

**Moab Irrigation Company
Annual Stockholders Meeting
February 7, 2011**

The meeting opened at 7:10 pm.

Total company shares are 1081.06. 540.53 shares are needed for a quorum. 754.639 shares were present either in person or by proxy, representing 70 shareholders out of the company's 193 shareholders.

Board members attending – Ben Byrd, George Carter, David Engleman, Fred Powell, and Jim Farnsworth.

Ben Byrd conducted the meeting.

Fred Powell presented the Proof of Notice for the meeting.

David Engleman read the minutes from the 2010 Annual meeting. A motion was made by Bodner to accept the minutes, second by Wacker. Motion passed.

George Carter went over the Financial Report. The company's income matched its expenses last year within \$400. A motion was made by Wacker to accept the report, second by Sovine. Motion passed.

Ben Byrd gave the Officer's Report for 2010. Several very large projects were done without cost to the company. The pipeline was rerouted on 5th West to accommodate the street improvement. The line was extended on 4th North, which eliminated the need for the private line through Grand Oasis and the Hospital rerouted the line around their new facility. Several questions followed the report.

Jim Farnsworth's five year term has ended as a director. He did not run again. The only nomination received was for Ron Pierce. The voting tickets totaled 675.034 votes for him to be a director.

Ben Byrd then presented the three proposed By-Law changes.

Proposal 1 – The proposed change in Article 7 Section 3 was read. This change was to better clarify when Right-of-Ways are to be recorded. Several questions followed. The change passed – 751.639 FOR and 3 AGAINST.

Proposal 2 – The proposed change in Article 8 Section 1 was read. This change was to better clarify allocation of water changes. Several questions followed. The change passed – 740.139 FOR and 14.5 AGAINST.

Proposal 3 – The proposed change in Article 9 Section 2 was read. This change was to better clarify the determination of time frames for action by the company related to theft of water. Several questions followed. The proposal passed – 703.139 FOR and 51.5 AGAINST.

A general discussion followed the by-law proposals. There were concerns on schedules. Where possible everyone wants time during daylight hours and the schedules should not use “midnight” as some shareholders are not sure how that ties to the day.

A discussion was held on water measuring devices and wells.

There was also a discussion on stock certificates that are held by people who have passed away. What is the procedure to be followed? Dale Weiss offered to help the board come up with a procedure.

The meeting adjourned at 8:00 pm.

ARTICLE 7 - SUNDRY PROVISIONS

Section 3. Changes to Ditch/Pipe Lines

No request of right-of-way change of pipeline or ditch or adding or change of delivery valves to a new place will be granted by the Company without meeting the following criteria:

1. The proposed change must be brought before the Board for approval to insure that the flow of water will not be obstructed by the change and to insure that the change is built to the standard and design required by the Board.
2. The requester will complete the change with zero cost to the Company for the initial change.
3. The requester will provide ~~(within 30 days of completion)~~ a recorded easement to the Company **prior to the start of any on the ground work.** ~~of the change at which time the Company will resume maintenance of the new line or ditch, except for the surface improvements.~~
4. **Upon completion and approval of the work, the Company will resume maintenance of the new line or ditch, except for surface improvements.**
5. The requester will reimburse the Company for the cost of any future access though surface improvements, not limited to, but including pavement, concrete, curb, and gutter, for the purpose of maintaining the line.

ARTICLE 8 - DISTRIBUTION OF WATER

Section 1. Distribution of Water

The water of the Company shall be allocated to one or more of the seven diversions according to the number of share designated on the Diversion Declaration Notice sent out with the annual assessment statement. The Diversion Declaration Notice is due upon time of payment of the assessment. A shareholder may make changes in their point of delivery up until January 1st. **The board may deny water allocation changes to any diversion point. Older allocations have priority over more recent allocations.** Changes in the allocation of water to the ditches between January 1st and October 31st may only be made upon the approval of the Board of Directors.

All Company water not called to be delivered in a given season will be divided between the valley ditches. This division will be based on the percentage of shares called to be delivered in each ditch.

ARTICLE 9 - THEFT AND CONSERVATION OF WATER

Section 2. Theft by a Stockholder

When it is determined by the Board or their agent that water is being diverted by a stockholder out of set time without proper authority from the Board or stockholder who's turn it is, the following action may be taken by the Board. Theft of water includes taking water out of turn, failing to shut off your valves at the end of your turn, and failing to maintain private risers, valves, pipelines, etc. which are leaking water outside your turn.

1. First Offense: An oral warning from a Board member or an agent of the Company.
2. Second Offense: The Board will convey a written warning as to the theft or misuse of water.
3. Repeated Offense: The Board of Directors may impose a \$50 fine for each offense. Each fine must be paid prior to receiving water again. If fines are not paid, the Board will pursue legal action in the courts and/or stop delivery of water to the shareholder for the season.
4. **If the same offense occurs in following years, the First and Second offense warnings shall carry over and the stockholder will be fined immediately.**