

ICR Water Users Association

Board Meeting Minutes

Approved 3/24/09

February 24, 2009

Those Present:

Board Members

Hugh Pryor, President
Bill Meyer
Shirley Lilien
Jimmy Stoner

Contract Staff

Bob Busch, Manager
Chris Williamson- Water System Operator
Bruce Eldredge – MDIFS
Dee Crooker - MDIFS
Member Guests: See Appendix A

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

2. **Review Minutes of the January 27th Board Meeting and Special Meeting February 2nd.**

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

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

3. **Reports**

a. **MDI**

- Bruce Eldredge presented a report to the board. MDI is in the process of reconciling asset discrepancies that has existed since MDI took over accounting responsibilities. There have been three separate regulatory reports with three different numbers on them. These discrepancies were also noted on the recent audit by Constance Pinney. Now that the Company will report taxes as a non-profit, beginning with a “clean slate”, MDI is reconciling these numbers with information being provided by Bob Busch. The Company now has backup for assets values on the books except for Whispering Canyon, tank and well.
- The ACC provides for different depreciation rates than provided by IRS, however IRS allows for a different method is “reasonable”. The Company can justify using ACC depreciation rates, as they are generally longer than IRS rates. The Company will be using the ACC recommended rates.
- Bruce explained that the Company is now on full accrual accounting. Bills will be booked in the month received rather than when they are paid. Revenue has been accrued in the past and this will continue.
- Present billing software has the capability to track customer usage/payments necessary to determine customer “patronage” as required by bylaws & non-profits.
- MDI will begin to track customer calls. Most are complaints about the water bill being too high. MDI makes suggestions to the customer to check for leaks before a re-reading of the meter is dispatched. Bruce suggested that these steps be included in a company newsletter.
- Dee Crooker reported that 7 delinquent notices were sent out this month. Five have subsequently paid the account current. Three shut off notices were sent out, and two have not paid. These two accounts were set for shutoff today. One of these customers lives in the Phoenix area, the other is a local resident. The board requested that account disconnects be reviewed by the Manager before it is forwarded to Chris for meter shutoff.

- Ten customer payments were received in the Granite Oaks Water Users return envelopes that were inadvertently sent out with last months bills. Account numbers between the companies are different, and no payment credit errors resulted. MDI is taking steps to prevent any future problems of this sort.
- The handheld meter reader has been in for repair three separate times between Feb 2007 and Jan 2009. It costs approximately \$223 for repair, with a 30 day repair warranty. We have no backup unit. A new unit costs \$1,895 and it is not easily found. It is apparently out of production.

Action Item: MDI will research various options to purchase existing or upgraded handhelds and make a recommendation to the board next month.

b. Chris presented the February Operator's Report

- There is a leak in a water main line near the main TRR Pump Station. It will require a shutdown of much of the TRR subdivision for repairs.

Action Item: Bob and Chris will coordinate a shutdown date so that all customers can be mailed to customers. We will get a notice out by the end of the week to go with billing. A notice will also go on the TRR bulletin board.

- There was also a line leak on Silent Moon in TRR (phase 10), due to line cap that failed. It has been repaired.
- Phase 10 has one pump that appears to be near failing. A new motor or entire pump assy. should be ordered and the old unit parts could be used as spare. TRR is paying for costs of repairs.
- Hydro tank has been rewired and appears to be working correctly now.
- The alarm dialer has been installed, but a relay is needed to complete the installation.
- The surface water tests required on the wells is proceeding, but the actual sample collection will need to be done at an appropriate time when the tanks can be lowered and refilled during sample collection. The test requires at least 12 hours of well pumping to collect the sample. Chris does not anticipate any problems with the results, but the tests are required by ADEQ.

c. Bob presented the January Financial Report

- January financials are preliminary because the asset and depreciation numbers are not final.
 January revenues- \$19,435
 January expenses- \$38,202.
 Balance Sheet – Total net depreciation is much higher than last year due to additional assets
 - Accrued rate case expense is \$150,000 as established during rate case.
 A revised January and December 2008 report will be issued when the asset reconciliation is complete.

d. Manager's Report

- Bob summarized his February report. Water summary for 2008 and February were included. The board discussed some of the data for 2008. Water pumped for the TRR system was 15million gallons less than 2006, and is expected to continue at lower levels because of changes made at the TRGC. There appears to be high use from a commercial account in Whispering Canyon. There is also a high water loss in TRR in January.

