

North Union Irrigation Company

Information to help determine whether to keep or sell Company stock

Company Background

The North Union Irrigation Company (NUIC) was formed on April 5, 1883 to control, regulate, and distribute water to owners of “a certain Irrigation Ditch...on the Provo Bench...and [who own] certain shares of stock in Provo Bench Canal and Irrigation Company (PBC&IC).” The NUIC owns shares in the PBC&IC, which make up the entire stock of the NUIC.

On September 27, 2025, a majority of shareholders of the Provo Bench Canal and Irrigation Company (PBC&IC) voted to wind up and dissolve its company.

In response, the NUIC Board of Directors met on October 6, 2025 to discuss the potential dissolution of NUIC as well. On that day, it approved a resolution to recommend the "Wind Up and Dissolve the Company," and hold a special shareholders meeting on November 8, 2025 to vote on the Board's recommendation.

Provo River Water Right and Provo River Water Users Association Shares Summary

On May 2, 1921, Judge C. W. Morse issued a ruling governing water use and ownership for the Provo River system. The decree allocated up to 97.55 cfs of flow from the Provo River to the Provo Bench Canal & Irrigation Company for the irrigation of 5,446.35 acres. This water right is often referred to as “natural flow” of the Provo River. Based on the number of shares NUIC owns in the PBC&IC, it has a right to use up to 36.255 cfs from the river for the irrigation of 2,024.168 acres.

In February, 1942, PBC&IC obtained 2,000 shares in the Provo River Water Users Association (PRWUA) which manages the water in Deer Creek Reservoir on behalf of its shareholders. One share in the PRWUA is equal to one acre foot of water if Deer Creek has a full allocation. These shares are for what is often referred to as “storage water.” Based on its PBC&IC shares, NUIC is entitled to 743.312 shares in the PRWUA.

With these two sources of water, shares in the NUIC are composed of both natural flow and storage water. Natural flow rights are owned by the PBC&IC and delivered to its shareholders, which include NUIC. Storage rights are owned by and managed by the PRWUA and delivered to PRWUA shareholders, including PBC&IC. The Provo River Commissioner allocates natural flow to all users of Provo River water during the irrigation season according to available flow. In years when the river's flow is low, the Commissioner will cut the natural flow available to users. The storage component of the PRWUA shares can help make up the difference after these cuts. Shareholders should understand both components of their water shares as they consider their options as the company moves toward dissolution.

Explanation of the “Natural Flow” Component of Company Shares:

NUIC owns 727.28 shares in the PBC&IC. These shares are divided amongst 1,355.8924 NUIC shares that are owned by over 30 individuals and organizations. This works out to a ratio of 1.000:0.536, or just over half a share of NUIC equals a full share of PBC&IC. The natural flow water right of 36.255 cfs for the irrigation of 2,024.168 acres or municipal uses available to NUIC shareholders is divided proportionally to the total NUIC shares. This means a shareholder with 1.0 share of natural flow in NUIC could have received approximately 0.027 cfs for the irrigation of approximately 1.49 acres when 100% of the natural flow was available. The Company’s water master and Provo River Commissioner worked closely in the past to ensure shareholders receive the portion of natural flow they were entitled to.

Explanation of the “Storage” Component of Company Shares

PBC&IC owns 2,000 shares of PRWUA for up to 2,000 acre feet of storage water in Deer Creek Reservoir. Based on its PBC&IC shares, NUIC is entitled to 743.3117 of these PRWUA shares. Each NUIC shareholder is entitled to a proportional share of this asset compared to the total number of shares in the NUIC. This works out to a ratio of 1.000:0.5482. This means if a shareholder owns 1.0000 share of NUIC, they would be entitled to 0.5482 shares in the PRWUA.

However, PRWUA only issues shares in whole numbers. Because of the uneven ratio, no shareholder in the NUIC would have a whole number of shares in the PRWUA. This means that shareholders that want to retain their PRWUA shares will need to either sell or purchase a fractional share in order to have the required whole number of shares. Any shareholder who elects to keep their PRWUA share entitlement must arrange access to the PRWUA system to use the water.

