

ICR Water Users Association
Board Meeting Minutes—DRAFT-revised 4/24/07
March 27, 2007

Minutes approved: 4/24/07 subj to 4.c revision

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 (arriving at 9:40 a.m.), Secretary/Treasurer Bill Meyer, and Director Shirley Lilien. Director R.J. Howard was absent.

2. **Shirley moved to approve the Minutes of the February 27, 2007 Board Meeting with corrections noted; seconded by Bill; motion passed unanimously.**

Review of the Minutes of the February 17, 2007 Annual Meeting was tabled until the April 24, 2007 Board Meeting.

3. **REPORTS**

a. **Financial Reports**

The January, 2007 Financial Report was discussed, particularly the large increase in the Metered Water Sales figure for ICR.

Bill moved to approve the January, 2007 Financial Report with the exception of the Metered Water Sales figure for ICR. Shirley seconded; motion passed unanimously.

The February, 2007 Financial Report was reviewed and discussed.

Bill moved to approve the February, 2007 Financial Report. Hal seconded; motion passed unanimously.

b. **Manager's Report**—Bob Busch

1. **System Operations:**

Site Security—Bob had not spoken with the neighbors about the fence yet, but will do that before the next meeting.

Water Audit—February data was provided. The water loss in ICR and TRR continued to be a concern. The Board discussed ways to trace the losses in ICR. The Board will contact Chris Williamson to attend the April meeting and give the Board a report on how he can find the source(s) of the ICR losses and ways to reduce the amount of ICR water loss.

Water leaks—The leak at the Grey Bears pump station will be repaired by the next meeting.

Air in lines at TRR—The tank modifications are complete. But there is still air getting into the system. At least one resident reports the problem has not been solved.

Backflow testing—Letters to appropriate customers have been sent out and test results received. A summary report will be sent to the Board.

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2. Bills of Sale:

Preserve at the Ranch—The ICR attorney is preparing the Line Extension Agreement for signatures of all the parties.

Talking Rock—Harvard Investments is working on the Bill of Sale.

Whispering Canyon—Bob has received no response.

Inscription Canyon Ranch—Shirley will review the ICR Bills of Sale recently received.

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 has completed a draft agreement and expects to have it out shortly. The attorney stated the WVFD has agreed to pay the attorney fees for the preparation of the agreement. As a courtesy, the Board will allow Steve Pierce to review the agreement before it is signed.
6. **Non-profit status**—The attorney has drafted changes to the Bylaws and Articles of Incorporation and these should be available soon.
7. **Rate Case Filing**—Bob received an engagement letter from Tom Bourassa. He also set a date of April 10, 2007 for receipt of all information he needs in order to assure filing before the deadline. Bob will have that done.
8. **Line of Credit**—The application has been filed with the Arizona Corporation Commission. Bob believes they may require the Board to send notification of the application to all members of the ICRWUA.
9. **System water plan**—Bob will prepare a report of the things he will be able to do
10. **Financial Audit**—Bob arranged a meeting with an accountant on March 28, to discuss an audit proposal.

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. **Aqua Meadows agreement**—Bob and Earl met with Steve Pierce to discuss a new or revised agreement. Steve supports the connecting of the two ICR water infrastructures through a system under Williamson Valley Road. At this time, he does not wish to increase the cost of the water ICR purchases from him. He will expect to receive a percentage rate increase at the time of, and equal to, the rate increase approved by the ACC. He also wants the option to purchase the ICR water company if, at any time in the future, it is for sale.
- c. **Review of TRR well agreement**—Shirley stated she has reviewed the parts of the Agreement. She is missing exhibits and attachments. The board then discussed several aspects of the Agreement. The Agreement puts no cap on the amount of water the golf course at TRR is allowed to use per year. The water company has a limit on the amount of annual water use.

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Also, the golf course is using the residential water infrastructure to carry commercial amounts of water. This may put extra strain on a system designed for residential use and cause the system to depreciate much faster than planned, resulting in the need for expensive repairs sooner than anticipated. The golf course also pays a nominal rate for delivery of this water.

5. NEW BUSINESS

Hal moved to engage Tom Bourassa to handle the rate case. Bill seconded; motion passed unanimously. Earl will sign the Letter of Engagement.

Bill, Shirley, and Earl will form the Ad Hoc Committee to review the TRR well agreement in depth, and make recommendations to the Board.

April Meeting—April 24, 2007 9:00 a.m.

The March 27, 2007 Board meeting adjourned at 11:15 a.m.