

# Animas Water Company

## 50th Annual Meeting

Monday March 22nd, 2021 @ 5:30pm  
Via Zoom Meeting

Zoom Meeting Info: [www.zoom.us](http://www.zoom.us) / select join meeting / Meeting ID: 859 0918 0804 / Passcode: 299694

One tap mobile  
+16699009128,,85909180804#,,, \*299694# US (San Jose) or  
+12532158782,,85909180804#,,, \*299694# US (Tacoma)

Please visit our website at [www.animaswatercompany.com](http://www.animaswatercompany.com) to view the documents normally presented at the Annual Meeting. Select the Documents tab and scroll to the bottom of the Annual Meeting Documents section and they will be available in a PDF format

- I. **Call to Order:**
  - a. Introduction
  - b. Roll Call – Proxies
  - c. Proof of Notice – Bylaws
- II. **Minutes:**
  - a. March 11th, 2019 Annual Meeting
  - b. March 23<sup>rd</sup>, 2020 Annual Meeting postponed due to COVID-19
- III. **President’s Report:** **Tim Turner**
- IV. **Manager’s Report:** **John Ott**
- V. **Financial Report:** **Jamie Matthews**
- VI. **Attorney Report:** **Nancy Agro**
- VII. **Engineer Report** **Cap Allen**
- VIII. **Nominations for Board Members and Election**
- IX. Affirm motion to appoint Two (2) Directors to fill vacant Board of Directors seats per Board of Directors meeting on 03/25/2020. (George Widmeyer and Denise Robbins)
- X. Two (2) Directors each for a Three (3) year term (Tm Turner and Janet Wolf)
- XI. **New Business:** **Open Forum**
- XII. **Old Business:** **Motion to retroactively increase compensation for directors**
- XIII. **Adjournment**

### Board of Directors

Tim Turner	President	Term Expires: 2021
Janet Wolf	Director	Term Expires: 2021
Chad Tidwell	Director	Term Expires: 2022
George Widmeyer	Secretary / Treasurer	Term Expires: 2023
Denise Robbins	Director	Term Expires: 2023

### Company Staff

AWC General Manager- John Ott  
AWC Office Manager - Jessica Mitchell  
John Dezendorf - Water Operator in Responsible Charge  
Pat Rea – Water Operator  
Evan Curry – Water Operator  
Company Attorney - Nancy Agro  
Consulting Engineer - Cap Allen

AWC By-laws state:

The notice will be published at least once not more than thirty (30) days nor less than ten (10) days prior to the date fixed for said meeting and by giving at least ten (10) days' written notice of said meeting by depositing a copy of said notice in the post office addressed to each member at his place of residence, as the same may appear on the records of the Company, or by delivering such notice personally to each member.

**Publication in the Durango Herald 03/06/2021 and 03/13/2021:**

**YOUR AD COPY READS:**

**Private Legals**

335970

Notice is hereby given that the 50th Annual Meeting of the Members of the Animas Water Company will be held on Monday, March 22nd, 2021 at 5:30pm via a Zoom Meeting. Business will include review of the 2021 Budget, the nomination and election of Two (2) Directors each for a Three (3) year terms, and affirm a motion to appoint Two (2) Directors to fill vacant Board of Directors seats per Board of Directors meeting on 03/25/2020. The Manager's Report, and other business.

Zoom Meeting Info: <https://us02web.zoom.us/j/85909180804?pwd=V2NST3ZCTmZya0ZUOU9BM0VIZGdBQT09>

Meeting ID: 859 0918 0804

Passcode: 299694

Or to call in - +1 669 900 9128  
US (San Jose) / +1 253 215  
8782 US (Tacoma)

Published in Durango Herald  
March 6 and 13, 2021

**Proxies Mailed to shareholders dated 03/08/2021**

# Animas Water Company

P.O. Box 1012  
Durango, CO 81302

970-259-4788

## **48th Annual Meeting**

Monday March 11th, 2019

5:30pm @ 7271 CR 203, Durango CO 81301

### **Call to Order:**

The meeting was called to order at 5:42pm on March 11th, 2019 by Tim Turner, President. Tim Turner introduced the Board Members, Jessica Mitchell, the Office Manager, John Ott, the General Manager, Nancy Agro, the Attorney, and Cap Allen, Animas Water Company's Engineer

