Rocky Ford, Colorado
December 5, 1988

A meeting of the directors of Catlin Canal Company was held in the auditorium of the Otero County Extension Office, 411 North 10th Street, Rocky Ford, Colorado immediately following the annual meeting of stockholders, Monday, December 5, 1988 with the following directors present: Frank Milenski, Carl Allen, Steve Malott, Brian Knapp and John Schweizer, Jr. Also present were Elmer W. Bauman, Rexford L. Mitchell and Wayne W. Whittaker.

Organization was commenced with Brian Knapp nominating Frank Milenski for the office of president and Steve Malott for the office of vice president. Nominations were seconded by John Schweizer and upon vote each was declared elected to their respective office.

The Board then retained current employees and advised that salaries would be reviewed at the next meeting. Current employees are listed as follows, to-wit:

Elmer W. Bauman - Superintendent
Wayne W. Whittaker - Secretary-Treasurer
Alan W. Lewis - Ditchrider
A. Greg Williams - Ditchrider
Steven C. Wissler - Headgate Keeper & Ditchrider

Discussion was held concerning the appointment of a manager, representative to the Arkansas Valley Ditch Association and representative for the Winter Water Storage program. Motion was duly made seconded and carried that Frank be appointed to the three positions.

Discussion was held concerning retention of an attorney. Rex was asked if he would again serve at the current retainer fee of $50.00 per month, plus cost of actual work performed. Rex advised that he would serve and was duly appointed company attorney.

Motion was made by Director Schweizer, seconded by Director Allen, and carried that the regular assessment be called to be due on or before January 1, 1989 and delinquent on May 1, 1989; except that the assessment may be paid (without further notice) in two equal installments if the first half is received by April 1, 1989 and the second half is received by August 1, 1989.

Discussion was held concerning purchase of a new pickup. Motion was made by Director Allen, seconded by Director Knapp, and carried to authorize and direct the superintendent to purchase a pickup from Jones Chevrolet Company per the $11,005.28 bid of November 7, 1988.

Discussion was held concerning the advisability of purchasing a steel building for erection near the headgate. It was generally agreed to postpone any action on this item until a later date.

Motion was made by Director Malott, seconded by Director Allen, and carried to authorize and direct the secretary to send a letter to former director G. Byron Blotz to thank him for service to the company in the past year.

No further business appearing the meeting then adjourned.
A meeting of the stockholders of Catlin Canal Company was held in the auditorium of the Otero County Extension Office, 411 North 10th Street, Rocky Ford, Colorado commencing at 10:00 a.m., Monday, December 5, 1988.

Call of the meeting was read by the secretary.

The chairman announced that nominations would now be in order for the election of a temporary chairman. Frank Milenski was nominated by Bob Klinkerman, seconded by Steve Malott and upon ballot declared elected as Temporary Chairman. Nominations were then opened for temporary secretary. Wayne W. Whittaker was nominated by Steve Malott, seconded by Carl Allen and upon ballot declared elected as temporary secretary.

Affidavit of Mailing of Notice of Annual Meeting was read by the secretary.

The chair announced that a Credentials Committee could be elected, or appointed, depending on the wish of stockholders present. Motion to have the chair appoint the committee was made by Bob Morrison, seconded by Steve Malott and upon ballot carried. The chairman then appointed Bob Klinkerman, Bob Morrison and Daryl Schulz to serve on the committee.

The Credentials Committee recorded stock present in person and the chairman announced that the meeting would recess until 1:00 p.m. for the purpose of counting proxies.

The meeting was called from recess at 1:15 p.m. Robert L. Klinkerman, chairman of the committee, reported that there are 18,660 shares issued and outstanding, of which 16,528.962 are represented at this meeting, with 5,279.920 being in person and 11,249.042 by proxy. A quorum being present, Robert L. Klinkerman moved that the report of the credentials committee be accepted. Motion was seconded by Bill Caldwell and upon vote carried.

The Chairman then announced that nominations would be in order for the election of a permanent officers of the meeting. Motion was made by Bob Morrison, seconded by Bob Klinkerman, and carried that the rules be suspended and the temporary officers be
made the permanent officers of the meeting.

Minutes of the stockholders meeting of December 7, 1987 were read and approved.

The secretary presented the auditor's and secretary's report. Motion was made by Bob Klinkerman, seconded by John Schweizer, and carried that the report be approved.

Elmer Bauman presented his superintendent's report, a copy of which is attached and made a part of these minutes. The question of two types of transportation loss being applied to reservoir water was raised. Frank explained that Project water is charged at the rate of $0.17 per mile based upon the Sunnyside case and Winter Water charged on the basis of agreement to use loss as determined in a USGS study of the reach of the river below Pueblo Reservoir.

