

ANIMAS CONSOLIDATED DITCH COMPANY

P.O. Box 3777 ~ Durango, CO 81302

(970)247-8152 / email: animasditchco@bresnan.net

117th Stockholders Annual Meeting March 26, 2011 ~ 10:00am ~ Animas Grange

- I. Call to order at 10:07 am by President John Ott
- II. Introduction of Board Members Present: John Ott, President; Eric Bikis; Ed Zink; Tim Holt and Dan James.
- III. Introduction of Guests Present: Jim Mead, Ditch Walker and Nancy Agro, Attorney.
- IV. March 16, 2010 Minutes read and a motion made by Jim Lewin to approve, second by Jim Libby, motion passed.
- V. President's Report:
 - a. Addressed the carriage of water through the ditch; machine culverts this year during ditch maintenance; ditch cleaning has already begun.
 - b. Discussion of ongoing adjudication. Areas of concern were as follows:
 1. Decreed water issues: ACD water rights pre-date the Colorado River Compact
 2. Less / more water allocation needs
 3. Adjust shares overage / shortage based on water usage
 4. Acquire excess water through the state
 5. Unused water at risk to be taken back by the state
 6. Unsold shares guidelines
 7. Drought years usage
 - c. Inspection of siphon at Hermosa Creek was done with no problems discovered.
 - d. Target date for water turn on is May 01, 2011.
- VI. Financial Reports:
 - a. Review of 2010 Financials
 - b. Presentation of 2011 Budget: Motion made by Jake Archuleta to approve, second by Jim Libby, motion passed.
 - c. Total Shares 1129.50 breakdown as follows:
 1. Animas Consolidated Ditch: 1.0 "A" Share
 2. Customer Issued "A" Shares: 929.50
 3. Customer Issued "B" Shares: 75.0
 4. Contract Issued Shares: 122.0
 5. Re-possessed "B" Shares: Burdick 2.0
- VII. Old Business:
 - a. Discussion of duty of water.
 - b. Eric Bikis discussed decreed water issues, irrigated acres usage, and 2002 drought.
- VIII. New Business:
 - a. Ed Zink discussed ACD water being safe from down river states due to ACD pre-dating Colorado River Compact.
 - b. Nancy Agro discussed the Mexico treaty and how local changes with Kayak parks, etc. might lead to higher and stricter regulations on shareholder measuring.
 - c. John Ott states one option would be to require individual shareholder headgate measuring.
 - d. Bruce Lane brought up the issue of ditch expansion needs; discussion around specific areas of concern: ditch liability versus land owner liability.
 - e. Larry Hall requested clarification of A and B share differences and confirmation of B shares being available for sale.
 - f. Carol Lewin discussed her concern of water control at the lateral ditch at Ranch Development through maintenance; Ed Zink responded that this issue is the direct responsibility of the shareholder, and reiterated that the ACD responsibility ends once the water leaves the ditch.
 - g. John Ott discussed hydro power usage and regulations; fall depths and seasonal ditch usage.
- IX. Election of Directors: No nominations; motion made by Jim Lewin to retain Tim Holt and Dan James to the board; second by Ed Zink, motion passed.
- X. Adjournment: Motion made by Jake Archuleta to adjourn, second by Larry Hall, motion passed.