

September, 1979 ✓

IWA QUARTERLY

We have a new format for these letter reports, and hope you like it. The idea of course is to get your attention and response, because you, collectively, are the Association. The purpose is to acquaint you with what is happening. And much is.

SPECIAL MEETING: Soon you will receive a Special Meeting Notice accompanied by several pages of explanatory material and proxies. The issues involved and their origins are of major importance to all members. Members present at the Annual Meeting last April voted for a study of By-Laws and Charter changes to provide for a nominating Committee to select candidates for the Board of Directors, and to increase the number of Directors. Additionally, Community Housing & Resources, Inc. through an IWA member, obtained support (10% of IWA members) for including the issue of preferential hook-up fees for moderate cost housing on the meeting agenda.

The proxies you receive include recommendations and responses by the Board of Directors. The material is unavoidably voluminous and begs your careful assessment. A principal concern of the Board is that members not disfranchise themselves by failing to vote, either in person or by proxy. The Directors act in what they believe are your best interests - they cannot know your will unless you vote.

PLEASE VOTE

THAT \$8 DEMAND CHARGE: Response to our letter of August 3rd to you concerning the moderate cost housing issue discloses a need for clarification of the water rate structure. The demand charge is not a tax, as has been suggested, but rather is an installment payment of depreciation and interest on borrowed capital for our investment in plant and distribution system, to insure the availability of water service to all of us. The rate we pay per 1,000 gal. of water used is approximately the cost of producing water. Thus, water users pay that cost, proportionately. We have yet to find a more equitable approach.

NATIONAL WATER SUPPLY IMPROVEMENT ASSOCIATION is the foremost society promoting application of new technology in quality water production. Our General Manager and Chief Engineer, Ian C. Watson, and three Directors attended the recent annual conference of the Association where Ian presented two well received papers on the IWA experience. We are particularly proud to inform you that Ian was elected Second Vice President of the organization. The honor of this office reflects the interest and hard work which Watson has contributed to this important international organization.

DISTINGUISHED VISITORS: On Monday, September 24th, Mr. Abdulaziz Marzouk, who is Chief Engineer of the Tunisian Water Authority (SONEDE), visited our facilities at the suggestion of the U. S. Department of the Interior with Mr. Janos Lehel, his interpreter. Discussions, held in French and English, covered operations and maintenance of the electrodialysis plant, and our design concepts and predicted operating costs for the RO plant. Mr. Marzouk's interest in IWA was precipitated by a similar situation in his country, involving two off shore islands which have seasonal tourism. These islands are currently provided with water barged from the mainland. Mr. Marzouk was impressed with our operation, and indicated the possibility of a continuing dialogue as he moves toward an independent supply of his two island communities. The IWA staff may have had some impact on events half way around the

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PLANT PROGRESS: The RO plant is progressing on schedule. The plant building itself is completed with the exception of the RO process area inside. Pipe trenches and floors in the process area are proceeding on schedule.

Both 5 million gallon storage tanks have been accepted by the County Health Department for use, as has the site piping. The new high service pumps have been tested, and some minor changes to the controls are being made prior to these pumps being put into full service.

Equipment procurement and fabrication of the RO plant by Hydranautics Water Systems is proceeding on schedule. Initial equipment deliveries will start in late October, with shipping completion in December. Acceptance testing has been scheduled for March of 1980.

FINANCIAL INFORMATION: The quarterly cumulative statements of operating expense have been further modified to omit the confusion of relating total income only to operating costs. Income data belongs with the financial statements of which this is a detailed segment.

	<u>1st 8 Months, 1979</u>	<u>Budget, 1979</u>
<u>Total Operating Income</u>	<u>\$1,476,657</u>	<u>\$1,889,500</u>
CASH OPERATING EXPENSE		
Salaries & Wages	\$ 231,928	\$ 340,000
Taxes	16,290	24,000
Professional Fees	33,005	65,000
Utilities	146,604	175,000
Gasoline, Oil, Fuel	4,489	10,000
Insurance	33,191	40,000
Office Expense	25,512	32,500
Repair, Maint, Supply	166,672	352,800
Customer Service	6,189	10,000
Inventory Purchases	(20,205) ¹	120,000
Water Purchases (GPIWA)	179,355 ²	200,000
TOTAL OPERATING EXPENSE	\$ 823,030	\$1,369,300

1 Ionics credits

2 Quota nearly used

Sincerely,

THE ISLAND WATER ASSOCIATION, INC.


John B. Cook, President
Board of Directors

/bbm

THE ISLAND WATER ASSOCIATION, INC.

POST OFFICE BOX 56

SANIBEL ISLAND, FLORIDA 33957

June, 1979 ✓

Dear Members:

The By-Laws modification proposals introduced during the annual meeting last April were referred to two special committees for study and recommendations to the Board of Directors. The committees were:

By-Laws Revision Committee (nominating committee) composed of George Tenney, chairman, Porter Goss, Joseph Higgins, DeWitt Jones, Allen Mainard, Robert Wiggins and Lyle Vernon.

By-Laws Revision Committee (re number of members on the Board of Directors) composed of Abe Lerner, chairman, Joe Searing, George Weyl, Jerry Perkins and Mrs. Jean Hayford.

Reports have been received from the committees. These will be studied by the Board, and full reports with Board recommendations will be mailed to members. Members will be asked to study the issues and vote choices at a special called meeting of the Association.

Minutes of the annual meeting have been received and reviewed. The transcript is voluminous. We think it would be imprudent to reproduce the material for distribution. However, the full transcript is available for review at the IWA office during regular hours, and members are invited.

Response to volunteer assistance questionnaires was most gratifying with noteworthy early benefits. The April report to members was prepared for mailing by Sheilah Hunt, Cissy Seidman, and Alexandra Garrett much to the relief of our industrious staff. Our most sincere thanks to the ladies. We hope the program will be a continuing part of Association functions, to reduce the impact of ever increasing office demands, and additional questionnaire response is invited.

Several illegal water taps were discovered recently. This continuing practice could be costly to members if undetected, and the Board established the following policy as noted in the press:

1. Report the illegal tap to the property owner
2. Determine the identity of the plumber or plumbing contractor who did the tap
3. Contact the Lee County Health Department with the facts and ask their assistance with the following step
4. Take necessary steps to get suspension or revocation of the contractor's competency card by the county's contractors' board.
5. Suspend service, if necessary, to the property owner until full restitution is made.

Members are urged to report any such situation coming to their attention.