If a shareholder decides to keep their shares in the PRWUA, they will become a PRWUA shareholder and will be responsible to pay annual PRWUA assessments and abide by PRWUA’s rules and bylaws. The annual assessments pay for the costs to manage the PRWUA including the operation, maintenance, and capital improvements to the reservoir and associated appurtenances. Assessments have gone from \$25.24 per share in 2018 to \$47.37 in 2025. Annual assessments paid by NUIC shareholders in the past included a portion for the PRWUA.

The Plan of Dissolution approved by the Board on October 6, 2025 and presented to the shareholders on Saturday, November 8, 2025 gives shareholders 30 days, or until December 8, 2025 to elect whether to keep their natural flow entitlement and/or their storage water entitlement or sell them. If they elect to have the Company sell them, the shares will be sold according to the board-approved method for disposal of PBC&IC shares, and the shareholder will receive their portion of the sale price based on their shares. If no election is made by that date, the company will sell a shareholder’s PBC&IC shares on their behalf. They will receive payment after the sale is complete and payment of assessments from previous years has been verified.

The process outlined below will walk you through the decision-making process and help you determine what is best for you.

Are you going to have the Company sell all, part of, or will you keep both components of your NUIC shares?

- Yes, I would like to have the Company sell both the Provo River entitlement (natural flow) and the PRWUA components (storage) of my shares for me.
 - Your NUIC shares will be combined with other shares and sold according to the board-approved method for disposal of NUIC shares. When the sale is complete, and payments for assessments from previous years have been verified, you will receive payment for your portion of the sale proceeds.
- Yes, but I want to keep the Provo River entitlement component (natural flow) and have the Company sell the PRWUA component (storage) of my shares for me.
 - By selecting this option, you will receive a deed conveying your proportionate share of the NUIC/equivalent PBC&IC Provo River water right to you. You will own a water right in the Provo River. As a water right holder, you will have the obligation to comply with Utah law including beneficial use requirements and river commissioner assessments. There may be costs associated with this transaction which you will be responsible for.
 - Your storage portion will be sold according to the board-approved method for disposal of NUIC shares. When the sale is complete, and payments for assessments from previous years have been verified, you will receive payment for the value of your shares.
- Yes, but I want to keep the PRWUA component (storage) in whole-share increments and have the Company sell the Provo River entitlement component (natural flow) of my shares for me.
 - The natural flow portion of your NUIC/equivalent PBC&IC shares will be combined with other shares and sold according to the board-approved method for disposal of NUIC shares. When the sale is complete, and payments for assessments from previous years have been verified, you will receive payment for your portion of the sale proceeds.
 - You will also become a shareholder in the PRWUA and will be responsible to pay annual assessments for your shares and abide by their rules and bylaws, including any costs associated with the transaction.
 - One of these PRWUA rules is a requirement that its shareholders have a whole number of shares. No fractional shares are allowed. You will be required to either sell the fractional portion of your PRWUA share or purchase a fractional portion in order to have the required whole number of shares. It is anticipated there will be a pool of shares from other shareholders who choose to sell. Shareholders in this situation will be given priority to purchase the fractional shares needed from the pool to get them to the next whole number of shares in the PRWUA.
 - If there is an inadequate number of PRWUA shares available for purchase by shareholders that desire to purchase shares to get to a whole number, you will have to sell your fractional share.
 - For example, if a shareholder's NUIC shares entitle them to 2.75 shares in the PRWUA, they can purchase NUIC/equivalent PBC&IC shares equal to 0.25 PRWUA shares from the pool to obtain 3.00 PRWUA shares. This will be done according to the board-approved method of disposing NUIC shares. This is the process approved by the Board.

