

Inscription Canyon Water Company

Board of Directors Meeting

February 25th, 2025

DRAFT Minutes

Attendees:

Randy Joly – President

Tom Bracken – Secretary and Treasurer

Gregg Achtenhagen – Director

Derek Scott- Operations

Mark Armstrong – Managing Director

Mark Armstrong called the meeting to order at 9:05am

The board was able to confirm quorum

After confirming that there were no questions or changes, Mark Armstrong made a motion to ratify Minutes to the BOD meeting held January 7th, 2025. The motion was seconded by Randy Joly and passed.

The board was asked to accept the resignation of board member Mike Hubbard due to time constraints – thanks for your work Mike. Randy Joly made the motion which was seconded by Tom Bracken.

Mark Armstrong made a motion to nominate board member Gregg Achtenhagen for the officer position of VP operations. The motion was seconded by Randy Joly and passed.

Manager Finance Report

- 2024 Revenue Performance and Cost Variances were reviewed. 2024 ended up with higher revenue than planned due to the golf course taking water in November and December due to the mild

temperatures. Some costs of completing TRR well #5 were pushed into 2025 due to delays in engineering design.

- January financials showed negative variances in repairs due to several leaks as well as electrical power costs due to higher than planned production.
- Cash Position was confirmed at \$380K. Some cash expenses associated with the start up of well #5 will be incurred in March.

Operations Report

- 2024 Year-end production Stats were as follows:
 - Water production 176MM Gallons
 - 87MM Gallons to the golf course
 - 2.9 % water loss
 - Onboarded 45 new customers
 - Passed all water quality tests
 - Accepted new phases in Whispering Canyon and Talking Rock Ranch
- Mark Armstrong has arranged a meeting with the TRR HOA, landscape contractor, and Golf course management to coordinate summer usage timing to facilitate TRR demand balance.
- With the very dry winter, and a new well coming online this month, some testing will need to be performed to determine the flow and run time that will be allocated to the golf course. Preliminary tests show the new well to have higher capacity than the one it replaced.
- Mark Armstrong gave a TRR Well #5 status update.
 - Some Engineering design decisions were made based on the cost and availability of materials. The engineers agreed to the changes and will submit as-built drawings with the Operating permit application.
 - The commissioning schedule planned is:
 - Test pump – completed
 - Chlorine flush – completed
 - Information for operating permit submitted
 - Well in test production Week of Feb 22nd
 - Building and painting complete March 1

- Transducer and SCADA equipment install in March
- The board determined that the ICR well#1 rehabilitation should commence in March. Mark Armstrong will coordinate with Pat Carpenter and Derek Scott to have Drilltec put a camera down the well and make recommendations. Once the rehabilitation is complete, baseline capacity tests will be performed on both ICR wells so that their performance may be monitored over time. This was planned for in the 2025 capex budget.
- The board also approved the Magner tank painting project. ICWC has received 2 quotes in the range of \$6K. Mark Armstrong suggested that we plan the project for April or May. Derek Scott will check the availability of both vendors.

Other Business:

Mark Armstrong updated the group on the Verizon Cell Tower Status. He stated that he was informed yesterday by the tower vendor, that they were unable to get agreement from the owners of the easement access road to allow access to the ICWC land. They instead appear to want to locate the tower elsewhere on their land. It appears that, while the community may get a tower, it will not likely be under a lease with ICWC.

The board agreed to plan for the Annual meeting near the end of May. Dates will be finalized in the next few weeks.

As there were no further business items, Mark Armstrong made a motion for adjournment at 10:35am.