



# IWA QUARTERLY

April, 1981

**ANNUAL MEETING:** The Annual Meeting of your Association was held on April 13, 1981. There were 31 voting members present in person and 647 members represented by proxy. Voting was tabulated by a Tellers' Committee chaired by Anina Hills Glaze and Roland McMurphy. They were assisted by Dr. Leo Hofschneider, James Irwin, Fred Metcalfe, and Charles Evans. IWA is most appreciative for this help before and during the meeting. As proposed by the Nominating Committee, the slate of Directors for the coming two year term was elected by unanimous vote. Those elected were John T. Burr, Carol B. Davenport, and Milton H. Scheiter. We thank the Nominating Committee for its service to IWA.

**PROPOSED NEW RATE STRUCTURE:** A large majority of the 31 voting members present approved the proposed increase in service connection and demand charges, but opposed the return to a flat rate per thousand gallons of water used. Concern was expressed that abandonment of the high seasonal rate would discourage conservation, and result in a revenue shortfall. The Rate Study Committee found no evidence to support these claims, nor did Management. The high and low seasonal demand experience is leveling. High demand now is attributed more to intensity of use of residential quarters and commercial activity than to irrigation. The character of water use will be studied carefully, and rate adjustments proposed as appropriate. The new rate structure was approved by the Board of Directors and the members, and it will be submitted to the Lee County Commission for action as soon as possible. It will be put into effect if Lee County approval is granted.

**PAY AS YOU GO FINANCING:** Our plan, which is part of the new rate structure, to reduce future costs by self-financing incurred no dissent among members present at the meeting. This plan means no new mortgage debts, and will require carefully planned and paced incremental system development and improvement. We estimate that an additional \$400,000 revenue in each of the next two years will fund this plan. The money will be accumulated in an interest bearing and restricted "appropriated reserve". This policy and plan will be closely monitored.

**WELL LOGGING:** In order to determine if the wells along the Sanibel-Captiva Road should be recased, a TV camera has been lowered to inspect the condition of the casings. After the data has been reviewed, the decision will be made as to whether or not recasing should be undertaken to stabilize or improve the water quality of these wells which supply the ED plant.

**RO PLANT:** The second train or module is now in operation at the RO Plant. Each module is designed to produce 500,000 gallons of water per day.

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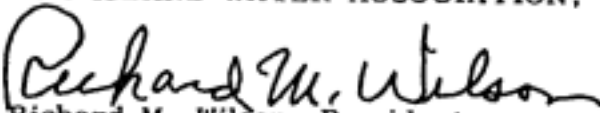
GENERAL MANAGER: Due to the changing needs of the Association, the primary emphasis is now on administration rather than on engineering. As a consequence, Mr. Robert E. Hollander became the General Manager of IWA on April 15. He brings to this position 7 years of public works and water department experience, 19 years of administrative experience as a city manager, and a masters degree in Political Science and Public Administration. He is looking forward to working with IWA Members and its staff and to working to assure continued dependable and quality water service to our franchise area.

FINANCIAL: These figures represent the unaudited accounts as of March 31st, 1981.

	<u>T H R E E M O N T H S</u>	
<u>CASH OPERATING EXPENSE</u>	<u>1981 BUDGET</u>	<u>ACTUAL EXPENDITURES</u>
Salaries & Wages	\$ 409,000	\$ 104,012
Payroll Taxes	30,100	6,917
Professional Fees	49,000	16,079
Utilities	315,000	82,303
Gasoline, Oil, Fuel	20,500	2,611
Corporate Insurance	47,400	11,100
Employee Health & Retirement Plans	45,900	10,956
Office Expense	31,800	6,896
Repair, Maintenance & Supply	375,000	72,404
Customer Service	13,700	2,758
Inventory Purchases	10,000	1,574
Water Purchases (GPIWA)	170,400	59,736
Training, Conferences	<u>12,500</u>	<u>1,157</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,530,300</b>	<b>\$ 378,503</b>

Sincerely,

THE ISLAND WATER ASSOCIATION, INC.

  
Richard M. Wilson, President