### **Roll Call:**

- 211 proxies received, with a total of 24 members present

### **Proof of Notice:**

- Annual Meeting notice published on February 23<sup>rd</sup>, 2019 and March 2<sup>nd</sup>, 2019

### **Minutes March 12<sup>th</sup>, 2018**

*Andrew Doherty made a motion to approve the Minutes from the March 12th, 2018 Annual Meeting. George Widmeyer seconded the motion, a vote was taken, all were in favor, approved.*

### **General Managers Report: John Ott**

- John Ott expressed gratitude for the members in attendance and the operators and engineers who came before and built such a well-designed and resilient system.
- A year ago, we were at about 50% annual snowfall and now we are at about 150%. 2018 was one of the driest years on record and the valley was thirsty. AWC had a big production year at 137 million gallons.
- Last May the pump station at the Bakers Tank was upgraded right before the 416 Fire started. The fire burned near the pump station, but it was unaffected by the fire but was in the path of some of the bigger debris flows. Mostly the debris flowed around the tank and caused some abrasion of the paint but no physical damage. The security fence was partially destroyed, and we are looking to the NRCS for some assistance to repair it.
- Animas Water Company employees were on call 24/7 during the fire and provided water through hydrants to assist in firefighting efforts mostly on the west side of Hwy 550. Residents who were in harm's way also used a lot of water to protect their homes.
- AWC gave credits to all customers who used excess water during the fire.
- AWC also provided water to the firefighters through a hydrant at the fire camp at the Animas Valley School.
- The water company had contingency plans to operate during the fire and because we have a Source Water Protection Plan, we were prepared for the fire. The state health department helped during the fire and also instituted a study in 2017 to determine our ground water is not under the influence of surface water.
- AWC has redundancy built in so we are able to continue to operate during extreme circumstances such as the fire and power outages.
- John Ott has been assigned to the community advisory group and is representing public water systems in the Superfund process in the headwaters of the Animas River near Silverton.
- Some of most common questions our members have to do with disinfection and hardness. AWC maintains the minimum amount of chlorine to comply with state regulations and monitors hardness levels to keep the website updated.
- Amy Thomas representing Animas Valley Elementary school's garden project was the recipient of the 1<sup>st</sup> Grant awarded by the Animas Water Company. Amy had a good story and pictures of progress made in their grow dome.

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## **President Report: Tim Turner**

- The Board adopted a charitable giving program to support organizations and individuals that work to benefit people who live in the Animas Valley.
- There is a charitable giving committee that reviews all applications and awards these grants quarterly.
- The purpose of the annual meeting is to update customer on the operations of the company, to discuss the financials of the company and to elect Board members,
- The first five months of 2018 we experienced the continuation of exceptional drought conditions; June 1<sup>st</sup> the 416 Fire broke out, and we were very fortunate to have a great fire management team here, thankful for the way the fire was managed and that no structures were lost.
- The Animas Water Company team did a great job continuing to operate during the evacuations.
- The ultimate goal of the water company is to continue to operate efficiently and effectively now and into the future and implement sound accounting principles, to invest money wisely and plan for future growth.
- Cap Allen planned for future needs of the company by completing a facilities assessment and an annual system survey report.
- The Board and management created an investment policy to manage our cash reserves. There is an investment account at Raymond James that contains FDIC insured brokered CD's.
- No rate increases again this year; the last base rate increase was 3 years ago, and 5 years ago was a tiered rate increase.
- This spring a Solar Array will be installed on the Grange roof.
- The Animas Water Company is in very good shape in all phases in its operation. We have the ability to deliver quality water at a reasonable cost.
- Animas Water Company Board hired professional in engineering, and accounting and an outside consultant to review the operations of the Company.

