

QUINCY WATER ASSOCIATION
Annual Meeting Minutes
March 1, 2016

President of the board, Kim Bunnell called the annual members meeting to order at 7:00 PM. The meeting was held at the Quincy Grange. Other board members attending were Mike Roberts, Randy Trass, Greg Smiley, and Jim Malisch.

There were 21 people in attendance representing 15 memberships. Members in attendance were: Carol Brandt, Colleen Erickson, Martin & Debbie Greeley, Larry Haatia, Jack Hendrickson, Eino Kahailanien, Gary & Connie Leinonen, Cheryll Malisch, George & Karen Poysky, Evelyn Pugh, Ellen Nieminen, Debra Smiley, Karen Trass.

Proof of Notice:

Secretary-Treasurer of the board, Jim Malisch reported that all members of record had been mailed a meeting notice on February 17, 2016. In addition, a meeting notice was published in the February 26, 2016 edition of the Clatskanie Chief.

Minutes:

Copies of the minutes for the 2015 annual members meeting were distributed to the members in attendance. After reading, a motion was made by a member and seconded by another member to approve the meeting minutes as written. The motion passed without opposition.

Financial Report:

Jim Malisch presented the results of the financial review conducted by Scappoose Business & Tax Service. The review of the Association's records was for the 2015 fiscal year. Jim told the members that the tax service also completed our IRS-990 tax form. This tax form is required in order to maintain the Association's tax exempt status. Jim invited anyone interested to review the tax documents which he had with him.

Jim pointed out that the financial summary attached to the review not only showed the Association's account balances, but also reported the loan balance of the Oregon Business Development loan that financed the filter project in 2012. The balance reported for the state loan was \$334,191.74 in January of this year.

Jim then presented the \$108,900 budget for 2016. He told the members that the second page showed that last year, 2015, the board spent \$98,213 of the \$119,500 budget.

Jim answered questions about the line item for the maintenance contract. When asked why the line item for improvements was \$5,000 lower than the 2015 budget, he explained that all the improvement budget for 2015 was not spent.

Old Business:

Randy Trass presented a brief report about the ongoing project upgrading Hermo Road and its impact on Quincy Water Association. He explained that widening and upgrading of the road would affect the Association's water lines. Randy told the members that there were four phases for the project work. He reported that during the past year design engineering and site surveying had been completed. Work began in the fall on phases C and D of the project at the far end of the road near Port Westward. The contractor expects to be ready to start on phases A and B in late May 2016. The replacement of the Association's water system will begin then.

Randy explained that engineering and design was performed by Parametrix Engineering, the project is being managed by the county road department, TFT Construction is executing the construction, and Columbia Pacific Bio-refinery is financing the entire project. The utilities affected are NW Natural Gas, the Clatskanie PUD, the telephone company, and Quincy Water Association. Randy recommended that members check the Association's web page for information contained in the minutes of board meetings that are posted. He also recommended using the Association Facebook page for any messages regarding the project.

When a member asked Randy what was the cost to the Association, he explained that the bio-refinery is paying all of the costs of the project. Jim Malisch told the membership that we might incur some expenses if construction breaks a water line that drains our reservoir. There was an open discussion among the members regarding tax funds, project costs and construction details.

A question was raised about the design size of the new water line to the end of Hermo Road. Jim Malisch explained that although the preliminary engineering drawings did show an 8-inch line replacing the present lines, after final engineering was completed, the construction release of drawings call for the line size from the store to Collins Road to remain the same at 6-inches. From Collins Road to the end of Hermo Road, the line size will be upgraded from the current one and a quarter inches to 2-inches. Jim pointed out that there are only four shareholder residences on the water line from Collins Road to the end of Hermo Road and that a 2-inch line is more than adequate. Mike Roberts spoke about the danger of water stagnation and maintaining the proper chlorine residual in an 8-inch water line serving only four residences. Mike explained that the Association is not paying for the water line replacement. Global bio-refinery is paying all costs of replacing the water line and that after engineering was completed, the design called for a 2-inch water line to service the four residences.

A member asked about water pressure on the dike land water lines. Jim Malisch explained that the pressure control station located behind the store on Hermo Road would be replaced with a new control station and that the pressure control to the dike land water lines would remain at 50 PSI. The members were told that all of the water line components on Hermo Road would be new and the project would pay for it. There was more member discussion about the road improvement plan, the project execution and inspection of construction,

Jim Malisch gave a presentation about issues and accomplishments achieved during 2015. He first talked about the reduced output of our new well and the lower water level in the well during the dry spell last summer. Although a lower water level in the well was of concern, it was not the reason for the reduced pump output. There was at least 100 feet of water over the pump at all times. During this time, two water line leaks were discovered. One of the leaks was a major one in the main line on Quincy-Mayger Road. The leak was patched temporarily because Hiland Water did not have the necessary repair parts with them. The Association did not stock the parts either, so we borrowed the temporary patch from the city of Clatskanie. Jim told the members that because of these issues, the Association purchased over \$2,000 of repair parts to keep in inventory.

The reason for the reduction in well pump output turned out to be clogged inlet screens on the pump. Iron and manganese bacteria caused the clogging. The estimate to pull the pump out of the well and clean it was about \$11,000. Cascade Water works was able to clean the pump screens in the well by using a product called BoreSaver. This solution represented a considerable savings with a cost of only \$2,500. Jim pointed out that if our old well was refurbished and was an alternate producing well, it would have given us the option of switching wells during the maintenance issue.

Jim spoke about completion of a major improvement project to rebuild two pressure control vaults. All aging valves and gauges in both vaults were replaced at a cost of \$14,000. He told the members that the Association Facebook page has photos of the work being done. Jim recognized Larry Haatia for being a gracious host and providing food during the time that work was taking place in his yard.

Jim told the members that now that the pressure control vaults have been repaired, the board is evaluating how to reduce line pressure while still providing adequate water pressure to residences at the higher elevations on Ilmari Road. The line pressure at the bottom of Ilmari road is 145 PSI and should be no more than 128 PSI. The board is working with Cascade Water Works to evaluate the feasibility of putting a pressure boosting station at our Ilmari Road tank site.

New Business:

Kim Bunnell told the members that we wanted to discuss a few goals that we have for 2016. She said that the board is planning a permanent fix for the break on Quincy-Mayger Road. Randy spoke about the details of the crack in the pipe and the temporary fix. He told the members that the break made us realize that we needed to have an inventory of repair parts. He said we also added safety equipment for flagging and that two members took the flagging class in 2015.

Greg Smiley spoke briefly about working with Cascade Water Works to make certain that the vault drains are functioning correctly to keep ground water out of the pressure control vaults.

There was a brief discussion among the members and the board about the plan to refurbish the old well in 2016. Kim told the members that with the other work that is planned, the board would not likely get to refurbishing the old well in 2016, but would start the discussion about the issue.

A member said he was extremely dissatisfied with Hiland Water and asked the board if they planned to continue using Hiland for system maintenance in 2016. The board said that there was no plan at this time to change providers. There was an open discussion about maintenance issues among the members and the board.

Election of Board Directors:

Kim Bunnell told the members that two board positions were up for election in 2016. The positions currently held by Jim Malisch and herself had expired, but that both were willing to continue serving on the board of directors.

When nominations opened, a motion was made to retain the current board. There was a second to the motion. There were no other nominations. The motion passed unanimously with a show of hands.

The meeting adjourned at 8:30 PM

Respectfully submitted, March 19, 2015, Jim Malisch, Secretary-Treasurer of the Board