

ICR WATER USERS ASSOCIATION
Board of Directors Meeting, ICRWUA Pump House
June 28, 2016 – Meeting Minutes

APPROVED

Board Members:

Jimmy Stoner, President
Harvey Roberts, Vice President
Michael Spitz, Treasurer
Tom Sullivan, Secretary
Curt Anderson, Director

Contract Staff:

Cheryl Ibbotson, Wallace & Associates
Pat Carpenter, aQuality Water
Bill Meyer, Hydrologist

Member Guests:

None present

1. Call to Order –

Jimmy Stoner called the meeting of the ICRWUA Board of Directors to order at 9:01 A.M.

2. Roll call of the Board –

Roll call of the Board was taken. **Directors present are noted above.**

3. Board approval of the 06-28-16 Agenda –

Jimmy made a Motion to approve the 06-28-16 Agenda. Curt seconded the Motion. Motion passed unanimously.

4. Review/Approval of 05-24-16 Board Meeting Minutes –

Tom made a Motion to waive the reading of the meeting minutes. Jimmy seconded the Motion. Motion passed unanimously. Tom made a Motion to accept the 05-24-16 meeting minutes. Jimmy seconded the Motion. Motion passed unanimously.

5. Operator's Report –

Pat distributed his report via email for Board review prior to the meeting ([click here to view the June report.](#))

Pat summarized the report orally.

Pat had questions with regard to three of the landscape/commercial meters that were scheduled for verification. He was unable to test three of the meters due there being no spigot available. Two of the meters had less than 160,000 gallons registered and one had 1.7 million gallons that had gone through it. It was decided that only the high registering meter would be replaced without testing and the other two would not be tested at this time.

Whispering Canyon Tank Land Monuments – Pat stated that this work was completed and after the meeting he was going to go out and review the final work. He stated that the work took eight to ten hours, well within the estimates projected.

6. Financial Report –

Mike distributed his reports via email for Board review prior to the meeting ([click here to view May report](#))

Mike summarized the following from his May 2016 report: He compared net ordinary income of May 2016 to May 2015 being a gain of \$2,578 and a loss of \$2,447 respectively. He stated that ICR NOI was \$4,204 and Talking Rock NOI was (\$1,626) for May 2016. He compared the balance sheets ending May 31, 2016 to May 31, 2015 and noted that assets had increased by \$98,343. The reason for this was primarily due to the increase in cash due to the Whispering Canyon settlement funds. Michael stated that there was a cash surplus for the month of \$16,280. Michael compared revenues and expenses for the month of May 2016 vs May 2015 and

noted that revenues increased by \$1,261 and noted that for electric power, repairs/maintenance and aQuality extras, those expenses decreased by \$2,457.

Michael reviewed the first quarter budget vs. actual report with the Board. He noted that repairs and maintenance was much higher than what was budgeted, and told the board he would investigate the details of those expenses and get back to the board with his findings. It was decided that a quarterly budget vs. actual report summaries would be created and posted on the website. A 2016 Q1 budget summary will not be included.

Michael made a Motion to accept the first quarter 2016 Budget vs. Actual Report provided by Wallace and Associates. Tom seconded the Motion. Motion passed unanimously.

Michael made a Motion to approve his financial summary with a minor noted typo correction and accept Wallace & Associates financial reports. Tom seconded the Motion. Motion passed unanimously.

7. Delinquencies -

Cheryl stated that there were none.

8. Bank Account Change –

Jimmy stated that a second account needed to be opened at National Bank of Arizona to raise their portfolio to a level 5 to lower the monthly service charges.

Action item: Jimmy and Michael to go to National Bank and open a Savings Account. They will transfer the Whispering Canyon Settlement funds into this account.

Curt questioned why the TRR and ICR CD funds were not earmarked as reserve accounts on the balance sheet. Cheryl stated that those funds matured and upon the maturity the board had decided not to renew and moved those funds into the Operating account with the intent being a potential negotiation factor in reducing the monthly service charges. It was decided that those funds would remain in the Operating account, however the total amount of the funds cashed out for each of the CD's with all interest earned would be noted with the cash accounts as reserve accounts for both ICR and TRR.

