

Hisega Meadows Water, Inc.

Board of Directors Meeting
March 9, 2017 @ 6:30 AM
Johnson Siding Fire Dept.

BOARD OF DIRECTORS	(term)	(phone)	STAFF	(phone)
Larry Deibert-President	(2018)	343-3942	Scot Licht-Operator	393-5892
Mick Blumer-Vice President	(2017)	605-310-9630	Keith Lau-Manager	390-2963
Rick Schurger-Director	(2017)	348-4749	Lona Lau-Bookkeeper	342-2254
Craig Fischer-Director	(2017)	519-1837		
Norm Tschetter-Treasurer	(2019)	348-3003		

Board Minutes: Motion by Norm, seconded by Craig to approve 2/13/17 minutes; Motion unanimously approved.

Water Operator's report:

Manager's Report: Sage's bill for all the work at the pit was for \$1,517.93. HMWI received one bad check: Shirley Lyons. Visited with Fred Jensen about being 9 months behind in water payments; he was unaware of being behind in payments and paid 5 months of water bills. Rudge septic drain field was too close to the water line so the contractor adjusted the location of the septic drain field. The meter reading may be incorrect at the Bond residence since water usage decreased from 4k – 5k with 2 people to 2000 – 2200 gallons for a family of five. Sage quote for a 3" meter is \$3920 plus \$55/hr. for installation. 2" meter is \$1,200 plus parts, material & labor; 2 meters would be necessary at the Big Piney Reservoir. It was decided that we would not be putting any meters at the Big Piney Reservoir. Two – 3" meters would be needed: one at the pump house and one at the Lindsey Reservoir and one 2" meter at the Evergreen Reservoir.

Mick's research was to put an inexpensive meter inside the pit after the master meter to check the accuracy of the master meter; a 2" meter with a remote reader could be purchased for approx. \$750. Motion by Mick to purchase a threaded 2" meter with a remote from Allen Sage to first be used in the pit to confirm the accuracy of the 3" meter in the pit. Following confirmation of the pit meter accuracy the meter would be installed at Evergreen Reservoir. Norm seconded the motion. Motion passed unanimously. Keith will contact Allan to get this completed during March.

Bookkeeper's Report: On a motion by Craig and second by Rick, the February financial reports were unanimously approved. Craig made motion, Mick seconded the motion to have Lona investigate with US Bank in Aberdeen if we can pay the DENR loan monthly instead of quarterly. Motion passed.

Invoices - Phase 1 related work: Craig Fischer (Removal of Large Rocks): No action taken at this time.

Old Business:

Compensation of Board Members:

The Board discussed the two options presented by Larry & Mick for proposed By-Law change:

Proposed By-Law Changes for Annual Membership Meeting: 6/27/17 Board Member Compensation:

Existing Language:

ARTICLE XIII.

Board of Directors – Duties

Section 1. The Board of Directors, subject to the restrictions of the law, the Articles of Incorporation, and the By-Laws, shall exercise all of the power of the Corporation; and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are given, full power and authority to perform the duties and functions hereinafter set forth, to wit:

a. To select and appoint all officers, agents or employees of the Corporation or remove such agents or employees of the Corporation for just cause, prescribe such duties and designate such powers as may be consistent with these By-Laws, fix their compensation and pay for faithful services. **Compensation of officers and directors may be discussed at any regular or special meeting by the members of the Corporation and shall be voted on by a mail ballot in accordance with Article VIII, Section 5. Board members may be reimbursed for Corporation business expenses, not to exceed \$50 without prior Board Approval.**

Article VIII, Section 5. Vote: Each member shall be entitled to one (1) vote per lot, on each issue to be voted on. All questions shall be decided by vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation or these By-Laws. Voting by proxy shall be allowed.

Larry suggested the following paragraph to replace in its entirety the paragraph in red:

Any compensation (payment of salary) for officers and directors must be approved at any regular or special meeting by the members of the Corporation. Voting by proxy, in accordance with Article VIII, Section 5, shall be allowed. Board members may be reimbursed for Corporation business expenses, not to exceed \$50 without prior Board Approval.

The wording presented by Larry did not receive a second and therefore, was not voted upon.

Compensation of Board Members:

Mick's suggested language to replace the paragraph in red:

Existing language in black and the additional language is in red:

Article XIII.