Action Item: Bob will check the unaccounted for water at TRR to see if an explanation can be found. He will also investigate the high use at WC and report to the board.

- APS accounts for TRR have been transferred to ICRWUA. Contracts with APS for an E221 rate are in process that will save about 10-15% on electric costs. Bob recommended that the board contract with Bonded Collections of Prescott for delinquent/shutoff account collections.

Action Item: Bob will forward information to the board concerning the collection company for consideration at the next meeting.

- A meter verification program will be begun this year to check meter accuracy. About 50 customer meters per year will be tested.
- 2008 Well Agreement True Up has been completed and sent to Harvard. Harvard owes about \$4,500 for 2008.
- Bob reported that a customer complaint had been forwarded to the Company from the ACC, and Bob submitted a timely response to the complaint to the Commission. The complaint concerned bulk/construction water sales.

Action Item: Bob will send a copy of the complaint and response to each board member.

e. . Committee Reports

- **Asset Transfers** – All assets except for well#1 have been put on books. No Bills of Sale for WC have been executed. Backup for WC, phases 3&4 have been received. The committee will meet in March to make a recommendation
- **Bylaws** – report next month
- **ARC** – Nothing to report.
- **Aqua Meadows Agreement** – Draft amendment has been submitted to the company. It is under review by the board and by BPCW.
- **Snell & Wilmer Negotiations** – No report
- **ICR Entrance Parcel** – No report
- **Working Relationships** –No report
- **Board Policies** – No report
- **Acceptance of Phase 10 Pump Station**– No report
- **WSA Implementation**– No report
- **WV Fire District Agreement**– No report
- **Aqua Meadows Acquisition**– No report

Action Item: Bob will post an announcement on the website asking for member interest in participation on Committees.

4. Old Business

- a. Action Items-** All action items have been completed or assumed by Task Committees.

The board discussed whether or not a new line of credit should be pursued. No action taken at this time.

- b. 2009 Operating Budget** – The revised budget was discussed. The revision is based on accrual accounting. Rate case expense changed due to considering accrual accounting, and estimated payments for rate case expense of \$75,000 were added. Since rate case timing is a big part of the assumptions, the board would like to hold off further discussion until next month.

Action Item: Bob will set up a meeting of interested board members to go through the budget in detail.

- c. Annual Meeting-** The board discussed possible dates for the Annual Member Meeting. The board decided on Saturday, April 11th at 9:00am at the Fire Station on Outer Loop Road, subject to Hal's availability.

5. New Business

Tour of Facilities- The board discussed conducting a tour of facilities for interested members.

Action Item: Bob will place a notice on the website giving signup instructions to persons wanting to take a tour of the facilities.

Site Cleanup – Bob recommended that the ICR well site and the TRR Pump Station be clean up. Weeds at the well site are shoulder high inside the fence and there are weeds around the TRR Pump Station. The cost would be approximately \$1,000-\$1,100.

Motion: Bill moved to authorize Bob to have the two sites cleaned up at a cost not to exceed \$1,100. Jimmy seconded; motion carried.

Motion: Bill motioned to adjourn meeting; Shirley seconded; motion carried.
Meeting adjourned at 10:45 AM.

Appendix A: List of Members/Guests in Attendance

Shirley Leasure
Gene Leasure
Eileen McGowan
Chris Stoner
Jerome Reid

Leo Sullivan
Dayne Taylor
Russ Hubbard
Clint Poteet
John Payne