## **Financial Report: Michelle Sainio, of Frederick, Zink, & Associates**

- Michelle is the audit manager and FZA and Jamie Matthews is the Audit employee,
- This year an Agreed upon Procedures was performed for the 2018 operating season.
- First Statement is the Statement of Financial position which is what the company looked like at the end of 2018.
  - The company chose to invest an additional \$235,000.00 was invested.
  - There was a change in the investment policy underneath one banner and are easier to manage and earn a higher interest rate.
  - When there are revenues that are greater than expense, the company has chosen to invest the funds which is put back into the operations of the company.
  - As a water company, if there is a repair or replacement that needs to happen, it can cost hundreds of thousands of dollars to complete the repair.
  - AWC has very few liabilities and a lot of equity.
  - Typically, a bank likes to see a current ratio of 3 to 5, or 4 to 1, the fact that AWC has 5.2 million is a great place to be and puts AWC in a very safe position for the future.
- Second: Statement of Activities: Income statement
  - Revenue increased 6% from 2017 to 2018.
  - There is a gain or loss of equipment, this is from the sale of the Tundra, it had been fully depreciated and reached its complete depreciation.
  - The Board chose to change depreciation to \$10,000 vs the \$2,000
  - AWC is in line at 77% of operations.
  - \$121,000 increase was 22 new taps, overall change in net assets was \$127,000.00

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- Third: Statement of Function expenses
  - The largest change was salaries
  - Repairs and Maintenance increased from 62,000 to 107,000 due to change in depreciation value, but there were some main repairs, road repair, schoolhouse well, and SCADA system.
- 4<sup>th</sup>: Statement of Cash Flow
  - Cash Flows from Operating Activities - Takes money coming in – day to day activities
  - Cash Flows from investing activities –
  - Cash Flows from financing activities – tap purchases throughout the year.
  - Net Decrease in Cash flow was -340,000 because of the purchase of the CD's with Raymond James.

## **Attorney Report: Nancy Agro:**

- This year AWC wrapped up the Ouray Water filing case and ended up with some good compromise provisions in this case and the stipulations have been signed off on.
- AWC leases this building from the Grange, so the lease was updated to allow for solar improvements to the building as well as to ensure the company can stay at this location into the future by adding additional renewal terms.
- Ongoing legal:
  - Protecting AWC easements as properties get developed and lines get extended.
  - Protecting the water rights within the company, and AWC also has conditional water rights which are to protect the right to drill new wells in the future.
  - This year AWC has to file due diligence on one of the water rights and it is being finished up.

## **Engineering Report: Cap Allen**

- The good news is, AWC's infrastructure is in very good shape, there is just cyclical checks and maintenance needed.
- Animas Water Company has 2 to 3 times the capacity in our water supply then what we use.
- The distribution system is in good condition, and unlike other utility systems, Cap does not foresee anything occurring that will increase customer water bills in the future.

## **Nomination for Board Member and Election:**

One Director to be nominated, each for a 3 year Term.

- Ann Oliver resigned from the Board, Joe Bishop will finish Ann's Term and a new director will be elected tonight.
- There was a nominating committee created and found Chad Tidwell as interested and willing to sit on the Board.
- Chad introduced himself to the quorum. He worked in the oil and gas industry, which dealt with wells, pipes, pumps, and vessels.

*Ed Zink nominated Chad Tidwell.*

*Jim Libby made a motion to close nominations, to elect Chad Tidwell as director of the Animas Water Company for a 3 year term by acclamation, George Widmeyer seconded the motion, vote taken, all in favor, passed.*

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## Questions from the Floor

Q: Can AWC underground water rights have a call put on them?

- Yes, that is why filing the water rights and performing the due diligence is very important to protect the historic water rights. It is difficult to make a call on groundwater water rights, but it can be done.

Q: What can we expect from the 416 Fire.

- There will be a lot of flash flooding and debris flows from the 416 Fire. Our wells are protected from what is going on up on the surface and because we do not process surface water AWC is very insulated from the repercussions of the silt and ash from the fire.
- Baker's Tank was in the path of the debris flow that devastated the KOA campground; the tank was not affected. A contractor was in there ASAP to clear debris from around the tank and to encourage future flows to follow the natural channel nearby the tank. John Ott has an application in to the NRCS to try to get help with replacing the fence that surrounds the tank that was destroyed in the flash flood.

Q: What is the aquifer level for the Animas Valley?

- The aquifer in the valley fluctuates seasonally and it is generally very stable.

