

GREAT DIVIDE WATER COMPANY
7075 Campus Drive, Suite 200
Colorado Springs, CO. 80920
(719) 598-3198 / fax 598-2337

September 7, 2021

Dear Great Divide Water Company (GDWC) Shareholders

The Great Divide Water Company Annual Meeting will be held:

Date & Time: October 5, 2021 at 12:00 p.m. MT

Live Location: 7075 Campus Drive, Colorado Springs, CO. 80920 Conference Room

Remote Attendees: Zoom Invitation Address:

<https://us02web.zoom.us/join/84458111111>

The meeting will be conducted in accordance with the bylaws. Agenda items include:

1. Call to Order-Welcome and Introductions
2. Proof of Notice of Meeting
3. Report from Secretary of Stock Represented and Existence of Quorum
4. Minutes of Last Meeting
5. Financial Report
6. Election of Directors
7. New Business

It is important for all Great Divide Shareholders to be represented at this meeting to discuss any concerns you have. I hope you can join us. Please call me if you have any questions or comments. Lunch will not be provided this year since we are repeating the blended online and in-person meeting due to COVID.

Sincerely,
Great Divide Water Company

Chuck Van Fosson-Manager
(719) 799-0669, cvanfosson2@yahoo.com

GREAT DIVIDE WATER COMPANY, INC.2022 BUDGET2022 Proposed2021 Actual2021 Proposed**INCOME**

Shareholder Annual Assessments	\$16,541.93
Shareholder Special Assessments	\$4,910.00
Misc. Income	\$0.00
Fines	\$0.00
Interest (estimated) Based on a 1.00% Interest rate	\$4,225.00
Total Income	\$25,676.93

	\$16,541.93	\$16,541.93
	\$5,110.00	\$4,910.00
	\$244.82	\$0.00
	\$0.00	\$0.00
	\$5,016.71	\$5,000.00
	\$26,913.46	\$26,451.93

EXPENSES

Accounting	\$700.00
Administration (incl salaries)	\$7,000.00
Bank Charges	\$0.00
Capital Improvements	\$0.00
Education (Board & Shareholders)	\$500.00
Insurance	\$1,200.00
Legal & Enforcement	\$500.00
Maintenance	\$3,000.00
Meetings	
Annual Membership Mtg	\$0.00
Board of Directors Mtgs	\$100.00
Memberships	\$0.00
Miscellaneous Expense	\$100.00
Postage/copies/mailings	\$160.00
Property taxes	\$0.00
Utilities	\$3,500.00
Website	\$0.00
	\$16,760.00

	\$700.00	\$700.00
	\$6,413.00	\$7,000.00
	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$500.00
	\$1,246.00	\$1,200.00
	\$0.00	\$500.00
	\$0.00	\$3,000.00
	\$0.00	
	\$0.00	\$255.00
	\$0.00	\$100.00
	\$0.00	\$0.00
	\$10.00	\$100.00
	\$195.50	\$160.00
	\$128.42	\$135.00
	\$3,194.00	\$3,500.00
	\$0.00	\$0.00
	\$11,000.92	\$17,150.00

Budget Surplus / Shortfall

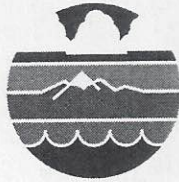
\$8,916.93

\$15,152.16

Proposal: Each member is billed \$291.00, plus \$9.37 per platted lot in the subdivision. Baseline is 978 lots.
Reserves are based on \$1.00 per share of GDWC stock owned by the member.

Over ----->

Scheduled (Planned) Reserves For Replacement		<u>Total</u>	<u>Reserves Funded</u>	<u>2022 Scheduled</u>
	Replacement			
UD-1 Pump (10 year life)	\$50,000.00		\$50,000.00	\$0.00
AD-3 Pump (10 year life)	\$18,500.00		\$18,500.00	\$0.00
UD-1 Well replacement (30 year life)	\$232,000.00		\$170,000.00	
AD-3 Well replacement (30 year life)	\$220,000.00		\$168,500.00	
Total Reserves Needed	\$520,500.00		\$407,000.00	
Allocate To Reserves this year				\$0.00
Fund Summary:				
GDWC Balance as of 9/30/21 Estimated	\$412,805.92	*	Savings Balances	Ent Federal Credit Union
Less Allocated For Reserves	\$407,000.00		\$412,805.92	Estimated
Unallocated Funds as of 9/30/21	\$5,805.92			
Plus/Minus 2021 Budget Income/Shortfall (Line 31)	\$8,916.93			
Unallocated Funds after Budget	\$14,722.85			
Allocated to reserves in 2021	\$8,916.93			
Unallocated Funds after Budget & 2021 Reserves	\$5,805.92			
Total Fund Balance After Budget	\$421,722.85			



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Minutes of the 2020 Annual Shareholder Meeting of the Great Divide Water Company held October 15, 2019 at 7075 Campus Drive, Colorado Springs, CO 80920 and virtually via Zoom.