The chairman called upon the company attorney for an explanation of the Articles of Incorporation and Bylaws of Larkspur, Inc. Rex Mitchell then explained the purpose of separating the Larkspur Ditch asset, as well as, provisions of the Articles and Bylaws. Particular emphasis was placed upon provisions restricting transfer of stock to require that both Larkspur and Catlin stock be transferred together unless bylaws are changed at some future time. Question was asked to clarify that provisions requiring 2/3rds vote of outstanding stock to amend bylaws and simple majority for future consideration of sale were not in conflict. Rex explained that there was not a conflict between the two provisions: that it would first take a 2/3rds majority to amend the bylaws and a subsequent majority vote if a sale is ever considered, it being his opinion that no other entity would consider a purchase if Larkspur stock could not be purchased separately from Catlin. Verle Martens said that he thought a 2/3rds majority was always required in the event of the sale of the majority assets of a company. Rex responded that it depended upon the Articles and Bylaws. Vernon Proctor asked if it would take a 2/3rds vote of all three companies, i.e., Catlin, Larkspur and Pisgah, due to the transfer restrictions. Rex responded that it would take a 2/3rds vote of all three companies to change the transfer restrictions. Discussion was held concerning the avoidance of future liability by separation of major assets being the purpose of this action. Byron Blotz said that he was of the opinion that Catlin could have some liability from the majority interest in Pisgah Reservoir, but that he did not this was the case with Larkspur Ditch. Frank responded concerning possible liability from both, but that he expected reason to ultimately prevail in the implementation of the recently promulgated Dam Safety Act. Motion was made by Bill Caldwell, seconded by Bob.
Klinkerman, and unanimously carried that the Articles of Incorporation and Bylaws of Larkspur, Inc., prepared by the company attorney and accepted by the Board of Directors be approved by the stockholders. Further, that the company attorney be authorized and directed to prepare the necessary deed for separation of the Larkspur Ditch asset, as well as, to file the incorporation papers with the Secretary of State. It was then announced that a meeting to organize the Larkspur, Inc. company would be held as stated in the call of this meeting, immediately following the Catlin meeting.

It was then announced that the Board of Directors of Pisgah Reservoir and Ditch Company had approved a change of its Articles of Incorporation and Bylaws to implement a stock transfer restriction identical to that of Larkspur, Inc., subject to ratification of the stockholders of Catlin Canal Company and Canon Heights Irrigation and Reservoir Company. Rex advised that he had written to Canon Heights to advise officers of that company that the change would be presented to stockholders of Pisgah Reservoir and Ditch Company following the meeting of Catlin in December and Canon Heights in January. Motion was made by John Schweizer, seconded by Bob Morrison, and unanimously carried that the changes to Articles of Incorporation and Bylaws of Pisgah Reservoir and Ditch Company be ratified by stockholders of Catlin Canal Company and that the stock of Pisgah presently held by the company be then be presented for transfer and distributed in proportion to shares owned by stockholders of Catlin on the date of distribution.

Discussion was then held concerning the advisability of changing Article IV of the Bylaws of Catlin Canal Company to implement the stock transfer restriction identical to that of Larkspur and Pisgah. Motion was made by Bob Klinkerman, seconded by Daryl Schulz, and unanimously carried to adopt the proposed change of Article IV of the bylaws, a copy of which is attached and made a part of these minutes.

Chairman Milenski then called upon the attorney for a report on water cases. Rex Mitchell reported that probably the most significant case to Catlin was the Supreme Court's recent decision to affirm the District Court's dismissal of the Fort Lyon and Division of Wildlife's application for transfer of water from the canal based upon the application as submitted to the Board. He further explained that this was the 4th time that the Supreme Court had upheld the bylaws of Catlin Canal Company. Other cases of interest were reported on as follows. (1) The KS-CO case will probably not go to trial for two years. Engineering is supposed to be completed by November, 1989. There will be a review of the Compact Resolution of 1951 which Kansas claims requires Compact approval of the winter water program and annual submissions to the Compact Commission did not result in such approval. Four cases on the Purqatoire River are felt to be involved as any change of the operating principles of Trinidad Reservoir must be approved by all parties to the original agreement. (2) The applications of Fort Lyon and minority stockholders of the Rocky Ford Ditch for

Stockholders Annual Meeting
Catlin Canal Company
exchange of water to Pueblo Reservoir were dismissed for lack of prosecution of such cases. (3) The application of Southeastern Colorado Water Conservancy District for exchange of return flows from the use of Project Water by agriculture from the reach between Pueblo and John Martin Reservoir resulted in a stipulation between the parties on November 17th that there would be no exchange of return flows from agriculture water from below Pueblo Reservoir and exchanges of municipal water must be quantified. (4) There will be a Water Quality Meeting in Pueblo on Dec. 12th. There has been a Water Quality Meeting in Denver to consider Cheraw Lake and the AVDA attended to prevent farms from becoming considered as point sources by the Health Department.

Discussion was then held concerning the possibility of officials trying at some time in the future to implement maximum annual diversion criteria for canal companies, based upon acreages and theoretical consumptive use computations. It was generally felt that any such implementation would be detrimental to the company.

