

help us to save the life of an employee or a visiting Member with a cardiac problem.

The Sanibel Fire Department trained all IWA employees on how to use the devices. We hope we never have to use them, but if we do, we are sure we will be glad we have them.

MEET JIM KLEIN



Jim Klein joined IWA on March 31st as an RO Plant Operator Trainee. In his new position, Jim will be involved in operation and maintenance of the RO Plant and our remote pumping stations, including water quality. It's a lot to learn, but Jim is already making a good start on his new career.

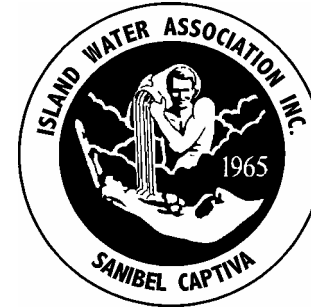
Before joining IWA, Jim ran his own landscaping business, specializing in Island properties. He and his wife Sandy and their three children, Tanya, Jeremy and Joshua, live in Fort Myers, where Jim said he enjoys working on financial matters and horticulture.

Jim said he joined IWA because he heard it was a good place to work. We think so too, and we hope he enjoys a long and successful career with us. Welcome to IWA, Jim!!

CAUTION (AGAIN)!!!

In the previous issue of this newsletter, we reported on a company offering "free" water tests and not-so-free home water treatment systems to IWA Members. That company has now been joined in this somewhat dubious field of business by another company, which contacted an IWA Member, indicating that they were somehow affiliated with IWA. A company representative showed up at the Member's home and performed extensive water "tests" in the sink, resulting in water samples of various disturbing colors, one of which had a 1/2 inch layer of black "gook" on the bottom of the jar. Based on the results of these "tests," he recommended a home treatment system costing nearly \$2,000, which he then offered to discount to "only" \$1,200. The Member declined this generous offer and gave us a call to let us know what had happened and to ask for our advice.

Unfortunately, this scenario just keeps repeating itself on our islands, as well as everywhere else. Although certain types of home water treatment units may offer some small benefits to some Members, few actually improve water quality. Some may actually have the opposite effect, making the water less safe to drink. Examples of potentially harmful treatment systems include those which remove the Chlorine in the water, and those which soften it. In any case, rest assured that no one affiliated with IWA will EVER suggest that you buy home water treatment units. If you hear from companies offering free water tests and selling home treatment systems, please feel free to give our Engineering Manager, Rich Calabrese, a call at (239)-472-1502. Rich will be happy to discuss water quality issues with you.



IWA PIPELINE



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A GOOD ANNUAL MEETING!

On April 14, 2003 the Annual Meeting of The Island Water Association, Inc. was held in the Association's offices, located at 3651 Sanibel-Captiva Road. Nine Members participated in person, with another 850 participating by proxy, around 15 of whom also attended the meeting. That represents a participation rate of around 18% of IWA's total Membership, about an average participation level, but one we would really like to exceed next year!

President Robert Davison reported on the state of the Company. He credited much of the continuing success of IWA to the dedication and expertise of its employees. After summarizing the Company's challenges from the previous year, Mr. Davison identified two major goals for the coming year: (1) to minimize the negative impacts of the causeway weight and speed restrictions, and (2) to take actions to ensure that water demand doesn't exceed supply.

Vice President/Treasurer Andrew Schroder presented the Treasurer's report. He emphasized that IWA remains a very financially sound company. He indicated that IWA's water sales revenue in 2002 had been about equal to that in 2001, while operating costs increased by around 6%. Cash reserves exceed total debt by around \$1.6 million. Finally, Mr. Schroder discussed the factors which will eventually lead IWA to request a rate increase at some undetermined point in the future, such as inflation, security enhancements, causeway restrictions, and additional facilities to serve increasing water consumption.

