

ANIMAS CONSOLIDATED DITCH COMPANY

119th Annual Shareholder Meeting ~ Animas Valley Grange Hall ~ March 09, 2013

Call to order by John Ott, President.

Introduction of Board Members: John Ott, President; Tim Holt, Vice President; Ed Zink, Secretary/Treasurer; Eric Bikis; Dan James

Others Present: Nancy Agro, Attorney; Jud Hassel and Jim Mead, Ditch Walkers; Meme Eberspacher, Bookkeeper

Agenda: It was moved and seconded to approve the agenda, and the 2012 annual shareholder minutes. The resolution passed unanimously.

President's Report: The President discussed how the company is attempting to improve communication with shareholders, part of which included approving Rules and Regulations to help shareholders understand procedures.

New Business:

An issue that came up this year is Animas Mosquito Control District. They now have a product which is put in the irrigation water. The company has asked them not to put the product in the ditch. Property owners can make their own decisions about that on their laterals.

The president also reported on the efforts to monitor and control diversion at the main headgate. Ed reported that there is alluvial gravel at the headgate, and there are gravel pits where gravel is washing into those pits. This has and will affect the ditch company's diversion. The Reid Ditch has a similarly located diversion across the river. Five ditches divert out of the Animas at about the same place. If the ditch companies need to work on their diversions there is grant money available to help with such projects. ACD has applied for a grant in conjunction with the other ditch companies to the Southwest Basin Round Table for about \$15,000 to start monitoring. Our ditch company and the Reid Ditch would each pay a couple of thousand towards matching the grant money for the monitoring. It was approved locally and the company is now waiting for approval from the Colorado Water Conservation Board. The baseline monitoring will help the ditch company if it ever decides to ask for grant money for actual work on the diversion.

Budget for 2013: The ditch company raised rates. Maintenance fee for 2013 is now \$80.00 and the share assessment is now \$20.00 per share. The ditch company has approximately \$108,000 in reserves and would like to maintain and potentially increase this for future projects. The budget was increased this year for ditch maintenance. A shareholder questioned why we are increasing assessments with \$108,000 in reserves. Ed reported that, for the last several years, the company has been dipping into reserves to meet expenses. The reserve is not a lot of

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money if a culvert or siphon washes out. The ditch company wants to stop depleting the reserves.

Frank Sinton asked for a statement of how many shares have been issued. Meme reported: 930 ½ A Shares, 77 B Shares, and 122 contract shares.

George Widmeyer moved to approve the budget. Jake Archuleta seconded. The members unanimously approved the resolution.

Ditch Rider Report: Jud Hassel reported that he identified some bad headgates that need repair. Jud asked shareholders to notify him if there are problems that need to be addressed. The company is trying to be more proactive to make repairs before water runs and to identify trouble spots.

Shareholder, Becky Rockwell, asked who is responsible for crossings that are in disrepair. There ensued a discussion about landowner responsibility to maintain private crossings. The discussion also included encroachments on ditch easements.

A shareholder asked when water would run. A date to commence running water has not been determined.

Old Business: The board passed Rules and Regulations which were included in the shareholder packet.

The attorney reported that the ditch company watches legal water right cases. There was a brief discussion about the Ouray Water case that was dismissed, and the Forest Service pending case.

Elections: Eric Bikis has sought re-election. There were no nominations from floor. Eric was re-elected by acclamation.

Other: Cecilia Whitaker attended the meeting on behalf of La Plata Conservation District. The District is starting to gear back up. Next Saturday there is a landowner workshop and a seedling tree sale. She left brochures.

There being no further business, the meeting was adjourned.