Discussion was held concerning the limitation of 960 acres imposed by the Reclamation Act for the use of Project Water, including Winter Water stored in the project. Verle Martens said that Colorado Bank and Trust Company appreciated the efforts of officers of Catlin Canal Company to look into the fairness of rules, etc. Vernon Proctor asked Frank for his interpretation of the 960 acre limitation. Frank advised that he was of the opinion that anything over 960 acres farmed by one unit would be considered excess lands and be charged $150.00 per acre foot for water applied to such excess land. He further explained that he had met with the Commissioner of Reclamation and others in an effort to secure implementation of rules which would allow the company to treat all stockholders alike in the distribution of Project Water. Vernon Proctor advised that he was of the opinion that the 960 acre limitation applied to owners and tenants alike.

Frank then had copies to a monthly reservoir water status report prepared by the Fryingpan Project distributed to the stockholders present. Question was then asked if future reports would be available. Frank advised that he would receive a copy each month and have it available at the office of the company.

Discussion was held concerning the past practice of stockholders bringing proxies to the credentials committee when the meeting is to reconvene in the afternoon. Such practice has caused delay and wasted time of the stockholders present for the meeting. It was suggested that a time limit be placed for acceptance of proxies by the Credentials Committee. Motion was made by Daryl Schulz, seconded by Carl Allen, and unanimously carried that proxies are to be submitted at annual and special meetings no later than one hour following commencement of such meeting so that the Credentials Committee may timely determine proxies to be voted. It was agreed that any stockholder arriving at any time could vote shares in person, but that proxies would remain as recorded by the committee at one hour past commencement of the meeting.

Motion was made by Vernon Proctor, seconded by Bill Caldwell, and carried that a Regular Assessment of $12.25 be levied on each share of the capital stock of the company to cover the cost of operation, maintenance, purchase or storage of water and debt.
that a Special Assessment of $2.00 be levied at this meeting, which may be called in whole or in part by the Board of Directors if in its discretion the same shall be required, and upon said call, said Special Assessment shall attach on each share of the capital stock of the company issued and outstanding on the date of said call.

The chairman announced that the next item of business would be the election of directors for the ensuing year. Bill Caldwell nominated Frank Milenski, Carl Allen, Steve Malott, Brian Knapp and Byron Blotz to serve as directors for the ensuing year. Byron Blotz then asked that his name be withdrawn from consideration.

Byron Blotz then nominated John Schweizer, Jr. Robert Klinkerman seconded the nominations of Frank Milenski, Carl Allen, Steve Malott, Brian Knapp and John Schweizer, Jr. and upon ballot they were declared elected.

No further business appearing the meeting then adjourned.

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Secretary        President
April 1, 1997

Mr. Frank Milenski
23064 RD BB
La Junta, CO 81050

Dear Frank :

A meeting of the directors will be held at the company office on, Monday, April 7, 1997, commencing at 8:00 p.m. The following items have been scheduled for the meeting.

1. Minutes, bills and correspondence.
   a) Lease extension agreement @ Smith Hollow.

2. Discuss application for Project Water due 4/15/97.

   a) Cripple Creek case re. Oil Creek
   b) Water Storage Needs Assessment Study
   c) John Martin Offset Account

   a) Seepage study.
   b) Estimate of Project water deliveries.

5. Review inventory of property insured.

Sincerely,

Wayne W. Whittaker,
Secretary
January 30, 1996

Mr. Frank Milenski
23064 RD BB
La Junta, CO 81050

Dear Frank:

A meeting of the directors will be held at the company offices, Monday, February 5, 1996, commencing at 7:30 p.m. The following items have been scheduled for the meeting.

1. Minutes, bills and correspondence.

2. Consider and act upon the advisability of pricing and offering for sale stockholder interest in Larkspur and Pisgah properties.


5. Consider and act upon request of DOW for change of 55 shares from headgate 153 to headgate Alt. 160.162. This is to correct error discovered when new headgate book was printed.

Sincerely,

Wayne W. Whittaker,
Secretary
KNOW ALL MEN BY THESE PRESENTS, THAT The undersigned, revoking all prior proxies, appoints ____________________________
attorney with full power of substitution to vote all of the shares of capital stock of Catlin Canal Company, Larkspur, Inc. and/or Pisgah Reservoir and Ditch Company the undersigned is entitled to vote at any regular or special meeting of stockholders of any of said companies, including any adjournment thereof; this appointment to stand until revoked in writing or subsequent proxy.

Dated: ____________________________

Witness Stockholder(s)

In case of joint owners, all should sign. Indicate full title when signing for a corporation, or as a fiduciary.
October 4, 1991

Mr. Frank Milenski
23064 Rd. BB
La Junta CO 81050

Dear Frank:

A meeting of the directors will be held at the company offices, Monday, October 7, 1991, commencing at 8:00 p.m. The following items have been scheduled for this meeting.

1. Minutes, bills and correspondence.
2. Receive report from Gerry Knapp regarding status of reseeding of RIG lands by City of Aurora.
3. Request of Mr. Salazar (Director of Natural Resources) for a meeting with Frank.
4. Report on AVDA matters
5. Discuss Catlin status at augmentation plan hearing.
7. Pisgah lease (only if requested information has been received).