*Meeting was adjourned at 6:43pm.*

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970-259-4788

## **49th Annual Meeting – POSTPONED**

Monday March 23rd, 2020  
5:30pm @ 7271 CR 203, Durango CO 81301

A Newsletter was mailed out towards the end of March with the following included: the 2020 Annual Meeting scheduled in March was postponed due to the COVID 19 outbreak. In the next couple of months, the Board of Directors and General Manager will be working towards determining when the postponed meeting will be held. Once a new date is decided upon, notice of the meeting will be publicized in the Durango Herald, posted on our website, and new proxies will be mailed out to all voting members of Animas Water Company.

The Board and General Manager addressed possible future dates for holding the Annual Meeting at subsequent Board of Directors meetings, and due to the ongoing pandemic and gathering restrictions imposed by the CDPHE and San Juan Basin Health Department, it was determined that no annual meeting would be held in 2020.

**Animas Water Company**  
**Monthly Profit & Loss Budget vs. Actual**  
 January through December 2020

	Jan - Dec 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>47990 · Capital Income1</b>				
<b>47991 · WSA Tap Fees</b>	119,830.00	99,000.00	20,830.00	121.0%
<b>Total 47990 · Capital Income1</b>	119,830.00	99,000.00	20,830.00	121.0%
<b>40001 · Operating Revenue</b>	819,722.06	758,006.00	61,716.06	108.1%
<b>45000 · Other Revenues</b>				
<b>45100 · Interest Income</b>	51,206.26	51,584.00	-377.74	99.3%
<b>45200 · Miscellaneous Income</b>	13,596.55	5,000.00	8,596.55	271.9%
<b>Total 45000 · Other Revenues</b>	64,802.81	56,584.00	8,218.81	114.5%
<b>45001 · New Water Taps</b>				
<b>47997 · Admin Fees</b>	770.00	630.00	140.00	122.2%
<b>47992 · WSA Meter Installation Fees</b>	18,900.00	16,200.00	2,700.00	116.7%
<b>Total 45001 · New Water Taps</b>	19,670.00	16,830.00	2,840.00	116.9%
<b>Total Income</b>	1,024,024.87	930,420.00	93,604.87	110.1%
<b>Gross Profit</b>	1,024,024.87	930,420.00	93,604.87	110.1%
<b>Expense</b>				
<b>55250 · Bad Debt Expense</b>	54.79			
<b>50001 · Production Expenses</b>				
<b>50100 · Utilities</b>				
<b>50110 · Production Electricity</b>	34,777.00	32,240.00	2,537.00	107.9%
<b>51110 · Distribution Electricity</b>	3,040.00	3,179.00	-139.00	95.6%
<b>Total 50100 · Utilities</b>	37,817.00	35,419.00	2,398.00	106.8%
<b>50200 · Repairs &amp; Maintenance</b>				
<b>50210 · Wells</b>	991.54	7,200.00	-6,208.46	13.8%
<b>50220 · Building &amp; Grounds</b>	3,529.55	5,400.00	-1,870.45	65.4%
<b>Total 50200 · Repairs &amp; Maintenance</b>	4,521.09	12,600.00	-8,078.91	35.9%
<b>50300 · Quality Control</b>	6,367.59	8,450.00	-2,082.41	75.4%
<b>Total 50001 · Production Expenses</b>	48,705.68	56,469.00	-7,763.32	86.3%
<b>51001 · Distribution Expenses</b>				
<b>51200 · Repairs &amp; Maintenance</b>				
<b>51210 · Pumping Stations</b>	4,056.11	700.00	3,356.11	579.4%



