

Moab Irrigation Company
Annual Officer's Report for 2020
February 1, 2021

2020 began with a promising snowpack above normal at the time of our meeting then the rains just didn't come. A look at the average flow rates in Mill Creek above Ken's Lake reveal a water flow approximately 38% of the previous year. With extensive use of the wells, a closer look at delivery schedules and an outstanding job done by the watermaster in balancing water flows, we were able to maintain reasonable water delivery in 2020. With the snowpack not looking as good this year, we are monitoring the situation and are in discussion with Grand Water and will make adjustments if needed to the schedules.

Ken Minor accepted nomination for another five-year term as director and the supporting vote was unanimous.

Some significant repairs were performed this year including replacement of the top section of the Ditch 3 line that had significant root intrusions. The repairs were more challenging than expected and took a couple of weeks, a massive cement structure from the old powerplant was found to be in the pathway of the pipeline. That explained why the old 15" line had some odd turns. The old splitter box that diverted water toward the Walker line was redone with a 6" connection to the company mainline. The new line holds pressure back to the sandbox. Water flow and maintenance requirements of Ditch 3 were significantly improved.

An early season flood caused some damage to the lower diversion dam. The East wall rock gabions below the dam are coming apart. Facing the dam with cement to encapsulate the gabions appears to be the best option.

Another significant repair project surfaced when the crew working on the North Hwy 191 project in Moab was lowering the grade and found an inspection cover over a cement tunnel under the highway that contained the Ditch 1 pipeline. That tunnel was going to interfere with the new highway. After a bit of discussion, it was decided that if the tunnel had to be filled, we didn't want to cover an old leaking PVC pipeline so the company provided new HDPE pipe for direct bury under the new highway and UDOT and the contractor provided the labor for the replacement. That section should not trouble us again as long as they don't dig up the highway again.

An ongoing issue is that we are discovering old leaks that were repaired by encasing the leaking joint in concrete. Various issues have caused some of these to start leaking again and we've been putting in more permanent repairs.

In total 23 repair projects were completed in 2020. There are a number still on our list.

Utah DNR is continuing its adjudication proceedings and has asked the company for a copy of our shareholders list as they are trying to determine which is the primary water on various pieces of property. They have stated that a piece of property may only have

one “sole source” water right and are adjudicating accordingly. We are working to keep them from suddenly trying to reduce the company’s water right.

The City of Moab has discussed the possibility of finding a way to maintain continuous water flow down Mill Creek. Currently, during the summer months when water gets low, the company takes virtually all of Mill Creek. We have met with them and expressed our concerns that at this point, there is already not enough water in the creek to meet all of the company demands at times. By August of 2020 we were running three wells to supplement Mill Creek.

The annual assessment was increased to closer match the actual expenses of the company. This is the first increase in several years. The new assessment is \$22/share and a \$118 admin fee/shareholder.