Inscription Canyon Water Company

Board of Directors Meeting

June 16th, 2026

Draft - Minutes

Attendees:

Gregg Achtenhagen – President

Scott Kelly – VP Operations

Randy Joly – Director

Paul Spitzer – Director

Cheryl Ibbotson – Business Office

Derek Scott – Operations

Mark Armstrong – Manager

Absent: Tom Bracken – Treasurer

Mark Armstrong called the meeting to order at 9am, and confirmed quorum

Mark Armstrong asked if there were any questions, comments or changes to the minutes of the Company Annual meeting held April 28th, 2026. There were none. Randy Joly made a motion to ratify the minutes, which was seconded by Scott Kelly and passed.

Finance Report

- The board reviewed the ytd revenue and spending reports as of the May 2026 financial reports. No significant variances to budget occurred, but there was a minor increase in revenue due to higher than forecast residential demand (likely plant irrigation), which was offset by a higher than budgeted cost for power. Both variances were expected to continue for the balance of the summer months.
- Cash position and trends were reviewed. Current cash and net receivables were $230K. This was expected to rise over the summer months of higher revenue. Cheryl Ibbotson stated that she would adjust the balance between operating and investment accounts after the 10th of each month.
- Loan accounts will be set up separately when funds become available. It was suggested that we use a dedicated bank for these monitored accounts that was familiar with the reporting and access required.

Operations Report

- Well status
    - Mark Armstrong and Derek Scott reported that wells #4 and 5 co-existence under load was proving to be safe and satisfactory. Mark produced data from the Level measurements in the SCADA system that showed that, under peak sustained load, that there was still plenty of water head above both pumps.
    - Formal Peak demand analysis will be performed later this summer by the ICWC hydrologist
    - Well number 2 and 5 both experienced equipment failures in the first quarter. Both pieces of equipment were less than 2 years old and warranty investigation is underway. There is also some investigation into the lack of stabilizers on the #2 pump when it was pulled from the well. These were to have been installed when the well was repaired last year. The stabilizers appeared to be either not installed or broken off. Results to follow.
- Mark Armstrong produced data that showed residential usage up 7% over last year, with some of that attributable to new members, but also increased irrigation of plants. He also stated that HOA water usage to the cottages was 16% higher than last year. This will need to be addressed with the HOA and their contractor Titan.
- The board had previously requested a cost estimate for Pest control improvements in the 9 operations structures owned by the company. Rodent damage caused 2 serious outages last winter due to electrical interruption. Derek Scott will have two quotes from reputable companies by the end of the month. Mark Armstrong made a motion to authorize he and Derek to execute a contract with the company with the best bid, not to exceed $20K annually. Scott Kelly seconded the motion and it passed.
- Randy Joly brought up the latest Water loss numbers from the May pumping summary. They are higher than historic numbers at this time of the year. Derek Scott stated that there was definitely a known leak in Whispering Canyon that his team was attempting to locate prior to ordering excavation, and that several small leaks were known on the TRR system. The one on Cooper Morgan rd. has been sounded twice, excavated twice and repaired once, but reports say there is still flowing water in the vicinity.
- This leak has become the basis for a Demand letter from the HOA, which will be responded to by Mark Armstrong with consultation by our attorney, Jeff Crockett. A plan to bypass/retest the suspected line will be produced and presented to the HOA attorney. The concept of having some penalty to them was discussed if the water flow was found to be from other irrigation or natural sources.

Other Business

- Mark Armstrong updated the board on the infrastructure Loan approval process
    - The docket has been recommended by the ACC accounting, engineering and ombudsman offices and is now awaiting the administrative judge to create an order to place the item on an upcoming public meeting schedule
    - Project management options were discussed and the board agreed that Mark Armstrong should give Civiltec advanced notice of the company's upcoming engineering requirements for at least 3 of the potential projects
- Miscellaneous
    - Randy Joly updated the board on the inquiry that ICWC had made regarding purchasing the land that the ICR wellfield sits on. No response has yet been received from the Pierce inquiry
    - Mark Armstrong stated that he had been in contact with the Cell tower company regarding road improvements to the proposed site. They had agreed to grade and slurry coat the road after the electrical excavations were complete.
    - The ACC recently required all water utilities to update their tariffs for backflow prevention monitoring and curtailment process. The new regulations require Signage for curtailment tariff enforcement. The board authorized Mark Armstrong to order the 5 required signs.

As there was no other business presented, Mark Armstrong made a motion to adjourn the meeting. The motion was seconded by Paul Spitzer and the meeting was adjourned at 10:36am.