Sincerely,

Wayne W. Whittaker,
Secretary
NOTICE OF ANNUAL MEETING

A meeting of stockholders of Catlin Canal Company, Larkspur, Inc., and The Pisgah Reservoir and Ditch Company, (respectively hereinafter referred to as "Catlin", "Larkspur" and "Pisgah"), will be held Monday, December 2, 1991 in the Otero County Extension Building, 411 North 10th St., Rocky Ford, Colorado. The meeting of each company will commence at 10:00 a.m. Proxies must be filed with credentials committees prior to 11:00 a.m. to be recorded.

It is expected that the meeting of each company will be recessed for preparation of the credentials committee reports and re-convened at approximately the following hours: Pisgah at 1:00 p.m.; Larkspur at 1:30 p.m.; and Catlin at 2:00 p.m. Following a report of the credentials committee of each company, stockholders will consider and act upon the following matters for each company.

1. To elect a Board of five directors to serve for the ensuing year, or, until their successors shall have been elected and qualified.

2. To levy assessments for the purpose of maintaining and operating the business and properties of the companies for the ensuing year.

   a. The Board of Catlin has recommended an assessment of $14.00 per share. The Catlin will serve as agent for the collection of assessments from shareholders common to Catlin, Larkspur and Pisgah companies.

   b. It is expected that the Board of Canon Heights Irrigation and Reservoir Company will recommend an assessment prior to it's annual meeting and will serve as agent for the collection of assessments from shareholders common to Canon Heights and Pisgah companies.

Enclosed please find financial report(s) of the company or companies of which you are a shareholder.

Please plan to attend the annual meeting of your company. If it will not be possible for you to attend, please appoint a proxy who plans to attend. A proxy card is enclosed for your convenience.

Dated at Rocky Ford, Colorado this 6th day of November, 1991.

BY ORDER OF THE BOARDS OF DIRECTORS

Frank Milenski, President
Wayne W. Whittaker, Secretary
NOTICE OF ANNUAL MEETING

A meeting of stockholders of Catlin Canal Company, Larkspur, Inc., and The Pisgah Reservoir and Ditch Company, (respectively hereinafter referred to as "Catlin", "Larkspur" and "Pisgah"), will be held Monday, December 2, 1991 in the Otero County Extension Building, 411 North 10th St., Rocky Ford, Colorado. The meeting of each company will commence at 10:00 a.m. Proxies must be filed with credentials committees prior to 11:00 a.m. to be recorded.

It is expected that the meeting of each company will be recessed for preparation of the credentials committee reports and re-convened at approximately the following hours: Pisgah at 1:00 p.m.; Larkspur at 1:30 p.m.; and Catlin at 2:00 p.m. Following a report of the credentials committee of each company, stockholders will consider and act upon the following matters for each company.

1. To elect a Board of five directors to serve for the ensuing year, or, until their successors shall have been elected and qualified.

2. To levy assessments for the purpose of maintaining and operating the business and properties of the companies for the ensuing year.

   a. The Board of Catlin has recommended an assessment of $14.00 per share. The Catlin will serve as agent for the collection of assessments from shareholders common to Catlin, Larkspur and Pisgah companies.

   b. It is expected that the Board of Canon Heights Irrigation and Reservoir Company will recommend an assessment prior to it's annual meeting and will serve as agent for the collection of assessments from shareholders common to Canon Heights and Pisgah companies.

Enclosed please find financial report(s) of the company or companies of which you are a shareholder.

Please plan to attend the annual meeting of your company. If it will not be possible for you to attend, please appoint a proxy who plans to attend. A proxy card is enclosed for your convenience.

Dated at Rocky Ford, Colorado this 6th day of November, 1991.

BY ORDER OF THE BOARDS OF DIRECTORS

Frank Milenski, President
Wayne W. Whittaker, Secretary
NOTICE OF ANNUAL MEETING

Notice is given that the Catlin Canal Company Annual Stockholders' Meeting will be held in the auditorium of the Chamber of Commerce Building (400 Block, North 10th St.) Rocky Ford, Colorado at 10:00 A.M., on Monday, December 7, 1964 for the following purposes, namely:

1. To elect a Board of five Directors to serve for the year next following said meeting, or until their successors have been elected and qualified; and

2. To levy an assessment on each share of the capital stock of the company now issued and outstanding, to cover the cost of operating the business of the company, maintaining and operating the ditch and retiring the indebtedness of the company. The Board at its meeting held November 2, 1964 has recommended an assessment of $4.00 per share, with authority vested in the Board for an additional assessment of $1.00 per share which, at its discretion could be levied for emergency or to purchase reservoir water.

3. Your Board has agreed: (a) To join with the Fort Lyon Canal Company, which has a similar right to protect, in whatever procedures may be necessary to protect the ditches' rights; and (b) to pay a sum equal to 25c per share on each share of the capital stock of this company now issued and outstanding, the estimated cost of this company's share of the estimated total cost of such procedures. A full discussion at the stockholders meeting of said action so taken by the directors to protect the stockholders from the loss of decreed priority water rights owned by this company which results from pumping operations of the High Line Canal Company and the Oxford Farmers Ditch Company, which operations are described in the enclosed letter will be helpful to the directors in protecting the lawful, decreed rights which belong to the ditch.