In Attendance: Doug Barber (GDWC), Chuck Van Fosson (Manager GDWC), Matt Dunston (Bent Tree POA), Mike Montgomery (Back O' The Wind), Jacob Olson and Doug Hollister (District 10-Div 2 Water Commissioner's office), Jack Glavan (Cherry Creek Crossing), John Bridges (Peaceful Pines), Susan Cagle and Danielle Levasseur (Higby Estates), Eric Corley (Sylvan Meadows), Mike Klich (Forest Hills), Jim Keefe (Wissler Ranch), Rob Reay (County Line Estates), Kathleen Kirkpatrick (Poss/Kirkpatrick).

1. Proper Notice with a copy of the proposed budget having been previously sent, the annual meeting of the GDWC was called to order at 12:00 p.m. by Doug Barber (GDWC President)

2. Introductions.

3. Proof of Notice and Confirmation of Quorum: Notices were sent out via mail by Chuck Van Fosson. 3534 shares of the 4910 outstanding (71.9%) were present, resulting in a quorum. We have 25 total shareholders.

4. Matt Dunston moved approval, John Bridges seconded and the 2019 Annual Meeting minutes were approved unanimously.

5. Financial and Equipment Report by Chuck Van Fosson

5.1. Matt Dunston moved approval of the 2021 Budget (same as prior year). John Bridges seconded and the budget was ratified by the members unanimously. The proposed budget calls for assessments as follows: \$291.00 flat fee per shareholder + \$9.37 per platted lot, and reserves calculated at \$1.00 per stock share. There were [happily] no major expenses on the wells this year.

5.2. Our present balance at Ent Credit Union is \$397,772.80 as of October 15, 2020. Most is in certificates of deposit, with some in a money market fund. Funds are transferred from interest bearing accounts as needed to write checks.



	Accounts	Deposits • New Account	\$397,772.80
Transfer		*957-500 Ent extras Business Acct	Available \$20.01
Pay Bills			
Deposit		*957-510 Ent extras FREE CHECKING	Available \$1,042,000
Money Insight			
Alerts		*957-553 16 Month Certificate	Balance \$79,798.29
Services		*957-555 13 Month Certificate	Balance \$108,409.65
Statements			
COVID-19		*957-556 13 Month Certificate	Balance \$108,409.65
Contact Us			
Switch Accounts *957		*957-558 Flex Step up Rate Cert	Balance \$70,862.79
		*957-555 Money Market Savings	Available \$28,997.40

5.3. Our insurance policy is renewed effective from 11/25/19-11/25/20 with Philadelphia Indemnity Insurance Company (Policy #PHSD1488434). It includes Directors and Officers liability protection, as well as general commercial liability coverage

6. Election of Directors: Doug Barber, Jack Glavan, Mike Montgomery, Matt Dunston and John Bridges all volunteered to continue as Directors (nobody else offered or was nominated), and were reelected as Directors by acclamation. [Doug Barber explained that while multi-year staggered Director terms are preferable for continuity, all GDWC Director terms are for one year because shareholder Associations typically change officers annually and GDWC cannot count on the same people being available for multiple years.]

7. New Business:

7.1. Doug Barber reported that Bob Moore, one of the two original founders of GDWC and Northgate Company and developers of Bent Tree, passed this year. He was a fine man and will be missed.

7.2. With Bob Moore's passing, Doug is officially the managing partner of Northgate Company and plans to close out that entity very soon (hopefully, this year), as Doug is trying to clean things up in anticipation of being able to retire. For a number of years we have informed some shareholders that they need to take action to correct their water rights situations. Any shareholder who needs to correct their water rights situation should take action promptly to get the relevant Northgate water rights and Purchase Agreement into their Associations. Doug will help, but once he is gone it will likely require the shareholder going to court for a quiet title action.

7.3. Northgate Company still owns the following water rights which would need to be pumped from well UD-1 and would like to sell it. If any shareholder is interested in acquiring more water as a buffer for their Association, or to be able to amend their water decree to benefit their owners, please contact Doug Barber at (719) 338-3053 / Rawhide@Realtor.com).

524.7 AF NNT Dawson Aquifer from 97CW262 (requires an augmentation plan to use)

99.46 AF NT Dawson Aquifer from W-8269-76 (decreed absolute)

7.4. Jacob Olson and Doug Hollister reported that the Division of Water Resources online reporting is up and running, but not as elegant a system as they had hoped for. Each Association must determine how they want reporting handled in their community. To set up an account, go to dwr.colorado.us. On the home page, click on "Search CDDS Online Tools" then click "Data Submittal" and then "Meter Readings". Create an account to report readings. Contact Jacob or Doug for additional information at Jacob.Olson@state.co.us or Doug.Hollister@state.co.us.

7.5. Doug Barber provided discussion on a continuing matter from prior years. Summary: Northgate Company contracted with developers to sell them water rights (Northgate water rights) to be used to augment their subdivisions. The deeds for those water rights were included a provision that the water purchase contract (Northgate Contract) obligated the purchaser to membership in the GDWC, and provided that it would be a continuing part of the water purchase and not merge into the deed. GDWC stock shares were issued to the developers (in most cases) in conjunction with the closing of the purchase (not necessarily at the same time as the developers obtained water decrees under their subdivisions).

