

**ICR Water Users Association**  
**Board Meeting Minutes**  
**December 5, 2008**

Approved 1/27/2009

Those Present:

Board Members

Hugh Pryor, President  
Hal Lobaugh, Vice President  
Bill Meyer, Secretary/Treasurer  
Earl Cummings, Director  
Shirley Lilien, Director

Contract Staff

Bob Busch, Manager  
Recording Secretary  
Harvey Roberts  
Member Guests  
See Appendix A

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**1. Call to Order** - The meeting of the ICRWUA was called to order at 9:00 AM. by Hugh Pryor.

**2. Review Minutes of the October 28th Board Meeting.**

**Motion:** Shirley moved to waive reading of the minutes; Hal seconded; motion carried.

**Motion:** Hal moved to approve the minutes; Shirley seconded; motion carried.

**3. Reports**

**a. Bill and Bob presented the October Financial Report**

- Legal fees will be amortized. ACC has recommended that \$150K be amortized over 5 years - \$30K per year – as part of the Rate Case; the remainder of the legal costs needs to be expensed in the year it was incurred. MDI will make those adjustments in the November financials.
- Tom Bourassa CPA has recommended that the \$30K from Harvard for signing the WSA be shown as an expense reimbursement. It will not be shown as income but go directly as a credit against expense. This will be done in the November financials. The \$50K expected from Harvard when the order is issued by the ACC will be handled in a similar manner.
- SWI has said they will “work with us on the bill”. They will negotiate and work out an interest free payment schedule. Hugh will work this out with SWI when the final bill is received.
- Bob distributed and discussed the Rate Case Invoice and Payment History.

*Action Item: The Rate Case Payment History will be made available on the website.*

- Bourassa has billed \$3320.10. He will be invoicing Hearing & Testimony services

**Motion:** Earl moved to pay Bourassa \$3,320.10; Shirley seconded; motion carried

- Boyle, Pecharich, Cline & Whittington have billed Company \$1,332 for legal services associated with Records release, Bylaw amendment and Aqua Meadow easement. Board is not satisfied with the work on the Bylaws.

**Board approves payment but will ask attorneys to revamp the Bylaw amendment to the Board’s satisfaction at no additional cost.**

**Motion:** Bill moved to accept the October 31<sup>st</sup> Financial Report; Hal seconded; motion carried

**b. Bob presented the Water User Summary for September and October and Manager’s Report Dated December 5<sup>th</sup> 2008**

- Bill has adjusted the pumps’ priorities so that only Wells 2 & 3 were used. This allowed gathering performance data on the wells.
- Two customers are being disconnected from the system for non-payment. There is a policy in effect for determining when a customer will be disconnected. On a case by case basis the Company may file a request for payment in Small Claims Court.

- Company now has the information on the infrastructure to be transferred. IRS does not require re-filing of 2007 return and would accept the changes to assets in the 2008 non-profit return filed in May 2009.
- A committee consisting of Bob, Bill, Hugh and an MDI accounting person will recommend how to allocate assets between Aid or Contribution;

**Motion:** Hal moved to approve forming the committee; Earl seconded; motion carried.

- Bob presented an asset database that he has developed using MS-Access. This will be provided to MDI to maintain and update. This will be helpful in future rate cases

**Motion:** Bill moved to approve purchasing MS-Access database software for approximately \$350. Software will be used by MDI but owned by Company; Earl seconded; motion carried.

- Counting of ballots for the Director election will be done by Constance Pinney (or if not available by an unaffiliated person selected by MDI) and Dee Crooker.
- Some election ballots have been miss-printed and some may have been distributed to members. All members will be mailed a copy of the invalid ballot on white paper and notified that if the colored ballot received it in the earlier ballot mailing was garbled they must exchange it for a replacement. The election will be extended to January 8<sup>th</sup> 2009.

**It was later determined that a new ballot would be sent to all members.**

**Note:** A Board Policy question was raised regarding members (guests) not taping Board meetings. There was no consensus in the meeting that such a Board policy exists.

#### 4. Old Business

##### a. Review Action Items

*Action Item: Letter to developer of Whispering Canyon concerning well and tank.*

Letter sent but no response.

*Action Item: Bob to setup a meeting with the Developer of the Preserve to discuss transfer of infrastructure.*

Completed Developer had intended to attend today's meeting, but he is sick. See New Business.

*Action Item: Bob will resolve the discrepancy in assets transferred from Harvard by the next meeting.*

Completed. About \$100K of assets remaining is still unresolved

*Action Item: Committee (Hugh, Bill, Shirley, Bob & Chris Williamson) will produce a letter setting out the conditions that Company will require before accepting the operating responsibility for Talking Rock Phases 10, 12 & 13*

Replaced by following Action Item

*Action Item: Hugh will send letter to Harvard noting that ICRWUA will operate Phase 10 facility with TR covering cost of operation and repairs for one year. A draft letter has been submitted to Harvard; a response is pending.*

*Action Item: Shirley is assigned to develop a policy on providing information to members.*

Tabled

*Action Item from 12/11/07 & 1/22/08(Executive Session): Clarification needed for Voting in Board Elections.*

Tabled

*Action Item: Contact ARC concerning separation from Water Company.*

ARC is refusing to cooperate. Company will have to pursue legal means to separate.

##### b. Rate Case

All parties – ACC Staff, Company, Taylor and Harvard – agreed to the Staff recommended rates and tariffs and the amended and restated Water Services Agreement (WSA) dated 12/3/2008. Staff

wanted the property transferred to the Company which Harvard has agreed to do. There is a 5 year moratorium on any rate increase to the golf course, but if there is a concern about the financial stability of the Company an emergency rate increase could be granted.

**Board formally agrees unanimously to this agreement.**

Dayne Taylor adds that MXA has been included in the WSA and that the WSA replaces all previous agreements.

**c. Additional Fee Request from Auditor Constance Pinney**

Pinney has overrun her estimate by \$2330. It is likely Company will use her services for future audits. Records are now in better shape.

**Motion:** Bill moved to pay Pinney an additional \$1165; Hal seconded the motion; motion carried.

**d. 2009 Operating Budget**

Bill and Bob will distribute updated Budget. Comments will be expected before January Board meeting. Budget approval is required at the January Board meeting. It is understood that the final decision of the ACC could change the Budget.

**5. New Business**

**a. Rate Case Expenses**

Board members and Bob will be reimbursed for mileage and lodging expenses.

**b. The Preserve – Bills of Sale**

The developer Jim Hightell has sent Bob an E-mail that no reimbursement is asked for transfer of assets. Transfer documents have been provided.

*Action Item: Sign and have transfer document notarized.*

**c. Board thanks Earl Cummings for his long time service to the Company.**

**d. Recovery of Legal Fees**

Hal suggests an investigation if legal fees associated with the Rate Case can be recovered. This will be left for the new Board to pursue.

**Motion: Earl moved to adjourn meeting; Shirley seconded the motion; motion carried.**

**Meeting Adjourned at 11:00AM**

**Related Documents:**

ICR October 31, 2008 Financial Report  
Rate Case Invoice and Payment History  
Manager's Report December 5, 2008  
ICR Water Usage for September 2008  
ICR Water Usage for October 2008  
ICRWUA Asset Database Design

Dayne Taylor  
Russ Hubbard  
John Payne

**Appendix A Guest List**

Chris & Jimmy Stoner  
Leo Sullivan  
Clint Poteet