



DeWeese-Dye Ditch & Reservoir Company
Board Meeting
PO Box 759
Cañon City, CO 81215

SPECIAL BOARD MEETING

November 14, 2025

Board Members Present:

Kenn Estes
Arlin Bolkema
Bill Brogoitti
Marc Thompson
Leo French

Board Members Absent:

Others Present:

Annette Reed-Pugh, Secretary/Treasurer

President Bolkema called the Special Meeting to order at 8:00 am. The purpose of the meeting was to discuss and make a motion to choose an investment firm for the monies received from UAWCD, and to provide an update to project contractors and grant information.

- A meeting with Waverly Advisors was held on November 5, 2025; and a meeting with Lionstone Wealth Group was held on November 14, 2025. Investment firms Waverly Advisors and Lionstone Wealth Group were interviewed. Questions were asked by the DeWeese Board and answered by both companies. Several investment options were discussed, what risk levels each investment type would carry, and what each investment type consisted of. Rates and fees were also discussed, along with risk factors of various portfolio options.

After much discussion, thoughtful consideration, and thorough review of both investment firms, the overall consensus was to choose Lionstone Wealth Group. Major factors considered were risk level, fees, and overall performance of investment options. The feeling was that Waverly Advisors would be too high investment risk for the Shareholders, and felt Lionstone Wealth Group would be lower risk and consistent performance/returns. President Bolkema called for a motion to select a Lionstone Wealth Group. Director Brogoitti motioned to select Lionstone Wealth Group; Vice President Estes seconded; and all voted in favor. Secretary/Treasurer Reed-Pugh will provide a Resolution to be signed at the December 1, 2025 meeting, selecting Lionstone Wealth Group to invest/manage the Company funds.

Other business:

Fremont Conservation District: is offering training classes on operations and grants for the Ditch Superintendents and Officers of the company. The NRCS has gotten a feel for the type of classes people are wanting (in-person or via web) they will get the training set up.

BLM Water Exchange: The water exchange has been completed.

RJH: President Bolkema spoke with Rob from RJH to get a status on a revised cost estimate for the outlet pipe. We are to expect a revised cost estimate hopefully by Monday, November 17, 2025

Avalanche: President Bolkema spoke with Ken from Avalanche about the repair that is needed at the log house going to the little reservoir. Ken may be able to assist us in obtaining pipe at a lower cost.

We are still waiting to hear back from Nomad and 5-Star. No one is responding to our phone calls as of yet.

Secretary/Treasurer provided information about the 501 C(12) tax status question that was asked of our accountant. On November 10, 2025 Nichole with Wancura's office provided some information in response to an email from us on October 3, 2025, needing clarification on tax questions related to our 501 C(12) approved status. Discussion ensued as to what is and is not allowed according to the information Nichole provided. It appears that DeWeese may have to pay some taxes on the monies from Upper Ark, as the exempt status specifically calls out the requirements of a 501 C(12) and the tax liability of said designation. We had applied for the 501 C(12) under the recommendation from our accountant and David Shohet. This designation is for ditch companies that receive 85% of their income from Shareholders. Further research is needed to determine how much tax liability there will be on the monies from Upper Ark, as those funds are not considered Shareholder income and puts Shareholder revenue under the 85% threshold for the 501 C(12) designation. There is not a way around getting out of paying taxes on the monies, so we will reach out to our accountant and other accountants to determine if anything can be done to avoid a tax payment.

Adjournment: With no other business to consider, President Bolkema called for a motion to adjourn. The meeting was adjourned at 10:07 am via motion by Director Thompson and seconded by Vice President Estes.

Respectfully submitted,

Annette Reed-Pugh
Secretary/Treasurer