**Animas Water Company**  
**Monthly Profit & Loss Budget vs. Actual**  
 January through December 2020

	Jan - Dec 20	Budget	\$ Over Budget	% of Budget
51215 · Tank Sites	9,009.69	8,250.00	759.69	109.2%
51220 · Water Mains				
51228 · Water Main Repairs	1,158.75			
51224 · Water Main Repair Parts ( )	299.85			
51221 · Emergency Water Main Repair	16,695.58			
51220 · Water Mains - Other	0.00	16,400.00	-16,400.00	0.0%
<b>Total 51220 · Water Mains</b>	<b>18,154.18</b>	<b>16,400.00</b>	<b>1,754.18</b>	<b>110.7%</b>
51225 · Water Services	56,260.66	60,290.00	-4,029.34	93.3%
51230 · Testing/Quality Control	4,010.12	3,420.00	590.12	117.3%
51235 · UNCC Service	1,029.59	900.00	129.59	114.4%
51240 · Miscellaneous	700.00	3,000.00	-2,300.00	23.3%
<b>Total 51200 · Repairs &amp; Maintenance</b>	<b>93,220.35</b>	<b>92,960.00</b>	<b>260.35</b>	<b>100.3%</b>
<b>Total 51001 · Distribution Expenses</b>	<b>93,220.35</b>	<b>92,960.00</b>	<b>260.35</b>	<b>100.3%</b>
52001 · Field Operating Expenses				
52100 · Repairs, Maintenance & Supplies				
52165 · Tools	1,537.01	2,700.00	-1,162.99	56.9%
52110 · Vehicles	3,430.62	3,600.00	-169.38	95.3%
52125 · Field Office - Rent	4,200.00	4,200.00	0.00	100.0%
52130 · Fuel	7,855.58	9,700.00	-1,844.42	81.0%
52140 · Supplies	993.58	1,200.00	-206.42	82.8%
52150 · Cell Phone/Pager	5,733.13	5,220.00	513.13	109.8%
52160 · Safety	396.82	800.00	-403.18	49.6%
52170 · Miscellaneous	2,430.04	2,650.00	-219.96	91.7%
<b>Total 52100 · Repairs, Maintenance &amp; Supplies</b>	<b>26,576.78</b>	<b>30,070.00</b>	<b>-3,493.22</b>	<b>88.4%</b>
52200 · Office Electronics				
52214 · Neptune	0.00	2,500.00	-2,500.00	0.0%
52213 · Sensus Metering Systems	2,329.79			
52210 · SCADA	1,750.75	4,514.00	-2,763.25	38.8%
52212 · Digital Mapping	4,140.00	5,750.00	-1,610.00	72.0%
<b>Total 52200 · Office Electronics</b>	<b>8,220.54</b>	<b>12,764.00</b>	<b>-4,543.46</b>	<b>64.4%</b>
52400 · Operator Training				
55730 · Fuel	337.00	700.00	-363.00	48.1%
55720 · Lodging	1,765.50	4,750.00	-2,984.50	37.2%
55710 · Meals & Entertainment	129.18	1,250.00	-1,120.82	10.3%
52401 · Registration Fees	2,736.02	3,470.00	-733.98	78.8%

**Animas Water Company**  
**Monthly Profit & Loss Budget vs. Actual**  
 January through December 2020

	Jan - Dec 20	Budget	\$ Over Budget	% of Budget
<b>Total 52400 · Operator Training</b>	4,967.70	10,170.00	-5,202.30	48.8%
<b>Total 52001 · Field Operating Expenses</b>	39,765.02	53,004.00	-13,238.98	75.0%
<b>53001 · Salaries &amp; Benefits</b>	402,495.00	381,341.00	21,154.00	105.5%
<b>55001 · Administrative Expenses</b>				
55990 · Zink Memorial Fund Donations	1,500.00	4,000.00	-2,500.00	37.5%
55105 · Online System Back Up	0.00	600.00	-600.00	0.0%
55248 · Xpress Bill Pay	4,894.66	5,220.00	-325.34	93.8%
55249 · Chase Paymentech	4,244.82	4,920.00	-675.18	86.3%
55221 · Postage Other	456.00	1,170.00	-714.00	39.0%
55205 · Advertising/Public Relations	899.06	1,850.00	-950.94	48.6%
<b>55210 · Statement Processing</b>				
55500 · Postage	5,444.05	5,730.00	-285.95	95.0%
55211 · Envelopes	897.92	1,740.00	-842.08	51.6%
55217 · Statement Mailing	2,328.34	2,380.00	-51.66	97.8%
<b>Total 55210 · Statement Processing</b>	8,670.31	9,850.00	-1,179.69	88.0%
55220 · Office Supplies	2,095.43	3,850.00	-1,754.57	54.4%
55223 · Utilities	2,346.52	2,732.00	-385.48	85.9%
55235 · Office Equipment & Furniture	236.33	750.00	-513.67	31.5%
55240 · Admin Office Rent	6,000.00	6,000.00	0.00	100.0%
55245 · Banking Services & Fees	0.00	0.00	0.00	0.0%
55207 · Bill Master System Care	2,875.75	2,200.00	675.75	130.7%
54001 · Lease Agreement	7,080.00	7,440.00	-360.00	95.2%
55850 · Mileage	2,523.46	2,215.00	308.46	113.9%
55750 · Dues / Subscriptions	4,233.59	3,100.00	1,133.59	136.6%
55550 · Returned Checks	20.00			
55100 · Contract Services	500.00			
55200 · Office Cleaning & Other	1,755.00	1,850.00	-95.00	94.9%
<b>55300 · Professional Services</b>				
55104 · Consultant	5,057.50	10,000.00	-4,942.50	50.6%
55110 · Engineering & Planning	2,660.00	3,500.00	-840.00	76.0%
55310 · Audit/Accounting	12,422.50	12,300.00	122.50	101.0%
55340 · Payroll Expenses	2,567.72	2,150.00	417.72	119.4%
55350 · Legal	5,981.00	12,000.00	-6,019.00	49.8%
<b>Total 55300 · Professional Services</b>	28,688.72	39,950.00	-11,261.28	71.8%
<b>55400 · Insurance &amp; Bonds</b>	23,733.00	25,900.00	-2,167.00	91.6%

