

DRAFT Minutes

ICWC - Board of Directors Meeting

July 7, 2022

The meeting was called to order by Mark Armstrong at 9am. Roll of attendees was taken and quorum was established.

Attendees:

Randy Joly – Secretary

Giles Howard – Treasurer

Mike Hubbard – VP Operations

Dan Cancelleri – Director

Mark Armstrong – President

Cheryl Ibbotson – Business Office

Pat Carpenter – A-quality operations

Mark Armstrong asked if there were any questions or comments on the minutes from the annual meeting held in June. There were none, so he made a motion to accept the minutes of annual meeting. The motion was seconded by Dan Cancelleri and passed.

Finance Report

Giles Howard reviewed the ytd performance to budget. Revenue is less than planned due to the reduction of sales to the golf course because of the loss of TRR well #2. Costs are also below plan, especially expensed repair costs. The mid -year numbers show ICWC favorable to budget by approximately \$26K.

Giles Howard also stated that the cash position of the company was approximately \$90K lower than at the last year end, due primarily to the replacement cost of TRR#2 well. Mr. Howard stated that he was going to fund as much of this capital activity through operating cash flow, and only withdraw from the reserves if required to fund other accounts payable. He also confirmed that the planned booster pump rebuild project for the Cooper Morgan boost station had been funded as per the approval at the May meeting.

Mark Armstrong presented an estimate for the planned replacement of the primary original booster pumps in the Magner boost station. These 2 pumps are over 20 years old and have worn significantly. Mike Hubbard made a motion to approve the planned \$9K funding for this project. The motion was seconded by Giles Howard and passed. The second pump will be considered next year, as it runs very much less time than the primary pump.

## Operations report

Mike Hubbard presented data from the past 2 weeks on the Cooper Morgan tank levels and the TRR well run times. TRR water usage shows definite cyclical patterns with very high consumption occurring on most Mon-Wed-Fri during the early morning. Mike Hubbard and Mark Armstrong have worked with the golf course and the HOA to try to spread the demand out over a longer timeframe. The fill logic was also changed on the Molly way tank to preferably fill it at night. Mike Hubbard also presented the contingency plan for fire system water supply in the event of the need for hydrant usage at a time when the overall water demand was high. The procedure has been agreed to by Jay Frank and the HOA, and an order has been posted at the security office. The procedure has contingency for backflowing the Molly way tank into the areas serviced by the Cooper Morgan boosts station to supplement the available supply. Mike Hubbard and Mark Armstrong agreed to document the procedure, which requires a manual intervention by A Quality, and supply it to Pat Carpenter and his team.

Pat Carpenter stated that Drill-tech would be onsite on July 11<sup>th</sup> to complete the TRR#4 wellhead, and that excavators and other trades would be there to tie the new well in next week. Once the well is sanitized and tested, it will be put into production. Golf course flow will be adjusted based on the flow capacity of the new TRR#4 well. Dan Cancelleri inquired about having a separate electric meter for TRR#4 well. Pat Carpenter said he would check with his electrical contractor but that it would likely involve a process with APS.

Randy Joly brought up the topic of decommissioning of the TRR#2 well. ANWR has requirements for this process to avoid aquifer contamination. Mike Hubbard inquired if ANWR might allow the TRR#2 well to be capped and reserved as an emergency backup for the TRR wells. Pat Carpenter said that he would contact ANWR regarding this possibility, but that he thought it was likely possible. Mark Armstrong agreed to contact the ICWC insurers to see if any part of the TRR#2 replacement could be covered by our policy. Mark Armstrong stated that he did not believe the policy covered anything but liability, but that a call was warranted.

Mark Armstrong inquired about the planned storage tank inspection schedule for the 4 tanks in the system. Pat Carpenter produced a proposal from one of the three vendors bidding on the project. The board discussed and decided to wait until the late fall to perform the inspections when the water usage was lower. The board agreed to review the three bids when all were received.

Mark Armstrong mentioned that Derek Scott had received communications from Granite Oaks water company indicating that they are considering selling one of their propane powered generators. Mark Armstrong had requested that Derek Scott follow up with the Granite Oaks manager and have our electrician evaluate the capacity of the unit. Civiltec Engineering confirmed that redundant power was certain to be among their recommendations for both the well sites and the Magner boost station. Having a portable generator on a trailer was one of the options discussed.

## Engineering System Improvement Project

Dan Cancelleri confirmed that the Phase 1 draft report was received from Civiltec, and was reviewed with them at the last project review meeting by he and Mark Armstrong. As part of that review it became evident that other work that Dan Cancelleri has underway with regards to optimizing power consumption would benefit greatly from integration with the overall engineering project. This was prioritized as a part of the phase 2 effort.

The board previously approved the funding for phase 2 of this project, and Civiltec has confirmed that it will be completed by year's end. Once the Phase 1 report is issued as "final", the recommendations will be reviewed, prioritized, cost estimated and scheduled. The board agreed that there may be the need for some outside resources to help manage some of these improvements, and that cash flow would dictate the velocity of the improvement implementations. Randy Joly emphasized that this was definitely one of the items dictating the need for a rate case. The phase 1 report will also be posted to the ICWC.info website for member review.

#### Rate Case

Randy Joly confirmed that ICWC will re-commence filing of a rate case in September. The accounting consultant has been scheduled. Randy Joly also informed Cheryl Ibbotson that the base year was now going to be 2021 instead of 2020. The board gave approval for Cheryl Ibbotson's office to supply the consultant with all of the plant and equipment transactions as part of the preparation for submittal. Mr. Joly also stated that, given the current rate of inflation and the unknown timing or ownership of an additional water source, that there would likely be the need for another rate case in the next 2 years.

There were no additional items of business, so Mark Armstrong made a motion to Adjourn the general meeting. The motion was seconded by Giles Howard and the meeting was adjourned at 10:15am.