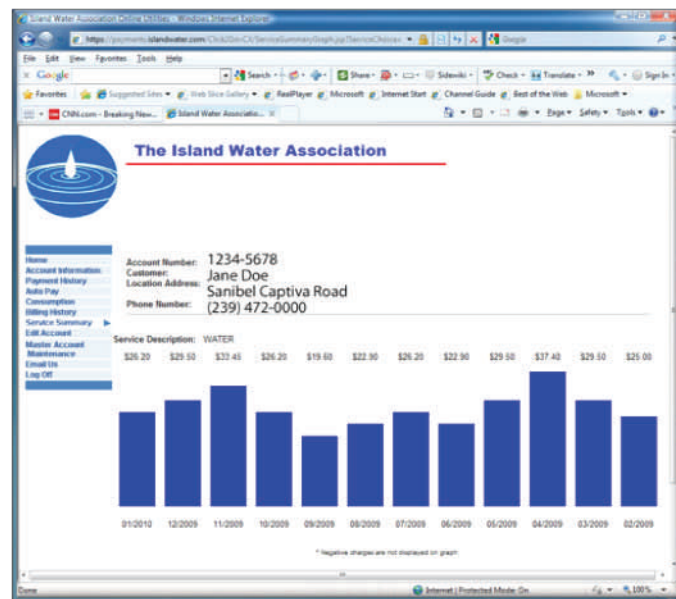


can jump on the Internet and find out. As is the trend nowadays, we have been asked by some of our members to provide more of their information over the web and we have heard the call.

Recently we installed an online link to our utility billing system to help you monitor your water consumption, billing address, and historical information. This should be particularly helpful for our members that travel frequently and are accustomed to working with online services. If you would like to give online access a try, just go to our home page [www.islandwater.com](http://www.islandwater.com), click on the Online Account Access link and set up an online account and password (pin). You will need your cycle/route and account number from a prior water bill to get started. Once you are set up you will have three years of history at your fingertips and perhaps the remainder of your night's sleep will be more restful.



Sample web access page

## LIZZIE UPDATE...



Lizzie, the office cat, is often exasperated with what she sees and hears during a normal workday. Occasionally our guys don't notice her presence and will track in mud or use an inappropriate word. Lizzie sometimes finds it necessary for a lady to cover her ears or eyes.

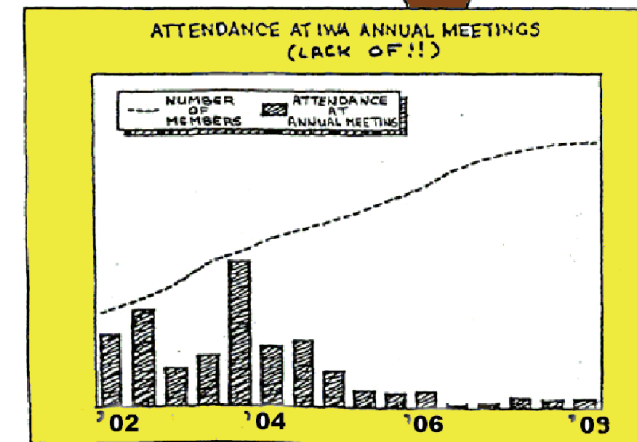


# IWA PIPELINE



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 3651 Sanibel-Captiva Road, Sanibel, FL 33957 • <http://www.islandwater.com>  
 Office Hours: 8:30 a.m. – 4:30 p.m. • Phone: (239) 472-1502

## Y'ALL COME, Y'HEAR!



This year, IWA's Annual Meeting will be held on Monday, **April 12, 2010** at 10 a.m. in our offices at 3651 Sanibel Captiva Road. Those wishing to participate in person and/or cast ballots at the meeting must register at the teller's table between the hours of 9:00 a.m. and 10:00 a.m. at the meeting location. In the event you will not be in attendance, please sign and print your name as it appears on your bill. Mail your proxy to the Head Teller. It must be received by Friday, April 9, 2010. Further materials relating to this meeting are enclosed with this Newsletter. **PLEASE** vote your proxy and return it to us as soon as possible.