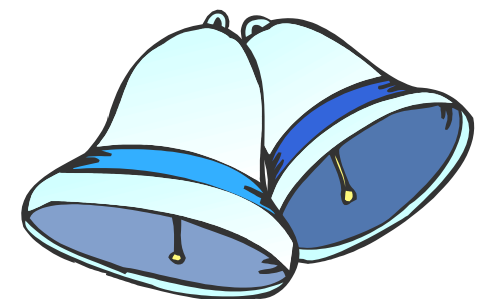
General Manager Roger Blind then presented his annual report on operations and accomplishments in 2002, and plans for 2003. He said that annual water production in 2002 was unchanged from that of two years ago. Mr. Blind then discussed accomplishments in 2002, highlighting capital improvements, security enhancements and

injection well maintenance. For 2003, he noted that IWA would undertake 25 capital projects, costing around \$1.5 million. He also noted that the causeway weight restrictions are costing IWA a lot of money, with price increases of nearly 300% on some commodities. Mr. Blind then discussed the capacity of IWA's water treatment and distribution systems, highlighting significant water conservation efforts. He indicated that IWA was taking a number of new steps to encourage water conservation, as well as investigating options for increasing system capacity in the event that conservation alone is not enough to satisfy future water consumption.

Finally, Directors Robert Davison, David Demaree, and Stella Farwell were re-elected for an additional 2-year term. Robert Wigley was elected to serve the final year of a vacated term.

After the Annual Meeting, Directors met to select officers for the 2003-2004 year. Robert Davison was elected President. Stella Farwell was elected Vice President/Secretary. Andrew Schroder was elected Vice President/Treasurer. David Demaree and Robert Wigley were elected Vice Presidents.

WEDDING BELLS



Cupid has recently struck at IWA (three times). It must be **something in the water!**

On April 12th, RO Plant Operator, Neil Erick-

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The Island Water Association, Inc.
P.O. Box 509
Sanibel, FL 33957

son, was married to Stephanie Mackenzie at the Chapel by the Sea on Captiva.

On April 26th, Production Manager, Phil Noe, was married to Holly Paige atop the shark tank at the Mote Marine aquarium in Sarasota. Many IWA employees attended the ceremony and enjoyed the reception afterwards. The fish dish in the buffet was particularly good (fresh).

On May 3rd, Engineering Manager, Rich Calabrese, was married to Debbie Hale in a sunset ceremony aboard the Sanibel Harbor Princess, sailing out of Sanibel Harbour just over the causeway.

Rumor has it that Cupid may have at least one more arrow in his quiver aimed at IWA.

THANKS!!!!

In the Spring issue of this Newsletter, we asked our Members to reset their irrigation timers to help us control our water pumping rates.

We were impressed by our Members' response to our plea. Apparently people are actually reading this newsletter ... amazing! A few weeks after the newsletter was issued, we noticed that fewer irrigation systems were coming on at 4 a.m., and more were starting at every hour between midnight at 5 a.m. That has really helped us flatten-out the demand curve, and so far we have not seen a peak of over 7,500 gpm (versus over 9,000 gpm last year). As a result, we have been able to maintain system pressures and minimize wear and tear on our pumping equipment. Thanks again!!

"WOW! SO THAT'S THE OUTSIDE!"



We recently caught our Company mascot, Lizzie, looking out one of our office windows, marveling at the outside world. Before Lizzie came to IWA, she had a really rough time outside as a stray kitten, and ever since we adopted her, she has shown absolutely no inclination to go outside.

Looking through the windows is close enough for her! Her hunting activities are limited to chasing birds from window to window and chasing lizards under the sofa.

As can also clearly be seen in the above photo, Lizzie is still struggling to maintain (?) her slim figure. She makes up for her lack of length, with ample breadth (and girth)! We don't allow any employee with a back problem to pick her up.

CCR ON ITS WAY

Our 2003 Consumer Confidence Report (CCR) will arrive around the same time as this newsletter. This report, which is required by the USEPA every year, contains valuable information on the quality of our water supply, which remains excellent. This year we saved a good bit of money by printing this document in-house, with our new color laser printer. We will save enough in a couple of years to pay for the printer.

We urge all our Members to read this important document and to call our Production Manager, Phil Noe at (239) 472-1502, with any questions.