Developers were expected to record their deeds and the Northgate Contracts to place their ownership of

the Northgate water rights of record to give constructive notice to purchasers in their developments as to what the deal was regarding those rights and membership in GDWC. Once they formed property owner associations (POAs) in their communities, they were supposed to deed the Northgate water rights and assign the Northgate Contract and their rights in their water decrees (augmentation plan) to the POAs, which would act as the perpetual entities to administer the plans under which their well permits were issued.

In some cases, those developers never recorded their deeds/contracts (or used quitclaim deeds prior to actually having title to the Northgate rights), and/or never conveyed the water rights or assigned the augmentation plans and Northgate contract to their associations, so the affected associations need to fix the problem. Complicating the matter is the fact that some of the developers have died and those Northgate water rights and GDWC stock shares became part of the developer's estate, necessitating determination of who the Personal Representative is/was and what happened to those estate assets (still in estate? Conveyed to trusts or beneficiaries? Etc.). If unable to adequately establish this sort of information, it may require a quiet title action to have the Court vest ownership of the Northgate water rights and contract and GDWC stock shares in the HOAs. It may also be necessary to petition the Water Court to issue an order that the rights in the subdivision water decrees belong to the HOAs. Obviously, the affected HOAs need to seek legal assistance in this regard.

If we can correct the issue without a lot of legal action and expense it would be better. Northgate is still in existence, but not for long, and may be able to provide a replacement deed, but we have to look at each situation individually. Action by developers and associations should be coordinated with Doug to ensure it is done right. Doug has been working on this for years and has gotten a number of them fixed, but is still working on it to help the affected associations, but it is legally up to each association to resolve these matters. Failure to do so may result in liability to the association.

GDWC is still making the water releases for the associations in the meantime because we know what the intent of the water rights transaction was, but the issues need to be corrected, but at some point the GDWC Directors may require affected Associations to take action to fix things. Chris Cummins is a water attorney familiar with this situation, and has worked well with Doug Barber to resolve issues.

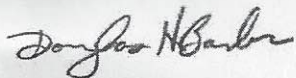
If any association has information correcting data in the following table, please provide it to Doug via email at Rawhide@Realtor.com. Also, if you have information on the whereabouts or contact information of the developers listed (or successors), let Doug know. Following are the associations Doug believes are affected (subject to revision, if Doug is incorrect):

Association	Northgate Deed Recorded?	GDWC Stock Cert Issued to Association?	Issue
Back O' The Wind HOA, Inc.	Yes	No	Water rights in the Dawson under the subd were conveyed to the HOA, but Northgate water rights not conveyed to HOA by developer, Joe Lenski. Northgate water rights and GDWC stock shares still owned by developer or developer's successors.
Silver Ponds POA, Inc.	Yes	No	Water rights not conveyed to POA by developer, Camp Properties (Jon Campbell-deceased). Northgate water rights and GDWC stock shares still owned by developer or developer's successors.

Hawk Ridge HOA, Inc.	No	No	Deed for water rights to developer, Hawk Ridge Land Co, LLC (Chester Pratt), not recorded. Water rights not conveyed to POA by developer. Northgate water rights and GDWC stock shares still owned by developer or developer's successors.
Wissler Ranch HOA, Inc.	No	No	Deed for water rights to developer, Wissler Ranch LLC (Glen Jacks-Mgr), not recorded. Water rights not conveyed to POA by developer. Northgate water rights and GDWC stock shares still owned by developer or developer's successors.
White Fir Estates Owners Association, Inc.	No	No	Deed for water rights to developer, Black Forest Construction, Inc. (Roger Mahr), not recorded. Northgate water rights and contract not conveyed to POA by developer. Northgate water rights and GDWC stock shares still owned by developer or developer's successors.
Terra Ridge POA, Inc.	No	No	Deed for water rights to developer, Terra Five Development, LLC (Alan Dietel), not recorded. Water rights not conveyed to POA by developer. Northgate water rights and GDWC stock shares still owned by developer or developer's successors.
County Line Estates POA, Inc.	Yes	No	Water rights not conveyed to POA by developer, County Line Estates, LLC (Linday Case). Northgate water rights and GDWC stock shares still owned by developer or developer's successors.
Sylvan Meadows POA, Inc.	No	No	Deed for water rights to developer, Land-Pro Group, LLC nka Proland Group, LLC (Jerry Landress) not recorded. Northgate water rights not conveyed to POA by developer. Northgate water rights and GDWC stock shares maybe still owned by developer or developer's successors (he recorded a QCD to the POA for some water rights and the Northgate contract).
Black Forest Estates	Yes	Yes	Just need to record the Northgate Contract

9. Matt Dunston moved adjournment and John Bridges seconded. Approved unanimously and the meeting was adjourned at 12: 47 p.m.

Recorded and submitted by:



Doug Barber, GDWC President