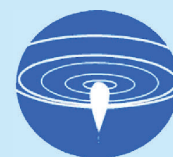
The Nominating Committee met on January 26, 2010 to select candidates for the two vacancies on the Board of Directors this year. Jack Cunningham was nominated for one of the two open positions along with Robert Lindman, a current Board member. Brief resumes for the nominees are enclosed on a separate sheet.

We will have the customary coffee and doughnuts available before the meeting begins. Also, as has been the case at the last few Annual Meetings, we'll be happy to give everyone a tour of our facilities after the meeting is over. We encourage all attending Members to take advantage of this opportunity to see where and how our drinking water is made on the islands and to meet some of our dedicated employees.

So mark your calendars for April 12th and plan to attend. We'd like to see **YOU** at our Annual Meeting this year! It will be a great opportunity to learn about your water company and the issues and challenges we face in providing safe and reliable drinking water to Sanibel and Captiva Islands. All of our Members own a part of IWA, and this is your chance to participate in its operation and to ask whatever questions you may have.

## (ALMOST) FREE WATER!

In every reverse osmosis (RO) water treatment plant, such as IWA's, there are certain operating parameters which cannot be changed. The salinity (dissolved minerals) of the water from our wells located on Sanibel is one such parameter, and it largely determines the pressure at which we have to operate the plant, and hence the power consumption, which is a major component of our cost of producing potable water. A somewhat more "subtle" result of the salinity level in the well water is its tendency to foul our membranes, raising the treatment pressure and electrical costs even further, and eventually leading to their expensive replacement. We have about \$360,000 worth of membranes in our plant. To prevent fouling, the plant is operated at a "recovery rate" of less than 100%. In other words, for every gallon of well water treated, we make less than a gallon of potable water, with the rest ending up as our "brine" waste stream, which we treat and then pump down our



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deep injection well. Another way to prevent fouling is to operate our plant at a production rate which is low enough to allow the impurities to remain in the brine waste stream, as opposed to getting caught on the membrane surface. Both the recovery rate and the production rate are key operating parameters of any RO Plant.

For many years, IWA operated its RO Plant at a recovery rate of 80%, meaning we made 8 gallons of potable water for every 10 gallons of well water we treated. Likewise, we restricted our production rate to 550 gallons per minute (gpm) per train. With our 6 trains, that meant a maximum treatment rate of 3,300 gpm, or 4.75 million gallons per day (MGD). That increased to 5.03 MGD, by blending a little well water into the RO product, for water quality and cost reduction purposes.

Back in late 2006, we realized that we were going to be needing a little additional treatment capacity, for those few days a year during our season when visitors to our islands are at their peak, usually during April or May. We discussed the available options with the manufacturer of our membranes, Dow Chemical, and determined that we might be able to "push the envelope" a little. We settled on numbers of 81% recovery (a 1% increase) and 600 gpm per train (a 50 gpm increase in each of the 6 trains, or 300 gpm total). While these numbers may seem like an insignificant change, they really add up when you consider the fact that the plant operates pretty much around the clock. The extra 1% of recovery alone equates to a little over 17 million gallons of additional potable water every year, from the same amount of well water fed to the RO Plant. The additional 300 gpm of production capacity equates to a 9% increase in our maximum production capacity, with no new facilities required. The additional treatment capacity was approved and permitted by the Florida Department of Environmental Protection in mid-2007.

The really nice thing about the above described additional water production capacity is that it is free ... well, almost. Of course we do have additional electrical power and chemical costs when we produce this additional water, but we significantly increased our treatment capacity without spending any money for new facilities, which is a considerable savings for all our Members. That's quite an accomplishment, in our opinion! The additional capacity became really useful in late 2009, when we completed the installation of our new transfer pumps, as discussed in previous issues of this newsletter, and had to refill our tanks quickly.

