

ICR Water Users Association
Board Meeting Minutes
February 27, 2007

Minutes approved: 3-27-07

Board Members

Earl Cummings, President
Hal Lobaugh, Vice President
Bill Meyer, Secretary/Treasurer
R.J. Howard, Director
Shirley Lilien, Director

Contract Staff

Bob Busch, Manager
Meg Kleinman, Recording Secretary

1. The meeting of the ICRWUA was called to order at 9:00 a.m. by Earl Cummings. Present were Vice President Hal Lobaugh, Secretary/Treasurer Bill Meyer, Director R.J. Howard and Director Shirley Lilien.

2. **Hal moved to approve the Minutes of the January 16, 2007 Board Meeting as amended; seconded by R.J.; motion passed unanimously.**

Review of the Minutes of the February 17, 2007 Annual Meeting was tabled until the March 27, 2007 Board Meeting.

3. **REPORTS**

a. **Financial Reports**

Some items from 2005 were reclassified, due to the rate case, and moved to 2006 because the 2005 books have been closed. This has caused the expenses for 2006 to be lower than normal.

The Board discussed the need for an audit of the 2006 books.

Hal moved to hire a CPA to do an audit of the 2005 and 2006 books. Bill seconded; motion passed unanimously.

Action Item: Bob Busch will get a couple of bids and bring them to the Board for decision.

The January, 2007 financial report showed a credit on expense of \$29,000 due to three meter fluctuations that caused huge inaccurate bills to be generated. The errors went through the monthly system and had to be offset. MDI assured Bob it would be taken care of in the February books. Depreciation and amortization figures were missing from the report.

Shirley moved to have MDI re-do the January financials with corrections and including depreciation and amortization figures. Hal seconded; motion passed unanimously.

b. **Manager's Report**—Bob Busch

1. **System Operations:**

Site Security—Bob received approval from Steve Pierce for the fencing around the well site, adding a suggestion that it should be reviewed with the neighbors as a courtesy. Bob planned to inform the neighbors that the fence will be put up in the near future.

Water Audit—January data was provided. Graph summaries will be presented quarterly, unless requested more often by the Board. The water loss in ICR and TRR continued to be a concern. The Board discussed ways to trace the losses. The TRR losses are probably mostly construction

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use. A source of some of the ICR loss is the naturally occurring loss each time the pumps go on. There might be a way to measure this loss.

Action Item: Bob and Hal will get together to devise a plan for investigating and tracing water loss.

Water leaks—There is a leak at the pump station which will take about \$1,000 to fix. The Board believed it has already authorized that repair. The Cooper Morgan leak was repaired during a system shutdown on February 20.

Air in lines at TRR—The work planned to deal with this problem has been completed except for the tank modifications. This should be completed in the next few weeks.

Talking Rock system failure—Two variable frequency drives in the TRR pump station failed due to an electrical malfunction. This caused a loss of water pressure to the system, which was down for an hour before being restored. Bob ordered replacement VFD's, which cost \$14,586.85 and were installed on February 13.

Bill moved to ratify the expenditure of \$14,586.85 for the purchase of two variable frequency drives for the TRR lift station. Shirley seconded; motion passed unanimously.

TRR will be assessed a share of the cost at the end-of-year reconciliation.

Talking Rock system shutdown—An hour-long system shutdown occurred on February 20, to work on the pumps in the pump station and repair the leak on Cooper Morgan. There will need to be another shutdown in about a week to complete the pump station work. The Board recommended that notices of shutdowns be placed on the information board at the TRR post office building where most residents would have a good chance of seeing it.

Backflow testing—Letters to appropriate customers will be sent out in the next two weeks.

2. Bills of Sale:

Preserve at the Ranch—The attorney has the Line Extension Agreement almost finished and will get it to Bob in the next couple of weeks.

Talking Rock—Clint has nearly completed the list of assets. The Phoenix office is working on the Bill of Sale.

Whispering Canyon—Bob provided a copy of the letter he sent to the developer. He has received no response.

3. ADEQ Notice re wells influenced by surface water—Nothing new to report.

4. Well Abandonment—Waiting for a response from ADWR regarding the application.

5. Williamson Valley Fire District—The Association's attorney is preparing a draft of an agreement and expects to have it out shortly.

6. Non-profit status—The attorney is almost finished with the materials needed to go with the application and recommends the Board change some of the Bylaws and maybe the Articles of Incorporation, as well.

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7. **Rate Case Filing**—Bob received instructions from Tom Bourassa regarding the billing information he needed for the rate case. Bob ran a sample of two months to show Bourassa for confirmation before doing the entire year.
8. **Line of Credit**—The draft application has been sent to the ICRWUA Board members by e-mail for review and comment. The Board had a few concerns about parts of the application. Further discussion will be necessary.
9. **System water plan**—TABLED.

4. OLD BUSINESS:

- a. **Review Action Items** – The following action items are still pending, all others have been completed or closed:

Action Item: Bob and Hal will work on a water loss report.

Action Item: Earl and Shirley will meet with a county representative to discuss options for the maintenance of the flagpole parcel and the entrance.

- b. **Whispering Canyon Phases 5-7, Bill of Sale**—See Manager’s Report.
- c. **The Preserve Bill of Sale**—See Manager’s Report.
- d. **System Water Plan**

Action Item: Bob will prepare a report on the requirements and needs to prepare the plan at the next Board meeting.

5. NEW BUSINESS

- a. **Attorney review of Well Agreement**—Shirley offered to do a preliminary review before it is sent to the attorney.

Action Item: Shirley will review the Agreement and the letter to the attorney.

Action Item: Bill will go out to the well with Chris and evaluate the adequacy of the well and give Shirley any ideas he has.

The Board discussed placing sensors in the wells to monitor the water levels. This would need to be done at the time a pump was being pulled for another reason to save the expense. There could be a list of things that should be done any time a pump is pulled.

March Meeting—March 27, 2007 9:00 a.m.

Motion by Hal to adjourn the February 27, 2007 Board meeting at 10:45 a.m., seconded by R.J.; motion passed unanimously.