

# **BYLAWS OF ROSEMAN DITCH COMPANY**

**MARCH 15, 2013**

## **SECTION I: OFFICERS**

The officers of this Corporation shall be a President, a Vice-president, a Secretary and a Treasurer. The President shall be elected at large by the shareholders at the annual shareholder's meeting, and shall hold office for one year, or until his/her successor is elected and qualified. All other officers shall be appointed by the Board of Directors. The offices of Secretary and Treasurer may be combined, at the discretion of the Board of Directors.

## **SECTION II: DUTY OF OFFICERS**

The President shall be the executive officer of the Corporation, shall preside at all meetings of the stockholders and of the directors, shall execute all written instruments for and on behalf of the Corporation, and shall exercise such powers as are incidental to the office. The President must be a shareholder in good standing, or represent such a shareholder, if the shareholder is an entity.

The Vice-President shall perform the duties of the President in case of his or her absence or inability to act and shall perform such other duties as the Board of Directors shall direct. The Vice-President must be an elected member of the Board of Directors and a shareholder in good standing, or represent such a shareholder, if the shareholder is an entity.

The Secretary shall act as secretary of all stockholders' and directors' meetings and shall preserve the minutes thereof, unless a Secretary-Treasurer shall perform such duties. The Secretary shall submit a full report of the activities of his/her office to the shareholders at their annual meeting. Such officer shall give written notice of all shareholders and directors' meetings as required by law or by the Board of Directors. The Secretary need not be a shareholder.

The Treasurer, or the Secretary-Treasurer, if such has been designated, shall keep all corporate funds in an account in the name of the Corporation in a financial institution in Colorado acceptable to the Board of Directors and the same shall be withdrawn, to pay debts of the Corporation, by check only, signed by any two of the corporate officers. Such officers shall keep accurate accounts of all financial transactions of the Corporation, shall keep the books available and open to inspection of all directors or shareholders at any reasonable time, and shall produce the same at such reasonable places as the directors shall designate. The Treasurer shall submit a full report of his or her activities to the shareholders at their annual meeting, and to the directors as they shall require, showing in full all receipts and disbursements to the date thereof, and such other information of the office as the directors may require. The Treasurer need not be a shareholder.

## **SECTION III: BOARD OF DIRECTORS**

The Board of Directors shall consist of the President and six (6) additional

shareholders in good standing, or representatives of such shareholders, if the shareholders are entities. Excepting the President, they shall be elected by Sections at the annual shareholders' meeting and shall hold office for three years as provided below, or until their successors are chosen. For the purpose of choosing directors, the Ditch is divided lengthwise from its origin into six Sections, each of which shall consist of approximately 70 shares. (See attached Exhibit "A" for a list of current shareholders, and attached Exhibit "B" for a list of shareholders in each Section.) One director shall be elected by the shareholders in each Section of the Ditch, and shall be chosen as provided below.

Immediately following the adoption of these Bylaws by an annual meeting of the shareholders, six (6) Board members shall be elected to terms of office as follows: Section 1 for 3 years; Section 2 for 3 years; Section 3 for 2 years; Section 4 for 2 years; Section 5 for 1 year; and Section 6 for 1 year. At all subsequent annual meetings of the shareholders, Board members shall be elected, as terms expire in each Section, to serve terms of 3 years or until their successors are duly elected.

Any member of the Board of Directors shall cease to be such a member when and at the time he/she ceases for any reason to be a shareholder of the Corporation or tenders a letter of resignation to the President. A vacancy in the membership of the Board of Directors of the Corporation shall be filled by appointment by the remaining members of the Board of Directors. Such appointed members of the Board shall serve until the next scheduled annual meeting, when the vacancy shall be filled by election of a new board member by the members of the affected section of the Ditch. If a vacancy occurs because no shareholder within a section can be found to represent that section on the Board of Directors, the Board may appoint a shareholder at large to serve until the next annual meeting, when the members of that Ditch Section shall again have the opportunity to elect someone to the Board.

The Board of Directors shall hold such meetings as are necessary to conduct the business and affairs of the Corporation. Meetings of the Board may be called by the President, or by any two (2) members of the Board. Minutes shall be kept at all meetings.

#### **SECTION IV: DUTY OF BOARD OF DIRECTORS**

- A. Establish and enforce Policies and Procedures. The Board of Directors shall promulgate such policies and procedures as are deemed necessary for the fair, orderly, efficient, and safe operation of the Ditch. The Board of Directors shall have the power to enforce the rules and regulations of the Corporation as they may be adopted by the shareholders or Board from time to time. The initial Policies and Procedures are attached hereto as Exhibit "C."
- B. Prepare an annual Budget for the operation of the Ditch. The Budget shall be presented to the shareholders at the annual meeting for their approval.
- C. Set Regular Annual Assessments. Regular assessments consist of the normally anticipated annual expenditures of the Corporation, as enumerated in this section. Unless otherwise provided herein, all such assessments must be approved by a

majority vote of the outstanding shares on the Ditch or by 90% of the shares present either in person or by proxy and entitled to vote at any regular or special meeting of the shareholders.

