



IWA PIPELINE

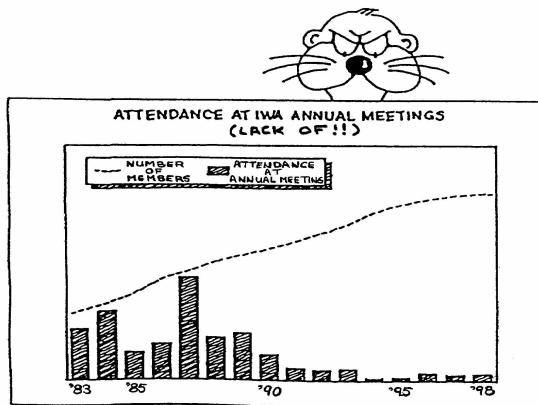


ã THE ISLAND WATER ASSOCIATION, INC. • SPRING 2001 • VOLUME 24 ISSUE 1

3651 Sanibel-Captiva Road Sanibel, FL 33957 • <http://www.islandwater.com>

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Y'ALL COME, Y'HEAR!!



Come to IWA's Annual Meeting, that is!

This year's Annual Meeting will be held on Monday, April 9, 2001 at 10 a.m. in our offices at 3651 Sanibel-Captiva Road. Materials relating to this meeting are enclosed with this Newsletter. **PLEASE** vote your proxy and return it to us as soon as possible. By the way, we promise that there will be absolutely no hanging or otherwise mutilated chads in this election!!

As has been the case at the last few meetings, we'll be happy to give everyone a tour of our facilities after the meeting is over. We will also be happy to show you the injection well in operation and the site where we will be building our new hurricane-proof parking garage on the rear portion of our property (see articles elsewhere in this Newsletter). Of course we will also have the customary coffee and doughnuts before the meeting begins. So mark your calendars and plan to attend. Attendance at our Annual Meetings is almost always less than we would like, so we'd like to see **YOU** there this year! All of our members own a part of IWA, and this is your chance to participate in its operation.

The Nominating Committee met on January 29, 2001 to select candidates for the three vacancies

on the Board this year. Mr. Robert B. Davison, currently Board Vice President/Treasurer, was nominated for his second full two-year term. Stella Farwell, currently Board Vice President, was also nominated for her second term. Mr. Paul E. Garvey, who has served as Board President for the last year, has completed his third term and is therefore ineligible for re-election. Mr. David H. Demaree of Sanibel has been nominated to fill Paul's seat on the Board. The Board and all of the employees and members of IWA join in thanking Paul for his many contributions to IWA over the last six years.

Brief resumes of the nominees are enclosed on a separate sheet.

NEW PARKING GARAGE

Late last year, the IWA Board of Directors approved a project to construct a new parking garage on our site at 3651 Sanibel-Captiva Road. This new facility, which is nearing the start of construction as this Newsletter was being prepared, should significantly improve our ability to recover after a major storm event.

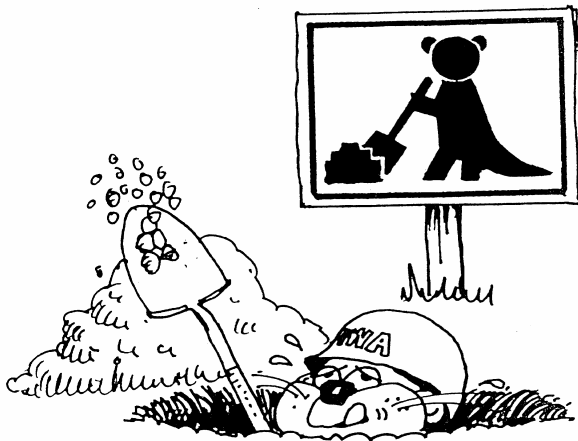
The garage will be built above the FEMA flood elevation. It will be constructed to withstand winds of 150 miles per hour (mph), as required by current building codes. Construction will be entirely of reinforced or pre-stressed concrete, with metal garage doors also designed for the 150 mph wind load. In a word, it will be "bullet-proof."

At the current time, we do not have indoor storage for many of our vehicles in the event of a storm. Many of them are stored essentially outside, under a flimsy aluminum pan roof, at an elevation below flood level. After a storm, it is essential that these vehicles be undamaged, so that we can get out and survey/repair the damage to our facilities scattered all over our islands, and restore water service as rapidly as possible. The

new garage will greatly increase the odds of our being able to do that in a timely manner.

