

**ICR Water Users Association
Board Meeting Minutes
September 12, 2007**

Minutes Approved: November 13, 2007

Those Present:

Board Members

Earl Cummings, President
Bill Meyer, Secretary/Treasurer
Shirley Lilien, Director
R J Howard, Director

Contract Staff

Bob Busch, Manager

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1. **CALL TO ORDER** - The meeting of the ICRWUA was called to order at 10:40a.m. by Earl Cummings. Board member Hal Lobaugh and Meg Kleinman, Recording Secretary were absent. Bob Busch recorded the minutes of the meeting.
 2. **MINUTES OF LAST MEETING**- Several corrections were made to the draft Minutes of the August 16th during a review.

Motion: Shirley moved to approve the Minutes of the August 16, 2007 Board Meeting with the corrections as noted during the meeting; Seconded by RJ; motion passed unanimously.

3. REPORTS

a. Financial Reports

The financial report for August is not yet available.

b. Manager's Report –Bob Busch

1. **Water Audit** – Bob presented the usage summary for August. The ICR system had 3% water unaccounted for; the Talking Rock system showed 1.9 million gallons more sold than pumped. Last month the system showed 1.6 million gallons unaccounted for.
2. **System Water Plan** – Bob has nearly completed a draft of the plan. It will be forwarded to the board for review when complete.
3. **Rate Case** – Sufficiency letter has been received from The Commission. It has issued a procedural order specifying the schedule dates and deadlines for the rate case.
4. **Line of Credit** –National Bank has sent a new loan commitment letter to ICRWUA extending the deadline for the loan to November 15th. ICRWUA is to sign the letter by September 15th.
5. **Auto Pay System** – The auto pay system is ready for testing. Earl will be the test customer next month.
6. **Lead/Copper Tests** – Results have been received from the laboratory. ICR system was completely within limits. TRR system had two customers with results high enough to put results marginally over limits. If the second set of results are also over limits, we may be required to take other action. We will wait to see results from the second round of tests.
7. **Payments to Developers** - Repayment of Advances in Aid of Construction are due to begin for Whispering Canyon in 2007, and Talking Rock in 2008. A Bill of Sale has not yet been executed for Whispering Canyon, and back up cost information has not yet been received from Talking Rock for assets transferred initially in 2002 or assets completed later. Bob asked the

board whether or not we should begin to make these payments. The consensus of the board was that they should not begin until the bills of sale and asset valuations have been resolved.

4. OLD BUSINESS

a. Review of Action Items

As a result of the review, all action items except the following have been completed or otherwise closed:

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

Action Item: Bill and Bob will;

a. Research data at ADWR in Phoenix to establish the existence of Water Adequacy Reports for the TRR subdivision.

b. Research Yavapai County records for plat approval/water adequacy data.

Action Item: Bob will check with our rate case attorney and accountant regarding the difficulty (time and expense) involved in adding a fine of \$2,500 for water theft to the rate case.

Action Item: Bob will arrange to have the meter at the TRR pump station repaired.

Action Item: Bob will check regulations to determine minimum water pressure requirements and related remedies

b. Non Profit Status The board discussed the new loan commitment letter received from National Bank. It is nearly identical to the previous letter. Bill noted one error in the collateral paragraph. The consensus of the board was that the letter was satisfactory with the error corrected and initialed. The President was directed to sign the commitment letter.

c. Audit Letter of Engagement

A revised letter from Constance Pinney was discussed. It was pointed out that the board intended to have a procedural audit performed for 2006, and a financial audit completed for the 2007 financials. The commitment letter states both would be done for 2007. After some discussion, it was agreed that the commitment letter be annotated and initialed with the correct dates and signed by the president.

d. Well Testing

Bill reported on a meeting held with Southwest Groundwater, Earl, Chris and Harvard to develop a testing procedure for the well field. He reported it was agreed to conduct one, three day test of the well field during the week of October 22nd. Work will be done prior to that time to set up the wells for testing. The wells will be pumped continuously for the 3 days and water levels monitored in all three wells, plus checking water levels in the 4th well drilled by Harvard. The cost of the test is being paid for by Harvard.

The issue of air in the system will be addressed by modifying the manner water is delivered to the storage tank. It presently enters the tank at the bottom, angled toward the top. The modification will consist of changing the entry point to the top of the tank, there by permitting all the air to escape before it is pumped out of the bottom of the tank.

e. Architectural Committee

The board discussed the desirability of divesting the architectural committee from the water company. It was pointed out that in addition to being referenced in the by-laws, the matter is also covered in the CCR's for Inscription Canyon Ranch. After some additional discussion it was generally agreed that this matter should be discussed with our attorney to obtain legal advice.

Action Item: Bob will contact Bill Whittington to set up a meeting with board members at his office during the week of October 9-12. Board members will contribute a list of topics to be covered in addition to the architectural committee and proposed bylaw changes.

f. Letters to Developers – The board discussed the proposed letters to developers that were to be sent out last month. Earl held the letters because of language in the letters regarding a \$300 charge to new customers for estimated water use. Our rate case attorney's have advised against adding the \$300 fee to the rate case, and discourage the idea of such a fee. The board discussed ways to deal with water theft, and discussed new language added to the letter that eliminated the fee and instead would institute an honor system for contractors. The board members agreed with the final draft as read by Earl and directed the president to sign the letters.

5. NEW BUSINESS

No new business to discuss.

**Motion: Bill moved to adjourn the meeting at 12:00 p.m.; Shirley seconded; Motion passed.
Meeting adjourned at 12:00 p.m.**

October board meeting will be Tuesday, October 23 at 9:15am.