



IWA QUARTERLY

July, 1980

DEDICATION SUCCESS: The dedication of our new Reverse Osmosis Facility was a great success. We were pleased to see many members there, and the weather and mechanical equipment co-operated to make it a memorable occasion. More than 70 members contributed their time in planning and manning this event. Out of town guests were favorably impressed with one of the most sophisticated RO treatment plants in the U. S. today. Acceptance testing of the facility commenced on June 3, and was completed July 7, 1980. Extra dedication programs are available at the office for anyone who would like one.

LAW SUIT SETTLEMENT: The IWA vs Lee County Law Suit is settled. IWA has received \$235,000 in damages because Lee County failed to assure the exclusivity of IWA's franchise water service area by permitting a reverse osmosis system at the Sunset-Captiva subdivision. In addition, Lee County has been required by agreed court order to pass an ordinance to protect IWA's exclusive franchise in the future.

WATER USE: On June 17, IWA pumped the greatest volume of water in its history. With our ED plant, RO plant, and supplemental water pipe line from Pine Island operating at full capacity, the peak hour demand was so great that storage tank reserves were being depleted. We must recognize that low and high season demand on Sanibel and Captiva are becoming less distinguishable. We are re-assessing our plant expansion schedule and will prepare for acceleration.

FINANCING THE FUTURE: The payment by Lee County comes at a most opportune time when we are confronted with unforeseeable service demands, escalating costs, and a tightening of credit. An escalation of capital expansion will require new financing.

WELL PROBLEMS: To provide feed water for the RO facility, several wells are desirable. Two are functioning at this time. Due to drilling failures, production from the second well was delayed. The cost to IWA has not been one of money, but rather one of delay and loss of the security which a back-up water source would supply. Projected water usage indicates the possible need for six to eight new Suwannee wells to supply IWA requirements over the next few years.

DISTRIBUTION SYSTEM: Low pressure problems in various locations have been investigated and will be corrected as promptly as possible. All alarm devices at IWA installations have been checked for reliability.

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REMINDER CONCERNING AFTER HOURS CALL-OUTS: After hours call-outs of IWA distribution personnel will result in a \$40 charge being added to your monthly water bill if the problem is on your side of the meter. Personnel have been instructed to telephone the party who reported the problem prior to visiting the property. In many cases this can result in a solution which makes a service call unnecessary. This procedure was started at the beginning of the year and was explained in the December 1979 newsletter.

10% LATE PAYMENT PENALTY: Some members may not understand or be aware of the policy of adding a 10% penalty to a bill which has not been paid within 10 days of the due date. After the penalty is added, it becomes part of the bill. Non-payment of the penalty renders that account "not in good standing", a status which could result in termination of service to that account. "Good standing" is defined as that status of a member wherein his IWA accounts are not delinquent. "Delinquent" is not having made payment within 10 days of due date.

✓ BILL PRE-PAYMENT: Many of our members are away from the Islands for considerable periods. Some who are in this category prepay their water bills to cover the time away. This is an excellent arrangement and we encourage all members to do this. Details may be obtained by telephoning or stopping to see Jack Middlebrook at the IWA office.

QUARTERLY REPORT FINANCIAL DATA: You will recall that the last "IWA Quarterly" contained financial data for December, 1979, January and February of 1980. The inclusion of the December information made comparison to this year's budget impossible. We have delayed publication of this report for one month to include the quarterly financial status on an annual basis. This newsletter contains financial data for the first six months of 1980. The next issue will present financial data for the first three quarters, and the January 1981 issue will contain the unaudited financial information for the entire year of 1980.

<u>CASH OPERATING EXPENSE</u>	<u>SIX MONTHS of 1980 BUDGET</u>	<u>1980 ACTUAL EXPENDITURES</u>
Salaries & Wages	185,000	178,982
Taxes	14,800	12,294
Professional Fees	26,250	29,677
Utilities	122,900	156,979
Gasoline, Oil, Fuel	5,500	4,847
Corporate Insurance	17,550	14,941
Employees Health & Retirement	19,850	22,266
Office Expense	23,500	13,874
Repair, Maintenance & Supply	131,650	149,323
Customer Service	6,500	5,087
Inventory Purchases	10,000	(25,021)
Water Purchases (GPIWA)	97,500	115,204
Training, Conferences	<u>8,500</u>	<u>3,384</u>
<u>TOTAL OPERATING EXPENSES</u>	669,500	681,837

Sincerely,

THE ISLAND WATER ASSOCIATION, INC.

Arthur J. [Signature]
President