- (1) Flat Fee (Administrative Fee): An annual flat fee or levy shall be charged to each shareholder regardless of the number of shares he/she holds. The amount of the fee or levy shall be part of the annual budget.
  - (2) Assessments for anticipated repairs and maintenance on the Ditch shall be made against all shares on the Ditch. The anticipated cost of such repairs and maintenance activities shall be part of the annual budget.
  - (3) Capital Improvements: Assessments for capital improvements (*i.e.* installation of new pipe, replacement of old pipe, new spill ways, headgates, *etc.*) shall be made against all shares on the Ditch. The anticipated cost of such capital improvements shall be part of the annual budget.
- D. Set Special Assessments: Special assessments for unforeseen events, such as cloud bursts, flooding, leakage, rock damage including, but not limited to, any other causes of nature, due to weather, beaver damage, *etc.* shall be assessed against all shares on the Ditch. The Board shall have the authority to make this assessment.
- E. Ditch Walkers: The Board of Directors may engage persons as contract workers, to act as Ditch Walkers to administer the water pursuant to Policies and Procedures adopted by the Board of Directors from time to time. The Board of Directors shall notify the Water Commissioner for Water District 39 of the names, phone numbers and addresses of the ditch walker(s). The compensation for the Ditch Walkers shall be as described in the annual budget.

## **SECTION V: Enforcement of Assessments**

Manner of Payment and Collection. Notice of assessments and of the time and manner in which the same is ordered to be paid shall be given by depositing in the United States mail, postage prepaid, a notice to that effect, directed to the last known mailing address of the shareholders of record as shown on the corporate books. Thirty (30) days after any assessment levied on the membership of the Corporation, or any installment thereof shall become due and payable, the same shall become delinquent and shall draw interest at the rate of twelve percent (12%) per annum until paid. In the event that any of the shareholders shall fail to pay any such assessment so made at the time and in the manner ordered by the Board of Directors, the collection of such assessments may be enforced in the following manner:

- A. Refusal on the part of the Corporation to deliver any water to such shareholder until such assessment has been paid.
- B. Forfeiture of the interest of the shareholder to the Corporation. If the assessment shall not

have been paid at the time the same is made due and payable by the Board of Directors, the Secretary shall, either in person or by written or printed notice mailed to last known address of the delinquent shareholder, demand payment of the amount of the assessment and shall also, at such time, notify the shareholder that unless such payment is made within thirty (30) days from the date of such demand, then at the end of such time the shares owned by such delinquent shareholder shall be forfeited to the Corporation upon declaration of such by the Board of Directors. The shares so forfeited shall not be reissued to the shareholder or any successor in interest until such time as all past due assessments are paid, together with accrued interest as provided in these Bylaws.

- C. No shares shall be transferred by the Corporation until the assessments thereon, including interest and costs as herein provided, have been fully paid.
- D. The Corporation may take any other action necessary to collect such amounts, including, but not limited to, bringing a suit against the shareholder. In the event that the Corporation takes legal action to collect unpaid assessments, the Corporation shall be entitled to an award of its attorneys' fees and costs against the shareholder.

The Board of Directors may take any of the above actions to enforce the payment of assessments as they deem fit. The shareholders of the Corporation, by taking membership therein, shall be deemed to assent and agree to the above methods of making and enforcing the collection of assessments on shares of the Corporation.

#### **SECTION VI: ANNUAL MEETING OF SHAREHOLDERS**

The annual shareholders' meeting shall be held on the first Tuesday in February, or as soon thereafter as is practical, at such hour and place in or near New Castle, Colorado as the Board of Directors shall designate in the call therefore. The annual meeting shall be for the purpose of electing Directors and officers for the next ensuing year, approving the budget, fixing the regular and capital assessments on the stock of the Corporation, and for the transaction of such other business as may properly come before such meeting.

All past meeting minutes of the Roseman Ditch Company a/k/a the Thomkins Ditch, an unincorporated association, shall be recognized as part of these Bylaws and are incorporated herein by reference. In the event of any contradiction to these Bylaws or the Articles of Incorporation, these Bylaws and the Articles of Incorporation shall rule over past meeting minutes.

#### **SECTION VII: SPECIAL MEETINGS**

Special meetings of the shareholders may be called at any time by resolution of a majority of the Board of Directors, or shall be called by the Board of Directors at the written request of shareholders holding a majority of the outstanding stock of the Corporation. Such special meeting shall be held in or near New Castle, Colorado at the time and place stated in the notice thereof, and the business of such meeting shall be limited to that set out in such call.

