

QUINCY WATER ASSOCIATION
BOARD MEETING MINUTES
April 8, 2010

The April meeting of the board was called to order a 7:00 PM by board president Mike Roberts. All board members were present, as well as several shareholders and the bookkeeper for the association.

Mike Roberts opened the meeting with a statement that rumors about the board were going around, and stated that the board is not out to make things difficult for the members, the employees, or the contractors. He explained that we are all members of this association and asked that we all work together. Mike Roberts stated that there would be an executive session of the board at the end of the regular board meeting.

Copies of the March board meeting minutes were distributed for reading. After questions about the sequence of motions made in the March meeting were clarified, and the last line of the minutes was removed, the amended minutes were approved. While everyone was reading the meeting minutes, Mike Seely introduced himself and asked the members present to do the same.

Mike Roberts expressed belief that the board and the members present could approve the minutes of the Annual meeting. He said that Roberts Rules of Order stated that this is the case. A discussion that challenged that premise took place. The subject was tabled.

Mike Roberts called for the financial reports. The bookkeeper handed out copies of the April Financial documents for review. There was considerable discussion and questions asked about the documents. It was stated that a corrected February financial statement was included with the March statement. The board voted to pay the bills.

There was no maintenance report available from the maintenance contractor.

Bernie took the floor to discuss unfinished business from the March board meeting regarding when the bylaw changes take effect. He explained that after considerable review of the rules, he had not found anything, and suggested that we proceed as we have in the past. Shareholder Debbie Greeley said she had found the ruling in Roberts Rules and showed Bernie the rule. Bernie read the rule aloud that stated that the bylaw changes are in effect immediately upon adoption.

Mike Roberts discussed the board members meeting with our attorney regarding the SRLF loan documents. Briefly summarized, the attorney stated that signing the loan would not have an impact on the association if we chose not to use the loan funds. The completed loan documents must be returned by May 17, 2010 to lock up the loan.

Jim Malisch, Secretary-Treasurer, presented a financial analysis spreadsheet covering several loan options available to the association for financing drilling a new well and refurbishing the water plant. Besides committing to the SRLF loan to finance the entire

project, with four estimates of the final cost, he presented three options to finance Pay-As-You-Go projects using the association's reserves as security for a shared secured loan. He presented association account balances and projected income for 2010. For all seven options, he estimated the annual loan payments and necessary water rate increases. A copy of the spreadsheet that was presented is attached to these minutes.

There was discussion about the pay-as-you-go method and how long it might take to complete everything. A letter from Jason Green, Oregon Association of Water Utilities was distributed. The letter pledged assistance in the way of advise on how to proceed with pay-as-you-go and provided some professional references.

When questions were asked about getting other project estimates, Mike Seely, Vice President, talked about contacting Stettler Supply Company of Salem for an estimate. Stettler Supply was to be given a tour our water facilities on Monday, April 12, 2010. They will provide an estimate before the next board meeting.

Mike Roberts called for a motion to vote on signing the SRLF loan documents. A motion was made and seconded, but prior to voting Kim Bunnell asked that the motion be clarified to state that this was only a vote to sign the papers but not to use any of the loan funds, and further that prior to committing to spending any of the funds, that another vote be taken. The amended motion was passed. The board also voted to pay for expediting the water right transfer request.

A shareholder asked to address the board regarding payment terms for their water bill because of a water leak in their piping. The board went into an executive session to discuss the subject of forgiveness for a water leak. After a lengthy discussion in executive session, the board broke away in order to resume the board meeting.

Bernie made a motion to wave all penalty fees and interest for that shareholders billings following the leak, and established a payment structure for payment of the excess water used. He further explained that board would work on developing a forgiveness policy for excessive water used during a leak. The board passed the motion.

Kim Bunnell, communications committee leader, explained modification of the wording of the hardship policy posted on the QWA website. A motion was made and seconded to have another PO Box key made for the secretary-Treasurer of the board. After answering questions about bonding for the board members, the board voted and passed the motion.

The board again went into executive session in order to discuss the bookkeeping contract with the bookkeeper. After a lengthy discussion, the executive session ended. The board meeting for adjourned at 8:30 PM.

Respectfully submitted, May 13, 2010

Jim Malisch, Secretary/Treasurer of the board.