

Horseshoe Irrigation Company

Annual Shareholders' Meeting

February 22, 2024

7:00 PM

Horseshoe Irrigation Company held the annual shareholders' meeting February 22, 2024, 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 English, Ken Jensen.
 - iii. A roll showed 65 shareholders attending in person, and approximately 40 attending via zoom.
- c. **Minutes from 2023 annual meeting:** Kristy read the minutes from the previous annual meeting. Motion to approve the minutes: Randy Second: Mike Black
Question on the motion: All Aye

2. **Company Overview:** Randy showed the maps of the approximately 6000 acres watered with Horseshoe Irrigation water as well as the maps of the piping to illustrate how complicated the systems are to maintain and manage. He pointed out that the Water Master is kept very busy during the water season and mentioned that if a line or riser breaks, and the system is shut down so it can be repaired, please don't call asking when it will be back on because it will likely be back on within a day.
3. **2023 Financial Reports review:** Randy briefly reviewed the income and expenses for 2023. A shareholder mentioned more interest could be earned if the savings money was transferred to better interest-bearing options. Randy said the board would discuss it. Randy also reviewed the company balance sheet.
4. **2024 Budget:** Randy reviewed the budget set by the board for 2024. It was mostly the same as the previous years except money that was budgeted for a company manager was significantly reduced because they decided not to hire anyone until the grant projects are ready to begin.
5. **Company Policy Changes:** Randy reviewed the policy changes at a high level and explained that there were many grammar changes made to better clarify policy. Randy reminded everyone that the policies are on the website and encouraged shareholders to review them. A brief overview of changes are as follows:
 - a. **Policy 1:** We do not allow shares to be split into fractional shares but it had not been written into the policy, so that has now been added, and a \$75 fee for lost certificate affidavit was implemented.

- b. **Policy 2:** During restrictions shareholders can only save up to 5 days to protect the ponds and help manage distribution of water. Some information about the ditch systems was added.
 - c. **Policy 3:** The riser repair fee was changed from \$50 to \$100 due to cost increases.
 - d. **Policy 4:** This policy was completely re-written during the moratorium last year, and its provisions only apply to those looking to drill a well.
 - e. **Policy 5:** No significant changes, just some clarifications were made.
- 6. **Snowpack Conditions:** Randy showed photos from the past seven years of the snowpack each year in February, including one from last week. Randy also showed restrictions from those years and graphs of water use to illustrate the affect the snowpack has on the water year. He talked about pressure problems due to the number of users on the systems. It's looking like this upcoming year will probably be a pretty good water year even though we don't have quite as much snow as this time last year. Randy reminded everyone of the importance of following the restrictions and showed how to use the online calculator to calculate use based on the number of shares owned.
- 7. **Status of Water Shed Flood Prevention Grant:** This grant was applied for and awarded in 2019, the city is the sponsor of the grant and Horseshoe Irrigation is a co-sponsor. Since 2019 it has been in the environmental assessment process. It has been a long and frustrating process mostly due to the cultural impact study; the hope is that we will be moving into the public comment period in a few months. Some of the possible projects were discussed.
- 8. **2 Board Member Seat Election:** The board member seats for Cody Harmer and Randy Strate are up for election. Cody Harmer, Randy Strate and Neil Sorensen are the candidates for the 2 positions. Randy went over the voting process that would take place; ballots were distributed then collected. Kristy English, Chad Beck, and Ruth Ann McCain took the ballots to the city office and tallied the votes. The voting results were Randy 7415 Cody 5522 Neil 4442 so Randy and Cody will fill the positions.
- 9. **Questions and Open Discussion:**
 - a. A shareholder asked about the amount of money in savings and Randy explained that the money in savings has been built up over time and is earmarked for potential upcoming grant projects. Randy also mentioned that he had applied for another grant with the Utah department of Ag to cover 50% cost for a transmission line repair where there's currently a bottleneck because a section is undersized. It was also suggested that the savings money could be moved to a higher interest rate account as well as splitting it up to make sure it is FDIC insured.
 - b. A Shareholder asked about the residential developments happening between Spring City and Mt. Pleasant and expressed concerns about the aquifer being affected by many homes using community wells. They also asked what the involvement of the irrigation company is in the decisions related to these developments. Randy explained that if a change application is filed for a well using Horseshoe Irrigation shares, the company policy 4 will be followed but that

the groundwater is the state's responsibility to monitor, and that the county and cities oversee new subdivisions.

- c. There was some general discussion about the city system and the occasions that the pond has had to be shut off. Randy emphasized that it is caused by over-use and reiterated the importance of following the restrictions when posted.
- d. City meters were asked about. Randy explained that the board has been very interested in pursuing residential connection meters but the costs and challenges of maintaining meters have been evaluated and the board is realizing how difficult it will be to implement. The state has changed the requirements for metering so an exemption can be filed so the company won't be required to meter every residential connection.

Adjourned 9:20 pm

Kristy English