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03/22/21

Accrual Basis

**Animas Water Company**  
**Monthly Profit & Loss Budget vs. Actual**  
**January through December 2020**

	<u>Jan - Dec 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
55600 · Director / Manager Expense	7,865.12	11,140.00	-3,274.88	70.6%
Total 55001 · Administrative Expenses	110,617.77	134,737.00	-24,119.23	82.1%
68800 · Capital Accounts				
68999 · Chapin Well 2020	22,924.78			
Total 68800 · Capital Accounts	22,924.78			
Total Expense	717,783.39	718,511.00	-727.61	99.9%
Net Ordinary Income	306,241.48	211,909.00	94,332.48	144.5%
Other Income/Expense				
Other Expense				
56001 · 5% Contingency Expense	0.00	35,925.55	-35,925.55	0.0%
Total Other Expense	0.00	35,925.55	-35,925.55	0.0%
Net Other Income	0.00	-35,925.55	35,925.55	0.0%
Net Income	<u>306,241.48</u>	<u>175,983.45</u>	<u>130,258.03</u>	<u>174.0%</u>

# Animas Water Company

## Profit & Loss Budget Overview

### January through December 2021

	Jan - Dec 21
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>45001 · New Water Taps</b>	
47997 · Admin Fees	630.00
47992 · WSA Meter Installation Fees	16,200.00
<b>Total 45001 · New Water Taps</b>	16,830.00
<b>45000 · Other Revenues</b>	
<b>45200 · Miscellaneous Income</b>	
45201 · D/C Reconnect Fee	200.00
45202 · Rental Transfer Fee	1,200.00
45203 · Sales Transfer Fee	3,600.00
45209 · Miscellaneous Income	16,000.00
<b>Total 45200 · Miscellaneous Income</b>	21,000.00
<b>45100 · Interest Income</b>	
45124 · RJ Interest income	26,240.00
<b>Total 45100 · Interest Income</b>	26,240.00
<b>Total 45000 · Other Revenues</b>	47,240.00
<b>47990 · Capital Income<sup>1</sup></b>	
47991 · WSA Tap Fees	99,000.00
<b>Total 47990 · Capital Income<sup>1</sup></b>	99,000.00
<b>40001 · Operating Revenue</b>	
40102 · Leak / Use / Rate Adjustments	-13,500.00
40126 · Tap Reservation Base Fee	2,831.00
45211 · Late Payment Penalties	6,000.00
40100 · Metered Sales	348,275.00
40125 · Base Fee Sales	427,785.00
<b>Total 40001 · Operating Revenue</b>	771,391.00
<b>Total Income</b>	934,461.00
<b>Gross Profit</b>	934,461.00
<b>Expense</b>	
<b>51001 · Distribution Expenses</b>	
<b>51200 · Repairs &amp; Maintenance</b>	
51210 · Pumping Stations	700.00
51215 · Tank Sites	700.00
51235 · UNCC Service	900.00
51220 · Water Mains	2,850.00
51240 · Miscellaneous	3,000.00
51225 · Water Services	3,000.00
51230 · Testing/Quality Control	3,420.00
<b>Total 51200 · Repairs &amp; Maintenance</b>	14,570.00
<b>Total 51001 · Distribution Expenses</b>	14,570.00
<b>52001 · Field Operating Expenses</b>	
<b>52200 · Office Electronics</b>	
52214 · Neptune	2,500.00
52212 · Digital Mapping	3,700.00
52210 · SCADA	3,964.00
<b>Total 52200 · Office Electronics</b>	10,164.00
<b>52400 · Operator Training</b>	
55730 · Fuel	700.00
55710 · Meals & Entertainment	1,250.00

