

OFFICER'S REPORT for 2003
Moab Irrigation Company Annual Meeting
January 26, 2004

Water Shortage

Snow pack on the LaSal's is at 128% of normal for January 2004. Ken's Lake storage is at about 50% of average for this time of year. It is projected that the Lake will fill and there will be no need for pumping of irrigation for the water season of 2004

Effects on the Company

There will be a larger income to the Company from the sale of water through Sheley Tunnel. For each acre foot that is diverted through Sheley Tunnel the Company is paid \$3.50. In dry years the Conservancy District needs to pump water to the Company in order to meet our agreements. The company pays \$3.50 for each acre foot of water pumped into our system. Therefore, the amount will vary from year to year. We received \$4343.00 for 2002 water and \$15,000.00 for 2003 water and it is projected that for 2004 it will be even better. The Company has had to request from share holders to help with certain water projects. With the income from Sheley Tunnel being as low as it has been the board has put all projects on hold. Your Board is trying to keep assessments down and to deliver water to share holders as cheaply as possible

How much water is a share of Moab Irrigation Company worth?

The company currently has 1081.06 shares of outstanding stock. Our water right 05-0213 shows the Company with 5353.4 acre feet (AF) of water. Add 51.9 AF that was traded from John and Keith Holyoak and the Company's water right is 5405.3 AF. Divided 5405.3 by 5 and you come up with the 1081.06 shares. So a share is equal to 5 acre feet of water. However, the State Engineer put a duty of 4.5 acre feet of water on each share. All shares from this date forward shall be tracked in decimal format rounded to the nearest 100th. Example $1/3 = .333$ $2/3 = .667$. Any share bought/sold from this date forward shall be converted to decimal format if not already done so.

The selling price of a share of Moab Irrigation stock is sort of the standard as to what water is worth in the Moab Valley. Even underground water is sold on the standard set by the selling price of the Company stock. That is the reason we generally ask the selling price when certificates are transferred on the Company books. You need not tell the Company as it is your private business, but it is helpful, because the Company is always getting phone calls on the value of water in the Company.

Maps of Company Ditches

Dave Engleman has spent considerable time mapping the three (3) valley ditches. The maps will show placement of valves and water distribution points. He has numbered the valves from top to bottom so the maps show where each user divers their water. These maps are going to be very helpful the Company the Company will give the City and County each a copy when Dave has completed this project.

Ditches by Name and not Number

The Company simplified the designation of the ditches by name and not numbers. The three (3) Valley ditches are: North, Central, and South Ditches. The water diverted into Ken's Lake will be Sheley Tunnel. All water diverted above that point will simply be called Mountain Water. There will be one other designation and that will be "Other" to cover Compnay Water assigned to wells and springs.

On Going Concerns

The Company has the right to Livestock water in the off irrigation season. Because of the cost of the Water Master's time it is somewhat expensive to distribute this water. This water is used by three (3) share holders in the valley with just under 100 shares of stock. As for now, the board feels that it is important to continue use, even if no acre foot value has every been place on the water.

Blue Stakes

Dave Engleman will make this presentation.

Water Pumped to the Company

The Company has asked NRCS to evaluate the water flow from the five (5) pumps used by the Conservancy District in the valley to pump water to the Company.