

## **RULE REGARDING STORAGE**

Missouri Heights-Mountain Meadow Irrigation Company  
Rule Regarding Storage

At a properly noticed meeting of the Missouri Heights-Mountain Meadow Irrigation Company's (the "Company's") Board of Directors, the Board of Directors took up the question of shareholders storing water delivered by the Company. The Board of Directors found as follows:

- A. The Company's water rights include the Spring Park Reservoir water right decreed in Garfield County District Court Case No. CA 1997 on September 27, 1918 for 2,823 acre-feet of storage for irrigation use and 40 cfs of direct flow for irrigation use.
- B. Stock representing the Spring Park Reservoir water right is classed by the Company as "B" shares of stock.
- C. The Company's water rights also include the Mountain Meadow Ditch water right originally decreed in Garfield County District Court Case No. CA 1145 for 25.6 cfs for direct flow irrigation use. Of that amount, 12.6 cfs was abandoned by order of the court in Garfield County District Court Case No. CA 4220, leaving 13 cfs.
- D. Stock representing the Mountain Meadow Ditch water right is classed by the Company as "A" shares of stock.
- E. The Company stores water in Spring Park Reservoir under the Spring Park Reservoir water right, then releases the stored water for irrigation use by holders of B shares.
- F. Shareholders have expressed an interest in storing water delivered by the Company.
- G. For water that has been stored in a reservoir, then released, the Colorado Division of Water Resources ("DWR") allows "re-storage" of the water, but only for the decreed use of the water right.
- H. Further, according to DWR reservoir administration, if water stored in one water year is not used in that water year, the amount of stored water carried over to the next water year reduces the amount that may be stored in the following water year.
- I. The DWR's water year begins on November 1<sup>st</sup> of one year and ends on October 31<sup>st</sup> of the following year.

Therefore, pursuant to Articles VII.C.4. and XVI.E. of the Company's Bylaws, the Board of Directors adopted the following rule regarding shareholders' storage of water that is diverted and delivered pursuant to the Company's water rights decrees:

1. Owners of A shares may not store water delivered to them under their A shares unless it is expressly permitted by DWR officials.

2. Owners of B shares may store water delivered to them in ponds or by some other storage method subject to the following conditions.
  - a. The owner may only use stored water for irrigation.
  - b. The owner must measure and record the amount of all water placed in storage. In addition, the owner must determine the amount of water left in storage (the carryover storage) at the end of the water year. The owner may use any reasonably accurate method to determine the carryover storage amount so long as the amount can be verified by the Company. The owner must provide written records of these measurements to the Company by November 15<sup>th</sup> of each year.
  - c. The Company will reduce the amount of water to be delivered to the owner in any water year by the amount of water the owner carries over in storage from the previous water year. The amount of carryover storage is the amount of water remaining in storage on November 1<sup>st</sup>.
3. This rule does not affect storage of water by shareholders who have obtained a court decree for storage separate from the Company's decrees so long as those shareholders abide by the terms of their decree.

By my signature below, I verify that the Board of Directors met at a properly noticed meeting on February 10, 2016, that a quorum of the directors was present, and by a majority vote, the above rule was properly adopted.

MISSOURI HEIGHTS-MOUNTAIN MEADOW  
IRRIGATION COMPANY

By:  \_\_\_\_\_  
Andrea Traul, Secretary

Date: 1/15/2019