

DRAFT Minutes to Inscription Canyon Water Company

Board of Directors Meeting

April 27th, 2021

Attendees:

Randy Joly – Secretary

Giles Howard – Treasurer

Mike Hubbard – VP Operations

Dan Cancelleri – Director

Cheryl Ibbotson – Business Management

Pat Carpenter – Principal, A-Quality Water

Mark Armstrong - President

The meeting was called to order at 8:50am by Mark Armstrong

Mark Armstrong made a motion to approve the minutes of the BOD meeting held March 9th 2021. Giles Howard seconded the motion and it was passed unanimously.

Finance Review:

Giles Howard reviewed performance to budget YTD. The only significant variances were total revenue and repairs. The revenue was explained to be a timing issue as the golf course did not take any significant water in Q1 while the revenue from that source is budgeted ratably. The repair overage was due to \$22K in repairs including a significant emergency repair to a large delivery main in TRR.

Giles Howard made a motion that this unplanned expense be charged to the contingency account, rather than general repairs. The motion was seconded by Dan Cancelleri and passed unanimously.

Cheryl Ibbotson gave a status report on the additional two payment processes that the company will introduce next month. The company has been set up in our vendor's system to take credit cards for bill payment. The cost will be covered by a small convenience fee and this will be tiered by amount. In addition, ICWC will now appear as e-pay enabled in all bank/online bill-pay systems, and if selected, no paper check will be sent. Instructions for use of these systems will be included in the May billing as well as in the email-bill and on the website.

Operations Review:

The post mortem on the ICR pump #2 were postponed as the pump has still not been tested at the vendor. Pat Carpenter will follow up with them.

The TRR system was shifted to the summer pumping SOP (providing 450 gpm to the golf course lake 21 hours a day) approximately 3 weeks ahead of plan due to the very dry winter.

There have been a number of entrained air complaints on the TRR system since the major repair last month. Pat Carpenter confirmed that all ARV's had been manually exercised and hydrants in high elevation areas flushed. Mike Hubbard asked if we were sure that the ARV's were installed in the correct locations and he said that should be included in the engineering system analysis that has been proposed.

The ICR#1 pumphouse structure project is underway and should be fully complete by the end of May. There was some discussion on the correct way of disposing of the old metal cover.

The last item outstanding from last year's re-incorporation of the utility is the franchise agreement with the county. This agreement allows ICWC to dig up county -maintained streets to install or repair services. The application will be completed and submitted this week by Mark Armstrong. It includes a legal description of our service area, a map of our service area and proof of insurance. The new agreement will take effect on October 5th 2021.

Dan Cancelleri presented an in- depth analysis of water usage and costs based on 2020 data. The results were reflective of the preliminary rate case pro-formas that the board had a consultant produce last summer. It confirmed that the golf course is subsidizing residential rates and the TRR system is slightly subsidizing the ICR system. It also showed that 78% of residents were consuming the original design assumption amount of water daily (or less). The tool that he produced will be refined and used for future water use projections.

Mark Armstrong gave a summary of the final actions performed to turn the ICRWUA entity over to the ICR Lot 1-180 property owners (in a suitable form) so that they could re-instate the Architectural Review Committee that is referenced in their CC&R's. That entity now has a board of its own and appointments have been made to the ARC sub-committee. They are now responsible for informing all present and future property owners of the re-instatement and the review process for architectural changes in that development. This group now has no affiliation to the ICWC water utility.

New Business:

The 2021 Rate case has kicked off and is in information gathering mode. Mark Armstrong reviewed a powerpoint presentation that he produced to explain the process to homeowners. Some discussion ensued as to whether it should be presented as part of the annual meeting, and potentially at HOA meetings in areas that have them. Mark Armstrong made a motion to include the short presentation in the annual meeting agenda. The motion was seconded by Giles Howard and passed unanimously.

The board had previously penciled in Tuesday June 15th as the date for the ICWC annual meeting. All board members agreed that they were available and so Mark Armstrong will secure a venue. It was agreed that COVID protocols would still restrict the size of an indoor gathering, but the board agreed that it was necessary to allow some live participation as well an online meeting. The required 30- day meeting notice will be sent out in early May via a special mailing as well as be posted to the website.

As agreed at the last BOD meeting, Mike Hubbard and Dan Cancelleri produced a draft statement of work for an engineering review and documentation of our system. The board agreed to add a system

water balance exercise to the scope as a separately quoted item. Mark Armstrong provided Mike Hubbard contacts at two civil engineering firms and Mike Hubbard will manage the bidding process. The final SOW and the engineering contract will be posted to the website when finalized, as will the final report.

The board had previously authorized A Quality Water to order variable speed drives for all of the well pumps that were not already equipped with one. Pat Carpenter had provided Mark Armstrong with web links to an APS rebate program that would possibly highly subsidize this expense. Mark Armstrong provided Dan Cancelleri with documents from the website and requested that he own the investigation into the APS program.

Mark Armstrong made a motion to adjourn the meeting. The motion was seconded by Dan Cancelleri and passed unanimously. The meeting was adjourned at 11:40am.