

QUINCY WATER ASSOCIATION

Board Meeting Minutes

August 14, 2013

President of the board, Linda Hooper called the board meeting to order at 10:00 AM at Fultano's Restaurant. Other board members present were Jim Malisch and Debbie Greeley. Tom Williams and Mike Seely did not attend. Cheryll Malisch was the only other shareholder present at the meeting.

Minutes:

Board members previously received a draft of the July 10, 2013 board meeting minutes by email. The board members present approved the meeting minutes as written.

Maintenance Report:

The board briefly discussed the written maintenance report submitted by Hiland for their activity from June 5 through July 23. The board members were pleased to get such a detailed written report. Jim expressed concern about the water usage report indicating that there was significantly more water going through the dike in-line meter than is being accounted for in water sales. Jim told the board that the grounds at the treatment and well sites are not being maintained as agreed in the contract. He committed to discussing the issue with Silas Olson. The board discussed prioritizing the maintenance issues identified by Hiland. Jim said that in order to prioritize the list, we would need to have cost estimates, and if the water loss on the dike lands is real, that becomes the number one priority to resolve.

Jim reported that Dave from Cascade Water Works was currently on site finishing the gravel work around the new well. This work was postponed in December of 2012 due to the ground being too wet. Jim told the board that the labor for this work had already been paid for, but the association would need to buy two loads of gravel.

Financial Report:

Jim Malisch presented the financial report for the month of July 2013. He reported that he closed both of the project accounts on July 1, 2013. The funds from the accounts were transferred into the general accounts. Jim reported that deposits for water sales were down significantly for the second month since the transition to Hiland Water. He pointed out that Hiland makes one deposit per month into the QWA checking account and the payments collected July were not deposited until the first week in August. Jim told the board that the association had received a refund of \$609.53 from SAIF after cancellation of the workman's compensation insurance. The board voted to accept the financial report as presented.

Old Business:

Linda Hooper reported that the three properties owned by Mr. Ty Birdwell were being sold to a developer who was uncertain if he wanted to utilize the three water shares that Mr. Birdwell purchased from Pete Johnson or drill a well of his own. Linda said she had forwarded the waivers of remonstrance to the agent for the buyer and told them that the waivers must be recorded on the property deeds before the board would approve any transfer of the shares. Jim pointed out that Mr. Birdwell had not met the conditions that he agreed to when he purchased the shares until the waivers of remonstrance were recorded and therefore technically did not own them. Jim said that he had spoken to the potential buyer on two occasions and said that he had explained the situation to him.

The board discussed status of the boards offer to buy back the share on Hermo Road owned by Mr. & Mrs. Reinbold and the second letter that Jim wrote to explain the offer. Jim said that the association has not received any response from the Reinbolds.

Linda reported that she has been trading emails with Hogan at the Zen Monastery regarding the sale of the Ilmari property. She said that Hogan told her that he might be interested in purchasing the property. She also told the board that the value of the property varied depending on whether the property usage is defined as utility or residential. She will check with the county to find out more. Jim suggested that the association might not want to get into a rush the sell the property. He explained that it might be part of a solution to provide water to those households higher up the hill on Ilmari Road in the event that the pressure of the mainline was reduced. He said that we might be able to engineer a pumping station at the Ilmari property to supply homes up the hill. The board agreed that the notice to the Monastery would fulfill the association's obligation to provide a two-year notification of intent to sell the property.

The board noted that the association has not received notification from Hiland's liability insurance carrier that the association is listed as additionally insured.

Jim reported that the association has received the completed water rights for wells 2A and 2B. The water right allows for 60 gallons per minute pumped from either well. He reported that the association had received a refund of \$134.35 from the expedite fees paid earlier. The board voted to table and further discussion of water rights.

Jim reported that he was waiting for Hiland to provide data sheets for the remote monitoring equipment in order to move forward with Valley Electric and planning the installation of the equipment.

Linda reported that she ordered the telephone company to cancel QWA's phone service. We now have only the phone service for the remote monitoring equipment being installed at the treatment building.

New Business:

The board discussed billing abnormalities. The board voted to grant a \$15.00 credit to Randy Trass in order for him to purchase a replacement money order for a payment that never reached Hiland Water.

The board also voted to accept the statement from the treasurer of Quincy Grange that they pay their water charges in advance. The monthly water rate will remain at \$7.50 per month for the rest of 2013. However, in 2014, the monthly rate will increase to \$10.00 per month, \$120 payable in advance and due by February 2014. Further, monthly water usage is limited to 100 cubic feet. Water charges will be billed at the standard rate for any water usage over 100 cubic feet per month..

The board discussed the billing transition from QWA to Hiland Water. After much discussion about late fees, the board voted to allow Hiland to suspend applying late fees until the 15th of September.

The board discussed the past due list. Certain hardship cases were noted and the board voted to work together with those members for resolution of payment. The board also discussed past due accounts of rental properties. The board voted to request that Hiland notify owners of pending shutoff action in addition to the renter. Jim said he would get a list of known owner-renter users together for Marilyn.

The board discussed the water sampling plan. Jim said that the board should not dictate where water is sampled but should work with the Hiland sample taker to identify possible locations. Linda committed to discussing the issue with Silas.

Jim suggested that alternate locations to hold the board meetings be investigated. He suggested that perhaps the PUD building might be available for our meetings. He also suggested the meeting room at the old Humps Restaurant may be available for our meetings. Linda said she would check on those suggestions.

At 11:50 AM, the board adjourned the board meeting.

Respectfully submitted, Jim Malisch, Secretary-Treasurer of the board.