9. ARC Report (May 2016) –

There was not a representative for ARC present; Eileen McGowan provided minutes of the May ARC minutes prior to the meeting. ([Click here to view the May minutes](#))

10. Operations Committee –

Harvey reported the committee actions

1. It was discussed that the ACC Tariff has no provision for disconnecting a customer. This arose because account 2018802 has installed a well without a backflow device; rather than incur this additional expense the customer will obtain all water from the well and has requested to be disconnected from ICRWUA. Administration and aQuality Extra charges will be billed to customer.
2. A policy statement was passed that for **Non-Tariff Situations** on behalf of a customer request, the cost incurred to ICRWUA be billed to the customer.
3. It was noted that a backflow device is needed when any outside water can enter our system from a well, rainwater harvesting, etc.
4. Pat will check regulations to determine if a physical disconnect is required or if locking the meter is sufficient.
5. It was decided to send a bill to of account 9701001 for under-billing for period from January 2011 through January 2016.

6. Meeting will be held with Cynthia Wallace to have all county taxes for ICRWUA's real estate parcels included in the state's Notice of Value. State uses small water utility revenues to determine the required county tax assessment.
7. The contract with aQuality was signed by Jimmy and Michael.
8. Building address mix-up on APS records for the ICR Pump House and WC Booster Station has been corrected. There is still a question if it is necessary to heat the ICR Pump House; a Civiltec review is necessary of the water distribution and need for the pipes and valves in the building.

Jimmy made a Motion that they will establish as policy that all costs that are not on the tariff schedule, that are incurred on behalf of a customer's specific request, will be billed to the customer. Michael seconded the Motion. Motion passed unanimously.

11. Water Use Reports (May monthly) – ([click here to view the May report](#))

Bill Meyer summarized May by the amount of water pumped, delivered, sold, metered production losses and the resulting percentage of Loss/Gain (water unaccounted for). He noted that the report appeared to be missing the Metered Production Loss for the ICR system; he said that would need to be investigated and corrected if necessary. After detailing the ICR and TRR systems he determined that the average daily residential use per customer for the ICR system was 261 gallons and for the TRR system it was 177 gallons. Bill has distributed a report covering the ICR wells. The report establishes the water adequacy after pumping tests. After review a decision will be made if the report is to be available on our website.

Action item: Cheryl to check with Derek regarding the missing information for the ICR system (metered production loss).

12. Asset Committee –

Tom stated that he was going to schedule a meeting with Cynthia, this Thursday at 11 a.m. with Jimmy and Harvey to review all taxable assets, to make sure there was no double taxation between County and State. Jimmy stated that Harvey did some investigation and determined that if assets were taxed at the State level as opposed to the County, taxation is more favorable for utility companies because they use a system that is based on revenues, not based on a physical estimate of values.

13. Website status –

Curt stated that everything was up to date, however it was noted that the links to the minutes were not working, so the minutes had not been posted. They would have to determine how to fix the website links. Harvey will add articles concerning Pinyon Scale and Mistletoes to the Conservation tab.

14. Review Action Items –

The action item list was reviewed and updated, and it was noted that all completed items from prior meeting had been removed from the current list.

15. Talking Rock Phase 12 & 13 –

Jimmy stated that construction of Phase 12 had started and he was awaiting confirmation from Clint when the water infrastructure would commence. He stated that with regard to Phase 6, no information had been sent to Civiltec yet.

16. Whispering Canyon Status –

Jimmy stated that the matter was settled, a settlement check had been received and an insurance check was received yesterday as a reimbursement of legal fees in the amount of \$49,416.26.

17. County Franchise Renewal Application –

Jimmy stated he and Tom had a meeting this afternoon with the County and suspected that this matter would be wrapped up upon conclusion of that meeting.

18. Annual Meeting Follow-up–

Jimmy stated that he felt that the meeting went very well and also had gotten some feedback out in the community that some of the attendees felt the same. Jimmy will take a first cut at a newsletter.

19. Contract Renewal Review Meetings–

Jimmy stated that contract renewal aQuality had previously been approved in an Operations Meeting and Wallace Utility Billing Solutions would be finalized today.

20. Pending Actions –

Tom made a Motion that a check for \$75 be made payable to each of the board members to cover their incidental expenses for the year. Jimmy seconded the Motion. Motion passed unanimously.

21. Public Comment Session –

There were no comments from the public.

Michael made a Motion to adjourn the regular meeting at approximately 11:00 A.M. Jimmy seconded the Motion. Motion passed unanimously.