



IWA PIPELINE



ã THE ISLAND WATER ASSOCIATION, INC. • SUMMER 2001 • VOLUME 24 ISSUE 2

3651 Sanibel-Captiva Road Sanibel, FL 33957 • <http://www.islandwater.com>

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IT'S THAT TIME AGAIN!



Batten down the hatches! Here comes our hurricane season again.

The 2001 hurricane season will have officially begun by the time this newsletter is issued. According to hurricane soothsayer William Gray's April 6th prediction, this year we will have 10 named storms, with six becoming hurricanes and two of those reaching major storm status, with maximum sustained winds of over 110 mph. By comparison, the numbers last year were 14 storms, 8 hurricanes, and 3 major storms. So that's the good news; this year should be less active than last. The bad news is that the probability of a storm making landfall along the U.S. coastline is estimated at 65% this year, versus an historical average of 52%. For the U.S. East coast and Florida, the landfall probability is estimated at 46% this year, versus an historical average of 31%. So we should see fewer storms than last year, but we have a slightly greater chance of seeing one in our neighborhood. Of course this all assumes that the forecasters are correct, which is a pretty rash assumption.

At Island Water, we take hurricane preparations very seriously, in recognition of the fact that a safe and reliable water supply will be a crucial part of

recovery activities. We have a formal Disaster Recovery Plan which we update every year, just before the start of hurricane season. We have installed equipment, such as electric generators and propane driven pumps, to ensure a reliable water supply. This year, we are building a hurricane-resistant garage for our critical equipment, so that we will be able to begin making system repairs as soon as the storm is over, without first having to repair our repair equipment. If approaching storms are forecast to be Category 1 or 2 (up to 110 mph), key employees will remain on duty at our facilities. For major storms of Category 3 or higher, no employees will be required to remain on the islands. Our system will be placed in a "limited loss" status before we leave, to ensure that some water is available during the storm as long as our piping system remains intact, and that we still have some water left after the storm subsides.

Our Members can also play a big role in ensuring that we have a safe and reliable water supply after a storm event. One of the biggest headaches for water utilities after a storm hits is the multitude of leaks caused by storm damage to home piping systems. This can be avoided if Members would shut-off their water when they evacuate for a storm. Shutting the main valve at the house will eliminate many of the problems, but it would be even better if the supply line were shut at the water meter. In recognition of that fact and that many of our members are seasonal residents, the IWA Board of Directors, several years ago, approved a policy change to provide each Member one free turn-off per year, for absences in excess of one month. Turn-on is also free, once per year, if done during normal working hours, and if the service is requested at least 72 hours in advance. These free services only apply to turn-offs/ons for extended Member absences, not for other reasons such as non-payment of charges. If you want to take advantage of this free service, just call our

offices at (941) 472-1502 and ask for Karen or Joe. Of course if you wait to request this service until a storm is approaching, we may not have time to help you, due to the need to complete our other storm preparation activities.

THANKS FOR COMING (AGAIN)!!

On April 9, 2001, the Annual Meeting of The Island Water Association, Inc. was held in the Association's offices. We were VERY glad to see a better than normal attendance for the fourth year in a row. Everyone enjoyed the traditional coffee and donuts before the meeting, and many also accepted our offer of plant and office tours afterwards.

Outgoing President Paul Garvey reported on the state of the Company, emphasizing how it had grown during his time on the Board, in terms of operations, financial strength and number of Members served. He noted that the key to IWA's continued success has been its employees, who have an average service time of over 9.7 years. Mr. Garvey then presented 20-year service awards to Maintenance Manager John Leiter (20 years), Information Services Manager Rusty Isler (21 years), Senior Distribution Technician Tom Cali (22 years), Engineering/Distribution Manager Dick Derowitsch (24 years), and Maintenance Supervisor Jay Bourne (27 years). He concluded his remarks by thanking everyone for the opportunity to serve IWA as a Director for the last 6 years.

