

Horseshoe Irrigation Company

Annual Shareholders' Meeting

February 18, 2016

7:00 PM

Horseshoe Irrigation Company held the annual shareholders' meeting February 18, 2016 at 7:00 p.m. The meeting was held in the Spring City Municipal building, 150 East Center, 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. Board Members and Staff:

1. Board Members: Randy Strate, Chad Beck, John Stevens, Matt Francks, Scott Sunderland, Mark Sorensen, and Mike Black.
2. Staff Members: Kristy English, Ken Jensen, Brent Petersen
3. Others: A roll showed fifteen shareholders in attendance.

C. Acceptance of Minutes: Kristy English read the minutes from the previous annual shareholder meeting held February 19, 2015. Motion to accept: Randy Second: Chad Question on the Motion: All Aye

2. 2015 financial statement review: Randy presented the financial statements. He reviewed the income statement and expense report. David Tuttle asked about the chimney power, and Randy explained that there are pumps on the chimney system and the shareholders on that system as assessed to pay for that power. Joseph Fuchsel asked about the repairs, and Randy explained that when Ken does repairs for the shareholders they are billed for the expense.

3. 2016 budget presentation: Randy reviewed the Board approved budget for the 2016 financial year. A question was asked about the 152 shares owned by the company. Randy explained that normally the company doesn't own shares, but because of a water right issue, they were acquired with the stipulation that the previous owner has five years to buy them back. Ed Greenmun asked about the company keeping the money in an interest bearing account. Randy answered that it is kept in an interest bearing savings account and transferred to checking as needed. LaMond Tullis asked about the vehicle insurance paid on the Water Master truck. Randy answered that the company owns the truck and pays the liability policy. Randy explained that the assessments were not raised to meet the anticipated expenditures for 2016 because the company had enough cash on hand to cover those expenditures. LaMond Tullis asked about the restitution, and Randy explained that there wouldn't be any more restitution coming in because the individual has passed away.

4. Company Policy Changes made in 2015: None

5. Company Website demonstration: Randy briefly demonstrated the company website and mentioned that this would be updated this year. Randy demonstrated the water use calculator, and he

explained how to calculate the GPM being used. LaMond Tullis commented that the website is very useful and congratulated the company on it being well done.

6. Board Member elections: Two board members were up for re-election for their three-year terms; Randy Strate and Mark Sorensen.

Scott Sunderland nominated Randy Strate and Mark Sorensen to fill the positions. Second: Chad Lamond Tullis made a motion to elect them back onto the board by acclamation. Second by Mike Black
Question on the motion: All Aye

7. Questions from shareholders and open discussion:

Jane Hawks- She is representing her Daughter Holly Benion, and her husband Howard, that own the house she lives in. She is wondering how to obtain more shares. It was answered that she will have to buy them on the open market. She also asked about using water from a spring if it is on her property. Randy explained that it depends on who has the rights to that water, and you are not allowed to divert that water without an approved filing on the water through the state. She asked if she would be billed for the water used and it was explained that the water is not metered but she would receive an annual assessment for the shares owned and the acres watered.

Michael Nelson asked what the average price of shares was at this time. Chad said he'd seen them listed on KSL Classifieds for \$3000.

Michael Nelson asked if there was a delinquent shares auction. Randy answered that there is an auction every March on the third Saturday and it would be advertised in the paper for three weeks beforehand.

Stephen Wright asked if the shares sold at the auction had to be used on the system it was allocated to. Randy answered that shares can be transferred but if they are being permanently transferred to another system it must be approved by the board as outlined in company policy.

Meeting adjourned: 8:20 pm

Kristy English
Secretary