

ICR Water Users Association

MEMORANDUM

TO: Board Of Directors

FROM: Bob Busch

Date: August 26, 2008

Subject: Manager's Report

1. System Operations

Water Audit – The usage reports for July is attached. Last month the TRR System sold 1.7M gallons more than were pumped. This month, the system pumped .7M gallons more than sold. In reviewing meter reading data for the past few months, I discovered that the well read dates have been as much as two days before or after the read date for the golf course meter, which has probably caused wide fluctuations in monthly usage summaries. We will make a special effort in the future to read wells and golf course meter on the same day. In reviewing water loss year to date, we have pumped 66,590,000 gallons from January through July for the TRR System. The total unaccounted for water for January through July is 657,212 gallons. **This is less than 1% (.987%) water loss or unaccounted for, a very acceptable percentage.** The ICR System has pumped 16,240,000 year to date, and has 1,847,022 gallons unaccounted for, (11.37%).

Auto Pay Plan - 58 customers are presently signed up for Auto Pay.

2. Bills of Sale

Preserve at the Ranch – On hold.

Talking Rock –Following a meeting with Harvard on August 21st, Harvard has revised and resubmitted bills of sale with contractor invoice backup for all facilities completed in TRR from the beginning of the development to date. (Backup for phase 27- already transferred, has not yet been received, nor have contractor invoices been received for well costs.) Attached is a summary of assets by phase and the value of each. The total value of the infrastructure presently operated by ICRWUA is \$6,649,233.42. Another 1,225,987 is pending with the completion of Phase 10. Since about 2.4 million is presently carried on ICRWUA financial statements, these bills of sale represent an additional 4.2 million.

Since no values were recorded with the original deeds for wells, pump station, and infrastructure transferred in 2003, it is planned to re-record those bills of sale, and to re-record the bills of sale for phase 2, because values listed in them were in error.

Whispering Canyon - Nothing new to report.

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

4. Financial Audit- Asset records have been provided to Constance Pinney. She is reviewing asset records vs backup data. No report yet received.

5. Talking Rock- Phases 10,12&13 – Acceptance – A report providing the status of these infrastructure improvements has been provided to board members. A walkthrough is scheduled for August 28th.

6. Website - The new website, *icrwua.com* was activated late in July. The site presently has pages for rate case related information; service application and Auto Pay applications; newsletter; water quality report; meeting agenda; meeting minutes and an archives page for past meeting reports. The site also has a news flash link for the latest news. The cost for the website was estimated at \$800 to \$1,000, but actually cost \$1,214 including domain name and hosting setup. As a comparison, ICRWUA spent \$2,187.27 for postage and mailing expense in May and June for mailing information to members regarding the rate case.

The site received 247 visits during the last week of July and 276 unique site visits and 694 individual page visits since August 14th. The highest day total was 93 on Tuesday, July 29th.

7. Asset Records – In connection with the asset reconciliation of the Talking Rock infrastructure and associated adjustments to ICRWUA financials, I recommend that ICRWUA create a complete and detailed electronic record of all ICRWUA assets. Detailed information would then be available as to how many fire hydrants are in the system, how many feet of 8”,10”, 12” pipe, etc, and the value of these items. Each asset should be classified to the subdivision and the NARUC plant account (which is manner ICRWUA reports assets to the ACC annually). I am investigating what type of software will be needed to record and maintain this kind of data.

Respectfully submitted,

Bob Busch

Attachment: July Water Usage Summary

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Summary of Infrastructure Costs

STATUS OF CONVEYANCE OF TALKING ROCK WATER FACILITIES TO ICRWUA AS OF 8-22-08

WATER FACILITIES - BILLS OF SALE (8-08)

	Value	Status
Double Adobe - Phases 1, 2, and 3	\$401,028.74	OK to sign original.
Double Adobe - Phase 3D	\$76,110.00	OK to sign original.
Double Adobe Phase 9D & 9D Water Loop	\$200,301.00	OK to sign original.
Phase 1A	\$515,438.00	See attached revised Bill of Sale & Backup
Phase 1B	\$237,214.00	See attached revised Bill of Sale & Backup
Phase 1C	\$501,698.00	See attached Bill of Sale & Backup
Phase 3A	\$78,600.00	OK to sign original.
Phase 3B	\$34,834.00	OK to sign original.
Phase 3C	\$41,779.00	OK to sign original.
Phase 3D	\$96,508.00	OK to sign original.
Phase 4A	\$29,939.00	OK to sign original.
Phase 5	\$204,090.00	See attached Bill of Sale & Backup
Phase 8A	\$171,042.00	OK to sign original.
Phase 8B	\$137,414.00	See attached Bill of Sale & Backup
Phase 8C	\$197,998.00	OK to sign original.
Phase 9A	\$176,702.00	OK to sign original.
Phase 9B	\$199,027.00	OK to sign original.
Phase 9C	\$266,446.00	OK to sign original.
Phase 9D	\$156,506.00	OK to sign original.
Phase 10	\$1,253,881.00	See attached Bill of Sale & Backup
	\$4,976,555.74	

WATER FACILITIES - BILLS OF SALE ACCEPTED AND/OR RECORDED

Facilities	Date	Value	Status
Production Well 3	10/28/2003	\$160,091.08	Need original to re-record. Summary of well cost attached.
Off-Site Main	10/27/2003	\$957,018.00	Was not recorded-need original to record. Backup attached.
Chlorination Facilities	10/27/2003	\$14,618.02	Was not recorded-need original to record. Backup attached.
Phase 2	7/30/2007	\$300,572.00	Need original to re-record to reflect accurate costs-recorded
Phase 27	7/30/2007	\$125,037.00	Need original to re-record. Working on backup.
Production Well 2	5/27/2008	\$115,341.58	Need original to re-record. Summary of well cost attached.
		\$1,672,677.68	

PENDING WATER FACILITIES TO BE TRANSFERRED

Facilities	Value	Description
Water Tank & Booster Tank (Phase 9 & 10)	\$1,079,126.00	300,000 gal water tank
Production Well 1	\$81,543.00	Well Registration No. 55-584177
Ranch Compound	\$65,318.00	Utility Extension
	\$1,225,987.00	
TOTAL OF CONSTRUCTED FACILITIES	<u>\$7,875,220.42</u>	