- Alternatively, if a shareholder's NUIC shares entitle them to 2.75 shares in the PRWUA, and they do not want to purchase shares, they will have to sell the equivalent of 0.75 shares in the PRWUA and obtain a total of 2.00 PRWUA shares. If a shareholder elects to do this, their fractional share will be combined in the pool of PRWUA shares and sold according to the board-approved method of disposing PBC&IC shares. When the sale is complete, and payment for assessments from previous years has been verified, the shareholder will receive payment for the value of their shares.
- **Will you have the Company sell or purchase a fractional share to get to a whole number for you?**
 - I will have the Company sell my fractional share to get to a whole number for me.
 - The Company will sell your fractional share in the PRWUA for you so you will have a whole number of shares.
 - You will receive payment for your fractional share after the sale is complete and payment for assessments from previous years has been verified. This amount is based on your deposited entitlement's percentage of the whole pool.
 - I will purchase a fractional share to get to a whole number.
 - The Company will coordinate purchasing fractional shares from the pool of PRWUA shares according to the board-approved method for disposal of PBC&IC shares. Priority will be given to shareholders who need a fractional share to get to a whole number of shares.
 - If there is an inadequate number of PRWUA shares available for purchase by shareholders that desire to purchase shares to get to a whole number, they will have to sell a fractional share to get a whole number. You will be contacted to let you know if this occurs.
- No, I will keep both the Provo River entitlement (natural flow) and the PRWUA (storage) components of my Company shares.
 - By selecting this option, you will receive a deed conveying your proportionate share of the NUIC/equivalent PBC&IC Provo River water right to you. You will own a water right in the Provo River. As a water right holder, you must comply with Utah law including beneficial use requirements and pay annual River Commissioner assessments. There may be costs associated with this transaction which you will be responsible for.
 - You will also become a shareholder in the PRWUA (if you are not one already) and will be responsible to pay annual assessments for your shares and abide by their rules and bylaws including any costs associated with the transaction.
 - One of these PRWUA rules is a requirement that its shareholders have a whole number of shares. No fractional shares are allowed. You will be required to either sell the fractional portion of your PRWUA share or purchase a fractional portion in order to have the required whole number of shares. It is anticipated there will be a pool of shares from other shareholders who choose to sell. Shareholders in this situation will be given

- priority to purchase the fractional shares needed from the pool to get them to the next whole number of shares in the PRWUA.
- If there is an inadequate number of PRWUA shares available for purchase by shareholders that desire to purchase shares to get to a whole number, you will have to sell your fractional share.
 - For example, if a shareholder's NUIC shares entitle them to 2.75 shares in the PRWUA, they can purchase NUIC/equivalent PBC&IC shares equal to 0.25 PRWUA shares from the pool to obtain 3.00 PRWUA shares. This will be done according to the board-approved method of disposing NUIC shares.
 - Alternatively, if a shareholder's NUIC shares entitle them to 2.75 shares in the PRWUA, and they do not want to purchase shares, they will have to sell the 0.75 shares in the PRWUA and obtain a total of 2.00 PRWUA shares. If a shareholder elects to do this, their fractional share will be combined in the pool of PRWUA shares and sold according to the board-approved method of disposing PBC&IC shares. When the sale is complete, and payment for assessments from previous years has been verified, the shareholder will receive payment for the value of their shares.
 - **Will you have the Company sell or purchase a fractional share to get to a whole number for you?**
 - I will have the Company sell my fractional share to get to a whole number for me.
 - The Company will sell your fractional share in the PRWUA for you so you will have a whole number of shares.
 - You will receive payment for your fractional share after the sale is complete and payment for assessments from previous years has been verified. This amount is based on your deposited entitlement's percentage of the whole pool.
 - I will purchase a fractional share to get to a whole number.
 - The Company will coordinate purchasing fractional shares from the pool of PRWUA shares according to the board-approved method for disposal of NUIC shares. Priority will be given to shareholders who need a fractional share to get to a whole number of shares.
 - If there is an inadequate number of PRWUA shares available for purchase by shareholders that desire to purchase shares to get to a whole number, they will have to sell a fractional share to get a whole number. You will be contacted to let you know if this occurs.

Shareholders should consider any tax implications as they consider their options. The Company will not speculate on or give any advice on what these may be.

A decision tree was created to help visualize the process which can be accessed [at this link](#) or by scanning the QR code below.



An online tool was created to help you to see what you could receive based on your elections. It also shows the Board's best estimation of the current market for Company shares, which may be updated if the Board receives new information. You will need the number of shares you own and answers to the questions discussed above. This is the Board's current best calculation and may change in the final calculation. You can access the tool [at this link](#) or by scanning the QR code below.



An online election form was created to make your election. It will walk you through the decision-making process. You can access it [at this link](#) or by scanning the QR code below. A valid email address is required as you will receive confirmation your submission was received. If you do not receive the confirmation email, contact the Company secretary immediately. Alternatively, written notice to the Company secretary is acceptable.