Along the same lines, we have been slowly converting part of our truck fleet from gasoline-powered, to diesel. The new diesel trucks are very rugged, with no electronic ignitions to short-out in a driving rainstorm. We expect these trucks to serve us well, for many years to come.

PARDON OUR DUST (AND FLOODS)!



Members living in 22 different areas around the islands are probably tired of seeing our employees, contractors and equipment in their neighborhoods this past year. They are probably even more tired of the mess we have created from time to time. However, despite the magnitude of the work we have done, we are happy to report that we received very few complaints about our work. We try our best to minimize the mess we make and the disruptions we cause to water service in the affected areas. Unfortunately, some mess is unavoidable when we dig a trench to install our new pipes, and some localized flooding can not be avoided when we are cleaning the pipes to make them safe to use. Water service disruptions are also unavoidable, as we tie the new pipes into our system, but the outages are usually quite short in duration.

All of these projects involved upgrading old, small water mains in neighborhoods that are about to have sewers installed or paving upgraded by the City of Sanibel. By upgrading our mains before that work begins, we minimize our restoration costs and disruption to members living in the affected areas. When we upgrade our mains, many of which are over 30 years old, we eliminate a lot of leaks and reduce future repairs (that means fewer holes we have to dig and less mess we create), which saves us money and conserves our valuable water resource.

In addition, our members on Captiva saw us around that island for months last year. We were trying to avoid damage to our pipes by Lee County's contractors, who were installing a major new drainage system in the Village area and repaving Captiva Drive. Despite our efforts, we were only moderately successful in that effort, and they broke our pipes six times (that we can remember). We shudder to think how many times that might have happened, if we had not at least tried to protect our facilities. Repairing the breaks they caused and moving our pipes when they required us to do so, cost us over \$40,000, for which the County has declined to reimburse us.

In 2001, we will be continuing this water main upgrade program, with 19 additional neighborhoods involved this year. Again, we will do our best to keep the involved neighborhoods informed as to our plans and to minimize the mess we make and disruptions to water service. If your neighborhood is involved this year, feel free to call our Engineering and Distribution Manager, Dick Derowitsch, on 472-2113 (X-129) with any concerns you may have.

CHLORINE SAFETY IMPROVEMENTS

In the Winter 1999 issue of this Newsletter, we described our Risk Management Plan (RMP), which all companies who use hazardous chemicals were required to produce by the US Environmental Protection Agency. At IWA, the hazardous chemical which we use is Chlorine, which is a common, and highly toxic chemical that is used at nearly all water and wastewater treatment plants for disinfection purposes, in order to ensure a bacteriologically safe water supply, consistent with Federal, State and local regulations. Relevant portions of our RMP are available on our internet site at www.islandwater.com.

At IWA, we have always handled Chlorine in an extremely safe manner, utilizing a vacuum piping system, so that any leaks would result in air entering the piping, rather than Chlorine being released. Any leak that still somehow occurred would be automatically detected by instrumentation, and emergency forces would be automatically summoned. Our operators and the Sanibel Fire Control District are highly trained to respond to and contain any leak within 15 minutes or less. It must be emphasized that the RMP also acknowledges that we have not had a release of Chlorine in the past 5 years, and, in fact, we have **never, ever** had one from our current facilities.

Despite our flawless Chlorine safety record and

an extremely safe facilities design, last year the IWA Board of Directors approved two additional projects to even further improve the safety of our facilities. Those new facilities are now complete and in operation.

We have installed electrically-operated shut-off valves on all of our Chlorine cylinders. These valves, which have battery back-up in the event of a power failure, will automatically close the cylinder valves in less than one second, upon detection of a leak (by the above described automatic instrumentation). Industry experience indicates that shutting the cylinder valve will stop over 90% of the leaks which occur.

Finally, we have also spent over \$200,000 to fully enclose our Chlorine facilities and install a "scrubber." This scrubber will automatically chemically convert to a harmless compound, any Chlorine that gets past all the previously described safety equipment. It will do this based on the same leak detection instrumentation that alerts us and the Fire District and shuts the new automatic valves.

