VERDE DITCH
ANNUAL SHAREHOLDERS MEETING
OCTOBER 18, 2001 MINUTES

MEETING WAS CALLED TO ORDER AT 6:00PM

JOHN WENT OVER THE BUDGET FOR LAST YEARS MAINTENANCE SCHEDULE AND HOW MUCH MONEY WAS ACTUALLY SPENT.


JOHN EXPLAINED TO THE SHAREHOLDERS THAT JUDGE ANDERSON HAD APPROVED THE PLANS FOR THE C.V. SANITARY TO RUN ALONG THE DITCH BANK.

JOHN TOLD THE SHAREHOLDERS THAT JUDGE ANDERSON IS RETIRING AT THE FIRST OF THE YEAR AND THE COMMISSIONERS WOULD BE MEETING WITH JUDGE ANDERSON AND OUR NEW JUDGE AS SOON AS ONE WAS ASSIGNED.

THE SHAREHOLDERS AND COMMISSIONERS RE-APPOINTED:
   VERN HILBERS FOR 1 YEAR
   GORDON WILLIAMS FOR 3 YEARS
   DAVID STUTZMAN FOR 1 YEAR

CALL TO THE PUBLIC

MR & MRS PERKINS WOULD LIKE PERMISSION TO PUMP WATER ON THE UPPER SIDE OF THEIR 1/2 ACRE OF PROPERTY. THEY PAY 65.00 PER YEAR AND ONLY IRRIGATE THE LOWER 1/2 ACRE OF PROPERTY.

ED ERCK WANTED TO LET US KNOW HE HAS HAD PLENTY OF WATER THIS YEAR AND THOUGHT WE WERE DOING A GOOD JOB.

MEETING ADJOURNED AT 6:30PM
AGENDA
VERDE DITCH ANNUAL MEETING
THURSDAY, OCTOBER 18, 2001
ROOM 316, C. V. COMMUNITY CENTER
6:00 PM

1. Call to Order
2. Winter work schedule.
3. Sewer coming down the ditch.
5. Re-appointing commissioners.
PROJECTED MAINTENANCE & REPAIRS
FISCAL YEAR 10-01-01 THRU 09-30-02

1. EXTRA CONCRETE EXTERIOR OF DAM 1,500.

2. REMOVE AND REPLACE SPILLWAY AT NUTTY CANYON LOWER 4" - SAFETY 1,000.

3. ROCK- 404-08-041K PHILLIP PROPERTY FENCE WASHED OUT - 6 LOADS 1,000.

4. ROCK- 403-21-025A LOVETT PROPERTY - 6 LOADS 1,000.


6. CONCRETE DITCH-FORT RIVER CAVES - 200 FEET 10,000.

7. ROCK- RANCH ACRES BEHIND NURSERY - 8 LOADS 1,500
   17,300.

8. REGULAR BACK-HOE AND BRUSH CLEANING AND START-UP 7,000.
   24,300.

10. ADDITIONAL 200 FEET AT FORT RIVER CAVES 10,000.
    34,300.
VERDE DITCH COMPANY
Income Statement

September 30, 2001

INCOME

DITCH ASSESSMENTS  99,417.93
INTEREST INCOME    109.02

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TOTAL INCOME      99,526.95

COST OF SALES

GROSS PROFIT (LOSS)  99,526.95

EXPENSES

DITCH LABOR    32,115.00
WORKMANS COMP EXPENSE  937.11
ACCOUNTING FEES    7,200.00
ADVERTISING EXPENSE  24.30
AUTO EXPENSE      2,632.13
BANK CHARGES      2,359.85
DITCH & DAMN REPAIR & MAINTENANCE  24,132.36
DIESEL FUEL      593.76
EQUIPMENT RENTAL  289.88
EQUIPMENT REPAIR & MAINTENANCE  934.12
INSURANCE        2,284.76
LEGAL FEES       8,078.54
MISCELLANEOUS    45.30
OFFICE EXPENSE   245.23
POSTAGE & FREIGHT 176.08
RENT             655.00
REPAIRS & MAINTENANCE  17.72
SUPPLIES         25.83
TELEPHONE        545.38
TRAVEL & ENTERTAINMENT  79.81
UTILITIES       43.48

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TOTAL EXPENSES  83,415.14

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NET INCOME (LOSS)  16,111.81
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<tr>
<td><strong>LIABILITIES</strong></td>
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<td><strong>LONG TERM LIABILITIES</strong></td>
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<tr>
<td><strong>CAPITAL</strong></td>
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<td><strong>CAPITAL STOCK</strong></td>
<td>176,023.48</td>
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<td><strong>NET PROFIT/LOSS</strong></td>
<td>16,111.81</td>
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<td><strong>TOTAL CAPITAL</strong></td>
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<td>192,135.29</td>
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<td><strong>TOTAL LIABILITIES AND CAPITAL</strong></td>
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VERDE DITCH COMPANY
Balance Sheet

September 30, 2001

ASSETS

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<td>BANK ACCT-BANK ONE</td>
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<td>TOTAL ASSETS</td>
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<th>FIXED ASSETS</th>
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<tr>
<td>GENERAL EQUIPMENT</td>
<td>62,776.45</td>
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<td>MAJOR DITCH IMPROVEMENTS</td>
<td>93,159.00</td>
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<td>FURNITURE &amp; FIXTURES</td>
<td>470.51</td>
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<tr>
<td>LAND</td>
<td>100.00</td>
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<td>TOTAL FIXED ASSETS</td>
<td>156,505.96</td>
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TOTAL ASSETS                      | 192,135.29 |
