

Inscription Canyon Water Company  
Board of Director's Meeting  
Draft Minutes - March 22, 2022

Present:

Randy Joly - Secretary

Mike Hubbard – VP Operations

Giles Howard - Treasurer

Dan Cancelleri - Director

Mark Armstrong - President

Pat Carpenter – Aquality Water

Derek Scott – Aquality Water

Cheryl Ibbotson – Business office

Board Business:

Mark Armstrong Called the meeting to order at 9am

There was a Roll call of directors which established quorum

Mark Armstrong asked for questions or comments regarding the DRAFT minutes from the BOD meeting held February 8<sup>th</sup>. As there were no suggested changes, Mark Armstrong made a motion to accept the minutes. It was seconded by Giles Howard and passed unanimously.

Finance Report:

Giles Howard stated that he had completed the new monthly operating budget and that it would be sent to the board for review this week. Cheryl Ibbotson needed some clarification on the assumption of Whispering Canyon Phase 5 infrastructure for amortization calculations. Mark Armstrong is reviewing the WC line extension agreement to provide clarification.

Giles reviewed the planned major expenses for 2022. The major planned ones were tank inspection/repair and ICR#1 well pump replacement. The pump and motor were purchased last year.

The major planned capital expenditure for the year was the step-wise replacement of the Cooper Morgan booster pumps. The necessary replacement of the meter going to the golf course lakes was an unplanned one.

Cash Flow projections were also discussed, with current cash flow being negative (due to the golf course not taking water) and projected to be positive for the year.

Mark Armstrong brought up the subject of on-going tracking of active vendor projects. In the past this was done ad-hoc by the operators. Dan Cancelleri recommended a PO system be established for all items over \$1K. Giles Howard will work with Cheryl Ibbotson to implement this, with input from Mike Hubbard and AQuality.

#### Operations Report:

##### Pumping Summary Review – Loss tracking

Some board members had raised concerns regarding the % loss of water (after the replacement of the golf course meter). Mike Hubbard and Pat Carpenter explained that the % of loss will always be higher in low usage months and is likely due to small leaks. (note, the % is within ACC guidelines). The board reviewed the math and agreed that the quantity of water lost in January 2022, while 13% of total water sold, amounted to approximately 10 gallons/minute over the 4 communities. Mark Armstrong suggested that the addition of a rolling 12 month loss report might be appropriate, although the board all agreed that monthly monitoring was important.

Pat Carpenter did request calibration instructions for future use with the well meters.

Mike Hubbard and Mark Armstrong have been working with the TRR golf course management to confirm the golf course watering schedule. They plan to start fertilizing and watering the first week of April, and will move to taking water 12 hours a day. The planned summer operating procedure will commence on or about May 1<sup>st</sup>.

#### Other Business:

##### Engineering Assessment Program – progress report

Mike Hubbard confirmed that Civiltec's draft report on their evaluation of the two as-built water systems was underway, although the TRR portion was being delayed waiting for information from Granite Basin Engineering. The system maps for both systems are complete.

Mike Hubbard also stated that Civiltec had confirmed that the line capacity from the Cooper Morgan Tank to the distribution system in TRR could handle the capacity of an additional well.

Dan Cancelleri gave an update on VFD installation/rebate program. All well pumps are now equipped with VFD's to avoid power spikes when they start up. Dan is waiting for the last invoice to submit the paperwork to APS for the rebates that ICWC applied for.

Mark Armstrong gave an update on the Whispering Canyon Phase 6 and 7 development. The clearing of the future road and grading has started. The Excavation contractor is being subcontracted from Earth resources to a company called Bayley. Mark Armstrong and Derek Scott have met with the site foreman. It has not been determined if Lyons Engineering is going to have personnel onsite to inspect utility installation as was done in Phase 5. Mark Armstrong will contact the company this week. If not, the WC line extension agreement has provisions for the developer to fund a third party for such inspections.

During the last BOD meeting, the board approved the creation of a committee to the BOD for special projects. A couple of members have expressed an interest in helping with projects. The first suggested

project involves the sorting and cleaning out the remaining company records in the Grey Bears pumphouse. All records deemed pertinent will then be digitized and added to the current electronic records.

Randy Joly gave an update on progress towards an additional water source to support TRR growth. It appears that Symmetry has done some preliminary research on the well that they own north of the communities, but that no project has been established as of yet.

Miscellaneous:

Mark Armstrong requested suggestions for dates for the ICWC annual meeting. The board arrived at the 16<sup>th</sup> or 17<sup>th</sup> of June. Mark Armstrong will confirm venue availability for those dates and, once decided, plans for notice and an agenda will be developed.

There were no other items for discussion so Mark Armstrong made a motion to adjourn the session. Adjournment was confirmed at 10:15am