

ANIMAS CONSOLIDATED DITCH COMPANY

February 23, 2016

Hello Shareholders,

I am going to take the liberty of basically sending the same newsletter as last year because the issues and information remain the same. So, without further adieu.....

For our new shareholders, WELCOME, for you not old, but vastly experienced shareholders, please review this information again, we want to make sure everyone is on the same page!

It's that time of year when we begin to plan for ditch use, needs and concerns. We have an excellent ditch with very good water rights. Our operating costs are much lower than most other ditches, primarily because 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. 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, 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. 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.

This definitely is news most of you have heard before..... 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 also can take up to eight to ten weeks to complete. Once the process is complete, I would issue a new certificate to you.

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.

I want to say that after working with several boards through different entities, you, the shareholders of the Animas Consolidated Ditch Company, are TRULY blessed to have a board which serves you with the highest level of commitment and vision, all on their own time.

In 2015, your board completed the revisions to the Rules and Regulations and the By-Laws. Both have been posted on our website for your use. Much time was also spent on the Gold King Mine spill which occurred in August of 2015. At the general meeting the board will give a summary of the situation as it pertains to our ditch, and discussion will follow.

Eric Bikis is up for re-election and has agreed to be nominated for retention of his board position. 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 17, 2016. 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.

I am attempting to build an email data base to be used for general communication and notifications. Even if your information hasn't changed, please complete and return to me the enclosed "Contact Information Form", it helps me to know your status in writing each year.

Our annual meeting is scheduled for Saturday, March 19th, 10:00 sharp at the Animas Valley Grange. See more complete information on your proxy. Enclosed is your annual invoice, proxy, 2016 Budget and the "Contact Information" form. Prior to the meeting, please go to our website at animasconsolidatedditch.com to review the 2015 minutes and 2015 financials.

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

Meme Eberspacher
Bookkeeper