment, the MPDC shall have the power to make an additional assessment on the shareholders to raise funds for payment of any unforeseen expenses.

No person shall have the authority to contract any debt for the MPDC without first obtaining approval authority from the Board of Directors and Officers by a majority vote at a monthly meeting. Any debt contracted without such approval shall be paid by the person contracting the same and not the MPDC.

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Chaffee County Clerk

ARTICLE 10
SANCTIONS

A gauge of the success of the MPDC is the ability to enforce its Articles of Incorporation, By-Laws and Policies & Procedures. The enforcement of MPDC policies protect company cohesion and also ensure that outside agents, entities, or agencies cannot enforce their own interpretations upon the MPDC.

The failure of any shareholder to pay any assessment by the due date shall constitute the enforcement of sanctions. And as such, each shareholder should expect the Board of Directors and Officers to make decisions that will protect all shareholder's rights and privileges.

Sanctions available to the Board of Directors and Officers in the event of failure to pay assessments include the following:

1. Withholding water rights
2. Placing lien(s) upon shareholder stock certificates.
3. Collecting overdue assessments in accordance the following:
 - a. All Annual Assessments must be paid by May 31 of the current year. Failure to pay on time will result in a 25% late fee compounded monthly.
 - b. All Start-Up Assessments must be paid by May 31 of the current year. Failure to pay on time will result in a 25% late fee compounded monthly.
4. One month prior to forfeiture a certified letter requesting payment will be mailed to the last known address of the shareholder.
5. After 3 months of failure to pay in accordance with Section 3 above, the shareholder's Capital Stock Shares will be forfeited and use of MPDC water will be denied.

The Secretary will be directed to:

- a. Cancel the shareholder's Capital Stock for which the amount due is unpaid.
 - b. Issue the Capital Stock in the name of the MPDC.
6. At the next annual meeting, the forfeited Capital Stock shall be offered for sale by the MPDC to the shareholders and shall be sold to the highest bidder.
 - a. The minimum bid must be sufficient to satisfy the amount due the MPDC, including all documented reasonable and proper costs.
 - b. If the proceeds from the sale are over and above the amount due the MPDC, the excess shall be paid to the delinquent shareholder.

7. **Other enforcement means deemed necessary by the Board of Directors and Officers to ensure that the Articles of Incorporation, By-Laws and Policies and Procedures are adhered to by every shareholder may be considered by the Board of Directors and Officers.**

ARTICLE 11

INFORMAL CONFLICT RESOLUTION

Shareholders are encouraged to work cooperatively with other shareholders and Box Representatives to resolve minor problems to the satisfaction of the parties involved. In the event of more significant issues, the shareholder is provided the following system for informal resolution.

When a problem or conflict arises, the shareholder(s) shall seek resolution using the following escalation matrix. If the problem cannot be informally resolved at the lowest level the shareholder(s) should advance resolution to the next higher level, subsequently.

1. Opposing Shareholder
2. Box Representative
3. Board of Directors and Officers

Any shareholder has the right to request, in writing, an audience with the Board of Directors and Officers. The President may call a special meeting for that request, or the President may place that audience on the regularly scheduled monthly Board meeting agenda. The minutes of that meeting will become an advisory decision of the Board of Directors and Officers. Regardless of the circumstances, any action must be settled/completed within any given water year.

ARTICLE 12
MEETINGS

Board Meetings. The Board of Directors and Officers of the MPDC shall hold a monthly business meeting within the first full business week of each month. (The President may deviate from this to facilitate attendance of a majority of the officers and directors.)

A majority (more than 50%) of the voting officers and the Board of Directors meetings will constitute a quorum for the purposes of conducting monthly company business.

At the last Board Meeting prior to the Annual Shareholder Meeting, the Board of Directors and Officers shall ratify all the decisions the Board of Directors, Officers, and Box Representatives have made in the preceding year.

Annual Meetings. The Annual Meeting of the shareholders of the MPDC shall be held on the first Saturday of March of each year. The shareholders must be notified of location, date, and time a minimum of thirty days prior to that date.

More than 50% of the outstanding shares of the company at any annual meeting will constitute a quorum for the purpose of conducting business and election of Board of Directors and Officers, provided that a majority (more than 50%) of the elected Officers and members of the Board of Directors are also in attendance.

At the annual meeting of shareholders, the meeting shall be called to order by the President, and the business of the meeting shall next be proceeded with as follows:

- Reading of the minutes of last meeting
- Treasurer's report
- Report on water year and ditch maintenance
- Report of special or standing committees
- Completion of unfinished business
- Introduction of new business
- Election of Officers and/or Directors

Special Meetings. The Board of Directors and Officers shall have power to call special meetings of the shareholders whenever they deem it necessary, and they shall call a meeting at any time upon the written request of a majority of the shareholders, and such request shall state the object/purpose of such meeting.

ARTICLE 13

AMENDMENT OF THE BY LAWS

The Board of Directors or shareholders may propose to revise the By-Laws at any time. These By-Laws may be revised by a simple majority vote of the shareholders or representatives present and voting. The voting may be accomplished at a special meeting called for that purpose or the annual meeting. These By-Laws shall be reviewed and updated at five (5) year intervals.

ARTICLE 14
POLICIES AND PROCEDURES

The Board of Directors and Officers are authorized to develop and publish a document titled "Policies and Procedures." The Policies and Procedures will include day-to-day operational procedures designed to implement the Articles of Incorporation and By-Laws. They will provide guidance that facilitates the operation of the MPDC and the Main Ditch. The Policies and Procedures are designed to be a living document and can be revised as necessary by the Board of Directors and Officers to ensure the efficient operation of the MPDC and the Main Ditch.