### **SECTION VIII: QUORUM**

- A. For the purposes of approving the annual budget and setting regular assessments, a majority of the outstanding stock shall constitute a quorum at any shareholders meeting. In the event shareholders holding a majority of the stock fail to attend the annual meeting or special meeting called for such purpose, the Board of Directors shall have the power to set any such assessments as may be voted on by 90% of the shares represented at such meeting. Such action shall have the same force and effect as though made by a quorum of the shareholders.
- B. For all other purposes, including the election of the President, 20% of the outstanding stock shall constitute a quorum.
- C. For the purpose of electing members of the Board of Directors for each Section of the Ditch, 20% of the outstanding stock within the section shall constitute a quorum.

### **SECTION IX: ATTENDANCE AT STOCKHOLDERS' MEETINGS**

At any stockholders' meeting, any owner of record of stock of the Corporation shall be entitled to attend and participate either in person or by proxy, and shall be entitled to cast votes on any issue equal to the shares of stock they own. Any shareholder may demand that any vote be conducted by written ballot. Balloting, whether oral or written, shall be conducted by the President to the end that a majority on the question presented can be ascertained.

### **SECTION IX: NOTICES OF MEETINGS**

All notices required by the Articles of Incorporation or by these Bylaws shall be in writing and shall be delivered or mailed to each shareholder at least ten (10) days prior to the date on which action thereon is to be taken. All such notices, if mailed, shall be deemed delivered if mailed to a shareholder addressed to the last address furnished to the Secretary. Written notice may be waived by any shareholder.

### **SECTION X: STOCK CERTIFICATES/CLASSES OF STOCK**

The Corporation shall not issue stock certificates. Records of ownership and transfers of stock shall be carried on the books of the Ditch Company as evidenced by deed and/or chain of title. Stock shares shall be recorded as "1912 Shares" if a chain of water-right ownership can be established to water appropriated to the 38 irrigated acres owned by Lucy Roseman, the 50 irrigated acres owned by Frank Sample, or the 50 irrigated acres owned by Louise Zanganella when the water right bearing priority 158aab was adjudicated on February 1, 1912. All other stock shares shall be recorded as "1913 Shares" and attributed to the water right bearing priority 177a and adjudicated on February 10, 1913 and June 28, 1913. Challenges to the Company records regarding share classes must be in writing and include evidence of a clear chain of title to the water right in question. Costs of such challenge shall be entirely the responsibility of the shareholder bringing the challenge.

**SECTION XI: CORPORATE SEAL**

The design of the corporate seal shall be in usual form, containing the words “Roseman Ditch Company” and the word “Colorado”, around the margin of the circle, with the word “Seal” in the middle thereof.

**ATTACHMENTS**

Exhibit “A” .....Table of Shareholders

Exhibit “B” .....Ditch Sections for Choosing Directors

Exhibit “C” .....Policies and Procedures

**CERTIFICATE**

I, Faye Meyer, Secretary of the Roseman Ditch Company, do hereby certify that the above and foregoing is a true, correct and complete copy of Bylaws of said Company adopted and approved by the shareholders at a meeting held at New Castle, Colorado, on March \_\_\_\_\_, 2013.

\_\_\_\_\_  
Faye Meyer, Secretary

**SHAREHOLDER SIGNATURES**

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**Exhibit A      Table 1              Roseman Ditch Company Shareholders as of March 2013**