4. To consider and act upon all such other and further business as may be properly considered at such meeting.

Please be present in person or by proxy.

BY ORDER OF THE BOARD OF DIRECTORS

Frank Milenski, President
Wayne W. Whittaker, Secretary

KNOW ALL MEN BY THESE PRESENTS. THAT

I, ___________________________ of ________________________________ do hereby constitute and appoint ___________________________ my attorney, and Agent for me, and in my name, place and stead, to vote my proxy at any regular or special meeting of the Catlin Canal Company with full power of substitution in the premises, according to the number of votes I should be entitled to cast if there personally present; this appointment to stand until revoked in writing or subsequent proxy.

Witness my hand and seal this _____ day _________________________ 19___

Certificate No. ______________________

Witness _______________________

This proxy represents _____ Shares. Sign Here ______________________ (Seal)

In case of Joint Owners, both should sign.

When signing for a Corporation, or as a Fiduciary, indicate full title.
May 30, 1984

Board of Directors  
Catlin Canal Company  
Rocky Ford, CO 81067

Gentlemen:

A meeting of the directors will be held at the company offices, Monday, June 4, 1984, commencing at 7:30 p.m. The following items have been scheduled for this meeting.

1. Minutes, bills and correspondence.

2. Discuss Project Water (5,000 A.F. requested for 2nd allocation).

3. Discuss progress on winter water storage program.

4. Discuss Case 84 CW 43 (W-31) City of Colorado Springs.
   a). Enforceable date - Case No. 5141.
   b). Limitations of original decree.
   c). Continuation of conditional decree w/o diligence.

5. Discuss payment due from Division of Wildlife.


7. Attorney's report.

Sincerely,

Wayne W. Whittaker  
Secretary
NOTICE OF ANNUAL MEETING

A meeting of the stockholders of Catlin Canal Company will be held in the Otero County Extension Building, 411 No. 10th St., Rocky Ford, CO, commencing at 10:00 a.m., Monday, December 7, 1987, for the following purposes.

1. To elect a Board of Five (5) Directors for the ensuing year, or until their successors have been elected and qualified.

2. To levy assessments for the purpose of maintaining and operating the business and properties of the company for the ensuing year. The Board has recommended a Regular Assessment of $10.50 per share. It has also recommended that a Special Assessment of two dollars be levied which may be called in whole or part if and when the Board determines a need for purchase of water, or, emergency.

3. To consider the Board's recommendation that the Larkspur Transmountain Diversion resources be placed in a separate entity. The Board of Directors believes that it is feasible to place the entire Larkspur resources into a separate entity and to issue individual certificates of stock to shareholders on a one-to-one basis as to Catlin stock. See attached letter of explanation.

4. To consider the Board's recommendation for the issuance of individual stock certificates of the Pisgah Reservoir and Ditch Company to the shareholders of the Catlin Canal Company on a 1.16+ to 1 basis as to Catlin stock. See attached letter of explanation.

Please plan to attend this meeting or give your proxy to a stockholder who plans to attend as matters numbered 3 and 4 will require at least two-thirds of all of the outstanding stock be represented in order to be a valid vote. A proxy card is enclosed for your convenience.

Dated at Rocky Ford, Colorado this 12th day of November, 1987.

BY ORDER OF THE BOARD OF DIRECTORS

Frank Milenski, President
Wayne W. Whittaker, Secretary
As you may well know, the Catlin Canal Company owns the Larkspur trans-mountain diversion facility on Marshall Pass, near Salida, Colorado. This facility is composed of 160 acres titled to Catlin, as well as, right of way for a diversion ditch across U.S. Forest lands. In past years, the company has sustained minor losses for repair of erosion claimed to be caused by water overflowing, or, otherwise escaping from the diversion ditch.

The Catlin also owns six-sevenths of the capital stock of Pisgah Reservoir and Ditch Company, which owns a reservoir impounding waters of Four Mile Creek, situate on 400 acres in Teller County, near Cripple Creek, Colorado. Following failure of several dams in the nation, congress mandated that the Corps of Engineers contract for inspection of dams meeting certain criteria. The dam of Pisgah Reservoir was selected in 1980 for such an inspection and the report published in December of that year revealed that the capacity of the spillway was not sufficient in light of new estimates of probable maximum precipitation published by the U.S. Department of Commerce, National Oceanic and Atmospheric Administration. Because of this finding, on June 9, 1985, the State Engineer restricted the storage capacity of the reservoir and required that planning be started for passage of floods based upon new estimates of probable maximum precipitation.

The Board of Directors has considered for the past seven years the liability exposure to Catlin from ownership of the Larkspur Project and majority ownership of Pisgah Reservoir. It has concluded each asset should have ownership separate from Catlin (as is now the case with Pisgah) in order that any liability imposed might not be imputed to the Catlin. Because some water benefit is derived, the company does not wish to sell either of these assets. Your Board of Directors believes that it is feasible to distribute these assets in the form of stock on a pro-rata basis with Catlin stock. Opinion of counsel is that liability may not be imputed to minority stockholders under present law and that there will be no taxes on such distribution of assets.

