

ICR Water Users
Association



MEMORANDUM

TO: Board Of Directors

FROM: Bob Busch

Date April 24, 2007

Subject: Manager's Report

1. System Operations

Site Security - I spoke to the neighbor near the ICR well, informing them of our plan to fence the well site. The owner had no problem with the plan, and we had a friendly discussion about water & wells. The proposal from Prescott Fence has been signed and the fence installation starts on Friday April 27th.

Water Audit - Nothing new to report.

Water Leaks - Leak at the Grey Bears pump station – Repair work not completed yet.

Air in lines at TRR – Nothing new to report.

Backflow Testing – Letters were sent out to all affected customers. So far, I have received results for 14 of 18 customers. I will follow up on the missing 4.

2. Bills of Sale

Preserve at the Ranch – I received from the attorney the draft Assumption Agreement for the Extension Agreement between ICRWUA and Talking Rock. I suggested a substantial addition. A redraft has not been received.

Talking Rock – Harvard is still working on completing the Bill of Sale.

Whispering Canyon - Nothing new to report. I sent a letter to the developer and have received no response.

3. ADEQ Notice – re wells influenced by surface water - (Nothing new to report)

4. Well Abandonment – I contacted ADWR to discover that ADWR had sent a drilling card (indicating we could proceed with the abandonment) to the Well Driller (Del Rio Drilling) back in December. I contacted the driller and discussed a plan of action. I anticipate work will be done in the next month or two.

5. Williamson Valley Fire District - I received a letter from Bill Whittington asking if ICRWUA has any changes to the draft agreement provided several weeks ago.

6. Non Profit Status – A letter from the attorney and draft changes to the Articles of Incorporation and By Laws was received last week and forwarded to the board for review.

7. Rate Case Filing -- All requested data has been forwarded to the CPA and attorney. I have received an inquiry from Tom Bourassa concerning some of the data and am preparing a response.

8. Line of Credit - The ACC Staff has responded to the ICRWUA Application for Financing Approval with a letter and 17 questions. They initially requested a reply by April 16th. We asked for an extension and were granted an extension until May 6th. A copy of the letter from the Staff is attached. Proof of public notice is one of the Staff requirements. A notice has been sent to the Prescott Courier for publication. It should be carried in the paper the last week of April. Part of the request was for a compliance status report from ADEQ. Compliance status reports were received for both TRR and ICR systems showing major reporting

deficiencies. Copies of the reports are attached. A Quality Water Co. has contacted ADEQ for more information.

9. System Water Plan - I have begun a draft of the plan.

10. Financial Audit- I have contacted two firms who can perform a financial audit (Klecka Wilkins Klecka - Phoenix and Constance Pinney - Prescott). We should receive proposals from both by the next board meeting.

11. Talking Rock- Project Acceptance – I have had discussions with Clint Poteet regarding a formalized acceptance and turnover of work once it is completed and ready for operation by the water company. We propose to have the project engineer, developer/contractor, water operator and water manager (as needed) perform a walkthrough of facilities prior to turnover. At acceptance, a bill of sale would be transmitted to the water company.

Respectfully submitted,

Bob Busch

Attachments:

Water Usage Comparison Reports (March)

Water Usage Graphs – past 12 months

Letter from ACC Staff

ADEQ Compliance Status Reports- (system 13-263 & 13-303)