

Moab Irrigation Company
Annual Officer's Report for 2019
February 3, 2020

2019 began with a change to the bylaws regarding the settling of disputes between a shareholder and the board. For disputes \$100,000 and less the parties agree to endeavor to first settle via the services of an impartial mediation service and if necessary by an impartial arbitration service. For disputes over that amount, mediation may be still be pursued and arbitration may also be used if both parties are in agreement. The vote was unanimous in favor of the bylaw change.

Lee Sjoblom accepted nomination for another five year term as director and the supporting vote was unanimous.

The 2019 irrigation season looked promising with a much better snowpack than last year. However due to issues that came up during the previous watering season, a new schedule was proposed for many users in Ditches 1 & 2. This turned out to be needed as the spring rain was not as heavy as normal. The new schedule for Ditch 1 broke up the city into smaller zones that required more coordination and timing than in the past. The result was a more fair distribution to some users that have historically been shorted. A new valve closure was initiated in the city to reduce the likelihood that lower users would be able to divert excess water to the detriment of those further up the line. This new schedule was met with a fair bit of comment and resistance. In the March meeting, the concerns of various shareholders were raised and the technical reasons for the change were explained and alternative solutions were solicited. No better options were found and the majority of the shareholders agreed that it was probably the most fair option. They agreed to try it with an open mind and adapt as possible to the new schedule. There were a few shareholders that requested that they receive their own turn or that they not share a turn with a particular neighbor. Those requests were reviewed and found to not be technically feasible. The changes in Ditch 2 were mainly to get larger shareholders using the water at night, making it easier for the short turns of the smaller shareholders. In the end, the new schedules seemed to work well during the season and it appears that most users adapted to the change. The schedules will be refined for the 2020 water season based on feedback from the shareholders.

The Utah Legislature passed a bill requiring providers of pressurized secondary water systems to meter the water at the point of delivery to the users. There has been some discussion as to whether that applies to the Moab Irrigation Company as under some conditions, some of our users receive secondary water under pressure. After careful evaluation of the details of the requirements and of the potential costs involved the board has determined that we do not fall under this requirement and is monitoring additional similar proposed legislation.

The 2019 runoff from the mountain was enough to fill Ken's Lake this year so the payment from GWSSA of around 30k was enough to help with the operating expenses this year. For that reason, the 2020 assessment was left at the prior year levels.

A wage claim filed against the Company by the former Watermaster with the Department of Labor was closed in favor of the company as all wages had been paid.

The new watermaster, Sam Lewis, had a bit of a fall in the construction zone at the HooDoo where a grill over the new valve box had not yet been installed. He slipped and fell into the box and received several stitches as a result. The HooDoo construction team installed the grill the next day.

Sam did a great job of keeping the head gates clear of debris and took on additional valve operations to support the adjusted ditch schedules. Due to the additional workload and due to his performance this year, it was decided in September to increase his pay to \$2000 per month during the watering season.

In the spring a shareholder off Ditch 3 offered to sell a block of shares to the company. The company purchased 15 shares to be held for use in the lower valley. There was discussion that if those shares were to be sold to mountain users, then the delivery systems would be unable to meet demand on the mountain. The amount of water delivered to the right fork of Mill Creek below the Ken's Lake diversion has been set by legal agreement since the lake was established so additional water cannot be diverted at or above the Sheley diversion during most of the season. That water, along with what comes from the left fork of Mill Creek and some springs along the way provide the water currently used by MIC in Ditches 1-3.

The board has been approached in the past by shareholders in town that owned fractional shares who wanted to round up their shares to the next full share. The option to do so was presented in the fall with the irrigation assessments. Shares acquired in the spring were used for that purpose. The board is evaluating the best future use of the remaining shares. As many new developments are required to purchase and use secondary water if available, some of those shares may be used for such developments if in the areas serviced by Ditches 1-3 where the water is physically deliverable.

Requests for changes in irrigation easements were requested by three landowners. The board has continued to hold that any such changes must not have adverse consequences for the company and all costs must be borne by the requester in the same manner as physical changes to the pipelines. No changes to easements have made in 2019 though one through the HooDoo is only waiting for a minor technical survey correction.

2019 repairs consisted of:

The reroute of Ditch 2 through the HooDoo Hotel was completed.

Minor valve breaks throughout the system were repaired. One 2" valve break on Ditch 2 required that the entire ditch be shut off to prevent flooding. Additional shutoff valves are planned to prevent this in the future.

Ditch 2 along 400E saw a new 10" mainline shutoff valve and an improved delivery valve for Youth Garden Project.

At Apple Lane, the connection where the drain from Ditch 2 emptied into the city storm drain was flawed and storm runoff leaked out at that location. It ended up creating a sinkhole which required a significant repair. Moab City and the company worked together and redesigned the connection and installed a cement box at that junction. The shutoff valve was repaired while everything was open and hopefully the new connection is a permanent fix.

An old leak resurfaced under the sidewalk along 500W and was dug up and a 10" elbow was replaced.

A valve by Millcreek Drive was repaired on Ditch 3.

The water metering issue on the South Mesa ditch was resolved and that meter was brought online in July.

Significant repairs still to be completed are replacing a section of Ditch 3 that has become plugged due to invasive tree roots. The splitter box toward the Walker line will be replaced with valves and the line between that and the diversion dam will be replaced. This will improve delivery to all users along Ditch 3. The goal is to have this repair completed for this upcoming water season.

The Ditch 3 diversion dam has developed several intermittent leaks and will probably require a significant repair in the near future. Repair methods and options have been discussed with the most likely being to pour a new face layer to the old dam.

Current snowpack on the Lasal Mountains shows at 107% of normal so we are hopeful for this upcoming water season.