

DRAFT Minutes – ICWC Board of Director’s Meeting

March 9th – 9am

Windmill Room - TRR

Present were:

Randy Joly – Secretary

Giles Howard – Treasurer

Dan Cancelleri -Director

Mark Armstrong - President

Cheryl Ibbotson – Business Office

Pat Carpenter – Aquality Water Co.

Derek Scott – Aquality Operations

Jay Frank – Invited guest

Absent:

Mike Hubbard – VP Operations

Mark Armstrong called the meeting to order – 9am

Randy Joly made a motion to approve the Minutes of February 9th board meeting. The motion was seconded by Giles Howard and passed unanimously.

TRR Water Supply discussion:

The board welcomed Jay Frank, the TRR club GM and COO of Symmetry. Jay was invited to begin discussions regarding the future water supply to the golf course.

The board had previously provided Jay with two hydrology reports based on studies done on the TRR well field health, and the summer pumping capacity. Symmetry’s growth projections were incorporated.

Both studies concluded that while the aquifer was robust, the ICWC capacity to supply the golf course with its usual summer allotment was approaching limitations due to the expansion of households in the development, and the addition of amenities requiring irrigation. Constructive discussions regarding timeline and potential supply shortfall were had, and alternatives to add another water source, reduce water usage and add water storage proceeded.

Jay Frank said he was now prepared to bring Peter Burger, the CEO of Symmetry into the discussions, and encouraged the board to keep the lines of communications open.

Rate Case Update

Mark Armstrong presented the board the Letter of Engagement (Statement of work) proposal from Sonn Albrecht CPA to provide the management and assembly of the proposed rate case for the ACC. The document outlines timelines, process and and costs. The overall estimated cost of these services is \$23K, and will be dependent somewhat on the amounts of additional information requested by the ACC staff. Having just produced all of the information to the ACC last year as part of the re-incorporation of the company, which included an onsite tour, the board does not anticipate significant additions to this scope.

Randy Joly made a motion to authorize Mark Armstrong to execute the consulting contract, which was seconded by Giles Howard and approved unanimously.

Mark Armstrong agreed to build an educational and informational presentation for use with members and potentially the ACC staff.

Finance Report

Giles Howard presented the final 2021 pro forma operating budget. The current water pricing discussion with Aqua Meadows (ICR purchased water) was asterisked as being still not finalized. The budget showed a small profit and strong cash flow. The board approved posting the budget to the website.

The board then reviewed the last invoice received in January from Aqua Meadows, which showed an 84% increase in cost/1000 gal. Giles Howard and Mark Armstrong determined that an error had been made in the CLI price increase calculation, as the base rate had been reset to \$0.35/100 gal, but the base CLI had not been reset accordingly. Cheryl Ibbotson agreed to communicate the appropriate correction the vendor's accountant.

After some calculations of replacement costs and equipment lifetimes, Giles Howard recommended that \$ 500K be allocated to the Capital account as reserves for future major equipment replacement. This is in addition to the ongoing maintenance budget. The contingency account was also proposed to be funded with \$50K for un-budgeted expenses.

Giles Howard made a motion to perform this monetary re-allocation, with the provision that a board action be required to remove monies from the capital account. Mark Armstrong seconded the motion and it passed unanimously.

Cheryl Ibbotson reviewed the status of the set up of the electronic lock box and credit card acceptance projects. Both projects will be ready to test, and communicate to members in the April billing with a go-live scheduled for May 2021. Adoption will be monitored to decide what grace period to give members for switching the billing address.

Operating Summary

Mark Armstrong and Mike Hubbard met with John Noyes , the TRR golf course superintendent, last week. They designated Mike Hubbard as the liaison between the water company and the golf operation going forward.

The summer operations plan was reviewed with both John Noyes and Derrick Scott. Starting around mid- April, the TRR wellfield will run wells #1 and #2 for 21 hours a day at a flow rate of 450 GPM. The golf course will set its timer to close the lake fill valve between 6 and 9am each day. John Noyes will contact Mike Hubbard to commence the summer operation schedule when the weather conditions dictate. In the mean- time, the golf course lakes will be maintained at full.

