

121<sup>st</sup> Annual Stockholders Meeting of the  
Animas Consolidated Ditch Company  
March 14, 2015, 1:30 p.m.  
Animas Valley Grange Hall, 7271 CR 203, Durango, CO 81301

I. Call to Order: The president called the meeting to order at 1:30 p.m.

II. The President introduced the board, staff, and consultants

III. Minutes: Shareholder George Widmeyer moved for approval of the minutes of the Annual meeting held March 8, 2014. Jake Archuleta seconded the motion, and the shareholders unanimously approved the motion.

IV. President's Report: The President reported that the water year 2014 was successful, despite a lower than average run-off. The improvements to the diversion and the extra attention to the lower end have made the ditch run better than it ever has in terms of dependability. There continue to be some places that need attention. The President recognized and thanked John Ott for his twelve years of service on the board of directors.

The President discussed the importance of accuracy on the share certificates. When land changes hands through sale, estate planning, divorce or death, it is important to make sure transfers occur correctly. The Board's ability to act is limited by the title on the shares.

V. Animas Diversion: Ed Zink reported that the gravel pits have caused the gravel to wash downstream into the holes left by gravel pits. In anticipation of future problems, the ditch company, in cooperation with other ditch companies on the Animas River, obtained a state grant to complete a baseline data study. This work will help in the future to obtain grants when more major work needs to be completed. The diversion work in the river has helped the situation, and this has reduced some of the immediate concern. But, the downcutting is continuing.

VI. Financial Reports: Ed Zink reported that the company is financially solid. The company had \$42,000 left over at the end of fiscal year 2014. This income was made up in part due to selling available "B" shares of water, and the collection of significant encroachment fees from utility companies digging under the ditch to install fiber optic cables. Mr. Zink explained the reason and need for encroachment fees and the concern about standards, oversight, communication, and the integrity of the ditch. A question from the floor was raised – Does the company collect fees for past encroachments that are causing blockage on the ditch? Currently, that has not been done, but the ditch company reserves the right to require modification to protect the ditch on a case by case basis. Jud Hassel has been very diligent to stop new encroachments.

VII. Ditch Walker Report: Jud Hassel reported that he has done a lot of work at the diversion off the Animas. He reported that every pair of eyes on the ditch helps him out if there are matters that need attention. The ditch was turned off for a week in September, and again for five weeks

in the winter due to the ditch being frozen. He reported that yard material being thrown in the ditch creates blockage. The most prolific problem is north of the grizzly near the Hermosa. Will start spring cleaning soon and will replace a couple of headgates. If anyone has material that needs to be cut back, they should alert him. The ditch is currently diverting about 45 c.f.s. Jud feels like he is getting ahead of the maintenance.

#### VIII. Old Business:

- a. Headgates – The President explained that headgate maintenance and replacement are the responsibility of the shareholder. The company will require maintenance at the shareholder's expense. If the headgate is shared, all of the shareholders using it will pay the costs. Whenever possible, the company gives advance notice up to a year to give time for planning.

#### IX. New Business:

- a. In 2014, the Colorado Water Conservation Board came up with a draft Water Plan at the request of the Governor. There are hundreds of agencies and interested parties that have participated in the plan. It is unknown what the final policy will look like. Ed Zink is the La Plata County representative on the Southwest Basin Roundtable group which includes representatives in the basin where water runs into the San Juan, San Miguel and the Dolores.
- b. Eric Bikis made a presentation regarding the snow pack for the area. The southwest corner is approximately 74% of average. Since 2000, only 2005 and 2008 have been above average years. Eric compared snowpack to precipitation, which is actually a little better in some places. In this area, precipitation is 76% of average.

X. Election of Directors: There were two seats on the board available to be filled. Ed Zink has agreed to serve an additional term on the board. The nominating committee nominated Brett Shaffer as a board candidate. Dan James nominated Brad Crist as a board candidate. Brett and Brad each gave a brief synopsis of their experience and qualifications to serve on the board. The shareholders then cast their ballots in writing to the bookkeeper. Ed Zink and Brett Shaffer were elected to serve three year terms.

XI. The meeting was adjourned at 2:40.