WATER CONSERVATION



At IWA, we take water conservation very seriously. We realize that water is a valuable, finite and limited resource, especially on barrier islands such as ours. We have a formal Conservation Policy, which is reviewed every year for effectiveness. Some of the major provisions of that Policy are as follows:

- A "tiered" water rate structure makes high water consumption expensive, with the cost per gallon almost doubling when consumption exceeds 25,000 gallons per month.
- The connection charges for larger meters are significantly higher than for smaller ones, re-

flecting the larger meters' ability to pass more water and hence have more adverse effects on the capacity of our treatment and distribution systems.

- All new Members are given a copy of our special CONSERVE newsletter, are required to sign a Water Conservation Acknowledgement Statement, and are held to a maximum monthly water consumption, with significant additional connection charges if they use over their "fair share."
- Existing Members who use over their "fair share" are contacted and encouraged to reduce consumption.
- New irrigation systems are limited to a maximum of 20 gallons per minute.
- We have an active leak detection effort by IWA's field employees and our office employees directly contact Members if we suspect they may have a leak on their property.
- We provide a free annual meter shut-off/turn-on for part-time-resident Members to prevent water loss and damage from water leaks during absences.
- We have a major water conservation link on our website, which provides a wealth of information regarding ways in which Members can conserve water.
- We are investigating the possibility of financial assistance from the South Florida Water Management District to fund additional conservation initiatives.

Overall, we believe that IWA has the strongest water conservation program of any local water utility. We actively promote conservation, despite the fact that it reduces our income.

However, despite all our efforts to conserve water, our Members' water consumption rates are straining our treatment and distribution systems. In April 2002, we experienced a peak water demand of over 9,000 gallons per minute, nearly three times our maximum treatment capacity. We had to utilize all our spare/stand-by pumps to meet that extremely high demand rate. Also in April 2002, we experienced an average consumption of 4.73 million gallons per day (MGD) for 10 consecutive days, slightly in excess of our treatment capacity of 4.66 MGD. The excess water was taken from our storage tanks.

Both of these situations are indicative of a possible impending water shortage. In order to avoid that potential problem, we may need to expand our treatment, storage and/or distribution facilities, which would result in a rate increase for all Members ... a situation we would like to postpone

for as long as possible. Recent new home construction with very large proposed irrigation systems would make the problem even worse. In response to this new trend, the IWA Board of Directors, in March, approved a new policy, which limits maximum water consumption rates for new construction, consistent with a new Member's purchased "fair share" of our facilities' capacity. Consumption in excess of their "fair share" will be brought to the new Member's attention. If it is not reduced, additional connection fees will be charged, or water service will be terminated. Any additional fees collected in this manner will be segregated in a Reserve account which is dedicated to future facilities expansion costs.

It's all a matter of "fairness." High water users will eventually cause a rate increase for everyone, if they don't reduce their consumption, which is not fair. We are happy to report that so far every Member we have contacted about this problem has been very understanding and cooperative.

We are also beginning to look at the most economical ways in which to increase our systems' capacity. Our water demand is highly seasonal, meaning it changes a lot over the course of the year. In 2002, our average demand was 3.5 million gallons per day (MGD), whereas our peak day was over 5.2 MGD. The most economical resolution to this problem is clearly to convince our Members to use less water ... to conserve. However, it is unlikely that conservation will totally resolve the matter forever, and some sort of facilities expansion will likely be required. Additional treatment capacity is probably not the most economical solution, since it would only be needed for a few days per year. The most economical answer is likely to be some type of additional water storage, which can be filled during the low demand periods, for use during peak demand periods. Underground storage, known as Aquifer Storage and Recovery (ASR), may be the most economical alternative. We plan on conducting a feasibility study on ASR later this year. We are also looking forward to start-up of the City's reuse water system before next Season begins!! That system should relieve some of the irrigation demand on IWA's facilities.

AED'S INSTALLED

IWA has become a "Heart Safe Facility." We have installed two Automatic External Defibrillators (AED's) in our facilities ... one in our main office building, and one at the RO Plant. These devices for correcting heart rhythm abnormalities are extremely simple to operate. They may someday