

MOAB IRRIGATION COMPANY

ANNUAL OFFICERS REPORT

For 2009

Annual Meeting - February 1, 2010

JANUARY 2009

This month was started with prioritizing the repairs that needed to be completed before the water was turned on in March. The upper diversion dam was listed as the top priority since it is leaking significantly in one spot. There were other minor repairs scheduled. ACFT of water used for the month:

FEBRUARY 2009

The Annual Stockholders meeting was held February 2nd. Ben Byrd was elected to a five year term. Several by-laws changes and additions were presented to the shareholders for a vote. All proposals were passed. Two big changes related to how information is disseminate to the shareholders so that they can be better informed in the future. Also a by-law giving the board authority to fine shareholders for not turning their water off when their turn is over was passed. At the monthly meeting the board reelected the 2008 officers to another term. The upper diversion dam was discussed and a meeting set up for the 25th of February. ACFT of water used in the month:

MARCH 2009

The meeting on February 25th was held with the board, Janie Walker, and Dan Stenta. Moab Irrigation Company had a stream alteration permit from the State of Utah to repair the dam. Janie Walker was concerned about her cost of the estimated \$10,000 repair. Since the water season would be starting in a couple of weeks, the dam repair was put on hold until all details could be worked out. Dan Stenta (City Engineer) was also at the board meeting to discuss changes to the line on 500 West due to the upcoming repaving project. ACFT of water used for the month:

APRIL 2009

A major repair was done at 200 S 300 E on ditch 2 where a contractor for the city had repaired the line two years earlier. The repair was done without notifying the company that it was damaged and the repair was done incorrectly. This repair cost the company approximately \$4,000. The City was billed for this repair. To date this bill has not been paid. All damaged lines need to be repaired by our contractor or a contractor approved by the board. ACFT of water used for the month:

MAY 2009

The main issue for this month was the building of the new hospital around our irrigation lines. Several meetings were scheduled to discuss the problems in moving or building over our line going through the new hospital property off Williams Way and 500 West. The Grand Center received their connection to our system. Two shareholders who were not shutting off their valves at the end of their turn received letters in accordance with the by-law. ACFT of water used for the month:

JUNE 2009

This month was basically just normal issues that the board handles each month. Brian Ballard was beginning to water Janie Walker's fields so some adjustment had to be made to provide the water he needed without affecting the other users on Ditch 3 as they share the same diversion point. The board was working with the hospital agents to get an agreement on moving our irrigation lines for the new hospital. ACFT of water used for the month:

JULY 2009

Water was starting to get short in our ditches. Two Water Conservancy District pumps were turned on to help with the shortage of water. The big pump at the top of Powerhouse Lane was found to not be working. The Lance well is also not connected due to breaks in the line in 2008. For the rest of the season, water shortage remained a big issue. Each board member received several calls concerning the shortage of water. The head gate on ditch 3 was repaired to better adjust the flow of water. ACFT of water used for the month

AUGUST 2009

The shortage of water was becoming a very important issue. Out of the five pumps the Conservancy District owns, only three were pumping and these pumps were having a hard time staying on. An adjustment was needed on pump No. 1 so it could stay pumping. Several power outages occurred, so George would have to go around and restart each pump quite frequently. August 3rd, a meeting between the Conservancy District, Moab Irrigation Company, and State Water Rights personnel was held. The primary item was how to handle the present shortage of water to all shareholders. There was also an issue with one shareholder on the mountain that had used his allotment for the year, but still needed water for his cattle. An agreement was made to turn just enough water to provide for the cattle till September. This water would come from the Conservancy shares from the lake. The overuse of water was discussed and plans were made to insure this problem did not occur again. Another meeting between the hospital and Moab Irrigation Company concerning moving the company's water line was held on August 13th. A written agreement was signed between the hospital and our company so the water lines could be moved for the hospital project. This agreement will protect the company from any future problems concerning our right of way through the hospital property. ACFT of water used for the month:

SEPTEMBER 2009

The water shortage problems were starting to go down with the pumps finally working quite smoothly plus moisture received from some storms helped the situation. The main issues at this meeting were the upcoming budget for 2010. The board worked on this and passed one for next year. Assessments were set with the administration fee at \$98 and water shares assessment at \$17. This was the same figure as the 2009 amount. ACFT of water used for the month:

OCTOBER 2009

The end of the season was coming and we were getting ready to drain the system. Dave was working on finishing getting the system surveyed. When completed and checked for accuracy the system will be recorded on the property plats. The contract with CB Earthworks was coming to a close in January and we needed to get an invitation out to bid on a new contract before December. Two shareholders, that would not turn off their value at the end of their turn, were billed \$50.00 each. They both paid. A written plan will be put together for next season so if the water becomes short again, a system will be in place to solve the problem. All the pumps will need to be repaired. The meter that records the amount of water that goes into Ken's Lake was found to have been running high. This means the amount of revenue the Company has been receiving will be lower this year. Next year will tell what that short fall will bring. Several small projects will be completed over the winter when the water is not in the lines. ACFT of water used for the month:

NOVEMBER & DECEMBER 2009

The end of year procedures for getting the system ready for freezing weather was completed by the Water Master. Scheduling of repairs to be completed this winter was discussed. Gathering of needed material to be mailed to the shareholders for the February 1, 2010 annual meeting was worked on. Next years share schedules were being worked on. Thank you to all who promptly sent in their Declaration Notices. These are vital to the planning of next year's water flows. ACFT of water used in November & December:

SUMMARY:

This has been an interesting year. The water short fall bought back some old memories and lessons the board needs to improve upon. The next season will be a challenge if the drought continues. There are a couple of projects that were to be completed before the water year begins. To this day, they have not been started, the 5th W & 4th N paving project and the Lance well connection. The leak in the upper diversion dam is still a concern and further work will need to be done with other users of that shared diversion dam.

New officers will be elected during the February meeting and maybe some of the loose ends can be wrapped up before the water season begins. Lot of work still needs to be completed before we are ready. The board members will need to be a little more willing to work for the best interest of the Company. I am sure this will happen. Thanks for letting me serve on this dedicated board.

Sincerely,
Fred Powell, President