

**ICR WATER USERS ASSOCIATION**  
**Board of Directors Meeting, ICR Pumphouse**  
**December 4, 2013 Meeting Minutes**

**DRAFT**

Those Present:

**Board Members**

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

**Contract Staff:**

Pat Carpenter, aQuality Water

**Member Guests**

|                  |              |              |              |
|------------------|--------------|--------------|--------------|
| Hillary Peterson | Chris Stoner | Dayne Taylor | Clint Poteet |
| Tim Emberlin     |              |              |              |

**1. Call to Order –**

The meeting of the ICRWUA was called to order at 9:00 A.M. by Jimmy Stoner.

**2. Roll Call of the Board –**

Roll call of the Board was taken. Everyone was present.

**3. Board Approval of the 12/04/13 Agenda –**

Harvey stated that he wanted the next meeting date added to the current agenda and the agenda item under New Business; ownership of Facilities Land in TRR moved up to Operations Committee.

**Motion: Jimmy made a motion to accept the December 4, 2013 meeting agenda as modified; Tom seconded the motion; motion carried.**

**4. Review and Approve Minutes of the 10/29/13 Board Meeting –**

**Motion: Jimmy made a motion to approve the corrected and distributed minutes of the October 29, 2013 meeting. Harvey seconded; motion carried.**

It was noted that the minutes are distributed to the board via e-mail, reviewed and corrected in this manner by the board. That is how they can be approved in the meeting without re-reading, once approved they are posted to the website.

**6. Reports**

**A. Operator's Report –**

Pat Carpenter distributed a copy of his monthly report to the board and summarized by highlighting the following: Molly Way was flushed and fire pumps were exercised. Pat obtained quotes for the repair/replacement of the Kooltronics unit at the Cooper Morgan boost station. Pat distributed quotes for replacement of the unit by Kooltronics and stated that the unit was about twelve years old and its useful life was probably up. If they only replaced the compressor they would be taking a gamble that some of the wiring had not burned out as well. Jimmy noted Harvey requested that they table this item and the auto-dialer bid discussion and move them to the Operations Committee for review at a later date. (Dayne Taylor suggested investigation of a cold water heat exchanger as an alternative?) Pat continued his report stating that the annual valve exercise program was complete; they have been providing weekly data on the ICR wells for Bill, he noted that the bubbler tube on ICR well number one was plugged and they would need to use a sounder on it to determine what was going on. Bill stated

that they could follow up with Pump Tech about a reimbursement if it was pinched by the work that Pump Tech did last month.

***Action Item: Pat to contact Pump Tech regarding bubbler tube.***

Pat stated that they retested ICR Well #1 and Talking Rock Well #1 MPA sampling and both results were good, he stated that the previous results were either due to the cartridges or the lab. The lab will forward the results to ADEQ. The work on Molly Way and Double Adobe is complete with exception of the gutters and downspouts; they are waiting on those bids (The bids will also include gutter over the two doors at the ICR Pump House). Pat stated that the meter reading went good for the month, all monthly samples were done and sent to the lab, and all equipment was functioning properly with the exception of the Kooltronics unit. Harvey noted that Clint agreed to handle the drainage at Molly Way and that had been completed yesterday.

### **Financial Report (September 2013) –**

Tom stated that they had a pretty good October with ordinary income of \$35,880 and ordinary expenses of \$54,645 resulting in ordinary net loss for the month of (\$18,765) Reviewing the two systems individually, the TRR system had ordinary income of \$21,047, ordinary expenses of \$39,636 resulting in net ordinary loss of (\$18,765); the ICR system had ordinary income of \$14,832, ordinary expenses of \$15,009 resulting in a net ordinary loss of (\$177). Tom stated that there were \$9,105 in property taxes allocated to TRR and \$21 in property taxes allocated to ICR. Harvey stated that there was a miss allocation by Cheryl to the two systems. Tom reviewed the allocations for the past several years. Jimmy stated that in 2009 there was additional infrastructure and property added for Molly Way and the TRR Well field property. Harvey stated there was a problem at the assessor's office because the bills were all for the ICR side (Magner Tank & WC Pump House property) and hardly anything for the TRR side and it did not seem to make any sense. And, electric power costs were in line with water pumped.

