

Animas Consolidated Ditch Company

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ANIMAS CONSOLIDATED DITCH COMPANY
Minutes of the 130th Annual Stockholder's Meeting
March 2, 2024, 9:00 a.m. at the River Bend Ranch Event Center
27846 Hwy 550, Durango, CO 81301

I. Call to Order: The President called the meeting to order at 9:07 a.m.

II. Attendance: The President reminded the members to sign in and provide proxies.

Jessica informed the membership that HOAs and entities must provide a statement of authority to keep them on file and to provide a proxy for annual meetings if the person in attendance is not the person of record on file. If an entity did not provide a proxy or is not on record with a statement of authority on file, the person present cannot vote at the annual meeting.

There were voting 281 shares present and 96 shares represented by proxy. The notice of the annual meeting was published in the Durango Herald on February 9, 2024.

III. Introductions: The President introduced the Board, staff, and consultants: Dan Diehl, Board Member, Dan James President, Kevin Jones, Vice President, Eric Bikis, Secretary/Treasurer, Joe Wheeling, Jessica Mitchell, Ditch Secretary/Administration, Chris Bell, Ditch Walker, and Nancy Agro, Attorney.

IV. 2023 Annual Meeting Minutes: George Widmeyer moved to approve the minutes, Shirley Dills seconded, and the Members unanimously voted to approve the Minutes of the March 4, 2023, meeting.

V. President's report: 2023/2024 was an excellent snow year. Last year there was no need for a coffer dam near the ditch headgate until about August to divert more out of the Animas. There were no major flooding events last year. The President explained that headgates for lateral ditches are the responsibility of the lateral shareholders. The Ditch Company will obtain and install the headgate, but the lateral shareholders pay the costs. The President expressed appreciation for shareholders because they are generally harmonious and cooperative. Tripp Creek crosses over the ditch at The Sanctuary subdivision. The headwalls and the culvert were failing, and the 416 fire delivered debris into the ditch. The board approved the cost for replacement of the culvert and for improvement of the wingwalls, and that project is underway. On the downstream side of the Animas Consolidated Ditch (ACD), the water is commingled with Hermosa water but does not come into the ACD. The company's CPA is retiring, and the board is looking for a new CPA. Kevin Jones has agreed to take over as President later this year. The President also introduced a couple of books for the membership to look at.

VI. Election of Directors: Brett Schafer took a position in the city and resigned from the Board. The Board appointed Joe Wheeling to complete Brett's term which expires today. There were no nominations from the floor. The members unanimously re-elected Kevin Jones and Joe Wheeling by acclamation for three-year terms.

VII. Treasurer's Report: Dan Diehl presented the 2023 budget recap comparing budget to actual. Income was more than projected, total expenses were less than projected, and the excess was deposited to the "Rainy-Day Fund". He then presented the 2024 budget. The annual maintenance fees and the assessments per share were reduced this year. Fees were increased in recent years due to the post 416 fire expenses having depleted the cash reserves, but cash reserves have increased, so the assessments and fees are being reduced. The increased ditch maintenance cost is due to the Tripp Creek culvert project. Dan also presented the balance sheet.

VIII. Ditch Walker Report: Chris Bell introduced himself and reported that last year was a good season. The ditch was shut down three times last year briefly due to blockages. Jessica notifies the shareholders when that happens. Chris and John Wilkinson walk the entire ditch yearly and conduct annual maintenance for three weeks before the ditch opens. John Serwe assists in areas that need excavation. Chris asked the membership to let Chris know if they know of areas in need of work. Removed material is placed on the downside of the ditch and it is the landowner's responsibility to remove it. Sluicing and silt removal was largely successful last year. There is a fine for dumping anything in the ditch. The ditch is approximately eleven miles long and is heavily urbanized for an irrigation ditch, which creates challenges.

Question from the floor: What is the status of the railroad culvert? There is a culvert under the railroad north of The Ranch on 550, and the flow is restricted. This will likely be a significant project. The Ditch Company is looking for some cost share. It appears that the railroad might pre-date the ditch at that location.

Question from the floor: What is the ditch easement and the rights thereon? It depends primarily on the topography at a particular location. For example, at the hot springs, the width of the easement is at the toe of a 3:1 slope due to the steepness of the slope. The Ditch Company must approve improvements within the ditch easement to make sure there is no negative impact to the ditch bank, and damage resulting from encroachments would be the landowner's responsibility. The Ditch Company has a process for crossings/encroachments.

Comment from the floor: Thanks to the Ditch Company for not using ditch-wide herbicides.

Question from the floor: Can an owner test the headgate before the ditch flows? Yes.

Jessica reminded the membership that if title to the property on the deed changes, the certificate needs to change to match the ownership of the land. It costs about \$1,200 to replace the lost certificate, so keep track of that original stock certificate.

IX. Water Report: Eric Bikis presented the Water Supply Outlook. Snow water equivalent is 91% normal in this area, and we are about 71% of the way towards a normal year. There is a 10-30% chance of getting to normal. Eric provided an analysis of the Colorado River Compact status and negotiations to address current conditions.

Patty Zink introduced herself and indicated that she would like to be considered as a board member.

X. Old Business: There was no old business.

XI: New Business: There was no new business.

XII: Adjournment: George Widmeyer moved for adjournment and Shirley Dills seconded the motion. The meeting was adjourned at 10:23 a.m.