

Inscription Canyon Water Company

Board of Directors Meeting

June 6th, 2023

DRAFT Minutes

Attendees:

Randy Joly – Secretary

Giles Howard – Treasurer

Dan Cancelleri – VP Operations

Mark Armstrong – President

Cheryl Ibbotson – Business Office

Pat Carpenter – Operator

Derek Scott – Operator

Mike Hubbard – Committee Member – Projects

Mark Armstrong called the meeting to order at 9am. Quorum was confirmed.

Mark Armstrong made a motion to Ratify Minutes to Board meeting held March 28th, 2023. The motion was seconded by Randy Joly and passed.

Finance Report

Giles Howard presented the YTD finances and stated that there were no major variances in costs, but that revenue was down slightly due to the wet spring reducing golf course usage.

He stated that the Cash Position is still healthy, and that we were entering the season of positive cash flow. The board discussed the potential need to reserve for a possible TRR well #1 replacement late this year.

Giles Howard also requested cost estimates for the valve project that has been spec'd and approved. Pat Carpenter was going to work with Mike Hubbard and Civiltec to assemble those once the quotes and timelines are in from the vendors.

Operations Report

Lake Flow/shutoff valve status – Quotations and timelines are being finalized. The equipment has been specified and the design drawings have been completed by Civiltec. Mike Hubbard has agreed to be the project coordinator for the company.

The board agreed that preparation work and installation of the vault etc. could begin as soon as materials were available, but that the pipeline would not be cut for valve install until after peak demand season.

TRR Well #1 planning – After performing the video inspection of TRR well #1 this spring, it became evident that the well would either have to be rehabilitated or replaced as soon as practical. The goal is to get through the summer. The board agreed to have an emergency plan developed in case the well failed prior to then. Pat Carpenter agreed to organize a meeting with the principles at Drill Tech to review options and costs for both rehab and a new well.

Golf course water update ytd – Flow to the golf course is down about 20% from plan due to wet weather and the company's rationing of their intake based on availability.

TRR well #4 and building improvements status - Dan Cancelleri approved the payment of the second invoice from the Well building extension and upgrade project, which has been completed.

Dan Cancelleri agreed to coordinate the upcoming project to add a water line to the TRR pickleball area. It will require excavation of Talking Rock's main entrance road. Dan will coordinate with the club and the HOA to plan that.

Mark Armstrong and Dan Cancelleri conducted a walk through with the developers and contractors for Whispering Canyon Phase 6. ICWC will accept ownership and responsibility for that extension next month.

Derek Scott confirmed that Mission Control SCADA software is now fully operational at the ICR well site, the Magner boost station, as well as the Cooper Morgan and double Adobe stations.

Other Business:

Rate Case update – Mark Armstrong explained that the ACC staff had recommended a smaller than requested revenue addition to the Administrative Law Judge. The judge will make a recommendation to the commission sometime later this month. All capital projects other than the ones mentioned above will be put on HOLD until we see what gets recommended by the ACC judge.

The company received consumer confidence reports for both systems from ADEQ last week, with 100% pass grades. They will be posted to the website

Miscellaneous

Derek Scott Stated that he had found a leak in Whispering Canyon that would require significant excavation. Mark Armstrong agreed to inform the HOA and coordinate with the homeowners nearby.

As there was no other business, Mark Armstrong made a motion to adjourn the meeting. It was seconded by Giles Howard and the meeting was adjourned at 9:55am.