

QUINCY WATER ASSOCIATION, INC.

Board Meeting Minutes

July 14, 2011

President Kim Bunnell called the meeting of the board to order at 6:30 pm at the Quincy Grange. Other board members present were Jim Malisch, Mike Roberts, and Mike Seely. Shareholders present were Les and Evelyn Pugh, Pete Johnson, Cheryl Malisch, and Terry Salo. Others present were employee Sharon Hicks and renter Eric Griffith.

Minutes:

There were no June board meeting minutes to approve because there was no board meeting held in June. Mike Roberts made a motion to approve the May 12, 2011 board meeting minutes after minor corrections. Jim Malisch seconded the motion, and the motion was approved by all board members present.

Financial & Accounts Payable Reports:

Jim Malisch presented the financial reports for May and June 2011. Mike Seely made a motion to accept the financial report as presented. Mike Roberts seconded the motion. The motion was approved by all board members present.

Maintenance Report:

It was reported that the leak on Beaver Dike Road had been repaired and that a leak at Jacob Wolf's meter connection had also been repaired. The board decided that Jacob Wolf's water charges for the month of June would be adjusted because of the leak.

Old Business:

Jim Malisch reported that drilling the new well had been very successful. It was drilled to a depth of 460 feet and water flow was tested at over 60 gallons per minute during a 33-hour pump test, with recovery to 90% of the static level in just 3 hours. Because of the increased depth of the well and DHS requirements for increasing the size of the well seal, the phase I costs are higher than expected. Currently this phase of the project is about \$28,000 over budget estimate. The board will meet in a working session to review plans and estimates for phase II work before our engineer, MSA, is released to begin work on the new treatment facility.

John Moore is working on the documents for the sale of the 0.9-acre property to the Monastery. They have given Quincy Water a \$500 earnest money payment down on the property.

John Moore is also checking into how traffic flaggers are to be hired by our maintenance contractor, Water SOS.

New Business:

Pete Johnson explained that he has drilled a well for his rental properties and is no longer in need of the 3 shares that he owns. He asked the board to buy back the 3 water shares or to officially transfer them to another buyer that is interested. The board declined to purchase the shares, but expressed concern about the high elevation that the potential buyer is developing into home sites. The board will meet in executive session to discuss concerns about the transfer of these shares.

Les Pugh questioned the board about board members attendance. He believed the bylaws or the articles of incorporation stated that if a board member missed three consecutive meetings, they would be asked to resign. He further stated that this had been done in the past. The board will research this issue.

At 8:00 PM, Mike Roberts made a motion to adjourn the regular board meeting and to go into an executive session. Jim Malisch seconded the motion. The motion approved by all board members present.

The executive session was held for the purpose of discussing the Johnson shares transfer and discussion of a request from a shareholder concerning a hardship allowance for a temporary residence on an existing share property.

Transcribed by Sharon Hicks

Respectfully submitted by Jim Malisch, Secretary/Treasurer of the board.