In the absence of Vice President/Treasurer Robert Davison (due to a family emergency), General Manager Roger Blind presented the Treasurer's report. He indicated that IWA's revenues had increased by 3.5% over 1999 to \$6.4 million, while operating and maintenance expenses had increased by less than 1% to \$3.4 million, which was about 1/4th the rate of inflation. Mr. Blind also noted that IWA's reserves and debt had remained relatively constant, at \$5.6 million and \$4.7 million respectively. Overall, he concluded that IWA remains very financially sound, and no rate increases are foreseen in the near to medium term future.

General Manager Blind then continued with his annual report on operations and accomplishments in 2000 and plans for 2001. He said that water production in 2000 was up 6.7% over 1999 to 1.27 billion gallons. He reiterated IWA's very strong financial condition and attributed a significant portion of the excellent financial performance to continued cost consciousness on the part of all

employees. Mr. Blind then discussed accomplishments in 2000, highlighting completion of the deep injection well, numerous piping system upgrades, improvements to the Chlorine system safety equipment, and rezoning of the RO Plant property to create a 34 acre conservation easement that was given to the City. For 2001, he noted that IWA would undertake 45 capital projects, costing \$2.1 million, the most notable of which will be a new hurricane-resistant parking garage.

Finally, election of Directors was held. David Demaree was selected as a new Director, replacing Paul Garvey. Directors Stella Farwell and Robert Davison were re-elected to another 2-year term.

~~At a special meeting of the Board of Directors following the Annual Meeting, officers for the next year were elected as follows: President: Richard Calabrese, Vice Presidents: Andrew Schroder and~~



David Demaree; Vice President/Secretary: Stella Farwell; Vice President/Treasurer: Robert Davison.

WELCOME PATTY HERRICK

On April 2nd, Patty Herrick joined IWA as our Purchasing Coordinator. She tells us that over ten years ago, she inquired about a job at IWA and was told that we had no openings at the time and probably wouldn't for some time, due to the fact that IWA employees tend to be "lifers," as a result of our low employee turnover (see article on the Annual Meeting elsewhere in this newsletter). After working in various accounting positions around the islands, Patty finally heard of an IWA job opportunity when Membership Administrator Deborah Rodriguez left last Summer. Unfortunately, we had already filled the position by the time Patty applied, but we kept her application, and gave her a call when the Purchasing Coordinator opportunity arose. She certainly gets an "A" for persistence!!

As our Purchasing Coordinator, Patty is responsible for purchasing all the goods and services we use, at the most favorable terms. She also handles accounts payable, which means that she is the one who prepares all the checks to pay for what we buy. So if you sell us something and you want to be paid quickly, now you know whom to call! Patty says she enjoys working at IWA due to our great work atmosphere, including our comfortable facilities and friendly employees.

Patty and her husband, Doug, have lived on Sanibel for the last 11 years, with their children, Danny and Jenny. When she isn't slaving away at IWA, she says that she enjoys spending time with her family, visiting with friends, tutoring students and going to movies.

Patty says she always lives by the Golden Rule, treating others the way she herself wants to be treated, and helping out whenever and wherever she can. We'll be sure to remember that when we have our next big water main repair. We always have a couple of spare shovels!

SAVE TIME & MONEY!!

Based on the title, this article will probably be the most heavily read one in this newsletter!! We have a very unusual offer for our Members. You can help us save time and money (and thereby help keep your water rates from increasing) and, at the same time, also save time and money yourself, by participating in our automatic bill paying program. Every so often, we make a plea for more Members to join this program. We have been very pleased with the response every time we make this plea.

Handling twelve monthly bill payments for every one of our 4,730 Members is a very time consuming and expensive process. By the time we mail your bill and process your payment, we conservatively estimate that it costs us around 55¢. Multiply that by 4,730 bills, twelve months per year, and you start to see why we make this plea. It amounts to over \$31,000!

