

South & West Field Irrigation Irrigation Company

Annual Meeting – Monday, January 22, 2024

A meeting was held on Monday, January 22, 2024, at 6 PM in the Cedar City Council Chamber meeting room located at 10 North Main Street, Cedar City, Utah.

Paul Bittmenn welcomed the attendees and Dan Dotson and showed video and pictures of the damage and repairs to the spillway in the canyon. Accelerating erosion was causing considerable damage to the spillway and was projected to cause failure of the water system if left unrepaired. Precision Excavating LLC was contracted to repair the cement work and skin the spillway with a five-eighths-inch galvanized steel plate. The cost of the work was \$73,400.

Dan fielded questions about distribution questions and the shared responsibilities of the water company and the city for maintaining the ditches. A \$60,000 line of credit was obtained at State Bank of Southern Utah for the spillway repairs. The loan is a variable rate, with a margin of 1.50% over State Bank's base rate, currently at 8.50%. The payments are scheduled for monthly interest payments in January – April 2024. Three annual principal and interest payments begin in April of 2025 with a final balloon payment due April 30, 2028. \$55,000 was advanced on the loan with the remaining balance paid with cash on hand. The goal is to retire this debt in two or three annual payments contingent upon no other significant unexpected expenses.

Tyler Brown reported on the current financial state of the water company. The company currently has \$20,198 in the bank with \$40,261 in outstanding invoices. \$912 of the outstanding balance is now five years past due and foreclosure will begin if the balance is not paid.

Paul Bittmenn, Dan Dotson, Ramon Prestwich, Tiger Funk term of service was set to expire January 2024. Jeff Hunter withdrew from the Board when he retired from Cedar City Corp.

Tiger Funk, Steve Ashworth, Dan Dotson, Paul Bittmenn and Eric Witzke were nominated and voted in by acclamation to serve two-year terms on the board.

Ordinary questions were discussed by those in attendance and the meeting was then adjourned.

Attendees – Steve Ashworth, Kenneth Cummings, Robert Nies, Jeff McCoy, Derek Christensen, Jeff Corry, Tiger Funk, Harold Grant Shirley, Dan Dotson, Paul Bittmenn, Tyler Brown, Janet Seegmiller, David Mineer, Steve & Sage Platt.

South & West Field Irrigation Company - Board Meeting

Annual Meeting – Monday, January 22, 2024

(Immediately following shareholder meeting at 6 PM)

*Jeff Corry, Dan Dotson, Tiger Funk, Harold Shirley & Paul Bittmenn
Ramon Prestwich & Jeff Hunter were not in attendance*

A meeting was held on Monday, January 22, 2024, following the 6 PM Annual Meeting of the water company in the Cedar City Council Chamber meeting room located at 10 North Main Street, Cedar City, Utah.

Paul Bittmenn welcomed the Board members and reviewed the shareholders comments. The financial reports were reviewed and discussed. Shares eligible for foreclosure were discussed and those more than five years will begin. Jeff Corry requested a list of owners past due five years be delivered to the Board Members so they could reach out and assist with bringing these accounts current.

The stipend paid to the Water Master will increase by \$30 per month to cover truck insurance. In addition to this increase, the Board authorized the treasurer to discuss with Derek Christensen, CPA the feasibility of paying for the employer and employee tax burden generated by the income of the Water Master. The Board gave permission for this action to proceed if the monthly expenses did not exceed \$1,430 per month. If the cost is greater, then that information will be provided to the Board for additional discussion. The Board Member also authorized an increase from \$400 to \$500 for the Treasurer/Secretary effective 1/1/2024. The Board also authorized the waiving of water fees for Derek Christensen, CPA in appreciation of his donated accounting services. In addition to waiving the water fee the Board authorized a \$100 gift certificate to show its' appreciation for Derek's service.

A discussion of how quickly the loans should be paid down resulted in the guidance of maintaining a \$28,000 monthly balance in the checking account through October 2024 and then paying down the loan with any amount exceeding \$20,000. This payment plan is contingent upon no significant unexpected expense occurring.

Harold Shirley made the motion and was seconded by Jeff Corry. The voting was unanimous.

The following changes to the bylaws were proposed and approved:

- (1) The annual meeting of the company will be moved from the 3rd Monday in January to the 4th Monday in observance of the Marin Luther King Holiday.
- (2) Notification of annual meetings will be accomplished by mail or email for the next three years with plans to transition to email only for cost savings and efficiency. We will continue to work with and accommodate stockholders who do not have access to email.
- (3) Special meeting notification will immediately be transitioned to email and company website as daily publication in the paper three-days prior to the meeting is no longer available and the results of publication were not successful.
- (4) Compensation for the Water Master and Secretary/Treasurer and the waiving of water assessment was approved by the Board. The waiving of water assessments for the Vice-President, Secretary/Treasurer and accountant was only approved for shares owned by and used for personal use.
Dan made the motion and was seconded by Tiger Funk. The voting was unanimous. See attached updated Bylaws for formal verbiage.

Jeff Corry made the motion to adjourn the meeting and it was seconded by Dan Dotson. The voting was unanimous.