**Animas Water Company**  
**Profit & Loss Budget Overview**  
 January through December 2021

	Jan - Dec 21
52401 · Registration Fees	3,470.00
55720 · Lodging	4,750.00
<b>Total 52400 · Operator Training</b>	<b>10,170.00</b>
<b>52100 · Repairs, Maintenance &amp; Supplies</b>	
52160 · Safety	800.00
52140 · Supplies	1,200.00
52170 · Miscellaneous	2,650.00
52165 · Tools	2,700.00
52110 · Vehicles	3,600.00
52125 · Field Office - Rent	4,200.00
52150 · Cell Phone/Pager	5,220.00
52130 · Fuel	9,700.00
<b>Total 52100 · Repairs, Maintenance &amp; Supplies</b>	<b>30,070.00</b>
<b>Total 52001 · Field Operating Expenses</b>	<b>50,404.00</b>
<b>50001 · Production Expenses</b>	
<b>50200 · Repairs &amp; Maintenance</b>	
50220 · Building & Grounds	3,080.00
50210 · Wells	5,275.00
<b>Total 50200 · Repairs &amp; Maintenance</b>	<b>8,355.00</b>
<b>50300 · Quality Control</b>	
50310 · Chemicals	3,000.00
50320 · Source - H2O Testing	5,450.00
<b>Total 50300 · Quality Control</b>	<b>8,450.00</b>
<b>50100 · Utilities</b>	
<b>51110 · Distribution Electricity</b>	
51113 · Upper Hermosa Tank	615.00
51111 · Bakers Tank	700.00
51112 · Lower Hermosa Tank	898.00
51114 · Pump Station #3	966.00
<b>Total 51110 · Distribution Electricity</b>	<b>3,179.00</b>
<b>50110 · Production Electricity</b>	
50113 · Chapin Well	4,270.00
50112 · Hermosa Meadows Well	9,530.00
50111 · Red Rock Range Well	10,060.00
50114 · School House Well	10,230.00
<b>Total 50110 · Production Electricity</b>	<b>34,090.00</b>
<b>Total 50100 · Utilities</b>	<b>37,269.00</b>
<b>Total 50001 · Production Expenses</b>	<b>54,074.00</b>
<b>55001 · Administrative Expenses</b>	
55245 · Banking Services & Fees	0.00
55105 · Online System Back Up	600.00
55235 · Office Equipment & Furniture	750.00
55221 · Postage Other	1,800.00
55200 · Office Cleaning & Other	1,850.00
55205 · Advertising/Public Relations	1,850.00
55207 · Bill Master System Care	2,200.00
55850 · Mileage	2,215.00
55223 · Utilities	
55229 · Trash / Recycling	0.00
55228 · Sewer	360.00
55224 · Electricity	690.00
55225 · Telephone	1,800.00

