

Inscription Canyon Water Company

Board of Directors Meeting

Held April 21st, 2026

Draft - Minutes

Attendees:

Gregg Achtenhagen – President

Scott Kelly – VP operations

Tom Bracken – Secretary and treasurer

Randy Joly – Director

Paul Spitzer – Director

Cheryl Ibbotson – Business Office

Derek Scott – Operations

Mark Armstrong – Manager

At 9am, Mark Armstrong called the meeting to order. The board was able to confirm quorum

Mark Armstrong asked if there were any questions or modifications requested for the previous board meeting minutes. There were none. He made a motion to ratify minutes to board meeting held February 3, 2026, The motion was seconded by Gregg Achtenhagen and passed.

Finance Report

- YTD results were reviewed. Revenue was noted to be under expectations due to reduced golf course consumption. This trend will be watched going forward as it appears the new golf course management is using less water than their predecessors. YTD earnings were a small loss, with high revenue season approaching.
- The proposed 2026 operating budget produced by Tom Bracken with input from Cheryl Ibbotson was reviewed and Gregg Achtenhagen requested the addition of a \$5K placeholder for legal expenses. The fact that APS was in the process of requesting a further rate hike was also noted. Tom Bracken made a motion to accept the budget with Gregg's modification, which was seconded by Paul Spitzer and passed. The budget will now be shown on the comparative P&L report posted to the ICWC website each month.
- Cash position was confirmed to be \$325K as of today. Budget projections are for this to increase slowly to \$377K by the end of the year.
- Banking realignment Update

- Tom Bracken and Paul Spitzer confirmed that they had successfully opened a Fidelity investment account in the name of ICWC and transferred \$175K from the low interest National Bank of AZ to the account. This allowed them to close the capital account and leave the operating checking account as the only account at NBAZ. The board agreed that the operating account would have a target balance of \$75K and be kept between \$50K and \$100K with automatic refill or transfer out provisions. All other monies would be deposited in the high yield account.
- Tom Bracken provided a selection of low risk, liquid treasury and money market alternatives for the Fidelity funds to be allocated to. The board agreed on government money market fund yielding 3.56%, which was 3% higher than the money was yielding at NBAZ.

Operations Report

- Well status
 - Mark Armstrong asked Derek Scott to review the current wellfield summer readiness and schedule.
 - He stated that the ICR wells were cycling properly and running approximately 10 hours per day, with expectations of 12 hours per day in peak season. Well #1 rehabilitation has returned that well to about 85% of historic maximum flow. The well will not be suitable for rehabilitation again, and will need to be replaced in the next 2-5 years.
 - On the TRR system, well #5 was providing water to the household and golf course users with backup from well #4. The golf course is currently only taking water for 10 hours a day, which will increase to 21 hours starting in May. The team is currently setting up testing to determine the level behavior of Well #4 and 5 during their co-existence under load. These tests will happen in May.
 - Mark Armstrong confirmed that the company contract hydrologist will stress test the TRR wellfield this July. The board agreed to have her perform a full aquifer health analysis in the summer of 2027.
 - Well #3 will be cycled weekly to maintain readiness.
- Operations contract transfer and renewal
 - The operations contract reverted to Arizona Utilities Operations from AQuality water on April 1st. This was transparent to membership.
 - Website and emergency numbers were changed and Derek Scott confirmed that he was implementing an answering service.
- Mark Armstrong and Scott Kelly requested that Derek Scott provide the board with a list of materials for maintenance items and spares that needed replenishment.

- Pest control improvements are being bid by three vendors. Rodent damage has caused 2 electrical issues this winter.

Other Business

- Annual Meeting – April 28th 2026
 - The board reviewed the agenda that has been posted to the website
 - The board reviewed the Draft Presentation and discussed Board participation in the meeting
- Infrastructure Loan approval process
 - The approval application for a long-term, low interest infrastructure loan was submitted to the ACC in February. The link to the docket containing the application on the ACC website was included on the ICWC website.
 - Notice of the application and instructions on how to view the application, ask questions or voice objections was provided to all members in the March billing materials. There have been no comments or objections to date.
 - ACC accounting and engineering discussions have proceeded during March and April. Approval or request for additional information is expected from the State Administrative court in May.
 - Preliminary lender conversations have taken place. It appears that WIFA (State of AZ) and Co-bank are the most reasonable institutions to pursue if approved. The estimated interest rate is about 6-6.25% based on these conversations.
- Project Management options for the 5 target projects were discussed. The impacts of insufficient management has been felt on earlier projects and the goal is to not repeat that. Board members considered being able to take on one project each and have outside engineering resources handle the larger projects with board oversight. Further discussion will occur in the event of approval of the financing.

Miscellaneous

- Operations contract renewal
 - Discussion was had regarding the pending Operations contract renewal this July. Mark Armstrong said he had researched several competitive options to the current vendor, but was not recommending pursuing any at this time if the current vendor was proposing no rate increases if renewed. The board agreed.
 - Mark Armstrong has circulated a draft contract renewal to appropriate board members and received comments and a few corrections. The board agreed to a three-year term.

- The board agreed to submit the final draft contract proposal to Arizona Utility Operations for their comments/agreement. The intention is to have the renewal negotiations completed by the end of May.
- ICR Wellfield land ownership
 - The board discussed the upcoming eventual replacement of ICR well #1, and the fact that it would be on leased land. While the land is on a 100-year lease, some concern was expressed over potential changes in the State government's future view of system reliability, if wellfield land was not owned by the utility. With this in mind the board approved Randy Joly and Mark Armstrong sending a letter to the landowner to enquire about present/future willingness to sell with a take-back financing arrangement, and what the anticipated asking price range would be.
- Adjournment
 - As there were no other business items, Mark Armstrong made a motion to adjourn the meeting. It was seconded by Scott Kelly and the meeting was adjourned at 10:35am.