

**ICR Water Users Association  
Board Meeting Minutes  
November 26, 2007**

**Minutes Approved: Jan 22, 2008**

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 9:20a.m. by Earl Cummings. Bob Busch recorded the minutes of the meeting.
  - 2. MINUTES OF LAST MEETING-** Minutes of the Meeting of November 13, 2007 were reviewed and discussed. Some changes were recommended to the “items of note” under the August financial report. Additional clarifications were made to the topic of expense allocation.

**Motion: RJ moved to approve the Minutes of the November 13, 2007 Board Meeting, with changes as discussed by the board; Seconded by Shirley; motion passed unanimously.**

### **3. REPORTS**

#### **a. Financial Reports**

Bill presented financial reports for October.

October financials:

	<u>Month</u>	<u>YTD</u>
Revenues	\$23,630	\$249,179
Expenses	\$30,530	\$264,355
Net Income	\$(6,900)	\$ (15,175)
Assets & Liabilities	\$4,833,620	

Items of note:

Current assets of \$120,906 – about the same as last month.  
Property & Eqpt – down about \$11,000 – due to depreciation  
TRR is not current with monthly OM & R expense of \$1,750 per month per the Well Agreement. Only 8 months have been paid.  
Legal/Attorney expense continues to be a large item

**Motion: R.J. moved to approve the financial reports for October; Shirley seconded the motion; motion carried.**

#### **3b. Manager’s Report –Bob Busch**

- The ICRWUA application for financing approval is on the ACC agenda for November 28<sup>th</sup> at approximately 10:00am in Phoenix.
- The explanation of Bylaw language has not been received from the attorney, but is expected within a few days.

3. The second round of lead/copper tests is planned for the first week of December. The same households will be asked for samples that provided them the first series.

*Action Item: Bob will determine if addresses are available for all who participated in the first round of tests.*

#### **4. OLD BUSINESS**

##### **4a. Review of Action Items**

Action items were reviewed, and all items were determined to be complete.

##### **4b. Letters to Developers**

Earl presented the latest draft of letters to be sent to developer and Architectural Committees in connection with the water theft issue. The board discussed the drafts and agreed that that Earl should sign the letters as written.

*Action Item: Bob will print the letters on ICRWUA letterhead for signature.*

In connection with the issue, the board discussed the need to meter construction water at Talking Rock as set down in the Well Agreement. Presently, no metering of construction water is done, and it is not possible to determine if there is any actual loss or water use otherwise unaccounted for.

*Action Item: Bob will discuss with Clint the developer letter, and the need to meter construction water at Talking Rock.*

#### **5. NEW BUSINESS**

Due to scheduling conflicts, the order of new business was changed from the agenda.

##### **5a. Audit Results**

Bruce Eldridge, President of MDI Financial, Inc. joined the meeting for a discussion of the audit report prepared by Constance Pinney. The board reviewed the report and listened to additional background details and information regarding the report recommendations. Bruce addressed recommendations regarding risks of service interruption due to lack of cross-trained staff and security of information due to password sharing. Bob explained the background surrounding the recommendation on safeguarding of assets.

**Motion: Bill moved that the board accept the audit report and that the manager should prepare a memo to the board for file that details the response and actions taken by MDI and contract staff to implement the recommendation of the audit report; seconded by Shirley; motion carried.**

##### **5b. Agenda for December 14<sup>th</sup> meeting regarding the Architectural Committee**

The board discussed the agenda for an upcoming meeting with the ARC and ICRWUA and its attorney. It was generally agreed that Earl would open the meeting with background explaining the issue at hand, followed by turning to Bill Whittington, the attorney to discuss the legal aspects of the issue.

**5c. Agenda for Meeting with Harvard regarding well field test results.**

The board discussed the upcoming meeting with Harvard on December 11<sup>th</sup>, and generally agreed that the format would probably consist of Harvard/SWG presenting their interpretation of the test results, followed by ICRWUA's interpretation of the results, with some discussion of the need for additional meetings by at least some of the parties to attempt arrive at a consensual agreement of the results. A meeting prior to December 11<sup>th</sup> by the technical representatives is not expected to take place.

**5d. Newsletter**

A draft newsletter was reviewed by the board. With minor changes to a couple of articles, the board concurred with the plan to send it to members with the week.

**5f. TRR Expense Allocation approach**

In view of upcoming expense true-up with Talking Rock early next year, Earl presented an alternative allocation approach for handing of expenses attributable to Talking Rock for the operation of the water system. His suggested approach is to allocate costs based on water use. All costs of operating the system would be allocated based on the water used. This would mean that Talking Rock's share of operating costs would be determined on the basis of its share of the total water used by the entire ICRWUA system. The matter will be discussed further in the January meeting.

**5g. 2008 Operation budget**

Due to the length of the meeting, the 2008 budget was not discussed.

*Action Item: Bob and Bill will meet, review budget and prepare a detailed review/recommendation on the budget to the board. They will meet during the first week of December.*

**Non Agenda new items of Business**

**5h. Elections**

The board discussed the apparent decision by Harvard to send correspondence promoting candidates who are Talking Rock residents and encouraging residents to vote for TRR candidates. The board felt this action could further subdivision rivalries and would be contrary to ICRWUA's effort in treating all customers equally.

*Action Item: Earl will contact Craig Krumweide and express the board's concern.*

It is planned to mail ballots by the end of this week or early next. Seven candidates will be on the ballot. One nominee who was nominated by someone else, declined to run. The board discussed the qualification of voters, and agreed that ballots should be mailed to LOT OWNERS, who are water system customers as stated in the Bylaws.

**5i. List of potential Bylaw changes**

Earl presented the compilation of suggested Bylaw changes made by board members for presentation to the attorney in preparation of a draft of restated ICRWUA Bylaws. As finally agreed upon by the board, the following items will be forwarded to the attorney for inclusion in the draft:

1. Board member terms of 3-4 years duration.
2. Improve stagger of terms – fewer than 50% up for election in any year.

3. One board member from each subdivision with over (X) hookups. Others serve at large.
4. Approve bylaw changes by a simple majority of member votes at a meeting called for that purpose.
5. Election of board officers to occur at the first meeting of a newly elected board.
6. Residency requirement for board members – “full time” residents
7. .Director term limits of (x) years
8. Two signatures required to bind the corporation (president or vp + 1)
9. Limit consecutive number of terms for president to two- one year terms.
10. Removal of board member for specific causes – attendance, malfeasance, etc.
11. Recall provision for board member(s)
12. Mechanism for buying/selling assets, property
13. Mechanism for expanding the company – special meeting of members required
14. Other requirements for special meetings.

**Motion: Shirley moved to adjourn; seconded by RJ. Motion carried.**

Meeting adjourned at 1:35pm.

**There is to be no regular board meeting in December. The next meeting is scheduled for January 22<sup>nd</sup> at 9:15am in the Sales Office.**