ANIMAS CONSOLIDATED DITCH COMPANY

February 06, 2017

Hello Shareholders and Happy 2017!!

Another year has come upon us and that means it is time for our annual newsletter. I know it probably seems like I send the same letter every year.....that would be because not much changes in my world. Ha ha!!

About that water.....unlike many other ditches who require their shareholders to have meters to monitor their water use, we allow each shareholder the right to monitor their own water use out of the ditch. If everyone is responsible and works well with each other, we can continue to use this low-cost system in lieu of having shareholder water usage controlled by the ditch walker and/or meters. Part of our ongoing endeavor to improve ditch performance is to continue to evaluate shareholder owned headgates, and work with those shareholders whose headgates need to be replaced.

All of us have a part to play in keeping our collective costs down. Most importantly, be careful to only take the water you are entitled to. If you would like a refresher on how to measure the water you own, visit our website or feel free to call Jud, our ditch walker. Basically, one share is 1/16th of 1 cubic foot per second. In layman's terms, one share will fill a five-gallon bucket in eleven seconds.

Another means of keeping our costs down is to remember *THE DITCH IS NOT A PLACE FOR TRASH, WEEDS, TREE and GRASS CUTTINGS*!! The ditch company has an easement along both sides of the ditch, which provides access for maintenance of the ditch. Encroachment into the ditch easement by fences, yards, gardens, playgrounds, out buildings, etc., makes maintenance both more difficult and more costly. Encroachment into the ditch easement requires written permission from the Ditch Company and if approved, a permit. If you have any questions about what can and can't be done within our easement, call Jud, the ditch walker, for a site visit. Although we appreciate the ditch bank looking nice, our first priority is keeping the ditch open and free of obstructions.

Get ready.....here I go again!! I am still attempting to have all shareholder records accurate. Accuracy is important because only the name of the water certificate holder has *legal right* to the water. If you are the person designated to be responsible for paying all expenses related to the water certificate(s) listed on your invoice, this does not ensure that you are the legal owner of the water certificate(s). So again, if there has been a change in the status of ownership

(ie: marriage; death; divorce; change of name; sale of property; change of entity; etc.) please contact me so I may assist you in having valid water rights ownership.

Transfer of water certificates can only be completed using the **ORIGINAL** water certificate(s), no exceptions! If you are unable to locate your original water certificate(s), a process called an "Affidavit of Lost Stock Certificate" must be completed. This is not only an expense for you the shareholder, the process can take eight to ten weeks to complete. Once the process is complete, I would issue a new certificate.

Here is an example which may help clarify ownership....

If you bought my home and I said you could also have the car that was parked in the garage, the car would not really be owned by you until I transferred the title to you.

Dan James and Tim Holt are both up for re-election and have agreed to be nominated for retention of their board positions. Other nominations can be received from the assembly at the annual shareholders meeting. Please complete the enclosed proxy if you are unsure if you will be attending. Return the proxy to me no later than March 09, 2017. If you are in attendance, your proxy will not be used. Make sure your proxy is signed. Proxies will be audited for accuracy. Please call with any questions you may have.

Enclosed is our company "Contact Information Form". Even if your information hasn't changed, please, pretty please, complete and return the form to me, as it helps me to know your status in writing each year.

Our annual meeting is scheduled for Saturday, March 11th, 9:00 am sharp at the Animas Valley Grange. See more complete information on your proxy. Enclosed is your annual invoice, proxy, and the "Contact Information" form. Prior to the meeting, please go to our website at animasconsolidatedditch.com to review the 2016 minutes, 2016 financials and the 2017 Budget.

Again, thank you for allowing me to be of service to you. If I don't have the answer to a question or have the information you might need, be assured I will be seeking out the counsel of those much wiser than myself.

Sincerely,

Meme Eberspacher
Bookkeeper