

ICR WATER USERS ASSOCIATION
Board of Directors Meeting, ICRWUA Pump House
November 24, 2015 –Meeting Minutes

Approved

Board Members:

Jimmy Stoner, President
Harvey Roberts, Vice President
Tom Sullivan, Treasurer
Diane Trocchio, Secretary
Curt Anderson, Director

Contract Staff:

Cheryl Ibbotson, Wallace & Associates
Pat Carpenter, a-Quality Water
Bill Meyer, Hydrologist

Member Guests:

None Present

1. Call to Order –

Jimmy Stoner called the meeting of the ICRWUSA Board of Directors to order at 9:00 A.M.

2. Roll call of the Board –

Roll call of the Board was taken. All present as noted above.

3. Board approval of the 11/24/15 Agenda –

Tom made a Motion to approve the 11/24/15 Agenda. Curt seconded the Motion. Motion passed unanimously.

4. Clerk Position Motion & Vote –

Harvey started the discussion by stating that the clerk position had not previously been a position of the water company, historically members of the board assumed the responsibility of preparing the minutes without charging a fee. Jimmy stated that it indeed had been board members or other's preparing the minutes for no fee, but the task had become quite time consuming. Diane no longer had the time to do the minutes and Cheryl had offered to take on the responsibility under the Wallace & Associates contract. Cheryl had emailed the rates under the contract to be reviewed by the board for approval.

Jimmy made a Motion for Cheryl; under the Wallace & Associates contracted rates attend the monthly meetings and prepare the minutes of those meetings. Tom seconded the motion. Four members in favor, one member not in favor. Motion passed.

5. Member/Voting Discussion –

Jimmy opened the discussion stating that under the by-laws contractors that established meter/water accounts in their name for their customers were not eligible to vote in the upcoming election. It was noted that under amendment 7 only members of the association were eligible to vote. It was decided that on those accounts that were under a contractor's name, the owner of the home under construction would receive the ballot, service application and a letter explaining to them the requirements of the association accepting their ballot. (The owner would need to complete the application and return with their ballot. If a ballot was received without a signed application the ballot would be invalid and not counted).

Jimmy made a Motion to send a service application and letter of explanation with the ballot for those accounts under a contractor's name and only accept ballots returned with a completed application. Tom seconded the motion. Four members in favor, one member not in favor. Motion passed.

6. Review/Approval of 10/27/15 Board Meeting Minutes –

Diane made a Motion to waive the reading of the meeting minutes. Curt seconded the Motion. Motion passed unanimously. Diane made a Motion to accept the 10/27/15 meeting minutes. Jimmy seconded the Motion. Motion passed unanimously.

7. Operator's Report –

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

Pat presented a quote from HD Supply Waterworks, LTD that had pricing for 1 ½ " & 2" Neptune commercial meters and also a cost for parts needed to re-build the same size meters as per the discussion that took place in the Operation's Meeting.

8. Financial Report –

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

Tom summarized the following from his October 2015 report: Net ordinary income for the entire system was \$(26,824) which was a \$1,182 improvement in this October's NOI from last October 2014. There was a cash surplus for the month in the amount of \$3,381. Revenue increases for October 2015 compared to October 2014 were wiped out by commercial negative revenue. This loss resulted from a Board approved decision to credit \$13,232 in overcharges to the TRR Club Pro Shop, TRR Ranch House & TRR Tack House. There were no legal expenses for the month of October. Property taxes were \$647 less than 2014. Total current assets increased by \$3,381 from the previous month. It was recognized and noted that Net Ordinary Income includes monthly depreciation & amortization.

Tom made a Motion to approve his financial summary for the month of October 2015. Curt seconded the Motion. Motion passed unanimously. Tom made a Motion to accept Wallace & Associates October 2015 financial reports. Jimmy seconded the Motion. Motion passed unanimously.

9. Delinquencies –

Cheryl stated that there was one past due account that currently is in escrow. She contacted the title company and they have agreed to pay all balances in closing.

10. CD Renewal –

Tom stated that he has been researching other financial institutions to transfer the operating cash and CD accounts to a different bank that may give the association a better deal with regard to the monthly bank service charges. Currently National Bank of Arizona is charging between \$80 to \$115 per month. He is providing a memo of requirements to the financial institutions that he has met with, outlining the number of transactions, ACH upload features, the transfer of the Certificate of Deposits, etc. He has currently met with Chase, Wells Fargo and the AZ Credit Union. Each bank that he has met with has requested the analysis of bank service fees that National Bank is charging. National Bank does not include the analysis fees as part of the monthly bank statement. Tom stated that he will make a request to National Bank for a breakdown of the analysis fees to provide the other institutions in order to get concrete proposals from them and he will report his findings next month.

11. ARC Report (October 2015) –

There was no representative from ARC at the meeting; there was no report given.

12. Operations Committee –

- **Commercial & Landscape Meter Testing**

Harvey stated that the Operations Committee met last week and they discussed the testing of the commercial and landscape meters. Pat was instructed to get a cost for purchasing replacement meters, sending meters out for calibration, rebuilding and testing meters. Pat provided some written quotes he obtained from HD Supply Waterworks for the Board to review.