## MEET TOM FLAGIELLO AND SCOTT SHELDON...

Two of our newest R.O. plant operators are Tom Flagiello and Scott Sheldon. Tom is quite the car buff and recently became a first time home buyer in Cape Coral. Tom joined IWA back in April of 2007. Scott came aboard in March of 2008. Scott has a music and tile setting background and spends a lot of time with his daughter Abby who is a 2nd grader this year. Due to all the technology in our plant, the Chief Plant operator says it takes about five years for a new operator to learn all our systems. These two guys are well on their way and have already become an important part of our team.



Scott Sheldon, Ron Freitag, and Tom Flagiello

Below they are pictured in a recent hazardous materials training exercise (Hazmat) where they were practicing a "man down" scenario. Nic Weber was the Distribution Technician that was elected to be the "man down" and he played the part well. We take our safety very seriously here at Island Water and devote a significant amount of time and resources in making sure our people are well trained and well prepared to take on an emergency.

"Man Down" Exercise



## MONEY WELL- SPENT...

The IWA 2010 budget, approved by the Board in its January meeting, contains just over \$1.7M of new capital spending, spread over 20 projects. Capital spending is different than spending on normal operations. We always try to minimize our spending on operations, as much as possible, consistent with providing our Members with a safe and reliable source of potable water. On the other hand, if we cut back on capital spending for new and replacement facilities, we are committing what is often called "mining the company." If we do not keep our facilities in good shape, and replace them when they become unreliable or inefficient, we are not being good stewards of our Members' money, and our auditor will remind us of that fact during his annual review of our finances. Of course, like all companies, IWA curtails capital expenditures during tough financial times, such as those we have recently experienced. However, we should not, and will not, continue curtailment of capital expenditures beyond the absolute minimum period. On average, we spend around \$1.5M per year on capital, as we plan to do in 2010. However, in both 2008 and 2009, during the recession, we spent less than half that amount on only essential projects.



Blind Pass Pipe Replacement Project

The \$1.7M we plan to spend on capital projects in 2010 covers a wide variety of projects, ranging from a few new office computers, to a limited test installation of automatic meter reading devices, to new/upgraded equipment to enable us to do our jobs more efficiently. We will be undertaking three major projects in 2010. First, for around \$200,000, we will be replacing the corroded 12 inch ductile iron water main bridge pipe serving Captiva Island. The existing pipe is hung under the bridge, on the

Bay side, and the new one will be installed in the same location. Since we obviously have to maintain water service to Captiva during this project, a temporary water main will be installed over the bridge to provide service during construction. We are paying a lot of attention to corrosion prevention in the design of the new main, which is located in a very corrosive environment. Being that close to the beach and surf-line, minimization, instead of prevention, is a better definition of our goal. The second major capital project in 2010, for around \$310,000, will be replacement and upgrading of 3,600 feet of existing, very old 12 inch diameter pipe with new 16 inch pipe, to transport water from our well field. This pipe carries the water from our wells into the reverse osmosis plant for treatment. Not only is the existing 12 inch pipe suffering from some unknown form of partial "plugging," but by increasing its size to 16 inch diameter, we have calculated that we will save between \$20,000 and \$30,000 per year in electrical power costs to operate our wells. As anyone who has money in the bank these days is well aware, that's a much better return on our money than we would make by leaving the money in the bank, making around 2 or 3% interest ... hence, in our opinion, it is money well-spent. Our third major project in 2010 will be the replacement of some old thin walled water mains in Sanibel Bayous South at a cost of around \$650,000. It will indeed be a busy year at IWA.

## GET WITH THE PROGRAM!!

Tired of mailing us your payment every month? Join many of your fellow IWA Members and enroll in our direct debit program. We will automatically debit your bank account each month, after you have had a chance to review your bill. You will save a stamp, envelope and aggravation. IWA will save the cost of opening your payment and inputting it into our computer, thereby keeping our costs and your water rates as low as possible. Call our Membership Coordinator, Karen, on (239) 472-1502 to enroll. She will be happy to discuss the program with you and to answer whatever questions you may have. To us, it seems like a real win-win proposition!

## ONLINE ACCOUNT ACCESS...

Another automated service we are offering our members is online account access. Have you ever woken up in the middle of the night and wondered what your last water bill, payment history, or monthly water consumption was? Well, now you