Important points of consideration are that changes be subject to (1) agreement of the U.S. Forest Service for transfer of the right-of-way agreement for Larkspur Ditch; and (2) amendment of bylaws that stock of the companies representing separated assets and Catlin stock cannot be transferred separate from each other without further amendment of bylaws.

Dated at Rocky Ford, CO this 12th day of Nov., 1987.

Very truly yours,

Frank Milenski, President
Wayne W. Whittaker, Secretary
We have examined the balance sheet of Catlin Canal Company as of September 30, 1987 and the related statements of operations and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Catlin Canal Company as of September 30, 1987 and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

November 10, 1987

GRIMSLEY, WHITE & COMPANY
605 North Ninth Street
Rocky Ford, Colorado 81067
303 254-3348

Board of Directors
Catlin Canal Company
Rocky Ford, Colorado

CATLIN CANAL COMPANY
BALANCE SHEET
SEPTEMBER 30, 1987

ASSETS

CURRENT ASSETS
Cash $86,519
Other current assets 15,583

INVESTMENTS 80,154

PROPERTY AND EQUIPMENT — net 496,226

TOTAL ASSETS $678,482

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES
Accounts payable $1,380
Accrued expenses 1,853

TOTAL LIABILITIES 3,233

STOCKHOLDERS' EQUITY
Common stock, $10 par value, 18,660 shares authorized, issued and outstanding 186,600
Retained earnings 488,649

TOTAL STOCKHOLDERS' EQUITY 675,249

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY $678,482

See Notes to Financial Statements
CATLIN CANAL COMPANY  
STATEMENT OF OPERATIONS AND RETAINED EARNINGS  
YEAR ENDED SEPTEMBER 30, 1987

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>AMOUNT</th>
<th>% OF REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments</td>
<td>$233,453</td>
<td>95.93%</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>3,135</td>
<td>1.29</td>
</tr>
<tr>
<td>Other</td>
<td>6,770</td>
<td>2.78</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>243,358</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

| Operating expenses           | 129,971    | 53.41%       |
| General and administrative expenses | 48,797 | 20.05%       |
| Other expenses               | 1,230      | 0.51         |
| **TOTAL EXPENSES**           | **179,998**| **73.97%**   |

Excess of revenue over expenses | 63,360 | 26.03%

RETAINED EARNINGS - OCTOBER 1, 1986 | 425,289

RETAINED EARNINGS - SEPTEMBER 30, 1987 | $488,649

CATLIN CANAL COMPANY  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
YEAR ENDED SEPTEMBER 30, 1987

FINANCIAL RESOURCES PROVIDED BY  
Excess of revenue over expenses | $63,360
Item which did not require the outlay of working capital - depreciation | 19,084
Gain on sale of equipment | (900)

WORKING CAPITAL PROVIDED BY OPERATIONS | 81,544
Redemption of stock - Wichita Bank for Cooperatives | 3,550
Sale of equipment | 900

TOTAL WORKING CAPITAL PROVIDED | 85,994

FINANCIAL RESOURCES APPLIED  
Additions to property and equipment | 10,712
Purchase of stock - Wichita Bank for Cooperatives | 182
Reduction of long-term debt | 15,000

TOTAL WORKING CAPITAL USED | 25,894

INCREASE (DECREASE) IN WORKING CAPITAL | $60,100

SUMMARY OF CHANGES IN WORKING CAPITAL COMPONENTS  
Increase (decrease) in:  
Cash | $47,372
Other current assets | 1,438

Decrease (increase) in:  
Accounts payable | 10,663
Accrued expenses | 627

INCREASE (DECREASE) IN WORKING CAPITAL | $60,100

See Notes to Financial Statements
NOTE -1  NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business
The Company's operations consist of the maintenance, operation, superintendence and repair of the headgate and canal commonly known as the Catlin Canal; along with the transporting and storing of water for the stockholders of the Company.

A summary of the Company's significant accounting policies follows:

Assessment Revenue
Assessments are levied on all stockholders. In 1987 assessments were levied on 18,660 shares of capital stock at the rate of $12.50 per share.

Property and Equipment
Property and equipment are carried at cost, less accumulated depreciation computed on the straight-line method. Estimated useful lives used in computing depreciation are as follows:

<table>
<thead>
<tr>
<th>COST</th>
<th>ACCUM DEPR</th>
<th>YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>$13,172</td>
<td>$10,017</td>
</tr>
<tr>
<td>Dam &amp; structures</td>
<td>398,864</td>
<td>136,886</td>
</tr>
<tr>
<td>Canal &amp; structures</td>
<td>296,897</td>
<td>84,654</td>
</tr>
<tr>
<td>Equipment</td>
<td>112,264</td>
<td>95,568</td>
</tr>
<tr>
<td>Land</td>
<td>2,154</td>
<td></td>
</tr>
</tbody>
</table>

$823,351 $327,125

Maintenance and repairs of property and equipment are charged to expense and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and any gain or loss is included in operations.