Canal and Lateral Ownership

NUIC owns the main canal and its accompanying easements. It does not own the laterals. In the dissolution process, NUIC will transfer its easement for the main canal to Orem City and Lindon City for those segments used for storm water and other water conveyance and will abandon all easements to the remainder of its main canal. The abandonment process is outlined in the Utah Code and requires the NUIC to file notice of its intent to abandon the easement. Once NUIC has met all of the statutory requirements to abandon the canal, its obligations to the canal end and homeowners may utilize the abandoned segments of the canal not encumbered by an Orem City storm water easement or by a Lindon City storm water and surface water conveyance easement.

Additional Information for Shareholders

For NUIC shareholders using water in Orem, water from Orem City's culinary system may be the best alternative water source when the canal is unable to supply water to its users. Connecting to the City's water system brings different challenges including costs to connect to the City's culinary system, costs of a new irrigation system, and the long-term, ongoing cost of water.

For NUIC shareholders using water in Lindon, Lindon City has options to make a connection to the pressurized irrigation (P.I.) system. To connect to the P.I., Lindon requires that the potential customer turn in irrigation water shares proportional to the area that is requesting a connection, and pay for the water meter and work related to connecting to the water pipeline in the road. Information can be found on [Lindon's fee schedule online](#) or by scanning the QR code below.



The information below proposes solutions irrigators can consider as they face the difficult challenges resulting from the canal's closure. This is informational only. The Company will not make arrangements to effectuate these options.

System Design & Installation

One challenge irrigators face, who have been flood irrigating for many years, is determining how much water is required for a particular agricultural need using a different irrigation method, and how to design a system to meet that need.

The Utah State University Extension (USUE) has a vast amount of information specific to this area of Utah that can be helpful to irrigators. Information can be found online at <http://extension.usu.edu> or by phone at (385) 268-6530. Additionally, water conservation technicians at the Central Utah Water Conservancy District (CUWCD) can offer assistance to evaluate a property owner's needs, and suggest ideas for efficient designs of a watering system. They can be contacted by email at astrack@cuwcd.gov or by phone at (801) 226-7180.

Another challenge when changing from flood irrigation to pressurized is the design and installation of a system that adequately provides the amount of water needed. The resources available at USUE and CUWCD can provide information to assist with this as well.

For shareholders in Orem who elect to connect to the City's culinary water system, it may be possible to use the existing water meter on a shareholder's property. A determination would need to be made during the design of the new irrigation system whether the existing meter can supply the volume of water required for their needs. If it is determined by the property owner that the existing culinary water

meter and associated water supply would meet their irrigation needs, then that may be the most cost-effective solution because no additional costs would be required to add a new meter. It is strongly recommended that an irrigation professional be consulted to do this.

Connection Costs in Orem

If it is determined the existing meter of a shareholder in Orem is unable to provide adequate flow and a new connection to the City's water system is required, or if a large property plans to hook onto the City's system, users would be charged the fees shown in the table to the right. These are charged to all new connections and cover direct costs incurred by Orem City and the impact on the system. They do not include additional costs such as system design, installation, and water consumption costs which will vary widely based on the need.

Meter Size	Connection Fees
¾ in	\$5,084
1 in	\$8,186
1½ in	\$15,831
2 in	\$24,895

Ongoing Costs of Water in Orem

Customers in Orem City would be charged the same tiered and base rates as all other accounts in the City based on the meter's size. The base rates the City charges for meters between ¾" and 2" as well as the volumes allowed and cost per unit for each tier in FY26 are listed in the tables below. The information can be used to estimate the monthly and annual cost of water and should be considered when making decisions.

Flow Allotment by Meter Size per Month

Units are 1,000 gallons

Meter Size	Base Rate/ Month	Meter Size	Tier 1		Tier 2		Tier 3		Tier 4
			>	≤	>	≤	>	≤	
¾"	\$25.58	¾"	0	11	11	34	34	65	65
1"	\$48.53	1"	0	18	18	57	57	109	109
1 ½"	\$131.44	1½"	0	37	37	113	113	216	216
2"	\$215.67	2"	0	59	59	181	181	346	346

Tier Rates

Cost/1,000 gal

Tier 1	\$0.91
Tier 2	\$1.13
Tier 3	\$1.35
Tier 4	\$1.60

Assisting Irrigators

There are a variety of options for company shareholders to take as they seek solutions to their irrigation needs.

