

**126th Annual Stockholders Meeting of the
Animas Consolidated Ditch Company**

March 7, 2020, 9:30 a.m.

Animas Valley Grange Hall, 7271 CR 203, Durango, CO 81301

I. Call to Order: The President called the meeting to order at 9:30 a.m. and reminded everyone to sign in if they have not already.

II. The President, Dan James, introduced the rest of the Board and others present:

- Brett Schaffer (Treasurer)
- Tim Holt (Vice President - not present)
- Eric Bikis (Secretary)
- Brett Shaffer
- Kevin Jones

Others Present:

- Jill Dillon, office manager and bookkeeper
- Meme Eberspacher (retired bookkeeper)
- Nancy Agro, attorney

III. Minutes:

Shareholder George Widmeyer moved for approval of the minutes of the Annual meeting held March 2, 2019. Jim Lewin seconded the motion; the shareholders present unanimously approved the motion.

IV. President's Report:

Mr. James discussed the loss of Jim Mead and Ed Zink last year and that they will be missed.

416 Fire Impact, Grants and Mitigation Strategy:

Mr. James shared a slide show showing how debris flows impacted the ditch. The expectation is that debris flows will impact the ditch for fifteen years or more. Mr. Zink and Ms. Dillon put together a plan to mitigate damage and secured \$250K in grant funding to protect the ditch from potential debris flows. The ditch company had a \$75,000 match requirement, including in-kind work.

Grant money was spent on the following projects:

Concrete blocks were put into the main diversion at the Animas River to create a three-foot barrier to divert bottom debris back to the Animas River to avoid taking it in at the headgate.

Sluice gates were installed at locations to divert debris back to the river to stop the flow of debris into the ditch. Sluice gates were installed at James Ranch/Bryce property, the Hermosa Grizzly, Tripp Creek Crossing, Teeter Sluice and the Waterfall Ranch. All five structures were completed last spring before irrigation season. There are still funds available for maintenance. The ditch company paid \$50,000 in 2018. Some of this was disallowed because it was spent before the grants were secured. So, the ditch company will have to come up with additional money if those expenditures are not approved.

The ditch company has not determined whether to install a webcam at the grizzly. There is a new ditch walker, and they want the ditch walker on the ditch as he learns what's going on.

Encroachments:

Encroachments occur when landowners construct improvements, including utilities and culverts into the ditch bank. This is a daily challenge for the ditch company to monitor and make sure there is not damage to the ditch. Neighbors need to be the eyes and ears for the ditch and contact the ditch company. Even the planting of a tree can impact the ditch. Encroachments need to be recorded so purchasers of the property are made aware of the encroachment. Landowners can encroach as long as it is designed so as not to damage the ditch company.

Laterals are a private matter. Ditch company responsibility ends at the headgate.

Animas River Water Quality:

Animas River Community Forum published a book called "Our River". It has a lot of answers about water quality. The ditch company is a member of that organization. John Ott, is the manager of the Animas Water Company, was just appointed to the Colorado Water Quality Control Commission.

V. Board Member Election:

The board recommended Dan James and Tim Holt for another three-year term. There were no nominations from the floor. Mr. James and Mr. Holt were re-elected by acclamation.

VI. State of Colorado 416 Emergency Watershed Protection Plan:

Mr. Bikis reported that the state assessed the burn to measure its threat to life and property. There are ten areas identified that have property threats. (EWP Program Complexes). There are no life threats. Landowners are responsible for 12.5% of the costs of projects but can opt out of participation. All of the work is done on private land. Mr. Bikis reviewed several completed projects:

At Upper Tripp Creek an area to catch debris and sediment at the upper end was installed. At Honeyville they removed debris, stabilized the channel, etc.

Future projects include Lower Tripp Creek, Irongate and KOA, Pine Acres, Dye Canyon,

CWCB's Watershed Restoration Program is going to start up. The initial meeting is March 12th, with a follow up on April 2. To develop projects and prioritize areas of importance.

VII. Financial Reports: Brett Schaffer, Treasurer, made a presentation on the finances.

Maintenance Fee and Assessments: Income totals were on target with the budget. Expenses were also on target. The ditch company sold some shares and some additional non-recording income. The ditch company's net loss was due to 416 fire expenses. Assessments were raised last year in anticipation of the fire expenses. The savings were also somewhat depleted. It is hoped that the structures will help reduce maintenance. If so, the ditch company would try to build up savings gradually unless there are big expenses. Special assessments could occur if there are big expenses.

VIII. Ditch Walker Report:

Mr. James thanked Jud for his work as the ditch walker and presented him with a parting gift. Mr. James then introduced the new ditch rider, Chris Bell. Mr. Bell reported that he has walked the entire length of the ditch. Most of the early maintenance is occurring at the north end of the ditch. He provided his cell number to the members, 970-946-2437 to contact him.

IX. Old Business: There was none.

X. New Business:

Water Supply Outlook Report presented by Eric Bikis. Mr. Bikis reported on the water supply conditions in Colorado, our basin, Upper Colorado. Our basin is about 90% of median. Statewide is approximately median for snowpack. The entire Upper Colorado is a little above average and median. Lake Powell will come just slightly this year. We need 16 million-acre feet to satisfy all of the Colorado River compact obligations. The forecast for this year is “drought persisting”. California took more than they were allocated since the 1950’s because Arizona wasn’t taking all of its water. Now, California is regulated and is limited to 4.4 million-acre feet per year.

XI. The meeting was adjourned 11:00 a.m. on motion of George Widmeyer, and Jim Lewin seconded.