Talk about safety! We now have three independent systems designed to ensure that leaks do not occur, and if even they do, to eliminate any resulting safety hazards. We believe we have the safest Chlorine system in existence. While this may seem like overkill, we do not believe that is the case when dealing with the safety of our employees and neighbors. We believe it is an excellent expenditure of our available capital investment funds, of course ~~without requiring a rate increase.~~

INJECTION WELL UPDATE

Our joint injection well with the City of Sanibel has now been in operation for nearly a year. It has worked flawlessly, as we were sure it would. Both IWA and the City have been able to dispose of their waste flows in the well, as designed. There have been absolutely no effects on our water supply aquifers. Injection pressures have remained low, indicating no plugging of the injection zone. All in all, it has been a very successful project in all respects, including lower than expected costs.

It has been interesting to note recent local media reports regarding the vulnerability of the underwater sewage pipes serving Fort Myers Beach, plus earlier reports of a serious sewage spill on the East coast from rupture of such a pipe. A pipe such as this was one of the options considered by the City for handling treatment of its

sewage. It would certainly seem to us at IWA, that the correct decision was made, and that our injection well is a much safer and environmentally sound solution for our islands!

The next (and hopefully last) step in the injection well project is to obtain the operating permit. We have been operating under the construction permit up until now, as required by the Florida Department of Environmental Protection. We have already submitted our application for the operating permit, and we anticipate no problems in securing it in the next few months.

The injection well will be in operation and available for inspection by all interested members after our Annual Meeting on April 9^h (see article elsewhere in this Newsletter). One thing that ~~strikes everyone who visits it is the noise it makes~~ ... virtually none.



WELCOME KAREN WARRICK

On January 2nd, Karen Warrick joined IWA as our Membership Services Representative, replacing Deborah Rodriguez, who left for greener pastures late last year, as announced in the previous issue of this Newsletter. Karen first met most IWA employees and Board members at our company

Christmas party in mid-December. Amazingly, despite that, she still reported for work on the 2nd. Apparently, she is not easily frightened!

Prior to joining us, Karen worked for an employment agency for over 6 years, helping other people find work. She and her husband, Neil, live ~~on Fort Myers Beach with their daughter, Nola, and son, Niles.~~ She says she enjoys home improvement projects ~~(that sounds like work!)~~, reading and the beach.

Karen says that what she enjoys the most about her job at IWA are the interactions with our employees and customers. We assured her that there would be days when she needed to have a back-up source of enjoyment, and she indicated that our office kitty, Lizzie, would fill that need. She also indicated that our casual dress code (we have a dress code?) is a welcome change from her previous job. Say hello to Karen the next time you are in our offices. She will be the one greeting you at the door.

Welcome to IWA, Karen!

RATE INCREASE (NOT IWA'S)!!

In January, we were notified by Lee Electric Co-op that our electric rates were increasing. Well, not exactly. Actually, the PCA (Power Cost Adjustment) credit was decreased to zero and ~~rates remained constant. However, the net effect is the same, we are going to be paying significantly more for our electricity, and at IWA we use a lot of it.~~ Last year our electric bills totaled over \$380,000. This year, assuming we produce the same amount of water, that number is going to increase by around \$27,000. Of course this may not be the last increase we see. It all depends on things like OPEC, and who knows what they will do

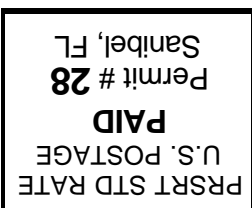
with energy prices later this year. At least we do not have California's electricity problems (yet)!

Just in case you hadn't noticed, this rate increase applied to all Lee Co-op customers, including all our members on the islands, not just IWA. So if you wondered why your electricity bills seem higher this year, you weren't just imagining it.

WATER RESTRICTIONS CONTINUE

At the time this Newsletter was being written in ~~late January, Phase II water use restrictions, as imposed by the South Florida Water Management District, remain in effect on the islands, with no end in sight.~~ As is obvious from the dry vegetation on the islands, our drought continues unabated. Although our water supply at IWA is not in jeopardy at this time, that does not exempt us from the restrictions, as has been the case every year.

The restrictions limit irrigation to just two days per week, from 4AM to 8AM, with low volume hand watering also permitted between 5PM and 7PM on the same days. For odd-numbered addresses, the allowable days are Wednesday and Saturday. For



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