

**ICR Water Users Association**  
**Board Meeting Minutes**  
**October 28, 2008**  
**Approved December 5, 2008**

Those Present:

Board Members

Hugh Pryor, President  
Hal Lobaugh, Vice President  
Bill Meyer, Secretary/Treasurer  
Shirley Lilien, Director

Contract Staff

Bob Busch, Manager  
Recording Secretary  
Harvey Roberts  
Member Guests  
See Appendix A

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

**2. Review Minutes of the September 23rd Board Meeting.**

**Motion:** Hal moved to waive the reading and approve the minutes; Bill seconded; motion carried.

**3. Reports**

**a. Bill discussed errors in the Financial Report for August 2008.**

- Harvard is current in their accounts payable. Payments are recorded in the Operations and Maintenance account.
- A Quality expense allocation between ICR and TR has been reversed since March. This is corrected in the September report.
- Current liabilities represent payable to SWI and the receivable from Harvard. In the future this will be broken out as sub-categories

**Motion:** Bill moved to accept the August Financial Report; Hal seconded; motion carried

**b. Bill presented the September Financial Report**

- For signing the Well Service Agreement, Harvard paid the Company \$30,000. The Company then paid \$30,000 to SWI. Accounting rules do not allow this to be expensed until the ACC allows amortization of the Rate Case expenses. A note will be added to the report to clarify overstated income.
- Items purchased for ICR (meters, etc) changes net depreciation figure.
- Checking Account balance as of 10/27/08 is \$84,318.94

**Motion:** Bill moved to accept the September Financial Report; Hal seconded; motion carried.

**c. Bob presented the Rate Case Invoice and Payment History**

- Cost of securing \$50,000 Line of Credit was \$15,382.30. ACC dictates a costly process.
- Total Rate Case cost given as \$278,751.44. This includes SWI billing only through August.
- Payment of \$5,000 per month to SWI has been ended. Bill notes that as Treasurer he feels that he should have been told of this change.
- Tom Bourassa has billed Company \$1,936.20 for testimony. Bill notes that Board has not authorized this activity and asks that in the future board procedures be followed.

**Board approves payment.**

- d. **Bob presents an invoice from Wittington totaling \$4,211.19 for legal work concerning Bylaws, ARC, Pierce well agreement and access to records.**
  - **Board approves payment.**
  - ARC separation may require court action because the members of the ARC board seem to be ignoring the Company's requests.
- e. **Bob presented the Manager's Report of 10/28/2008 and the September Water Use Summary (miss-labeled August)**
  - Bills of Sale for Whispering Canyon well and tank have not been found. If they can't be found by December 1<sup>st</sup> then Company will accept them as Contribution and depreciation will be adjusted.

*Action Item: Letter will be sent to Developer*

- Bill to provide water adequacy report for each TR Phase.
- Preserve has no agreement for infrastructure transfer to the Company. Two customers affected.

*Action Item: Bob to setup a meeting with the Developer to discuss this situation.*

- 4. **Constance Pinney presented Audited Financial Statements for year ended December 31, 2007.**
  - Some ACC requirements aren't met because cost records not complete.
  - ACC requires full accrual.
  - Need to notify IRS that early records are not available.
  - Tax return for 2007 must be amended to bring the TR plant up to \$6.5M.
  - ACC must be notified of change.
  - She will send Management Report to Bob.
  - Hugh signed the Disclosure Letter.
  - Auditing effort exceeded the Engagement Letter amount (\$6K) by \$2,300. No action to increase payment.

## 5. Old Business

### a. Review Action Items

*Action Item: Bob will resolve the discrepancy in assets transferred from Harvard by the next meeting.*

Not complete

*Action Item: Committee (Hugh, Bill, Shirley, Bob & Chris Williamson) will produce a letter setting out the conditions that Company will require before accepting the operating responsibility for Talking Rock Phases 10, 12 & 13.*

Not complete

*Action Item: Website will contain only items concerning Board actions. A link to the ACC docket is acceptable, but Petitions and the Freeman letter are not appropriate and will be removed.*

Complete

*Action Item: To provide a convenient link to all Board actions related to the Rate Case, the Website will have Board Minutes, Financial Reports, Manager Reports, Water Usage, etc covering from January 2006 to the present.*

Complete

*Action Item: Shirley is assigned to develop a policy on providing information to members.*

Tabled

*Action Item from 12/11/07 & 1/22/08(Executive Session): Clarification needed for Voting in Board Elections.*

Tabled

**b. TRR Phases 10, 12 & 13 Acceptance**

Hugh will send a confirming letter to Harvard noting that Chris will operate facility with TR covering cost of operation and repairs for one year.

**c. Rate Case**

Hearing at ACC scheduled for December 1, 2 and possibly extending to the 3<sup>rd</sup>.

**6. New Business**

**a. Member Meeting**

Scheduled for 6:30 PM tonight (10/28), chairs will be provided. Presenter will be Jeff Crocket (SWI attorney).

**b. Bylaws Changes**

Draft amendment was prepared by attorney increasing Board to seven.

Hal would like to increase the size of the Board to 9.

Discuss this at the next Board meeting.

**c. Bills of Sale for TRR and WC**

Bills of Sale that needed correction have been recorded.

Waiting for outcome of the Rate Case to complete the remainder.

**Motion:** Hal moved to adjourn meeting; Shirley seconded the motion; motion carried.

**Meeting Adjourned at 11:30 AM**

**Related Documents:**

ICR August 31, 2008 Financial Report  
ICR September 30, 2008 Financial Report  
Rate Case Invoice and Payment History  
Manager's Report October 28, 2008  
ICR Water Usage for September 2008

**Appendix A Guest List**

Jerome Reid  
Larry and Tina Bligh  
Chris & Jimmy Stoner  
Dayne Taylor  
C. L. O'Brien