***Action Item: Tom and Harvey meet with Wallace & Associates to investigate property taxes and the proper allocation to the appropriate water system.***

Tom reviewed the balance sheet activity from September to October stating that overall there was an increase in assets over liabilities and an increase in assets from October of last year to this October of approximately \$35,000. October cash flow was positive by about \$8,000. Tom began detailing the comparison of revenue and expenses of October 2012 vs. October 2013; he stated that water revenues had decreased by 4%, commercial revenues increased slightly and lake revenues increased by 24%. With regard to the expenses, repairs and maintenance rose due to equipment repairs, property taxes increased by 8.7% and there was a significant increase in water testing of \$2,002. Pat noted that there was a refund of approximately \$1,700 that was received by Cheryl from the State Procurement office for MAP testing. There were no late customers for the second month in a row. Tom stated that on November 15, 2013 he transferred \$50,000 from the Operating accounts and increased the existing ICR CD by \$27,000 and the TRR CD by \$23,000.

Jimmy inquired whether Tom was able to obtain a detailed list of well assets. Tom stated that there were 5 wells listed on the depreciation records and the ACC reports. It was determined during the discussion that as per the depreciation records the following wells were identified; January 1, 1997 – ICR Well #1, November 1, 2003 – TRR Well #3, December 2003 – WC Well #1, May 20, 2008 – TRR Well #2 and June, 2009- TRR Well #1. Harvey stated that ICR Well #1 and WC Well #1 did not belong to us. Jimmy stated that all of the ICR well field pumping equipment was owned but not the wells.

***Action Item: Tom, Harvey and Jimmy to meet with Wallace & Associates to resolve errors in the depreciation schedule and well numbers.***

## **7. Committee Reports -**

A. **ARC Report** – Hillary stated that there was no November meeting. Jimmy stated that Eileen forwarded to the board the ARC Report for October, so Hillary could summarize what was on it. She said Lot 89 project was complete and deposit was refunded, Lot #39 a block wall was completed around the propane tank, Lot #9 wants to put up a split rail fence and the committee is following up on the plans for approval, and a refund of the builder’s deposit for a lot owned by Fulton Homes on Inscription Canyon Drive was made.

**B. Operations Committee –**

**ICR Well #2 Status** – Harvey stated that the Whispering Canyon “lost” well was located in the Long Meadow area. Old Capitol transferred the well to ICRWUA with an easement but the land was not transferred. The land eventually was sold by Old Capitol to an individual named Allen Nell in 2008. Harvey stated that the question at hand was do we own the water or just the well? He stated that they had been getting conflicting information regarding whether the land had to be owned in order to have the water rights. Bill had contacted ADWR and the head person there told him that we did not have any water rights. Harvey stated that Mr. Nell may have not been informed by Yavapai Title about the easement or ownership of the well. Harvey said they need to decide how to contact Mr. Nell. Harvey stated that when the decision was made to add WC to the franchise area, ICRWUA was supposed to get water rights along with a well. It was noted that a warranty deed for the well as well as the easement were recorded at the county, but perhaps nothing regarding this water issue was recorded by the title company in Mr. Nell’s escrow papers. Bill also noted the ownership of the well is improperly claimed by the land owner immediately south of the parcel the land where the well is actually located.

**Action Item: Operating Committee, Jimmy and Bill will investigate issues regarding WC Well number 2.**

Harvey stated that as it was discussed during Tom’s presentation ICRWUA is not being taxed on any TRR property or equipment. The only land owned in TRR is where the wells are, no land under Cooper Morgan, Double Adobe or Molly Way. There are bills of sale for facilities and equipment but no conveyance of property. Clint had stated that some of the areas were considered common area and he would follow up on that and get back to Jimmy via e-mail. TR Phase 13 will have an easement coming in from a street in that phase.

**Action Item: Clint investigate easements to the facilities and e-mail results to Jimmy**

**Action Item: Operations Committee, Confirm access easements exist to all facilities at TRR**

Harvey stated that the lot on the corner of ICR drive and Williamson Valley road was thought to have been transferred to Prescott Realty, however that was not done. The property tax on the opposite corner was to be taken over by Richard Hanna of Prescott Realty in a decision made in 2009 but had never been followed up on. Harvey agreed to make sure this was completed.