Share Class*	# of Shares	Name	Address	CityStateZip
1913	5.5	Juan & Edithe Aguirre	5154 CR214	New Castle, CO 81647
1913	1.0	Paul Anderson	6845 CR 214	New Castle, CO 81647
1913	15.0	Art & Lapriel Armijo	3699 CR 214	Silt, CO 81652
1913	21.0	Rue Balcomb Arbaney	0401 CR 137	Glenwood Springs, CO 81601
1913	25.0	Jim Becker	4441 CR 214	Silt, CO 81652
1912	4.0	James & Sharon Blanco	6397 CR 214	New Castle, CO 81647
1912	1.0	Joanne Bowden	6303 CR 214	New Castle, CO 81647
1913	2.05	Art & Lorie Breda	6950 CR 214	New Castle, CO 81647
1913	1.0	Peter & Trish Cahill	3905 HWY 6	New Castle, CO 81647
1913	2.0	Roy & Dianne Cerise	5633 CR 214	New Castle, CO 81647
1913	21.0	Fred Chaney	P.O. Box 878	Glenwood Springs, CO
1913	13.0	Donald Chaplin	P.O. Box 11	Silt, CO 81652
1912	4.0	James & Kimberlie Chenoweth	6411 CR 214	New Castle, CO 81647
1912	2.0	Ed Colby	6765 CR 214	New Castle, CO 81647
1913	4.02	Marvin & Rhonda Collier	P.O. Box 258	New Castle, CO 81647
1913	1.0	Scott & Kelly Detlefsen	6891 CR 214	Silt, CO 81652
1912	5.0	Fred Dice	5837 CR 214	New Castle, CO 81647
1913	10.0	Joe Dice/Debera Stewart	3301 CR 214	Silt, CO 81652
1913	2.0	Scott & Lisa Doherty	5339 CR 214	New Castle, CO 81647
1313	1.5	Don & Laurie Evans	5153 CR 214	New Castle, CO 81647
1912	0.5	Jonah Frank & Alesia Rupert	6023 CR 214	New Castle, CO 81647
1913	3.0	Charles Frigge	6809 CR 214	New Castle, CO
1913	2.0	Scott & Deborah Ghan	4773 CR 214	New Castle, CO 81647
1912	0.5	David & Mary Gibbens	36254 RD 725	Palisade, NE 69040
1912	1.0	Anthony & Dana Gonzales	6061 CR 214	New Castle, CO 81647
1912	7.0	James Gornick	P.O. Box 470	New Castle, CO 81647
1913	2.5	Mike Gross	P.O. Box 346	Silt, CO 81652
1913	1.0	Toby & Debra Gucinni	P.O. Box 88	New Castle, CO 81647
1913	2.0	Mark & Yvette Gustad	P.O. Box 952	New Castle, CO 81647
1912	1.0	Michael & Kriste Halvey	6501 CR 214	New Castle , CO 81647
1913	0.5	Steven & Dennise Haynes	5527 CR 214	New Castle, CO 81647
1913	50.0	Barbara Hill	37127 HWY 6	New Castle, CO 81647
1913	5.0	Steve & Neva Hiscock	3720 CR 314	New Castle, CO 81647
1912	26.0	Marc and Marilyn Hogan	P.O. Box 2607	Breckenridge, CO 80424
1912	4.0	Norma Hughes	6601 CR 214	New Castle, CO 81647
1913	6.0	Edgar & Socorro Hunt	4815 CR 214	New Castle, CO 81647
1913	0.5	Betty Janicek	13081 W Ohio Ave.	Lakewood, CO 80228

1913	1.0	Breck & Holli Johnson	6853 CR 214	New Castle, CO 81647
1913	1.0	Fred & Linda Kuersten	4555 CR 214	Silt, CO 81652
1913	3.22	Ken & Gail Kuhns	3465 CR 214	Silt, CO 81652
1912	9.9	Stan & Cynthia Kutnicki	5906 CR 214	New Castle, CO 81647
1912	3.3	Dan & Cheryl Larsen	5720 CR 214	New Castle, CO 81647
1912	6.6	Karen Lee & Berniece Pickens	5717 CR 214	New Castle, CO 81647
1912	6.0	Bruce Lippman Jr.	P.O. Box 1486	Glenwood Springs, CO 81602
1913	3.0	Randy Mandel	7040 CR 214	New Castle, CO 81647
1912	9.24	David Martin & Jean Rowe	5818 CR 214	New Castle, CO 81647
1913	1.0	Michael & Seriana Mccarty	6815 CR 214	Silt, CO 81652
1913	22.0	Cedar Hills HOA c/o R. Meyer	4073 CR 214	Silt, CO 81652
1912	1.5	Steve & Danae Morris	6601 CR 214	New Castle, CO 81647
1913	5.0	William & Martha Moulton	37055 HWY 6	New Castle, CO 81647
1913	9.0	Richard Murr	37659 HWY 6	NEW CASTLE, CO 81647
1912	8.75	Richard & Linda Murr	6070 CR 214	New Castle, CO 81647
1912	2.0	Donald & Janice Nesbit	6533 CR 214	New Castle, CO 81647
1913	8.0	New Hope Church	P.O. Box 620	New Castle, CO 81647
1912	4.5	Scott & Bergie Niemann	6501 CR 214	New Castle, CO 81647
1913	1.0	Lindsey & Lisa Passmore	P.O. Box 547	Glenwood Springs, CO 81602
1913	6.0	Michele Pfeifer	0295 CR 214	Silt, CO 81652
1912	3.96	Bruce & Simone Robertson	5813 CR 214	Glenwood Springs, CO 81602
1913	1.5	Tom & Sarah Rumery	6503 CR 214	New Castle, CO 81647
1912	10.0	Greg Selvage	6072 CR 214	New Castle, CO 81647
1912	1.0	Charles & Scherry Simonson	6295 CR 214	New Castle, CO 81647
1913	2.0	Howard & Margo Stapleton	5097 CR 214	New Castle, CO 81647
1912	5.5	William & Carol Symmes	677 Hills Point Rd	Charlotte, VT 05445-9606
1913	1.0	Russell & Dennie Talbott	6851 CR 214	New Castle, CO 81647
1912	3.0	Eldon & Connie Thurstin	6709 CR 214	New Castle, CO 81647
1913	3.55	Thomas & Ingrid Triplat	6995 CR 214	New Castle, CO 81647
1913	2.66	Chris & Pat Vigil	5300 CR 214	New Castle, CO 81647
1913	4.0	“	“	“
1913	6.5	“	“	“
1913	1.0	Valton & Toni Whittington	4791 CR 214	Silt, CO 81652
1913	1.0	Martin Wilkinson	P.O. Box 305	Boulder, CO 80306
1913	5.0	Eric & Shirley Williams	0981 CR 245	Silt, CO 81652
1913	1.0	James & Sharon Yoast	4633 CR 214	Silt, CO 81652
1912	0.5	David & Kathy York	6439 CR 214	New Castle, CO 81647

