



IWA QUARTERLY

April, 1980

ANNUAL MEETING: By this time you have received your announcement of the Annual Meeting and pertinent information. Your vote is your voice in Association affairs. Please attend the meeting if you possibly can. If you will be unable to be present, please mail your proxy to the Teller Committee which will forward it to the Directors to vote in your behalf or to another member of your designation who will be present to represent you. Participation by every member is essential to the successful operation of this type of organization.

At the Special Meeting last fall, the Membership voted to amend the IWA Bylaws by adding Article VII, Section 5, which provides for the appointment of a Nominating Committee to prepare a slate of candidates for vacancies on the Board of Directors. The entire Association thanks this year's Nominating Committee for its completion of this assignment. Members who served are: Arthur Clark, chairman, Urban Palmer, Betty Robinson, Jim Robson, and George Weyl.

Voting in person or by proxy at the Annual Meeting will be tabulated by a Teller's Committee chaired by Cy Runnels. He will be assisted by Leo Hofschneider, Don Marshall, Betty Puff, Don Rugg, and Carl Wagner. IWA is most appreciative for this assistance before and during the meeting.

DEDICATION: The new Reverse Osmosis (R. O.) Plant located near Rabbit Road on the Sanibel-Captiva Road is nearing completion after several years of planning and construction. A dedication ceremony is planned to mark the beginning of operations at this long awaited facility. Members who are working on arrangements for this event are Carol Davenport, Anina Glaize, Jim Levy, Roland McMurphy, Helen Rausher, Lynn Rogers, Alex Wadkovsky, and Jack Middlebrook, representing management. May sixteenth will be selected for the dedication which will be followed by tours of the plant. Watch the island newspapers for final details and do plan to attend this celebration, a salute to our energy efficient one half million gallon per day desalinization plant, probably the finest one in the U. S. A.

THAT \$8 CHARGE: Once again we have been asked by a member for relief from the \$8 monthly demand charge. It is important to the financial health of the Association and to the equitable interests of each member that this element of the rate structure be understood. To begin with, the service connection charge, or "membership fee" does not include depreciation of capital assets (money needed for replacement of plant equipment, etc.), interest on borrowed capital and overhead costs. These are fixed costs of establishing and maintaining a facility to provide water service, or the promise of service, and are continuing whether or not water is actually used. The \$8 demand charge applied to each member unit is an installment payment toward that obligation. Our purpose is to fix the charge per thousand gallons of water used as close as practicable to the actual cost of producing water, so that it becomes a "users" charge.

WELL PROBLEMS: The second Suwannee well has been abandoned and plugged. The casing collapsed before acceptance testing was completed. The loss to IWA is time and a surprisingly high quality production well. A site is being arranged for another attempt without delay at the well driller's expense. This was to be a reserve well to supply the next module of the new R. O. plant, and serve as back-up for the existing Suwannee well. Dependence on the deteriorating Hawthorne aquifer is being reduced as rapidly as possible.

LAW SUIT UPDATE: In the "Quarterly Letter" of July 13, 1978, we advised you of a law suit filed against the Association and its Directors by David G. Thompson, Outer Island Development of Florida, Inc., Outer Island Development Corporation, David W. Squires, Bayshore Homes, Inc., Sanibel Realty, Inc., Executive Services, Inc., Oceanic Industries, Inc., Richard A Parks and Beverly B. Parks, Husband and Wife, Development Concepts Corporation, and North American Contracting Corporation. We are pleased to announce that this suit has been dismissed by court action.

<u>CASH OPERATING EXPENSE</u>	<u>1980 BUDGET</u>	<u>DECEMBER, 1979 JAN - FEB, 1980</u>
Salaries & Wages	370,000	82,569
Taxes	29,600	4,873
Professional Fees	52,500	14,735
Utilities	245,800	70,358
Gasoline, Oil, Fuel	11,000	1,690
Corporate Insurance	35,100	14,170
Employees Health & Retirement	39,700	7,748
Office Expense	47,000	5,073
Repair, Maintenance & Supply	263,300	73,881
Customer Service	13,000	1,944
Inventory Purchases	20,000	(17,272)
Water Purchases (GPIWA)	195,000	48,374
Training, Conferences	17,000	1,479
<u>TOTAL OPERATING EXPENSES</u>	1,339,000	309,622

Sincerely,

THE ISLAND WATER ASSOCIATION, INC.


John B. Cook, President