Harvey stated that he contacted Cheryl and Derek to get a current reading of each of those meters to determine the wear of each of the meters; during that exercise, he discovered that two of the meters were using the wrong multiplier. The two meters that were being billed with the wrong multiplier were being billed to TRR HOA. Harvey stated that when his research and review was completed, a meeting would have to be set up with the HOA representative to discuss an agreement for the unpaid water.

- **Meter Replacement Budgeting**

Harvey asked how many meters stop working in a typical year and Derek stated approximately five, 90% of all the meters in the association are $\frac{3}{4}$ " meters and the remaining 10% are 1". A $\frac{3}{4}$ " meter cost is \$65 and a 1" meter cost is \$242; the labor cost to replace a meter is \$95. Harvey suggested that a new budget category be added to next year's budget for meter replacement in the amount of \$2,000 and that verification tests should be increased to sixty per year.

Hydrant Service by CYFD

Michael Freeman sent an e-mail inquiring who would be servicing the hydrants in the subdivisions in the future. Pat stated that he will contact CYFD and WVFD and let them know that a-Quality would continue the maintenance and CYFD would coordinate with Derek to be present when they test the hydrants.

TRR Credit Adjustment

A request was made by TRR that the credits that resulted on three accounts for incorrect meter size either be refunded by check or applied to the Lake account billing. It was decided to refund the current credit balances, with a separate check for each account to close out the credits going forward.

Jimmy Stoner made a motion to release the TRR refund checks totaling \$13,228.28 to close out the credits resulting from three TRR accounts being overcharged due to incorrect meter sizes. Harvey seconded the Motion. Motion passed unanimously.

Early Meter Install Review

Harvey stated that there are 170 accounts to research the factory date as opposed to the 2005 date that the database has supplied for meter age. He asked Pat how long that project would take; Pat estimated that would take 15 to 17 hours. It was decided not to incur the expense to do this research.

Miscellaneous Operations Committee Actions

With regard to the upcoming election it was determined that only members that were on the active customer lists as of October 31, 2015 would be eligible to vote and those Landscape & Commercial customers that had more than one meter on a parcel would get one ballot per parcel.

The November 6, 2015 Legal bill was reviewed and approved during a previous operations committee meeting.

The staked area at the WC Tank was viewed and determined proper and Civiltec would also verify.

As per BMP 4.2 Test Verification logs would be turned over to Cheryl to update and maintain.

13. Water Use Reports (October monthly) – ([click here](#) to access October 2015 report)

Bill Meyer summarized the amount of water pumped, delivered, sold, metered production losses and the resulting percentage of Loss/Gain (water unaccounted for). After detailing the ICR and TRR systems he determined that the average daily residential use per customer for the ICR system was 239 gallons and for the TRR system it was 159 gallons. He stated that the average daily use per customer for ICR/TRR system as a whole was 206 gallons. Bill referenced the pump use and water levels report that he does periodically stating that comparing January through October 2014 to the same period for 2015 there has been an increase of 6 customers for ICR and 7 for TRR; however the amount of water pumped and sold has reduced significantly. Bill stated that Derek would start providing the Molly Way water loss to Cheryl

to be included with the Metered Production Loss under the TRR system on next month's report going forward.

14. Asset Committee –

Tom and Jimmy met with Cynthia and reviewed and worked on reconciling the asset lists to depreciation schedules, Cynthia is still working on it.

15. Website status –

Curt stated that everything had been sent to the website master and should be posted next week. Harvey stated that there were a lot of meeting minutes posted on the website that were in draft format that should be changed out to the finalized versions. ***An action item was made for Diane & Jimmy to review minutes posted to the website for approved status and update.***

16. Review Action Items –

The action item list was reviewed and updated.

17. 2015 Election Status & Ballot –

Jimmy summarized the status of the upcoming election stating that the ballot was created and approved; Harvey & Cheryl worked on the eligible member mailing lists which identified Owners vs. Renters, Owners vs. Contractors and Landscape accounts with multiple meters on a parcel. All ballots would go out as planned. Jimmy stated that the ballot count procedure used by Wallace & Associates in the past would be sufficient and no viewing would be necessary.

18. Talking Rock Phase 12 & 13 –

Jimmy stated that there were no further updates and Clint would initiate something in December or January.

19. Whispering Canyon Status –

Jimmy stated that they had a final draft of the settlement agreement and exhibits and they are very close to executing those agreements hopefully in the next two weeks.

20. Ballot Counting –

The ballot count procedure was previously discussed and would be performed by Wallace & Associates.

21. Next Meeting –

Jimmy stated that the December meeting was typically skipped and either held in early January or combined with the January regular meeting. It was decided that they would decide mid-December or after Christmas whether an additional meeting in early January was warranted. It was discussed that a letter would need to be drafted to the newly elected board member to let them know that they would take their seat on the board at the first regular board meeting in January. ***Jimmy took an action item to draft a letter to the newly elected board member.***

Jimmy made a Motion to adjourn the regular meeting at approximately 11:33 am. Curt seconded the motion. Motion passed unanimously.