

ICR Water Users Association
Board Meeting Minutes
April 22, 2008

Those Present:

Board Members

Earl Cummings, President
Hal Lobaugh, Vice President
Shirley Lilien, Director
Hugh Pryor, Director

Recording Secretary

Harvey Roberts

Member Guests

See Appendix A

1. Call to Order - The meeting of the ICRWUA was called to order at 10:30 AM. by Earl Cummings.

2. Review Minutes of the February 19th Board Meeting:

Motion: Hugh moved to approve the Minutes as amended; motion passed unanimously.

3. Financial Reports:

Bob presented the Financial Report for January 2008.

Audit is in progress and should be completed by the next board meeting.

Motion: Shirley moved to accept the income statement; Hugh seconded the motion; motion carried.

Bob presented the Financial Report for February 2008.

Motion: Hugh moved to accept the income statement; Shirley seconded the motion; motion carried.

Bob presented the Financial Report for March 2008.

Rate case expense to date is about \$130,000. Payable amount is \$67,000.

Motion: Hal moved to accept the income statement; Shirley seconded the motion; motion carried.

4. Bob presented the Manager's Report of 4/22/2008 and the March Water Usage Report.

Residential use in Inscription Canyon System averaged 4,190 gallons per household

Residential use in Talking Rock System averaged 2,096 gallons per household (error in distributed report)

5. Review of Action Items:

Action Item: Bob will verify that Chris W. and MDI have proper coverage as Independent Contractors..

Action Item: Bob will explain the Unaccounted for Water at Talking Rock.

Line leaks are the apparent cause. On ICR side this amounts to 150,000 g/month

Action Item: Bob will ask Clint when Contractors will be given procedure for drawing Construction Water.

Hal says a meeting was held without Bob.

Action Item: Earl will send letter to R. J. Howard thanking him for his service on the Board.

Action Item: Each Board member is to turn in mileage to Bob for trip to ACC hearing (approximately 118 miles each way).

This was completed.

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

6. Rate Case

a) Payments

At the end of March ICR owe Snell & Wilmer (attorney) \$62,000 and Tom Bourassa (accountant) \$5,000.

Board instructs Bob to make a payment in April of the full amount owed to Bourassa and a partial payment of \$5,000 to the attorneys. Further payment determined monthly.

b) Current Status

Evidentiary portion has been continued pending settlement discussions with the Harvard. ICR and Harvard are negotiating a Letter of Understanding (LOU) that addresses the issues raised by ACC Staff and Intervener Taylor. The LOU is not meant to be binding upon the parties, but it forms the points for amending agreements with Harvard. LOU will be circulated to its members and customers when it has been finalized and signed. Board will meet with ACC Staff and all Interveners. A Special Meeting of ICR members will be called when the LOU is finalized. ICR will seek approval by the ACC of any agreement. ICR will modify the rate case filing to incorporate provisions of the LOU.

7. Questions/Comments from Members

1. Is LOU complete? Board has presented a final draft to Harvard and are waiting for a response.
2. Was an Engagement Letter signed with Snell & Wilmer before they were engaged? Yes
3. Why is rate case costing so much? ICR is a Class C utility which dictates the procedures required before the ACC.
4. Can members be assessed for the costs? Members are not assessable and cost will be incorporated into the water rates.
5. Why was rate case started? Increase needed for capital projects and required every 5 years by ACC.
6. How much has been spent to remove the ARC from the ICR? \$5,000 but this included changes to the By-Laws and the application for Non-Profit status.
7. Why is the ARC part of the Water Company? This was a decision of the original developer. If the residents turn down the proposal to separate the ARC from the Water Company then the attorneys have advised that the Company can bring the removal request to a Judge. Company has liability for actions against ARC.
8. What was the result of the Cost of Service Study? If costs are apportioned to different types of users based on demand for service and actual supply of a commodity the net result is that the Golf Course is underwriting the domestic users of water in Inscription Canyon Ranch. Full study is available on the ACC web-site.
9. What is being done about the water loss? Typical water company losses 5-10% and currently the Company is calibrating meters. For March the loss at Inscription Canyon was 9% and at Talking Rock 2%. Construction meters installed to track some of unaccounted water but meter in Inscription Canyon was stolen.
10. Is the negotiation with Harvard cover the rate paid for golf course water? Yes and covers many topics..
11. If rates are raised can Harvard decide to pull out of Water Company. Yes. This would cause additional rate hikes because the fixed costs would be spread over fewer customers. Some members voiced contrary comment that the residents are subsidizing the Golf Course.

12. Was the Letter of Understanding initiated by Harvard and when will Harvard respond to Water Company changes? LOU has gone back a forth between the parties. This is still in negotiation but an agreement is expected very soon. The hope is that it will be completed within several days.

13. Is there urgency in getting this agreement? Must this not be settled by June 30th? We are working hard on this; Judge had sense of urgency and ACC has some flexibility.

14. When a Letter of Understanding is signed will it be provided to Mr. Taylor? Yes as soon as there is an agreement it will be provided to Mr. Taylor and ACC staff. And then to the public.

15. Shirley Lilien referred to the rate case as a law suit. Is that appropriate? There is a Judge and legal procedures are followed but there is no one is being sued.

16. The Manager's Report mentioned a true-up with Harvard. Why must this be negotiated? There are some items that Harvard paid and others that Water Company paid. The amount in question is \$58,000.

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

Meeting Adjourned at 12 PM

Related Documents:

ICR January 31, 2008 Income Statement, Balance Sheet and Check Register

ICR February 29, 2008 Income Statement (YTD), Balance Sheet and Check Register

ICR March 31, 2008 Income Statement (YTD), Balance Sheet and Check Register

Manager's Report April 22, 2008

ICR Usage for March 2008

Appendix A Guest List

Eileen McGowan	13815 N Spotted Eagle
Shirley Leasure	5531 Inscription
Jimmy & Chris Stoner	13420 N Iron Hawk Dr
Jerry Fogarty	13495 N Yaqui Dr
Larry Bligh	13265 N Iron Hawk Dr
Becky Vickstein	6771 Johnny Mullins Dr
Dayne Taylor	13868 N Grey Bear Trail
Jerome Reid	13755 N Standing Bear Trail
Richard Hodsdon	15175 N Four Mile Creek Lane