**Action Item: Harvey will coordinate entrance property deed transfer to Prescott Realty.**

**Water Use Reports (October 2013)** – Bill stated that October reporting period of September 14 through October 16 on the ICR System there was 2,251,800 gallons pumped, 35,814 gallons lost, 2,287,614 gallons delivered, 2,255,050 sold leaving a difference of 32,564 gallons which resulted in a loss of 1.42% which is extremely tight. The total residential use for ICR, WC and the Preserve was 2,208,760 gallons over 290 customers which gives an average daily use of 246 gallons per residence, there were 6 customers that used no water and when that is factored in it becomes 251 gallons per residence per day. He analyzed that the ICR customers daily usage was 254 gallons and the WC and Preserve customers daily usage was 233 gallons which included those residences with using no water. For the TRR system, 8,989,000 gallons were pumped, 22,535 gallon came from the tanks, 9,011,535

gallons were delivered, 7,585,000 gallons were sold to the golf course and 1,099,684 gallons were sold to customers. We delivered 326,851 more gallons than sold for a loss of 3.63% which is also tight. He analyzed that the total residential use for TRR was 840,430 gallons for 175 residences which gives an average daily use per residence of 155 gallons, when you factor in the 16 residences that did not use water the average daily use per residence becomes 170 gallons. TRR commercial use was 84,588 gallons, landscape usage was 127,286 gallons and construction usage was 47,380 gallons.

Bill noted that ICR Well #1 was back on line as Primary after refurbishment, however ICR Well # 2 was the predominant producer pumping 1,583,000 gallons and Well pumped 688,000 gallons during the month. On the Talking Rock side Well # 2 was lead, Well # 1 was backup and Well # 3 was on on-call. Bill noted that the new lake meter read that 7,585,000 gallons were used versus the old lake line meter that read that 8,005,900 gallons were used which is a difference of 420,900 gallons which is consistent with the monthly variance of 5.3% since the change out to the new lake meter.

**Website** – Curt stated that the website is up to date. He said that Tom and he discussed whether the biography's for the candidates for the upcoming election should be posted on the website. It was noted that would be addressed under the new business agenda item.

## 8. Old Business

- A. **Review Action Items** – The Action Items were reviewed – Two items previously completed will be removed and 6 pending items have been marked “done” (now completed).
- B. **Whispering Canyons Status** – Jimmy stated that attorneys are exchanging letters. Harvey questioned whether we should have a working dialog with Whispering Canyons. Jimmy pointed out our Attorney's recommendation for such a discussion was ignored by Whispering Canyons. Jimmy will contact our Attorney for guidance with respect to any working discussion.
- C. **Settlement Agreement on the Website** – Jimmy stated that we should only post the first 17 pages of the agreement that are truly the substance of the agreement.

*Action Item: Jimmy to send .pdf file of Harvard settlement agreement (pages 1 through 17) to Curt for posting to the website.*

## 9. New Business

- A. **Ballots for Election** – Jimmy stated that there were six nomination forms with bio's received and therefore six people will be on the ballot. A working committee will finalize the format of the ballot and come up with the scheduling for production and mailing following this meeting.

It was decided that the ballot due date be no later than December 23, 2013 by 5 p.m.

- B. **Date of next meeting** - Harvey inquired when the next meeting would be. Jimmy stated that the next regular meeting would normally be on December 24, 2013 however they should follow the precedent set that the December meeting be moved to the following month due to the holidays.

**Motion: Jimmy made a motion to cancel the December meeting; Tom seconded; motion carried.**

**Motion: Jimmy made a motion to reschedule the December meeting to January 3, 2014; Tom seconded; motion carried.**

### Pending Actions

**Motion: Tom made a motion to accept Wallace and Associates financial reports and Tom's summation of them; Jimmy seconded; motion carried.**

Harvey stated that the property tax would have to be addressed. Jimmy stated that a previous action item addressed that; once the research and determinations were made, corrections would be made in the current period.

10. **Public Comments** – None

Bill commented about the 2102 Annual Well report and the Agreement with Harvard. It will be posted on the website. Curt and Jimmy ensure it is posted and determine sending to Harvard.

**Motion:** Curt moved to adjourn the meeting; Tom seconded; motion carried.