Options for larger properties

CUWCD owns groundwater rights in the area. Presently, it has a program where it will accept your PBC&IC shares in exchange for a portion of its groundwater rights. With the groundwater rights, you could seek State Engineer permission to drill a well to serve your property. This would be negotiated between CUWCD and the shareholder on a case-by-case basis. Gary Brimley is the CUWCD representative for this program and can be contacted at gbrimley@cuwcd.gov and (801) 557-0241.

Options for all irrigators

A variety of options are currently available to shareholders seeking ways to finance the costs associated with any improvements which are described below:

- Sell their water shares in the company through the dissolution process or directly to water districts or purveyors to pay for the improvements and ongoing costs that best suit their needs.
- For shareholders using water in Orem, the City can offer a no-interest loan for the City water right impact and other City connection fees. This does not include any costs associated with a contractor connecting you to the system or improvements beyond the meter. These City fees would be included on the customer's utility bill and paid back over the course of five years. The shareholder would need to allow the City to place a lien on their property until the full amount is paid back.
- CUWCD has general water-saving programs at <https://www.utahwatersavers.com/> that offer guidance and financial assistance to property owners who meet qualifying conditions. Landscape Design, Waterwise Gardening, Waterwise Irrigation, Waterwise Plant Databases, Rebate Programs, Home Water Use, Classes, Current Water Data are all examples of these available resources.

North Union Irrigation Company

Plan for Liquidating Assets

This document details the process to be followed by the North Union Irrigation Company (NUIC, or Company) as it liquidates its assets due to the company's dissolution.

Water Shares:

Shareholders must inform the Company of their desire to either retain or sell one or both portions of their PBC&IC share by December 8, 2025. The pool of shares as described in the "North Union Irrigation Company" information document, will be separated into their respective parts: Provo River rights (natural flow) and Provo River Water Users Association (PRWUA) shares (storage), and sold according to this document.

Process for Liquidating the NUIC Share Pool

The Board has approved a plan enabling company shareholders first priority to acquire water rights in the Provo River or shares in the PRWUA from the pool of shares, as detailed below.

Two separate pools, one for natural flow rights in the Provo River and another for PRWUA storage water rights, will be created as a result of combining all shares from the shareholders who opted to sell their natural flow and/or storage components of Company shares. Using the established market price, each pool of shares will be sold. Market analysis indicates that PBC&IC shares are currently valued at \$70,000 per share, which makes the value of a NUIC share worth approximately \$37,500. Of this amount, the Board believes the natural flow portion is worth \$30,000 and \$7,500 for storage (80/20). The market will continue to be monitored and the value of shares may be adjusted to match. Shareholders who do not believe this is fair compensation are encouraged to convert their shares into a water right in the Provo River and/or storage shares in the PRWUA, or sell on the open market.

Because of the requirement to have whole shares in the PRWUA, those shareholders who elect to be part of the PRWUA will have priority to purchase the minimum fractional share from the pool so as to have a whole PRWUA share. In the event that there are an inadequate number of PRWUA shares available for purchase by all shareholders that desire to purchase shares to get to a whole number, priority will be given in order of percentage of shares owned in the company. If there are not enough shares available, shareholders will have to sell their fractional shares to get to a whole number.

After all shareholders who have or will have shares in the PRWUA have a whole number of shares, the balance of PRWUA shares, as well as the natural flow rights in the Provo River, will be made available for purchase to all shareholders that elected to retain either or both portions (natural flow and/or storage) of their proportionate NUIC share. These shareholders will be eligible to purchase a number of shares based on their proportionate share of NUIC shares when compared to the other NUIC shareholders who elected to keep their shares.

The details of how this will be done will be explained in a separate meeting for shareholders interested in purchasing additional shares from the pools of natural flow rights and storage shares in the PRWUA. You must indicate your desire to do this when you make your election. After which, you will be contacted with the details.

If shares remain after shareholders have had the opportunity to purchase shares, remaining shares will be sold on the open market, the funds added to the total and distributed proportionately to those who elected to have the Company sell their shares for them.

Property:

The Board does not believe the PBC&IC owns any property. In the event that it is discovered that it owns property, it will dispose of it in the best interest of the Company.

Cash:

After all PBC&IC expenses have been paid and funding set aside according to the Dissolution Plan, any remaining balance will be distributed as soon as reasonably possible to the final shareholder of record on December 8, 2025 based on their proportionate share in the company.

Decision Tree for Disposing of North Union Irrigation Company Shares

