

Horseshoe Irrigation Company

Annual Shareholders' Meeting

February 20, 2025

7:00 PM

Horseshoe Irrigation Company held the annual shareholders' meeting February 20, 2025, at 7:00 p.m. The meeting was held in the Spring City Municipal building, 45 South 100 East, Spring City, UT.

1. Executive Business:

- a. **Welcome:** President Randy Strate opened the meeting by welcoming the shareholders in attendance. He then introduced the board members and staff.
- b. **Attendance:**
 - i. Board Members: Randy Strate, Chad Beck, John Stevens, Matt Francks, Scott Sunderland, Cody Harmer, and Mike Black.
 - ii. Staff Members: Kristy Inghish, Ken Jensen.
 - iii. A roll showed 26 shareholders attending in person, and approximately 27 attending via zoom.
- c. **Minutes from 2024 annual meeting:** Kristy read the minutes from the previous annual meeting. Motion to approve the minutes: Randy
Second: Chad Question on the motion: All Aye

2. **Company Overview:** Randy gave an overview of watered acreage and piping to illustrate how complicated the systems are to maintain and manage. He reminded everyone that if a system is down for repair, please don't call the water master to ask when the water will be back on because it just slows down the repair process. If we anticipate a system being down for more than a day it'll be posted on the website under company news.

3. **Two board member seat election:** John Stevens and Matt Francks board terms are up, they both along with Aaron Sorensen expressed interest and will be the 3 candidates to fill the 2 seats. Each candidate briefly introduced themselves before the ballots were distributed. LaMond Tullis expressed his support and gratitude to John Stevens and Matt Francks. Henry Barlow also acknowledged that all three candidates are great and commended Aaron for being willing to serve in this position as a young person working in agriculture. Ballots were distributed and completed then Chad Beck, Kristy Inghish and Ruth Ann McCain were excused to count the votes.

4. **2024 Financial Reports Review:** Randy briefly reviewed the income and expenses for 2024 fiscal year. Randy reminded everyone that the reports are posted on the website. Randy also reviewed the company balance sheet. A shareholder asked about if the funds in the bank are FDIC insured and Randy answered that we're

enrolled in an insured cash sweep with Cache Valley Bank to which ensures the funds will all be covered.

5. **2025 Budget Presentation:** Randy reviewed the budget set by the board for 2025. The assessments have remained the same for the past three years because of the cash on hand the company currently has.
6. **Company Policy Changes:** Only one minor change was made to policy 4 to clarify the drying up ground for drilling a well. Randy encouraged the shareholders to be familiar with the policies posted on the website.
7. **Snowpack conditions:** Randy showed photos from the past seven years of the snowpack each year in February at 9500 feet elevation, including one from two days ago. He said it's not looking good currently because there isn't much snow and there's very little moisture in what's there. Randy also showed restrictions from previous years, and graphs of water use to illustrate the affect the snowpack has on the water year.
8. **Status of Grant projects:** The first project discussed was to replace a 1-mile section of transmission line that was undersized and causing problems. The 12-inch section was upsized to 16-inch pipe. Randy applied for and we have received two grants which covered all but about \$11,000 of the project. The project is currently about 98% complete. Next Randy discussed the water shed flood prevention grant. Randy let the shareholders know there will be a public information meeting at the city hall at 6:00 pm next week to discuss the projects covered by the grant. There will be 30 days for public comment then the next phase will be to request funding for projects.
9. **Discussion of water availability for growth:** For the last couple of years there has been some concern about growth in Sanpete valley and if there is enough water available to support growth. Randy explained that the city isn't using their full water right currently but if needed there is an option for HIC to eventually transfer their .5 CFS culinary water right to Spring City Corporation through an exaction exchange. Randy explained the process.
 - a. Question from zoom: If the city gets to a point where they want to exchange shares for the culinary right will the company make sure there aren't any outstanding loans against those shares? Randy indicated that would be looked at.
 - b. Shareholder asked how the city would get the shares to exchange. Randy indicated they would come from the person requesting connection to city culinary.
 - c. Phil Wood pointed out that could be expensive for people building homes. Randy replied that drilling a well and getting a water right is likely more expensive.
 - d. A shareholder asked why Randy was opposed to the county requiring 1.5 ac feet per well. Randy feels it should be determined through the change application based on how much water the applicant needs instead of requiring everyone to have 3 times what the state requires.

Randy then gave a brief explanation about aquifers and what he's learned about the aquifer in Sanpete Valley. Studies have determined that the aquifers in Sanpete Valley have quite a bit of water available. In Randy's opinion there isn't an unlimited amount of water in the Sanpete aquifer, however there is quite a bit of water available for growth so he isn't as concerned as some people are.

10. Election Results: All the ballots had been tallied and Randy announced the results:

John Stevens	6289
Matt Franks	3671
Aaron Sorensen	3602

John and Matt will fill the 3-year term seats

11. Questions and Open Discussion Items:

- a. Phil Wood asked about the cost of the residential meters and if the homeowners would bear the cost of those. Randy said the residential metering project will have very high long-term cost so that project is being reevaluated by the company.
- b. A zoom attendee suggested the residential meters were a high priority. Randy explained that the assessment for those shareholders with meters would probably triple so the board is currently looking at strategic metering instead of each residential connection. He pointed out that the agricultural users shouldn't have to pay for the residential meters so the cost would have to be passed on to the residential users.

Adjourned: 9:05 pm

Kristy English

Secretary