\*Share Class designations are explained in Section IV of the Articles of Incorporation and the table on Page 3 of this Exhibit.



**Exhibit A      Table 2              Share Classes**

The following shares are considered to be attributable to Thompkins a/k/a Roseman Ditch Priority No. 158aab for 2.76 cfs, decreed in Civil Action 1269, Garfield County District Court, on February 1, 1912.

<b>Original Owner 1912</b>	<b>Owner as of 2013</b>	<b># of shares</b>
Lucy Roseman 38 acres=38 shares	Stan Kutnicki	9.9
	David Martin	9.24
	Karen Lee	6.6
	Bruce Robertson	3.96
	Dan Larsen	3.3
	Fred Dice	5.0
<b><i>total</i></b>		<b><i>38.0 shares</i></b>
Frank Sample 50 acres=50 shares	Ed Colby	2.0
	Eldon Thurstin	3.0
	William Symmes	5.5
	Norma Hughes	4.0
	Donald Nesbit	2.0
	Marc Hogan	26.0
	Steve Morris	1.5
<b><i>total</i></b>		<b><i>44.0 shares</i></b>
Louise Zanganella 50 acres=50 shares	Scott Niemann	4.5
	David York	0.5
	James Chenoweth	4.0
	James Blanco	4.0
	Joanne Bowden	1.0
	Charles Simonson	1.0
	Bruce Lippman Jr	6.0
	Michael Halvey	1.0
	Anthony Gonzales	1.0
	Jonah Frank/Alesia Rupert	0.5
	David Gibbens	0.5
	Richard Murr	8.75
	Greg Selvage	10.0
	James Gornick	7.0
<b><i>total</i></b>		<b><i>49.75 shares</i></b>

All other shares in the Roseman Ditch Company are attributable to Thompkins a/k/a Roseman Ditch Priority No. 177a for 5.56 cfs, decreed in Civil Actions 1614 and 1626, Garfield County District Court, on February 10, 1913 and June 28, 1913.

## Bylaws of the Roseman Ditch Company

### Exhibit B

<b>SECTION 1</b>		<b>SECTION 3</b>		<b>SECTION 5</b>	
Williams	5	Lippmann	2	Murr	6
New Hope Church	8	Gornick	7	Hunt	6
Cahill	1	Halvey	1	Guccini	1
Mandel	3	Gonzales	1	Whittington	1
Triplatt	3.55	Frank/Rupert	0.5	Ghan	2
Coller	4.02	Murr	8.75	Chaney	21
Breda	2.05	Gibbens	0.5	Yeast	1
Vigil	6.66	Dice	5	Wilkinson	1
Johnson	1	Robertson	3.96	Kuersten	1
Talbott	1	Martin	9.24	Becker	25
Anderson	1	Kutnicki	9.9	Passmore	1
Frigge	3	Lee	6.6	Pfeifer	4
Colby	2	Larsen	3.3	<b>Sec 5 Total</b>	<b>70</b>
Thurstin	3	Cerise	2		
Symmes	5.5	Hill	9	<b>SECTION 6</b>	
Morris	1.5	<b>Sec 3 Total</b>	69.75	Pfeifer	2
Hughes	4			Cedar Hills	22
Nesbit	2	<b>SECTION 4</b>		Chaplin	13
Hogan	13	Hill	41	Detlefsen	1
<b>Sec 1 Total</b>	70.28	Haynes	0.5	McCarty	1
		Moulton	5	Armijo	15
<b>SECTION 2</b>		Doherty	2	Gross	2.5
Hogan	13	Gustad	2	Kuhns	3.22
Balcomb	21	Janicek	0.5	Dice/Stewart	10
Hiscock	5	Vigil	6.5	<b>Sec 6 Total</b>	69.72
Rumery	1.5	Aguirre	5.5		
Niemann	4.5	Evans	1.5		
York	0.5	Stapleton	2		
Chenoweth	4	Murr	3		
Blanco	4	<b>Sec 4 Total</b>	69.5		
Bowden	1				
Simonson	1				
Selvage	10				
Lippmann	4				
<b>Sec 2 Total</b>	69.5				

## **Exhibit C**

### **POLICIES AND PROCEDURES**

**Approved Feb/08/2013**

#### **ROSEMAN DITCH COMPANY**

##### **APPLICABLE LAW.**

It is the policy of the Roseman Ditch Company to comply with all applicable State law and regulations of the State Engineer in all its operations. In particular, it is the Policy of the Roseman Ditch Company to operate our diversion works and ditch system in compliance with the terms of the court decrees which established our water rights, and to apply the water to which we are entitled for decreed beneficial purposes without waste.

