

**OFFICERS REPORT for 2011**  
**MOAB IRRIGATION COMPANY**  
**Annual Meeting, February 7, 2012**

This year we made changes to the schedule on Ditch 2 it went to a 6 day turn. At first there were shareholders that were concerned that it did not work but with time it seemed to work and we delivered 310AF to Ditch 2. Ditch 1 received 544AF and Ditch 3 456AF, Wilson Mesa 256AF, South Mesa 730AF, Horse Creek 16AF, Kens Lake 5146AF for a total of 7458AF which is a VERY GOOD WATER YEAR!

The company system is old and frankly was not built very robust and will need constant repair and upgrades, this is why a very good Water master be employed at all times. We lost our water master at the end of this year. The water master must not let the screen clog up, as well as make certain that irrigation pipes are flushed out and the right amount of water diverted to each Ditch per share numbers.

The Company has faced many problems over the last 120 years and will have many more the biggest one that I see is change or as Moab City Counsel say that's progress. The building over of our ditch right of ways, this encroachment will bankrupt the Company if we do not deal with it. We have a dispute with The City of Moab right now over this and may need to get legal action in the very near further. I would like to talk more on this with all Shareholders.

The Company is in good financial health with the money that we receive from the sale of water to Grand Water we have made some big repairs to the system with this money.

It is good for the Company Shareholders to be able to move water from one Ditch to another and with this change can bring new problems for example is there sufficient natural flow from the creek to move more water share to the mountain? Yes there is but share owners will need to respect each other rights of first in time first right.

The water must be turned off at each ditch for the winter because this water is stored in Kens Lake and this brings money to the Company and will hold the assessments down.

I need help from the shareholders from time to time?

1. Why is less water used in Ditch 2
2. Do we short Ditch 2

I would like to thank you all for letting me be a part of the water wars of the west.

George Carter President