Inscription Canyon Water Company

Board of Directors Meeting

December 16th, 2025

Draft Minutes

Attendees:

Randy Joly -President

Gregg Achtenhagen -VP operations

Tom Bracken -Secretary and treasurer

Scott Kelly -Director

Paul Spitzer -Guest (Director Elect)

Cheryl Ibbotson -Business Office

Derek Scott -Operations

Mark Armstrong -Manager

The meeting was called to order at 9am by Mark Armstrong

The board was able to Confirm quorum

There were no questions or comments on the minutes of the previous board meeting and Randy Joly made a motion to ratify Minutes to the meeting held October 29th, 2025. The motion was seconded by Scott Kelly and passed.

Mark Armstrong extended a welcome to the newly elected and re-elected board nominees. There were two nominees for the two seats up for election. As a result, both nominees, Paul Spitzer and Randy Joly were acclaimed.

Gregg Achtenhagen made a motion to accept the results and seat the new board members. The motion was seconded by Tom Bracken and passed. Their terms will begin effective January 1st, 2026.

The board then discussed new officer assignments for 2026. After taking into account future residency possibilities and the skills and project involvement of the current members, Randy Joly made a motion to select the following officer assignments:

President – Gregg Achtenhagen

VP operations – Scott Kelly

Secretary and Treasurer – Tom Bracken

Director – Paul Spitzer

Director – Randy Joly

The motion was seconded by Tom Bracken and passed. Congratulations to the entire leadership team. Mark Armstrong will continue to function as the contract day to day business manager with oversight, project help and guidance from the board.

<u>Manager Finance Report</u>

- 2025 YTD financials
    - Financial performance is essentially on plan with higher expenditures on insurance and power being offset by a 10% increase in sales to the golf course.
- Cash Position and Year-end projection
    - The cash position is currently $380K. It should be approximately that at year end. There is a pending expense of approximately $20K for a leak repair on Cooper Morgan. This will be paid from the contingency account and that account will be eliminated.
- 2026 budget preparation is underway with noted variances being accounted for. Anticipated increase in residential and landscaping usage is 7%, while the commercial usage and construction are estimated to be constant. A forecast of 10-15% reduction in golf course usage is included based on input from golf operations.
- A basic capital plan is being assembled, but will be tabled until the outcome of the WIFA loan process is determined.

Operations Report

- 2025 YTD production is approximately 170MM USG
- The board reviewed plans for larger equipment in well #5. This was part of the well install plan where old equipment was used to start the well up in order to save costs. This equipment is beginning to fail and the larger equipment will be installed in January. All electrical and control components were put in place during the initial start up.
    - We are waiting on a final Cost estimate for this, We had the supplier order the equipment in 2025 to avoid the new year price increases. The accounting for these costs will be capitalized in 2026.

Other Business:

WIFA loan and process/approval/timing

- Mark Armstrong had a preliminary discussion with the ACC Ombudsman for small water utilities. He completed a draft of the financing approval application for the board's review. Several comments on the document proposed for submission were made, including the need to increase emphasis on fire protection. The next step will be a follow up call with the ombudsman in January along with other board members, to present the draft to the ACC and get their feedback. It is hoped that the ACC accounting office will be able to perform debt coverage evaluations based on the preliminary 2025 year-end P&L data.

- Mark Armstrong introduced a proposal made by the Sanitary district for use of a shared answering service for customer issue reporting. Currently AQuality receives dozens of calls for the same issue in the event of an outage or issue in either utility. The board approved the concept in principle asking for pricing. Mark Armstrong confirmed that AQuality was in support of this. He suggested that AQuality contract for the service and bill it to the utilities as an add-on to avoid administrative issues. Derek Scott agreed to follow up.

- A request was made by a local realtor on behalf of a potential buyer in Inscription Canyon to have an easement for a driveway over a small piece of ICWC property at the end of Magner rd. The access is proposed for a Signal hill property. The board had no objection but wanted the realtor to discuss the proposal with the county first as some land and a barrier are owned by them. The realtor will follow up.
- The board discussed an annual meeting plan. The February/March timeframe was agreed upon. The timing will depend on the readiness to present the WIFA proposal to membership.

There was no further business so Mark Armstrong asked the board for a motion to adjourn. Adjournment occurred at 10:50am.