##### **DUTY OF WATER.**

It is the policy of the Roseman Ditch Company to observe the duty of water as established by the District Court in 1912 and 1913 as one cubic foot per second for each 50 irrigated acres.

##### **SHARES.**

It is the policy of the Roseman Ditch Company that shares in the Company as originally issued are as follows:

1 share for each irrigated acre to be served by the Ditch.

138 shares are associated with the lands originally irrigated under the water right known as the Walter Enlargement of the Tompkins Ditch, priority no. 158aab, decreed on February 1, 1912, and are considered 1912 Shares.

The remaining 280.75 shares are associated with lands originally irrigated under the water right known as the Second Enlargement and Extension of the Tompkins Ditch, priority no. 177a, decreed on February 10, 1913 and June 28, 1913, and are considered 1913 shares.

The water right decreed to Patrick Thompkins, priority No. 4, for 0.8 cfs out of Elk Creek, is not part of the Roseman Ditch Company even though it is diverted at the same structure. The owners of this right do not have shares in the Roseman Ditch and do not pay annual or special assessments.

##### **FLOOD RIGHT.**

It is the policy of the Roseman Ditch Company to comply with the terms of the decree for the Third Enlargement of the Tompkins Ditch, awarded Priority no. 220i on January 11, 1943, otherwise known as the "flood right." This right is not tied to any particular parcel of irrigated land, and its primary purpose is to facilitate the movement of water down the whole length of the Roseman Ditch, compensating for

ditch losses due to leakage and porous soils, and allowing shareholders to divert the full duty of water during times that the “flood right” is in priority on Elk Creek. Only after the flood right has achieved its purpose of filling all rights of all shareholders will any of the “flood right” be available for direct diversion to beneficial irrigation use by any shareholder. Water associated with the “flood right” shall not be diverted by any shareholder if such diversion results in a shortage in the original duty of water to any other shareholder.

#### ALLOCATION OF WATER.

It is the policy of the Roseman Ditch Company that the allocation of water in the ditch to the various shareholders shall be governed by the following principles:

1. The base right of each shareholder shall be equal to the court-established duty of water [1 cubic foot per second (cfs) for each 50 acres of irrigated land and 1 share of water for each acre, resulting in a share value of 0.02 cfs per share, or 9 gallons per minute per share].
2. Ditch turnouts (headgates) must be of a type approved by the water commissioner and capable of being locked. All shareholders shall have a lockable slide gate or gate valve for regulating flow located in the ditch. An additional valve below the ditch bank between the ditch and measuring device is recommended.
3. Measuring devices are required by court order, and no water can be diverted from the ditch unless it first passes through an approved measuring device. By court decree, measuring devices are to be furnished by shareholders at their own expense at each point where water is removed from the ditch. All measuring devices shall be installed and maintained according to established engineering standards and be located no more than 15 feet from the south edge of the Roseman Ditch. Variances from this requirement must be approved by the Board of Directors and reflected in the Board’s minutes. Examples of acceptable measuring devices for various share amounts, approved by the water commissioner for Water District 39, are presented in Table 1.
4. Irrigation Ponds may be filled and used pursuant to State Engineer regulations. An irrigation pond must function as a surge tank, with diversions made from the ditch into the pond through an approved measuring device at the flow rate to which the shareholder/owner is entitled. An irrigation pond may only contain the amount of water that can be run out to beneficial use in 72 hours. That portion of any pond in excess of the 72-hour rule is considered a Non-irrigation pond.
5. Non-irrigation Ponds are those which are used for any purpose other than irrigation. [examples include stock watering, fire protection, recreation, fishing, decoration and esthetic purposes]. The Roseman Ditch water rights ***do not allow for diversions to these types of ponds***. The only time diversions to such ponds can be made legally is when there is no call on Elk Creek or the Colorado River of any kind, and all shareholders in the Roseman Ditch system are fully satisfied. The Board may authorize a one-time filling of such ponds as described below under WATER SCHEDULING.
6. Wasting water (diverting more water than can be used beneficially for irrigation, resulting in runoff to waste ditches or into the Ware & Hinds ditch) will not be tolerated. Wasting water

that has been diverted in priority from a public water source is against the law, and ***puts our collective water rights at risk***. Shareholders found to be wasting water shall have their diversions cut back to the base share amount. If waste continues under the base share amount, the Board of Directors is empowered to further reduce diversions until the waste is stopped.

