

QUINCY WATER ASSOCIATION, INC.
Board Meeting Minutes
March 8, 2012

John Moore called the March board meeting to order at 6:30 pm at the Quincy Grange. Board members present were Jim Malisch, Jim Carver, Debbie Greeley, and John Moore. Board member Mike Seely was not present. Shareholders attending were Lester Pugh, Cheryl Malisch, and Martin Greeley. Employee, Sharon Hicks, and maintenance contractor Calven Shulda also attended.

Election of Officers:

The first order of business was to elect officers of the board for 2012. Jim Malisch made a motion to nominate John Moore for the position of Board President. Debbie Greeley seconded the motion. The motion was approved. Jim Malisch made a motion to nominate Debbie Greeley for the position of Board Vice President. Jim Carver seconded the motion. The motion was approved. John Moore made a motion to nominate Jim Malisch for the position Secretary-Treasurer of the Board. Debbie Greeley seconded the motion. The motion was approved.

Minutes:

After copies of the last board meeting held February 9, 2012 were handed out and read silently, a motion was made by Jim Malisch to approve the minutes as written. Jim Carver seconded the motion. All board members present approved the motion.

Financial Report:

Jim Malisch presented the financial report for February 2012. Debbie Greeley made a motion to accept the financial report for the month of February as presented. Jim Carver seconded the motion, and all board members present approved the motion.

Maintenance Report:

Calven Shulda reported that he had flushed the water line at Poysky's a couple of times. Calven reported that Rick Stonex had requested that the meter at the barn be reconnected. Calven said he told Rick that this would have to be done at the expense of Greenwood Resources because they were responsible for removing the line going to the meter. The board discussed the issue and the fact that the old meter was gone. Calven reported that they only wanted to water cattle and that a residential size meter was all that was necessary. The board will take up the issue of the requested meter installation at the next meeting.

Old Business:

John Moore reported that the waiver of remonstrance had been presented to Ty Birdwell and that he was waiting for a response from Mr. Birdwell, so the matter was at a standstill at this point.

The board then took up the matter of the request by Sharon Hicks made at the last board meeting for installation of a second meter at the Lester Pugh property. Jim Malisch pointed out to Sharon and Mr. Pugh, who was in attendance, that Mr. Pugh owned only one share, with a second service connection on his side of the meter. Jim explained to the board that the second service connection was a past practice of the association, which has since been discontinued.

Jim also informed the board that there was only one other shareholder besides Mr. Pugh with a second service connection. Jim said that if Mr. Pugh wanted a separate water meter for the second connection on his side of the water meter that it would be up to him to purchase and install it.

In discussion of the issue, it was determined that Mr. Pugh and Sharon were requesting another water meter to be connected to the mainline to serve the second residence being served by the present connection. The board then informed Mr. Pugh and Sharon that another mainline connection would require purchase of another water share and that there is currently a moratorium on the sale of any new shares.

In further discussion, Jim Malisch suggested that since the association had recently repossessed several shares, and that an additional connection to the mainline for Mr. Pugh would not increase overall water usage, perhaps one of the repossessed shares could be sold to Mr. Pugh as a new share for his properties. Further, Jim suggested that the amount paid by Mr. Pugh for the second connection of \$220.00 could be deducted from the current share price of \$4,000, bringing the cost to \$3,780.00. Sharon rejected this suggestion as too expensive.

Further discussion ensued. Jim suggested that since the share price, which was in effect at the time that Mr. Pugh purchased the second service connection, was \$1,347.50, that the board could deduct the \$220.00 already paid bringing the remaining price to \$1,127.50. There was concern expressed among the board members that \$1,127.50 may not cover the cost of a new meter installation on the mainline.

After more discussion, Debbie Greeley made a motion to offer one of the repossessed shares to Lester Pugh for the sum of \$1,347.50 minus the previously paid amount of \$220 for a total of \$1,127.50. Jim Carver seconded the motion. All board members present approved the motion.

The board discussed the possibility of getting together in a working session to discuss the project drawings and bid package. There were four copies of the bid package printed that must be shared by the five board members. Jim Malisch pointed out that the sooner we get back to MSA, the sooner we can get construction started. The board discussed the fact that our maintenance contractor, Calven Shulda would be involved in the project. Jim Malisch said that there also would be training for operation of the new filter and well pumps and Calven would be involved. Because getting together is so difficult to schedule, the board decided to email comments on the engineering documents to each other to help speed things up.

New Business:

Lester Pugh presented a letter to the board requesting that the board reconsider the way in which the two board members were appointed in executive session at the February board meeting. He expressed concern that the membership had not been notified of the election/appointments. He asked for a response to this letter within 10 days or March 18, 2012 or he would be filing a complaint with the Attorney General's Office and the Ethic Commission Office.

John Moore assured Mr. Pugh that the remaining board members had followed the procedures in the articles of the bylaws to make the appointments for the resigning board members. He indicated that Mr. Pugh should consider this to be the board response. In addition, Jim Malisch presented Mr. Pugh with a copy of ARTICLE VIII, Section 3 of the bylaws, which are as follows:

Section 3

If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining directors though less than a quorum, shall, by a majority vote, choose a successor who shall hold office for the unexpired term of the director, whose place he fills. This disqualification of a director as a member of the association shall operate to disqualify him as a director and create a vacancy in the office of director.

John Moore informed the board members that because of the new members and officer positions, they needed to stop by the bank and sign the new signature cards for the bank accounts.

Jim Malisch brought up the subject of remote alarm monitoring for the treatment building. He said that he had spoken with the telephone company was told that a service line at the Stewart Creek site is possible. The board will take up this issue at a future date.

Jim Malisch presented Calven Shulda with a letter from DHS that said his certification was about to expire. Calven showed a card saying he was current and said he did not need to be compliant with the DHS requirement. He took the paper and said he would contact DHS, and get back to the board.

At 7:40 PM, Jim Carver made a motion to adjourn the meeting. Debbie Greeley seconded the motion, and the motion passed

Transcribed by Sharon Hicks, edited by Jim Malisch.

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