Investments are carried at cost.

NOTE -2  ASSESSMENT INCOME

The $12.50 per share assessment, which was due in 1987 is allocated as required by the Internal Revenue Service as follows:

<table>
<thead>
<tr>
<th>PER SHARE</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12.50</td>
<td></td>
</tr>
</tbody>
</table>

Total current year assessment

100.00 $12.50
NOTE - 2 ASSESSMENT INCOME (Continued)

Less:
Excess of revenue (under) expense for the year ended September 30, 1987 – to be added to (deducted from) the cost of stock

<table>
<thead>
<tr>
<th>PER SHARE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td></td>
</tr>
<tr>
<td>27.14</td>
<td>3.39</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT ALLOCATED TO MAINTENANCE AND OPERATION – DEDUCTIBLE AS EXPENSE

<table>
<thead>
<tr>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>72.86</td>
</tr>
</tbody>
</table>

$ 9.11

NOTE - 3 RELATED PARTY
The Company owns approximately 87% of the outstanding stock of the Pisgah Reservoir and Ditch Company. The Pisgah Dam and Reservoir is maintained for the benefit of the Catlin Canal Company and Canon Heights Irrigation and Reservoir Company. The only transactions between the parties is nominal maintenance performed by Catlin Canal employees, which is reimbursed by Pisgah.

NOTE - 4 INCOME TAXES
The Company is an organization exempt from paying income taxes under the Internal Revenue Code Section 501(c)(12) as long as 85% or more of its gross income is derived from stockholders of the Company. The Company's total revenue that was generated through assessments on the stockholders was 96% in 1987.
December 5, 1996

To the Stockholders of Catlin Canal Company,
Larkspur, Inc., and
The Pisgah Reservoir and Ditch Company
Rocky Ford, Colorado

Dear Stockholder:

At the Stockholder meetings held in Rocky Ford, Colorado on December 2, 1996, the following directors were elected to serve each company for the ensuing year: Frank Milenski, Steve Malott, Brian Knapp. Roger Maddux and John Schweizer, Jr.

The enclosed assessment billing represents call of the regular assessment levied at the annual meeting. The special assessment of $2.00 has not been called.

The Catlin Canal Company was appointed as agent for the collection of assessments for both Larkspur and Pisgah companies on a prorata basis with that of Catlin. To avoid extra billings, the $15.00 Regular Assessment of Catlin includes the $0.10 and $0.01 assessments levied the Larkspur and Pisgah companies. Your payment of the assessment due Catlin will automatically pay the Larkspur and Pisgah assessments. Checks should be made payable only to Catlin Canal Company.

A copy of the FYE 9/30/96 financial statement for Larkspur, as well as, a corrected copy of the FYE 9/30/96 financial statement for Catlin are enclosed.

Thank you!

Sincerely,

Wayne W. Whittaker,
Secretary

Enc.
NOTICE OF ANNUAL MEETING

A meeting of stockholders of each of the above named companies will commence at 10:00 a.m., Monday, December 1, 1997 in the Otero County Extension Building, 411 North 10th St., Rocky Ford, Colorado. The Credentials Committee will record stock present in person and by proxy during the first 20 minutes of the meeting. Meetings will be recessed for preparation of the credentials reports and reconvened at approximately the following hours: Pisgah Reservoir and Ditch Company at 1:00 p.m., Larkspur, Inc. at 1:30 p.m. and Catlin Canal Company at 2:00 p.m.

Stockholders of each company will consider and act upon the following matters.

1. To elect a Board of five directors to serve for the ensuing year, or, until their successors shall have been elected and qualified.

2. To levy assessments for the purpose of maintaining and operating the business and properties of the company for the ensuing year. The Board of Catlin has recommended (1) a regular assessment of $15.00 per share for operations, which will include the recommended per share assessment of $0.10 for Larkspur and $0.01 for Pisgah and (2) a special assessment of $2.00 per share for emergency, or to purchase additional water. Catlin will serve as agent for the collection of assessments from shareholders common to Catlin, Larkspur and Pisgah companies. Canon Heights will serve as agent for collection of assessments from shareholders common to Canon Heights and Pisgah companies.

A proxy card is enclosed for your use in filing with the company your designation of a proxy should you be unable to attend the meeting in person. Note: A Pisgah proxy must be signed within 3 years of the date of the meeting. Please plan to attend the annual meeting of your company, or, appoint a proxy who plans to attend. Thank you!

Dated at Rocky Ford, Colorado this 10th day of November, 1997.

BY ORDER OF THE BOARD OF DIRECTORS

Frank Milenski, President
Wayne W. Whittaker, Secretary
July 28, 1998

Mr. Frank Milenski
23064 RD BB
La Junta, CO 81050

Dear Frank:

A meeting of the directors will be held at the company offices, Monday, August 3, 1998 commencing at 7:30 p.m. The following items have been scheduled for this meeting.