Fortunately, over 950 Members have already chosen to help us reduce these costs by using our

AUTHORIZED AGREEMENT FOR PRE-ARRANGED WATER BILL PAYMENTS

I (We) hereby authorize The Island Water Association, Inc. (IWA) to begin debits to the bank account listed below. I authorize the bank to debit the amount of my monthly water bill. I have the right to stop payment of a charge within seven days of receiving my bill from IWA. I am responsible for notifying both IWA and the bank of this stop-payment request.

This authorization is to remain in effect until I notify IWA in writing of its termination. My notification must allow the bank a reasonable opportunity in which to act on it. Both IWA and the bank may also terminate this agreement with 10 days written notice.

Name (as it appears on your bill):

Social Security or Federal ID number:

Address of water service:

Account number of water service:

Your telephone number:

(____) _____

Bank name:

Bank account number:

Signature(s):

Date:

Don't forget your voided check. Thanks!

MAIL TO: PO BOX 509, SANIBEL, FL 33957

automatic bill paying option. Not only does that ~~save us almost \$0,000 per year, but each of these~~ Members is also saving twelve 34¢ stamps and envelopes, not to mention avoiding the aggravation of remembering to pay their water bill every month.

In the automatic bill paying program, we debit your bank account every month on the last possible day, which is the due date. You will still receive a bill well before the due date, so that you can check it and give us a call if you believe there is a problem, before your account is debited.

To make joining this program as painless as possible, following this article is a copy of the application form for your use. Just complete it and either mail it to us (P. O. Box 509, Sanibel) or drop it off at our offices. You can even include it with your normal monthly payment check and save yet another stamp and envelope! Also, please include a blank check with "VOID" written across it. Your bills will clearly indicate when your automatic payment plan actually begins.

Thanks!! If you have any questions, just call our offices at (941) 472-1502 and ask for Karen.

THIRD ANNUAL CCR ISSUED

By law, all water utilities, including IWA, are required to issue a Consumer Confidence Report (CCR) to all their customers once a year, before July 1st. Our 2001 issue will probably arrive shortly after this newsletter, on its customary yellow paper to distinguish this important document from the normal flow of junk mail.

The CCR is intended to inform you about the quality of our water, which we are happy to report, remains excellent. Our goal at IWA is, and always has been, to provide you with a safe and dependable supply of drinking water at a reasonable cost. This past year, we are pleased to

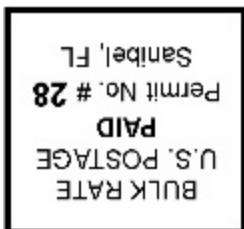
report once again that our drinking water was safe and met and exceeded all federal and state requirements.

If you have any questions about the CCR or any other aspect of your IWA water quality, please call Phil Noe, our Production Manager, at (941) 472-2113 (extension 122).

ANOTHER RATE INCREASE (AGAIN NOT IWA'S)!!

In our last newsletter, we reported that Lee Electric Co-op had raised our electric rates by around \$27,000 per year on February 1st. Before we could get used to the new increased rates, we got a second notification of another rate increase, this time amounting to around \$40,000 per year. That will bring our total electricity bill to around \$440,000 per year! After we received this second notice, we called the Co-op to ask them if we should expect further increases in the near future. They said "No," but hedged a bit, based on the unpredictability of energy (oil and gas) prices, which is what caused the previous rate increases.

Since electricity is a major component of our operating costs at IWA (approximately 12% in the 2001 Budget), we have always paid very close attention to electricity rates. We have aggressively pursued every avenue to reduce our rates and consumption of electricity. We have obviously been very successful in this effort, as evidenced by the fact that we spent 61¢ per 1,000 gallons of water on electricity in 1980, compared to only 28¢ in 2000, and this cost reduction was despite all electricity rate increases over this 20-year period. This cost control was achieved by the selection of the most economic rate structure for our business and the intelligent application of new technologies.



**The Island Water Association, Inc.
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