

**123<sup>rd</sup> Annual Stockholders Meeting**  
of the  
**Animas Consolidated Ditch Company**  
March 11, 2017, 9:00 am  
Animas Valley Grange Hall, 7271 CR 203, Durango, CO 81301

I. Call to Order: The president called the meeting to order at 9:00 a.m.

II. The President, Dan James, introduced the rest of the Board: Ed Zink, Eric Bikis, Tim Holt (not present) and Brett Shaffer (not present), Jud Hassel, ditch walker, Meme Eberspacher, bookkeeper, and Nancy Agro, attorney.

III. Minutes: Shareholder Charles Huntoon moved for approval of the minutes of the Annual meeting held March 19, 2016. George Widmeyer seconded the motion, and the shareholders unanimously approved the motion.

IV. President's Report: The President briefly discussed the snow pack and the expected run-off and promised a more detailed report later in the meeting.

Mr. James then discussed the ditch easements that run through many of the properties in the Animas Valley. In the late 1800's, the farmers got together and hand dug ditches in the needed locations to run irrigation water. Later, the smaller ditches were consolidated into the current Animas Consolidated Ditch which commences near Timberline Academy, continues under the Hermosa, and then flows back into the Animas River at the United Campground. The ditch company diverts water at the Animas River and at the Hermosa and has several locations where water can be returned to the river if needed for emergencies or operations.

Most of the easements for the ditch are unwritten, created by historic use, but they can also be descriptive (written in a deed). Over the years, many man-made encroachments have impacted the ditch including fencing, bridges, etc. Flooding and percolation can also impact structures built below the ditch. The ditch company has been paying close attention to these encroachments over the last couple of years because of the impact they have on maintenance and the budget and has tightened up its rules and bylaws. There is not a defined width of the ditch because it can vary depending on the amount of water and the topography. If anyone plans on building within 50-100 feet of the ditch, they should contact the ditch company for a site visit to discuss the impacts the structure may have on the ditch company as well as the potential impact of the ditch to the structure so that problems can be avoided. Board time and legal fees are being consumed by existing encroachments that weren't taken care of at the time of construction. Some examples include (1) Cobel Lane. The ditch company and the landowners worked together for a replacement of the driveway culvert which accessed various properties. The ditch company had to communicate with 16 property owners for 1600 feet of ditch. The ditch company oversaw the construction and the landowners paid for the cost. (2) Bruckbauer property where the culvert is located beneath the yard and has to be removed

and replaced. Assessments are being increased because of the substantial cost being incurred as a result of encroachments. (3) Glaser – 100 feet of culvert was reduced to a single driveway crossing. The landowner was cooperative with the ditch company to complete the project, including the payment of costs. An important consideration with encroachments is drainage because storm water must be directed away from the ditch to prevent blockage.

V. Animas Diversion: Ed Zink reported that the gravel pits have caused the gravel to wash downstream into the holes left by gravel pits. The monitoring project, which was funded in part by grants, has continued including a recent fly over with a drone.

VI. Financial Reports: Ed Zink reported that the Animas Consolidated Ditch is the most urbanized ditch in the County. The ditch company has been working with the County planners so they can help preserve agricultural needs through the planning process. Rates are being raised to accomplish the increased maintenance and easement issues. This is a \$10 million dollar ditch with \$175,000 in reserve. The company is trying not to eat away at the reserve. The budget shows a slight loss from last year for regular operations (\$1,087), and used an additional \$23,000 of its reserve for problem solving. The reserve has increased due to the ditch company selling a piece of land by the Hermosa. The Bruckbauer matter is going to take money out of reserve. The Company is replacing a rusted and collapsed culvert with a high tech culvert that should last 100 years. The overburden, which is a contributor of the problem, will not be permitted, and the area will be left with a 3:1 slope. This will help preserve the culvert and make any future maintenance less costly.

VII. Board Member Election. The nominating committee recommended Dan James and Tim Holt for another term. There were no nominations from the floor. Dan and Tim were re-elected by acclamation.

VIII. Ditch Walker Report: Jud Hassel reported that he attended the Ditch and Reservoir Company Alliance convention and participated in seminars regarding encroachments. Other areas of the state have similar problems encroachment problems. Lately, Jud has been working on cutting leaning trees and the Cobel Lane Project. At Spring Creek, he brought in a big track hoe to remove over growth of Ash and thick willows. It was a successful project. The Bruckbauer project will take approximately two weeks and will start on March 15<sup>th</sup>. The headgate project was completed at Estancia at the homeowners' expense.

The Company now has encroachment specifications. Each project is considered individually, but the specifications can assist in common situations. A landowner can also obtain engineered specifications if the guidelines don't work for the particular project.

The Ditch will be turned on around April 14<sup>th</sup>. It will take 2 days to get the water downstream because water will be released back to the river at Falls Creek to help clear the ditch.

IX. New Business:

- a. Eric Bikis made a presentation regarding the snow pack for the area which is above average around the state (118% to 140% of average). He also explained that when Lake Powell was constructed, the engineers over-estimated the inflow, thereby short changing the amount of water reserved to the upper basin states, including Colorado, which gets to keep only the excess over 7.5 million acre feet. This year, however, Lake Powell is expected to rise between 25-40 vertical feet. Lake Powell and Lake Mead operate in tandem to make sure both reservoirs can produce power.
- b. Ed Zink reported that the Colorado Department of Health in conjunction with the Animas Mosquito Control District is collecting old tires free of charge to eliminate mosquito breeding grounds.
- c. Amanda Kuenzi from the Mountain Studies Institute gave a presentation regarding the Russian Olive Tree Eradication program. They can remove the trees or kill them in place to provide an ecosystem for wildlife. If a landowner wishes to participate, they must be willing to remove all Russian olives. Near the water, native willows will be planted to replace, but they will work with landowners to accommodate other re-planting requests. She left brochures and business cards for the membership.
- d. Other: Don Ricedorff indicated that there is work that needs to be done on the south side of the diversion dam to clear it out. This affects the Hermosa Ditch more than ACD, but the ditch walker will look into it.

XI. The meeting was adjourned.