Ongoing issues with ICR well #2 were discussed. The well pump recently failed again after only 17 months. The unit was sent to the lab in Phoenix for diagnosis. Mark Armstrong asked about warranty and manufacturer options. The board also inquired about the possibility of internal well issues. Mike Hubbard and Mark Armstrong agreed to schedule a call with Pat Carpenter after the failure mode of the pump was determined.

Randy Joly pointed out some format errors in the 2020 annual pumping summary. Cheryl Ibbotson agreed to correct the report and Mark Armstrong will post the corrected version to the website. Randy Joly and Dan Cancelleri requested a water usage report, based on the pumping summary data, showing usage by account.

The board agreed to pencil in June 15, 2021 for the ICWC annual meeting. The format of the meeting will be determined as the county protocols adjust.

The topic of planned maintenance and replacement was raised by Dan Cancelleri, and Derrick Scott confirmed that such a practice had been suggested to previous boards. Pat Carpenter agreed to have AQuality propose a schedule and cost for preventative servicing of items like ARV's and pumps. Pat Carpenter agreed to have a proposal for the board's consideration by June 1st.

Randy Joly also inquired about ICWC servicing its own fire hydrants rather than the fire department. Mark Armstrong agreed to verify if the company insurance policy would permit us to do that.

New Business:

Mark Armstrong reviewed the status of the various insurance policies covering the liability spectrum for present and previous water operations. The board approved the purchase of a basic policy for coverage of ICWC officers during the process of transferring the leadership of the ICRWUA board to Lot 1-180 volunteers. The motion was made by Dan Cancelleri and seconded by Giles Howard. It passed unanimously.

The board reviewed the process and timelines for the Whispering Canyon phase 5-7 and 11 buildout. Mark Armstrong and Derrick Scott met with the engineers, contractors and the developer and agreed on inspection, flushing and test protocols.

The phase 11 development is covered by additional portions of the water service agreement, and will require the filing of some paperwork by the developer and ICWC. It will also require a booster pump station due to the elevation. Mark Armstrong and Derrick Scott met with the engineer designing the boost station and toured the TRR Double Adobe station as an example of what we would propose. They agreed.

Depending on the velocity of the development, the board agreed to consider contracting with Civiltec in the future to verify tank capacity adequacy.

A redundancy item that surfaced from last year's assessment was Emergency Power for the wellfields and the ICR booster station. Mark Armstrong was tasked with assessing the viability and costs for implementing a portable generator, that could alternate service between the locations. The alternatives considered were buying a used 150KVA or renting the same on a long-term lease. The purchase option had less than a 2-year payback. The quotes received from 3 sources were approximately \$35K for a trailered diesel unit.

As part of this discussion, Pat Carpenter introduced a rebate program that APS is offering to reduce power usage by installing variable frequency drives on pump motors. AQuality is investigating the program at another of their customers. The board agreed to research further. This would also allow the purchased generator to be smaller capacity and less expensive. The board agreed to put the generator purchase on hold pending the results of this research.

The board reviewed the best quote for a New structure for ICR well #1. The current structure has become very cumbersome as equipment and instrumentation have been added over the years. It is also not well suited for service work on the wellhead. The quote was for a steel structure and was for \$25K. This item was planned for the 2021 operating year. Mark Armstrong made a motion to accept the quote and issue the contract. The motion was seconded by Randy Joly and passed unanimously.

Miscellaneous other items

Dan Cancelleri reported that he had successfully found a buyer for our used water meters. He presented an estimate that would net the ICWC approximately \$1K after shipping and disassembly by the buyer. Pat Carpenter offered to be the transportation. The motion to approve the sale of the meters for scrap was made by Dan Cancelleri and seconded by Mark Armstrong. It passed unanimously. The board left the transportation decision up to Dan Cancelleri.

Adjournment

The meeting was adjourned at 11:05am.