Board of Directors-Duties

Section 1. The Board of Directors, subject to the restrictions of the law, the articles of the Incorporation, and by the by-laws, shall exercise all of the power of the corporation; and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are given, full power and authority to perform the duties and functions hereinafter set forth, and to wit:

a. To select and appoint all officers, agents or employees of the Corporation or remove such agents or employees of the corporation for just cause, prescribe such duties and designate such powers as may be consistent with these by-laws, fix their compensation and pay for faithful services. Compensation of officers and directors, **for their duties as an elected official**, may be discussed at any regular or special meeting by the members of the corporation and shall be voted on by a mail ballot in accordance with Article VIII, section 5. Board members may be reimbursed for corporation business expenses, not to exceed \$50 without Board approval. **In the event that an Officer or Director is willing to be hired for work done over and above the duties of being an Officer or Director, the board has the full authority to hire the Officer or Director and pay a salary for their services. The compensation must be at or below the typical salary that would be paid to a person who is not an Officer or Director. The board shall have the authority to remove such employee for just cause.**

Article VIII, Section 5. Vote: Each member shall be entitled to one (1) vote per lot, on each issue to be voted on. All questions shall be decided by vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation or these By-Laws. Voting by proxy shall be allowed.

Explanation Note:

The above changes to the by-laws divide the description of payments to Officers and Directors in two ways. One is for compensation to be an Officer or Director, and the other description relates to the Officer or Director being a salaried employee of the Corporation.

This gives the board the authority to hire an Officer or Director to also be an employee of HMWI, instead of requiring the members to vote by proxy or at the annual meeting. It still leaves in place that the members must vote on compensation to Directors and Officers for their duties as an elected Officer. Submitted by Mick Blumer at the March 9, 2017 meeting.

Norm made a motion that the Board can hire Board Members at a rate of \$15/hour with a maximum of \$1000 total per year (not per Board Member). If the total were to exceed the \$1000, it would require unanimous Board approval to increase compensation to sitting Board Members by \$1000 increments. Mick seconded the motion. The vote was delayed until the exact wording for the proposed By-Law would be presented at the April meeting. Both changes will be presented and voted by the membership at the annual meeting.

Landscape Options for Phase 2: Larry has created a spreadsheet listing the size of all property affected by the Phase 2 construction. Larry & Keith will review the property owners to ensure all have been included before the next Board meeting. The Board's intent is to provide compensation, using all \$6,000 withheld from Quinn, based on each property owner's percentage of the total disturbed area. The split will be approved at the next Board meeting. Each property owner will be approached with the monetary offer; they would then have sole responsibility for the landscaping of their property. Rick made the motion, seconded by Norm. Motion passed unanimously.

Rules & Regulation of HMWI: Second reading without any additional comments. Attachment "A" price schedule was reviewed and updated. The revised attachment "A" follows these minutes. Larry will have 5-6 water district members review the Rules & Regulations for corrections or comments.

Dissolution of C&J Sanders as a corporation: The request had been submitted to the USDA on 12/12/16. Tim Potts (USDA manager) reviewed the matter; he stated the Title Company (First American Title Company) required that C&J Sanders was on the mortgage papers since the purchase was for all the stock of C&J Sanders. Tim stated it was a legal issue that would have to involve First American Title. No progress made during February.

Involvement of HMWI membership: No further input. The web site needs to be current. Norm made motion to for Keith to contact John Nelson about adding information monthly; seconded by Craig. Motion passed

New Business:

1. Present Board Members available to serve another 3-year term:

Mick- undecided Craig – Yes Rick (2 yr. term) – Undecided

2. Annual Meeting Issues:

Date/Time/Place: Tuesday, June 27, 2017 6:30 PM Johnson Siding Community Center

Pump House Presentation: Mick to make presentation Norm & Mick will secure a PA system for use at the annual meeting along with a projector.

Items for Membership Action: 1) Board Member Compensation; 2) By-Law changes

3. Staff Compensation – It was discussed that no raises had been given to the staff since they started working for HMWI on June 27, 2011 and the rate of inflation over that time span was 9.4%. Norm made a motion that Scot should receive a \$200/month raise (to \$2600/month) and the Lau's would receive \$200/month raise (Lona: \$650/month; Keith: \$1050/month); Dwight Johnson would receive a 10% raise (Dwight: \$66/day). Rick seconded the motion. Motion approved unanimously.

Being no further business, the meeting adjourned at 9:15 PM.

The next regular board meeting will be 6:30 PM, Monday, April 10, 2017, same place.

Respectfully submitted,

Larry Deibert
Assistant Secretary