

**ICR WATER USERS ASSOCIATION**

***Board of Directors Quarter & Annual Meeting, ICRWUA Pump House  
October 23, 2019 – Meeting Minutes***

**Board Members:**

Bob Hilb, President  
Randy Joly, Secretary  
Mark Armstrong

**Contract Staff:**

Cheryl Ibbotson, Wallace Utility Billing  
Par Carpenter, a Quality Water

**Member/Guests:**

Alan Cocherell, Ray Damesek, Dick Brubaker, Jeff Hunter, Jimmy Stoner, Jeff McLeod, Eileen McGowan, Mark Arnold, Craig Brown, Giles Howard, Chris Stoner, Sam Bourgois, Tom Sullivan, George Muecke, Dan Zanowicz, Lorraine Frambes, Bob Frisch, Curt Frambes, John & Diane Koksha, John & Sue Terwilliger, Craig & Victoria Ptratz, Lisa Jensen, Rose Kauffman, Charlie Nicholes, Em Zimmerman, Lee Marshall, Karl Anttila, James Schutz, James Barrett, Darrell & Ruth Holt, Linda Greenberg.

**1. Call to Order – ICR Water Users Association**

The meeting was called to order at 1:01 p.m.

**2. Roll call of the Board –**

Roll call of the Board was taken. All directors were present except Rob Elsroad & Chris Peck.

**3. Board Approval of the October 23, 2019 Agenda –**

Bob stated that there would be one minor change to the quarterly agenda pertaining to the Wallace Utility Billing Contract renewal.

**Bob made a Motion to approve the October 23, 2019 Agenda. Mark seconded the Motion. Motion passed unanimously.**

**4. Review of the June 28, 2018 Annual Meeting Minutes –**

Bob stated that last year's annual meeting minutes have been posted to the website for over a year.

**Bob made a Motion to waive reading the June 28, 2018 Annual Meeting Minutes and approve them. Randy seconded the Motion. Motion passed unanimously.**

**5. President's Report –**

Bob stated that the four quarterly meeting minutes were posted on the website and the annual meeting basically recaps those meetings. He highlighted that the radio read meters were installed throughout the entire system last year which have greatly reduced water losses which in turn increased revenues. He stated that the ICRWUA water system provided water at very reasonable cost for the Sheridan Pemberton fire. He stated that they had been in negotiations with Stephen Pierce regarding the ICR water lease that was to be renewed next year. He stated that they had reached an agreement and it was currently being reviewed by their attorney, John Hay.

## **6. Treasurer's Report -**

Bob stated that Rob had summarized a report of items of interest, which would be posted to the website. Bob briefly summarized some of the items on the report.

Bob asked if there were any questions regarding the annual meeting.

*Larry Bligh stated that the Board needed to get familiar with statute ARS 10-703. He stated that according to the by-laws stated that there has to be a fixed date for the annual meeting, and that they were in violation of that statute. Randy stated that they were in the process of cleaning some things up with the formation of the new company. He stated that Mark Armstrong was to be the liaison for updating the by-laws for the new company and asked that Larry please work with Mark to fix them. Larry stated that the by-laws that were posted to the website was only a re-statement of what they currently had, the board agreed and said the Mark would be the conduit for changing the by-laws and the members could contact him with their suggestions and he would ensure that checks and balances would be preserved. Randy stated that once a draft was put together it would be forwarded to the Attorney. Larry stated that the Articles of Incorporation would have to match the by-laws and would have to approved at the same time and voted on by the members.*

**Bob made a Motion that the deadline for members to get their suggestions and comments to Mark to present to the Board would be November 8, 2019. Randy seconded the Motion. Motion passed unanimously.**

*Jimmy Stoner asked what attorney Jeff Crockett did for the association. Randy stated that he was the attorney that represented them before the Arizona Corporation Commission.*

*Linda Greenburg asked if the Capital Improvement plan had been done yet. Randy stated that one they got past the new meter installations there was not a whole lot to plan for. Jimmy Stoner stated that reserves were not added to since 2016. Randy stated that they fix things as they go. Bob stated that they wanted to avoid collecting from the current members via special assessments because the membership is expanding. Jimmy Stoner stated that the ACC gives a margin for capital improvements.*

*Tom Sullivan asked where the annual report was for 2018. Bob stated that it was posted on the website and it has been there since the July 2018 meeting.*

Bob adjourned the annual meeting at approximately 1:31 p.m.

### **1. Call to Order –**

Bob called the quarterly meeting to order.

### **2. Roll Call of Board -**

Roll call was done during the annual meeting.

### **3. Review/Approval of the July 23, 2019 Board Minutes –**

**Bob made a Motion to approve the July 23, 2019 meeting minutes with one minor typo change that was brought to his attention from a member before the meeting. Randy seconded the Motion. Motion passed unanimously.**

### **4. Review/Approval of the October 1, 2019 Board Minutes.**

**Bob made a Motion to approve the October 1, 2019 board meeting minutes. Randy seconded the Motion. Motion passed unanimously.**

**5. Treasurer's Report -**

Bob asked Cheryl if there were any delinquencies. Cheryl stated that there were 2 accounts shut off for non-payment that were door tagged. One had paid and the other has not paid yet.