1. Minutes, bills and correspondence.
   a) Headgate transfers: Holder, Burr & Gardner.
   b) Lost certificate - Harvey Rivera.
   c) Penrose Water District - Pisgah

2. Articles of Incorporation and Bylaws.


4. Superintendent's report.

Sincerely,

Wayne W. Whittaker,
Secretary
April 28, 1998

Mr. Frank Milenski
23064 RD BB
La Junta, CO 81050

Dear Frank:

A meeting of the directors will be held at the company offices, Monday, May 4, 1998 commencing at 7:30 p.m. The following items have been scheduled for this meeting.

1. Minutes, bills and correspondence.
2. Articles of Incorporation and Bylaws.
4. Superintendent’s report.

Sincerely,

Wayne W. Whittaker,
Secretary
August 25, 1998

Mr. Frank Milenski
23064 RD BB
La Junta, CO 81050

Dear Frank:

Due to Labor Day, the meeting of the directors will be delayed one week to be held at the company offices, Monday, September 14, 1998 commencing at 7:30 p.m. The following items have been scheduled for this meeting.

1. Minutes, bills and correspondence.
2. Articles of Incorporation and Bylaws.
4. Superintendent’s report.

   a) A copy of estimates for replacement of the Parshall flume are enclosed. Elmer asked that the three bids be sent to the directors in advance of the meeting. Elmer advises that Montano’s bid and sketch of the Parshall flume structure are close to what it should be. He figured what it would take to build the flume as follows:

      36 cubic yards of cement @ $85.00 $3060.00
      2800' of 1/2" rebar @ $0.50 1400.00
      Forming and labor 8920.00
      $13380.00

   Elmer thinks that his crew can put in the monitoring well and building at a reasonable cost and in a timely manner after the Parshall flume is in.

5. Enclosed please find a copy of McLaughlin Water Engineers letter to SECWCD and Frank’s "Water For Kansas Repayment" comments to the attorneys for Colorado in the KS-CO Case.

Wayne W. Whittaker,
Secretary
September 8, 1998

Mr. Frank Milenski  
23064 RD BB 
La Junta, CO 81050

Dear Frank:

A meeting of the directors will be held at the company offices, Monday, September 14, 1998 commencing at 7:30 p.m. The following items have been scheduled for this meeting.

1. Minutes, bills and correspondence.  
   a) Request of Charles Dickie for headgate change.  
   b) Request of Alfred Muth for headgate change.

2. Articles of Incorporation and Bylaws.


4. Superintendent’s report.  
   a) Parshall flume.

Wayne W. Whittaker, 
Secretary

[Signature]
December 29, 1997

Mr. Frank Milenski
23064 RD BB
La Junta, CO 81050

Dear Frank:

A meeting of the directors will be held at the company offices, Monday, January 5, 1998 commencing at 7:30 p.m. The following items have been scheduled for this meeting.

1. Minutes, bills and correspondence.
   a) Authorization for change of checking account to sweep account earning interest.

2. Presentation by Jim Valliant re polymers as flocculents to remove sediment from waters with possibility to reduce ditch seepage.


4. Superintendent’s report.

Sincerely,

Wayne W. Whittaker,
Secretary
CAT-GRO WATER MEETING 2/26/03

Present:
Don Mameda
Glenn Hirakata
Michael Hirakata
Matt Proctor
Gary Hanagan
Eric Hanagan
Alvin Gardner
Jared Gardner
Bill Milenski

DISCUSSIONS:

1) Ways to increase benefits and uses of Catlin Canal shares

2) Using Catlin shares for well augmentation

3) Possible use as a secondary water supply for municipal water systems

4) Benefits of salvage water from irrigation efficiency improvements
   a) drip irrigation
   b) laser leveling
   c) lateral or ditch lining
   d) sprinkler systems
   e) other

5) Retain ownership of part, if not all of salvaged water for other beneficial uses

6) Look for possible alternatives and include partnerships with larger cities
   a) Aurora
   b) Colorado Springs
   c) Pueblo
   d) Rocky Ford
   e) La Junta
   f) Swink
   g) Other area towns and cities
   h) Governmental Entities such as DOW
   i) Conservancy districts
   j) Conservation groups

7) Value water according to use and location ie
   a) Ag augmentation – lower rate
   b) Local city & town augmentation – higher rate
   c) Pueblo & Colorado Springs – higher rate
   d) Aurora – highest rate

8) Saved water located in reservoirs has the highest value
   a) Pueblo Reservoir
b) Twin Lakes Reservoir
c) Turquoise Reservoir

9) Meeting with new conservancy district 3/5/03 @ 1:00 RF city hall

10) Copy of Catlin by-laws and articles of incorporation

11) Would need changes in current Colorado water law to make use of salvaged water, what would be the process?

12) Current lease between Aurora and RF Sellers is based upon $300.00 acre foot. Need to keep discussions of leases and other items on a per acre foot or per second foot basis for consistent comparison

13) Next meeting 3/10/03 @ 1:00 at MASI Office
Duplicate pages not scanned

See originals in folder

Water Resources Archive
Colorado State University Libraries