**Animas Water Company**  
**Profit & Loss Budget Overview**  
 January through December 2021

	Jan - Dec 21
<b>Total 55223 · Utilities</b>	2,850.00
55750 · Dues / Subscriptions	3,660.00
55220 · Office Supplies	3,850.00
55990 · Zink Memorial Fund Donations	4,000.00
55249 · Chase Paymentech	4,920.00
55248 · Xpress Bill Pay	5,220.00
54001 · Lease Agreement	
54003 · Cellular Phone	720.00
54002 · Vehicle Lease	6,000.00
<b>Total 54001 · Lease Agreement</b>	6,720.00
55210 · Statement Processing	
55211 · Envelopes	1,740.00
55217 · Statement Mailing	
55217.1 · Monthly Statement Processing	2,380.00
55217 · Statement Mailing - Other	2,380.00
<b>Total 55217 · Statement Mailing</b>	4,760.00
55500 · Postage	
55500.1 · Monthly Statement Mailing Posta	5,100.00
<b>Total 55500 · Postage</b>	5,100.00
<b>Total 55210 · Statement Processing</b>	11,600.00
55600 · Director / Manager Expense	
55675 · Directors Training	700.00
55660 · Director's Meals	1,200.00
55670 · Manager's Lunches	2,040.00
55650 · Director's Fees	7,800.00
<b>Total 55600 · Director / Manager Expense</b>	11,740.00
55300 · Professional Services	
55340 · Payroll Expenses	2,150.00
55104 · Consultant	3,000.00
55110 · Engineering & Planning	3,500.00
55350 · Legal	6,600.00
55310 · Audit/Accounting	
55310.1 · Bookkeeping / Reconciliation	1,440.00
55310.2 · AUP	10,880.00
<b>Total 55310 · Audit/Accounting</b>	12,320.00
<b>Total 55300 · Professional Services</b>	27,570.00
55400 · Insurance & Bonds	
55404 · Surety Bonds	100.00
55403 · Vehicle Insurance	3,500.00
55402 · Workmans Comp	11,078.00
55401 · General Liability	13,800.00
<b>Total 55400 · Insurance &amp; Bonds</b>	28,478.00
<b>Total 55001 · Administrative Expenses</b>	121,873.00
53001 · Salaries & Benefits	
53210 · FUTA Expense	276.00
53211 · Colorado Unemployt. Ins.	737.00
53350 · Year End Bonus	3,125.00
53400 · Retirement	11,040.00
53101 · Overtime	14,400.00
53200 · FICA & Medicare	27,048.00
53300 · Health Insurance	40,800.00

**Animas Water Company**  
**Profit & Loss Budget Overview**  
 January through December 2021

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	Jan - Dec 21
53100 · Salary Expense	317,400.00
Total 53001 · Salaries & Benefits	414,826.00
Total Expense	655,747.00
Net Ordinary Income	278,714.00
Other Income/Expense	
Other Expense	
75000 · Capital Exp	
75085 · SCADA Computer Upgrade	2,500.00
75080 · Red Rocks Well Upgrade	20,000.00
75090 · 2020 New Vehicle	75,000.00
75050 · Water Meter Upgrade Program	120,000.00
75075 · Water Main	220,000.00
Total 75000 · Capital Exp	437,500.00
Total Other Expense	437,500.00
Net Other Income	-437,500.00
Net Income	<b>-158,786.00</b>

# NANCY AGRO, P.C.

ATTORNEY AT LAW  
700 MAIN AVENUE, SUITE K  
DURANGO, COLORADO 81301

(970) 422-2024

nancy@nancyagro.com

## ANIMAS WATER COMPANY 2020-2021 ANNUAL REPORT

### I. Water Rights

In 2004, the company assessed its water rights, including current water rights and future growth requirements. The attorney filed several water rights applications which were granted decrees with conditional status. Every six years, diligence is required to maintain water rights. There are currently three pending diligence cases:

1. Walker Wells – Diligence case and alternate point of diversion to School, Grush and Red Rocks locations – up to 2 c.f.s. conditional (Combined with 2004 conditional water rights)
2. School Wells – Diligence case filed, up to 1.112 c.f.s. conditional
3. 2004 Case increased capacity at existing well locations – Diligence case filed, up to 2.5 c.f.s. conditional (combined with Walker conditional water rights)

Animas Water Company: Total Water Rights: 3.67 c.f.s. Absolute; 4.612 c.f.s. Conditional

II. Archiving Contracts: I have begun a thorough review of historic records and have been indexing AWC Agreements and Easements. This is an expansion of the easement research project which was started in the last couple of years.

III. Routine projects: Advising staff regarding corporate policies and drafting easements and other contracts for new water lines.