

Inscription Canyon Water Company

Board of Directors Meeting

January 7th, 2025

DRAFT Minutes

Attendees:

Randy Joly – President

Giles Howard – Treasurer

Derek Scott – Operations

Mark Armstrong – Managing Director

Tom Bracken – New board nominee

Gregg Achtenhagen – New board nominee

Absent:

Mike Hubbard – VP operations

Mark Armstrong called the meeting to order at 9:04am. The board was able to confirm quorum.

Mark Armstrong asked if there were any questions or modifications to the minutes of the board meetings held October 17th, 2024 and December 2nd, 2024. There was not quorum at the December meeting so the October minutes could not be ratified. There were no requested changes, so Mark Armstrong made a motion to ratify both documents, which was seconded by Randy Joly and passed.

The board recognized the service of departing board member Giles Howard – thank you

Mark Armstrong made a motion to accept the acclamation of the two new board members – Gregg Achtenhagen and Tom Bracken. The motion was seconded by Randy Joly and passed.

The board agreed to have the following officer duties:

Randy Joly – President

Tom Bracken – Secretary and Treasurer

Mike Hubbard – VP Operations

Gregg Achtenhagen – Director

Mark Armstrong – Managing Director

Randy Joly made a motion to accept these assignments, which was seconded by Mark Armstrong and passed. The 2025 board was seated.

Manager Finance Report

- YTD Revenue Performance and Cost Variances were reviewed based upon November reports. No significant variances were cited.
 - Year-end estimates were reviewed, with projected revenue to be approximately \$780K
- Cash Position is currently at \$380K and the projected trajectory will take reserves to \$ 500K by the middle of next year.
- Mark Armstrong presented the proposed operating budget for 2025. A motion to adopt the budget was presented, seconded by Randy Joly, and passed.
 - \$800K Revenue
 - \$600K Operating costs
 - \$70K to amortization of assets
 - \$130K cash before Capex
- 2025 Operating and capital budget proposal
 - Capital Plan – Approximately \$80K
 - ICR well #1 rehabilitation
 - Select SCADA upgrades
 - Used portable power generator – if cash permits
- Mark Armstrong confirmed that all bills of sale for accepted infrastructure had been received from Symmetry and that the associated depreciation/balance sheet adjustments would be reflected in the 2024 financials.

- Mark Armstrong also confirmed that the applications for renewals of liability and D&O insurance had been completed for the February 1st effective date.

Operations Report

YTD pumping data/usage analysis was reviewed. 2024 production was up approximately 14%, with the increase attributed to new residential/irrigation demand. Golf course consumption (which was rationed) remained the same.

The TRR Well #5 status report and commissioning schedule was discussed. The Drilltech and AQ excavation crews are on site today and the completion of the Scada additions, the plumbing and electrical tie ins should be accomplished this week. The equipment relocation from well #1 and the ADEQ approvals will follow in the next 2 weeks. The production test will occur before the end of the month.

Golf course pond plans were requested from Symmetry, but no progress has been made.

Magner tank painting has been planned for this spring. 3 quotes have been received. The vendor will be selected at the next BOD meeting.

Other Business:

The status of the proposed Verizon Cell Tower was discussed. Mark Armstrong confirmed that the tower vendor had presented their plans at the Whispering Canyon HOA annual meeting, with favorable reception. The process with the county has commenced and the survey and legal work has been completed. Mark Armstrong is working with the owners of the easement road to ensure legal tower access by the vendor.

The board discussed an Annual meeting plan. The suggestion was that it be planned for April or May. Dates will be explored to ensure that all board members and contract partners can attend.

As there were no other business items, Mark Armstrong made a motion for Adjournment, which was seconded by Gregg Achtenhagen and passed. The meeting was adjourned at 9:52am.