

QUINCY WATER ASSOCIATION

Annual Meeting Minutes

March 1, 2011

President Mike Roberts called the Annual Shareholders meeting to order at 7:00 pm at the Quincy Grange.

Present:

Board Members – Jim Malisch, Kim Bunnell, Mike Roberts, Mike Seely

Maintenance Contractor – Calven Shulda

Billing Clerk- Sharon Hicks

Members – Gary Leinonen, Jeff Petersen, Jack Hendrickson, Ron Hermo, Dennis Stanley, Les & Evelyn Pugh, Bill & Delores Mellinger, Leo Nikula, Colleen Johnson, Eino Kahilanien, John McCray, Terry Salo, Carol Brandt, Martin & Debbie Greeley, Robert & Tamara Blackford, Larry & Wanda Derby, Greg & Debi Smiley, Tara Britten, David Willey, Janice Farden, and Cheryl Malisch

Visitors-Eric Griffith, Charles William, and Roberta Cedillo

At the beginning of the meeting Mike Roberts explained that the articles of incorporation as they are written do not allow proxy voting and that to change the articles would require a vote by members at the shareholders meeting. That vote was on the agenda for this meeting.

Proof of Notice:

The notice of the meeting was printed in the Clatskanie Chief on February 24, 2011. Letters were mailed to all members of record as well.

Minutes:

A motion was made by Terry Salo to approve the minutes for the March 2, 2010 Annual Shareholders meeting with Delores Mellinger seconding the motion. The motion was approved by all present.

Audit:

Audit for the year 2010 was not available to the shareholders due to not being completed on time. Treasurer Jim Malisch presented a Balance sheet produced from the association records instead.

Budget:

The budget for 2011 was presented for the amount of \$103,240.00. The increased new budget reflects the addition of the State loan for the well project.

Financial Report:

Jim Malisch, Treasurer, presented the financial report for the year 2010 that he had prepared (see attached report). Jim gave an overview of the following topics and issues that highlighted 2010.

- The issue of contractor versus employee for Quincy Water Association.

- Bonding increases and Insurance reduction

- Project Money Market account

- IRS 990 and nearly losing Tax Exempt Status

- Audit versus Financial Review

- RVS Billing Software System

3/9/11

Old Business:

Mike Roberts gave the following update on the project.

The loan was approved in March 2010. Discussions were held with engineers April through August. The search for alternative financing found that the State Revolving Fund was still the best option for the needs of the Association. The board voted in August to proceed with the Loan. A contract was signed with a new engineer, MSA, from Portland in August. A vote was taken at a special membership meeting in August, to increase the water rates sufficiently to cover the new loan payments. Paperwork with the IFA was completed during the months August thru February 2011. Permission to proceed was granted by the State IFA in February 2011. A Task order was signed with the Engineer to proceed on the first phase was issued February 9, 2011.

Engineering of the first phase is proceeding at the present time.

Mike explained the two phases of the project as follows:

1st phase-

Drill a successful well

Determine best water treatment

2nd phase –

Connect new well to water system

New water treatment plant using existing building

Refurbish water storage tank

Plant site improvements

Operation improvements

Kim Bunnell gave a report about the new Communications committee. In order to keep all shareholders better informed, a new website for QWA was launched in May of 2010. A newsletter was sent out in the spring and summer with project updates. Monthly email reminders for board meetings have been sent to those who have signed up. Kim also reported that in September of 2010, the first tour of well site locations combined with a cleanup day at the Stewart Creek site. The work party of volunteers removed trees and brush in the location for the new well. This work was done to help save project costs. The utility trailer was sold last summer and the official files for QWA were moved the Ilmari site building to save storage expenses. The board also advertised the old small tank for sale at Stewart Creek treatment plant. Selling the tank will save \$4,000 on project costs.

New Business:

ARTICLES OF INCORPORATION

ARTICLE VI, Section 3, Line 1

Change from: "The full price of each membership in this association is the sum of \$1347.50."

Change to: "The price for membership in this association shall be stated in Quincy Water Association's bylaws."

Delores Mellinger made the motion to change the wording in this Article with Robert Blackford seconding motion. The motion passed, with 23 yes votes, and 0 no votes.

ARTICLE VI, Section 3, Line 5

Change from: “There shall be no voting by proxy.”

Change to: Remove this entire wording from the Articles of Incorporation.

Gary Leinonen made the motion to remove the wording in the Articles of Incorporation with Cheryl Malisch seconding the motion. The motion passed with 23 yes votes and 0 no votes.

ASSOCIATION BYLAWS

Bylaw ARTICLE II, Section 1, Line 1

Change from: “The seal of the association shall have inscribed thereon the name of the association, the year of its organization and the words “Non-Stock Association, Oregon.”

Change to: “The seal of the association shall have inscribed thereon the name of the association and the words: Corporate Seal Oregon.”

Delores Mellinger made a motion to change this bylaw with Debbie Greeley seconding the motion. The motion passed by majority of voters present.

Bylaw ARTICLE V, Section 1, Line 1

Change the word “bonafied” to bona fide.

Delores Mellinger made a motion to change this bylaw with Gary Leiononen seconding the motion. The motion passed by majority of voters present.

Bylaw ARTICLE IX, Section 1 E, Line 1

Change from: “E. To order, at least once a year; an audit of the books and accounts of the association by a competent public auditor or accountant.”

Change to: “E. To order, at least once a year; an annual review of the books and accounts of the association by a competent public auditor or accountant.”

Debbie Greeley made a motion to change the proposed amendment to delete the word “competent” from the bylaw with Robert Blackford seconding motion. The motion passed with 13 yes votes and 10 no votes.

Martin Greeley made a motion to make the change to the bylaw without the word competent with John McCray seconding the motion. The motion passed by a majority of members present.

Bylaw ARTICLE XI, Section 5A

Change from: “A. Non-payment within ten (ten) days after the due date (which is the last day of the month) will be subject to a penalty of 10% of the delinquent amount.”

Change to: “A. Non-payment on the due date (last day of the month) will be subject to a penalty of 10% of the delinquent amount.”

Terry Salo made a motion to change this bylaw with Cheryl Malisch seconding the motion. The motion passed by a majority of members present.

Election of Board Members:

Three positions for 2-year terms held by Kim Bunnell, Bernie Reinbold, and Mike Roberts were up for election this year

For the position currently held by Kim Bunnell, nominees were Martin Greeley, Kim Bunnell, and John Moore. The results were: Martin Greeley - 2 votes, Kim Bunnell - 19 votes and John Moore - 2 votes.

For the position currently held by Mike Roberts, nominees were Mike Roberts, Robert Blackford, Martin Greeley, and John Moore. The results were: Mike Roberts - 10 votes, Robert Blackford - 0 votes, Martin Greeley - 6 votes, and John Moore - 7 votes.

For the position currently held by Bernie Reinbold, nominees were John Moore and Martin Greeley. The results were: John Moore - 16 votes and Martin Greeley - 8 votes.

At 9:40 PM a motion was made by David Willey to adjourn with Terry Salo seconding motion. The meeting was adjourned.

Respectfully submitted, March 9, 2011

Jim Malisch, Secretary/Treasurer of the board.
Assistance provided by Sharon Hicks, and Kim Bunnell.

Approved by shareholders March 6, 2012
Jim Malisch, Secretary/Treasurer of the board