7. Allowable diversion rates will vary according the water-administration conditions on Elk Creek and the Colorado River, as follows:
  - a. **CONDITION ONE:** At the beginning of the irrigation season, when there is no call on the Colorado River or Elk Creek, and the full diversion capacity of the Roseman Ditch can be used, all 1912- and 1913-Class shareholders are entitled to take their base rights in full (9 gal/min/share). Irrigation Ponds may be filled, but diversions into storage must first pass through an approved measuring device, and the rate of diversion is limited to the base right of the shareholder using the pond. The flood right is used to push water to the end of the ditch and ensure that every shareholder is capable of diverting the base right. **As soon as all base rights are satisfied** and water has reached the end of the Roseman Ditch system, the Board of Directors may issue an order increasing each shareholder's base right by a percentage. This additional water allocation is made under the flood right priority. Non-irrigation Ponds can be filled at this time. All diversions to storage ponds must first pass through a measuring device, and must not exceed the allowable diversion rate for each shareholder. As water available from Elk Creek for the flood right diminishes, the Board of Directors shall issue an order cutting all shareholder diversions back to the base right amount.
  - b. **CONDITION TWO:** When the flood right is no longer available, but both Priority 158aab and Priority 177a water rights are still diverting out of Elk Creek, the total ditch diversion is restricted to no more than 9.12 cfs (of which the Roseman Ditch Company is entitled to 8.32 cfs). Without the flood right to absorb ditch losses due to seepage, leakage, and evapotranspiration, shareholders must reduce their base rights in order to distribute the available water equitably. The Board of Directors shall issue an order reducing the base right of all 1912- and 1913-Class by a percentage to compensate for the losses. As the water supply continues to diminish, additional percentage cuts may be made. Diversions may be made into irrigation ponds, but only through an approved measuring device and only at the reduced base rate of the owner's shares. There shall be no diversions of any kind into non-irrigation ponds.
  - c. **CONDITION THREE:** When Priority 177a is curtailed because of water administration on Elk Creek, all 1913-Class shares are considered out-of-priority and shall be shut off. 1912-Class shares will continue to divert at a reduced base rate, subject to further cuts to share shortages. Owners of 1912-Class shares may divert into irrigation ponds at the reduced base rate, but no diversions into non-irrigation ponds can be made.

#### SHAREHOLDER RESPONSIBILITIES

1. Use the appropriate amount of water from the ditch for decreed purposes without waste.
2. Install an approved measuring device and maintain it in good working condition.

3. Follow instructions of the relevant authority (Ditch Walker, Board of Directors, Water Commissioner.
4. Watch for situations which could cause damage to the ditch (floods, washouts, mudslides, trees falling, overtopping) and report to the Ditch Walker, President, or Board Member from the impacted Section of the Ditch.
5. Watch for wasted water flowing down/across the county road or into Ware & Hinds and report.
6. Pay annual and special assessments promptly.
7. Attend all annual and special meetings.

#### BOARD OF DIRECTORS RESPONSIBILITIES

1. Budget. The Board of Directors shall annually prepare a budget for presentation to the shareholders at the annual meeting. The budget shall contain a report of the financial activity of the Corporation during the previous year and an estimate of expenses for the coming year. The financial affairs of the Corporation shall be organized according to the following accounts, which shall be maintained and reported separately in the budget and annual reports:
  - a. Administrative Account. This account shall be the repository of the funds raised by the Corporation pursuant to the Flat (Administrative) Fee which is assessed on each shareholder regardless of the number of shares. The Administrative Account shall be used to pay expenses related to administering the Corporation, including but not limited to office supplies and services, insurance, ordinary legal expenses, and any other expenses not specifically related to repair and maintenance of the Ditch and its related structures.
  - b. Operation and Maintenance Account. This account shall be the repository of the funds raised by the Corporation pursuant to the annual Regular Assessment which is levied against each share of the Corporation according to a formula to be established by the Board. It shall also be the repository of the funds raised by the Corporation pursuant to any Special Assessments levied by the Board of Directors for the purpose of addressing emergency repairs or expenses related to problems affecting Ditch operations which were unforeseen at the time of the Annual Meeting of Shareholders and not included in the annual budget. The Operation and Maintenance Account shall be used to pay expenses related to repair and maintenance of the ditch and its related structures, including but not limited to Ditch Walkers, hiring laborers to start the water at the beginning of the season, purchase and installation of ditch control structures and measuring devices, purchase and installation of pipe and associated structures to carry ditch water or protect the ditch from flood waters, and labor and materials necessary for maintenance of ditch structures.
  - c. Capital Projects Reserve Account. This account shall be the repository of funds raised by the Corporation pursuant to a budgeted Regular Assessment for the

purpose of funding major projects, including but not limited to engineering or legal services, construction of major improvements to the Ditch and its associated structures, and maintenance of sufficient cash reserves to address small emergencies.

