

***QUINCY WATER ASSOCIATION***  
***Annual Meeting Minutes***  
***March 7, 2017***

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 Randy Trass, Greg Smiley, and Jim Malisch.

There were 18 people in attendance representing 13 memberships. Members in attendance were: Wanda Derby, Colleen Erickson, Martin & Debbie Greeley, Ted & Sue Healy, Jack Hendrickson, Eino Kahailanien, Cheryl Malisch, Evelyn Pugh, Ellen Nieminen, Gary Roggow, Debra Smiley, and Karen Trass.

**Minutes:**

Copies of the minutes for the 2016 annual members meeting were distributed to all members in attendance. After reading was completed, a member made a motion to approve the minutes as written. Another member seconded the motion, and the motion passed without opposition.

**Financial Report:**

Jim Malisch presented the results of the financial review for fiscal year 2016. The financial review was conducted by Scappoose Business & Tax Service. Jim told the members that the accountant also completed the IRS-990 tax form for 2016. Jim explained that the tax form is required by the IRS in order for the Association to maintain tax-exempt status. Jim invited anyone interested to review the tax document after the meeting.

Jim pointed out that the financial summary attached to the review not only showed the Association's account balances, but also reported the balance of the loan from Oregon Business Development that financed the 2012 filter and well project. As of January 27, 2017, the balance for the state loan was \$319,957.33. Jim then discussed another page that showed an income summary, an expense summary and the treasury balance for 2016. He told the members that after expenses; the Association Treasury balance increased by over \$12,000 in 2016.

The board of directors answered several questions from the members about income and expenditures related to repairs and improvements. When member asked if the board had plans to reduce the water rates, the board responded that they discussed the topic often, but before that is done, they needed to invest in improving the water distribution system, because most of the system infrastructure is over 40 years old.

The board then presented the budget for 2017. Jim told the membership that it was a hefty budget at \$188,000, mostly because of \$100,000 budgeted for system improvements. Among the improvements, the board plans to refurbish well 2A so that we can operate our wells alternately instead of operating only one production well with an emergency backup well. He said that during the past summer drought, the new well, 2B was having difficulty pumping at full capacity. If well 2A was an alternate well, we could switch wells in order to clean and service a well pump having problems.

Several members had questions and comments about the amount budgeted for maintenance. The board answered the questions and explained what services are included in our contract with Hiland Water Inc.

### **Old Business: Highlights of 2016**

Greg Smiley told the members about some of the improvements and repairs completed in 2016. In particular, he discussed the work that Cascade Water works accomplished. He talked about how creation of the Ilmari Road booster station for the members homes located on upper Ilmari Road allowed the Association to significantly lower water line pressure. He told the members about the installation of drains in the pressure control vaults, which will prolong the life of the pressure control valves. Greg told the members that Cascade performed a permanent repair of the eight-inch mainline, replacing two temporary patches.

Greg told the members about the break in and burglary at our filtration plant on Stewart Creek Road. He said that it is a federal felony offence to break into a water treatment facility. Our subsequent investigation found nothing out of order, but we lost our 2-way radios. Greg reported that since the burglary, Randy Trass has replaced the damaged doors and installed deadbolts. We posted warning signs, and installed a video security system that is monitored remotely. There are additional security monitors and alarms in the building.

Randy Trass provided a recap of the Hermo Road project to date. He went through the history of design, the planned construction phases, and the players involved. The project has been at a standstill for most of the past year, since completion of the tie between Hermo Road and the PGE plant. Randy said that he and Jim met with Parametrix engineers early in 2016 in order to refine the water system design, but there was a hold placed on the project in the middle of 2016. The construction contractor removed all of his equipment and office trailer. Fortunately all of the heavy trucks used for the work completed, has not damaged any of our water lines. The members openly discussed the road project and the hold placed on it.

### **New Business: Goals for 2017**

Randy Trass talked to the members about the minor remodel of the Ilmari building planned to accommodate the Association record storage. The plan is to increase the size of the room formerly used to chlorinate the water from the Ilmari well. Increasing the room size and moving the file cabinets will keep the records away from the booster pump on the other end of the building to protect them from any water leak that could occur.

Greg Smiley spoke to the members about the condition of the valves at the junction of Quincy Mayger and Ilmari Roads. One of the valves is leaking and both are becoming difficult to turn. The valves have been in place for 40 years and the board is very cautious when turning them off and on. Before we have a failure, it is in our plan to replace both of the valves in 2017. Jim answered a question about salvage of the valves at Hermo Road and stated that with the project on hold, the valves have not yet been removed. Kim stated that we need to replace the Ilmari valves soon and cannot wait on the Hermo Road project. Greg then talked about the plan to repair the fire hydrants that are not in service.

Jim spoke briefly about the expected costs to refurbish well 2A and the well drilling estimates we have received. He then told the members about the security improvements made at the filter plant on Stewart Creek Road. With the addition of the internet, there are some additional inputs being monitored as well as ability to view the camera outputs.

Kim Bunnell asked if there were any questions or comments. Debbie Greeley asked about calculated water loss that Hiland sends each month. Kim explained that we do not feel that the numbers reported are accurate and we are in the process of looking at the calculations being used. A general discussion about the numbers and meters ensued.

Colleen Erickson stated that we must be doing something right because we just experienced a very dry summer and there was no rationing notice. She complimented the board members for the job they are doing,

**Election of Board Directors:**

Kim Bunnell told the members that three board positions were up for election in 2017; the positions currently held by Mike Roberts, Greg Smiley, and Randy Trass. She said that because of his new position at work, Mike Roberts does not have the time, and has asked that he not be considered. Kim said that Randy and Greg have agreed to continue serving on the board. A motion was made by Jack Hendrickson to retain the two board members. There was a second to the motion. The motion passed unanimously.

Before Kim opened nominations for a new board member, Randy asked to speak. He told the members that when he was elected to the board, he did not know what was involved to be a board member. He went on to say that he felt it was a privilege to work with this board. He said that they were all on the same page, that there is a desire for lowering rates and balancing that with the systems age and needs. He appreciated that all of the board members have the system and the Association's best interests in mind. He felt that the board has treated Association members fairly and have gone above and beyond to get things resolved in a good way. There has been no ulterior motives to make this a money making business but we can't do that anyway. So it comes down to things are solvent and they are secure, and we are trying to supply good water.

Jack Hendrickson asked if there were any water shares that were not hooked up, and were they paying the monthly basic rate of \$30. Kim answered yes, and asked the board how many. Jim thought there were about 14 or 15. He added that the board has foreclosed on several water share accounts that quit paying.

Kim declared that nominations be opened for one more board member. Cheryl Malisch nominated Rocky Roggow. There was a second, and nominations were closed. The motion to elect Rocky Roggow to the board passed unanimously.

The meeting adjourned at 8:05 PM

Respectfully submitted, March 7, 2018

Approved, March 6, 2018

Jim Malisch, Secretary-Treasurer of the Board