**6. Operations Report –**

Randy stated that the third quarter pumping summary had impressive water loss percentages for the first time since the new meter installation project was completed at a 1.99% water loss for the entire company. He added that more than half the water losses they saw before the new meters have been recognized. Past added that four leaks were found and fixed on the ICR side.

*Evelynn Zimmerman stated that she had a leak and she received no notification. Ray Damesek stated that he left a hose running and received no notification. Cheryl stated that the leak detection report that came up when Derek was reading only alerted when he was reading and only alerted when there was continuous usage for a twenty-four-hour period. Pat added that if the leak occurred before or after he read it would not show up on Derek's report. Cheryl stated when the reads were returned, they were reviewed for high usage, based on the customer's averages for the same period in prior years. When usage seemed out of the ordinary her company contacted the customer to alert them.*

**7. ICR Well Lease Renewal –**

Bob stated that they had an agreement being reviewed and finalized by their attorneys. He stated that they missed one required rate increase as per the lease that was due after the 2009 rate case. He stated that the increase that was negotiated was an approximately 35%, basically going from \$0.25 to \$0.35 per thousand. The increase included the increase that what was missed plus penalties of approximately \$15,000. The new rates would take effect next year and would be in effect for the next term of twenty-five years.

**8. Lawsuit –**

Bob stated that were no updates other than oral arguments were set for November 12, 2019.

*Mark Arnold asked why his e-mail regarding seeing communications presented before the ACC had not been answered. Randy stated that no records existed. Bob stated that they had been running some questions by the attorney and only got a response from him two days ago. Bob stated that with regard to the transfer of assets, the attorney advised them to take out one item, once done they would post to the website.*

**9. Appointment of V.P. of Operations –**

**Bob made a Motion to Make Mark Armstrong the VP of Operations. Randy seconded the Motion. Motion passed unanimously.**

**10. Approval for Cheryl to pay APS online –**

Cheryl stated that there was a lag in receiving the APS bills and sometimes the due date doesn't coincide with check signing and they have been late on occasion. She stated that she was able to get the late fees waived. She said she pays on-line for other companies she manages. She said she would get approval via e-mail before processing for anything that seemed abnormally high.

**Randy made a Motion for Cheryl to pay APS on-line. Mark seconded the Motion. Motion passed unanimously.**

### **11. Approval for Mark to sign checks –**

Bob stated that Rob would not be running again and they would need approval in the minutes to take to the bank to revise the signature cards.

**Bob made a Motion to approve Mark as a check signer. Randy seconded the Motion. Motion passes unanimously.**

### **12. Board election –**

Bob stated that the nomination forms would be included with the next billing statements. He stated that the ballots would go out early December and be due back December 30, 2019 and the count would be the 2<sup>nd</sup> or 3<sup>rd</sup> of January.

### **13. Wallace Utility Billing Contract Renewal –**

*Linda Greenberg asked what the increase was. Randy stated it was different for different line items, but it was right in line with other companies.*

**Bob made a Motion to approve Wallace Utility Billing contract renewal. Randy seconded the Motion. Motion passed unanimously.**

### **13. Public Comments Session -**

*Larry Bligh asked how they would handle proxy voting? He said he had been approached by several people to vote in their behalf. Bob stated that the current procedures for voting did not support voting via proxy, proxy voting was typically used during live voting, not voting by mail.*

*Mark asked Cheryl to clarify good standing relative to be allowed to vote. Cheryl stated that members needed to have a zero balance as of November 25, 2019 – the due date for the October bills.*

*Larry Bligh asked when the vote for the new company formation would take place? Bob stated that maybe it would be included with the Board Election materials.*

*Alan Cocherell stated that during the presidents report it was stated that the new meters were doing well. He asked if a cost analysis had been done to determine the cost benefits vs. the money spent. He said he did an independent evaluation from all of the pumping summary reports from 2015 forward and he had found that there was no improvement since the new meters were installed. Pat clarified some of the numbers that he referred to such as “metered production loss” did not represent water losses, it was an estimate of the line loss due to line flushing, the actual loss or gains were represented in the percentages. Randy added that the test Derek did on the meters showed rates of 30% of meters failing on the ICR side and 5% to 10% on the TRR side.*

*Linda Greenberg asked if there would be a board for the old water company that will become the shell for the Architectural Committee? Bob stated that would be up to lots 1 through 180.*

*Tom Sullivan asked if there was anyone trying to sell the old meters? Pat said they may be able to be sold for scrap. Tom suggested some sort of commission to Pat or Cheryl to contact some of the other companies that they represent.*

Bob adjourned the meeting at approximately 2:37 p.m.