2. Set Per-Share Assessment Rates. The Board is empowered to set assessment rates which result in a sliding scale of payments for owners of different numbers of shares. Assessments beginning with calendar year 2013 shall be calculated according to the following method:
  - a. A 'par value' rate will be chosen as the amount to be assessed to owners of one share or less. The amount owed will be calculated as follows:  $[\$ \text{ owed}] = (\text{par value}) \times (\# \text{ of shares})$ ;
  - b. All other shareholders will be assessed at a percentage of the par value according to the following formula:  $[\$ \text{ owed}] = [101.02 - ((\# \text{ of shares}) \times 1.0204)] \times (\# \text{ of shares}) / 100$ .  
This results in a diminished rate of assessment per share for larger shareholders.
3. SUBDIVISIONS. Land subdivisions which include transfers of Roseman Ditch shares and splitting large holdings into smaller units shall not be allowed to add to the total number of turnouts without prior written permission of the Board of Directors.
4. DITCH WALKER(S)
  - a. Hiring/firing. Contract Workers. Not employees. Insurance. No other benefits.
  - b. Authority to curtail diversions and regulate turnouts.
  - c. Appeal of Ditch Walker decisions to the Board of Directors, then to the Water Commissioner.

#### EMERGENCY RESPONSE

1. Who to notify;
2. Where to cut the ditch flow;
3. Who does it?

#### DITCH MAINTENANCE

1. The Roseman Ditch is a single unit for the purpose of funding and performing maintenance and repair. Assessments for funding such activities on any part of the ditch are the responsibility of all the shareholders.
2. Who decides what needs to be done and when;
3. Who decides who does the work;
4. Which sections of the ditch does the Company maintain?

#### EMERGENCY DITCH REPAIRS

1. Who decides what needs to be done;
2. Who decides who does the work;

3. Where does the money come from?

#### WATER SCHEDULING

1. Under drought conditions or late-season shortages of water, conditions on Elk Creek may result in curtailment of the Flood Right while leaving both the 1912 and 1913 priorities in operation. The Board of Directors may institute a water-scheduling program designed to allow shareholders in all sections of the ditch to have full supplies of water for short periods of time.
2. Filling of non-irrigation ponds may be accomplished under certain conditions. The Board of Directors may, after having determined that all shareholders have received their full apportionment of water and that there is no call on Elk Creek or the Colorado River, allow exclusive use of the ditch for the specific purpose of filling ponds. The time for pond filling shall be strictly limited, and shall not be so long as to create a hardship for any shareholder.



**Table 1**

Examples of Approved Measuring Devices

Device Type	Advantages	Disadvantages
Parshall Flume	1.Available in sizes from 1-inch to several feet. 2.Can be purchased and installed by user	1.Open channel only. 2. Cannot be inserted in pipeline. 3. Must have straight approach channel and free discharge. 4.Low flows difficult to measure.
60-Degree V-notch Weir	1.Accurate for small flows of 3 shares or less 2.Can be inserted in pipeline 3.Easy to measure low flows.	1.Not commercially available, must be built to plans. 2.Sediment deposits in weir. 3.Must not freeze with water inside.
90-degree V-notch Weir	1.Accurate for medium flows of 3 to 10 shares. 2.Can be inserted in pipeline. 3.Easy to measure low flows.	1.Not commercially available, must be built to plans. 2.Sediment deposits in weir. 3.Must not freeze with water inside.
Cutthroat Flume	1.Commercially available in fiberglass; can be formed in concrete. 2.Simple to build; self-draining. 3.Very small V-section versions can be accurate for low flows.	1.Same disadvantages as Parshall Flume. 2.Cannot be inserted in pipeline. 3.Not as accurate as Parshall Flume.
In-Line Flow Meter	1.Can be inserted in existing lines.	1.Subject to fouling by debris in ditch water; difficult to clean. 2.
Pipe and Pump Restrictors	1.Can be inserted in existing lines 2.Permanent; no scale to read.	1.Difficult to clean. 2.Cannot be increased if share allotment goes up.

The primary requirement for any measuring device is that a ditch walker or water commissioner be able to examine a staff gage on the device and compare it to a rating table or chart designed for that specific device to determine the amount of water being measured. The bucket-and-stopwatch method is acceptable for the purpose of calibrating a device and preparing a rating table.

The other part to having an approved measuring device is having a lockable diversion structure and a person that is in charge of distributing the water.

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