

Hisega Meadows Water, Inc.
Board of Directors Meeting - March 12, 2018 @ 6:30 PM
Johnson Siding Fire Dept.

Present: Randy Smart, Pres. (2018), Rick Schurger, V-Pres. (2019); Craig Fischer, Treas. (2020); Ron Gordon, Director (2020); Penny Kaiser, Sec. (2019); Scott Licht-Manager/Water Operator; Larry Deibert, bookkeeper/transcriber. Pam Anderson, Billie Pesek, Holly Blumer & John Nelson were in attendance

Randy Smart called the meeting to order at 6:30 PM.

Website Committee: John Nelson showed the most recent preliminary version of the Web-site. The web site address is: www.Hisegawater.com. John needs to get together with Scot and Larry before the end of March to show how to receive the money and download the reports. Randy stated that a newsletter should be sent out prior to the end of March to explain how the members would be able to pay their April water bills starting April 1. Larry will meet with John Nelson Thursday morning, March 15, to provide the past minutes in pdf format and learn how to download the reports for payments made through Stripe.

Operator/Manager's Report: February 2018 Manager & Operator Report – 3-2-18

February has been relatively smooth. No major problems.

2-06-18 #3 pump lost prime early AM. Very difficult to get to prime in. Lots of air.

2-11-18 Installed new filters. 28 days 1,015,600 gallons (good)

2-12-18 Raised height of sump pump in backwash pit. Need to have backwash pit pumped soon.

2-14-18 Dwight back washed and found #3 pump had lost prime at the PM backwash. Dwight could not get #3 pump primed in. I went down and got it primed in with some difficulty. Chlorine was low at .6 m/l. I closed chlorine valve at the injection point & removed chlorine line from injection check valve and purged line into a bucket.

2-15-18 Dwight backwash and called me & said the chlorine test was zero. He found that the chlorine valve that I closed had not been opened after the chlorine line was purged the previous night. (my error). I told him to turn up the chlorine to shock the system. I went & checked the chlorine level at the Carter Reservoir and found it was .54 m/l which is OK. I flushed upper Pioneer (chlorine .13 m/l at start of flush, .51 m/l at end of flush). I flushed Heritage Lane (chlorine .09 m/l at start of flush, 1.06 m/l at end of flush). I flushed lower Pioneer Lane (chlorine .10 m/l at start of flush, 1.07 m/l at end of flush) All three hydrants were flushed at the same time for a total of 27 minutes. After the flush chlorine at the pit was 2.0 m/l. Fortunately, the system had been kept at the target of 1.5 m/l so there was still chlorine residual in the reservoirs.

2-18-18 About 6:00 PM Craig called and said a fuse on the pole had blown. I went down & met Craig at the pit & checked #3 pump. It would not run, we lost a phase. Craig called REA and several hours later they had the problem fixed & Craig started #3 pump for me.

Dwight worked 5 days in February

Standard water sample taken at the Scot Licht residence 2-6-18.

E-Coli samples taken 2-6 & 2-21.

849, 528 gallons pumped in February

There was no reason found for the pump losing prime twice in February. Scot suspects that there was a little grit preventing the foot valve on the intake line from completely closing. Pump run time has been averaging 7 hrs. per day, so there was plenty of time for a small seep to drain the intake line.

An interesting occurrence happened March 1. The pump was off at the morning backwash and the reservoir was at 7.8' (8.0' is full). At 5:16 PM at the evening backwash the pump was off and the reservoir was at 7.1' The pump had not run all day. (pump starts at 7')

Three new water customers were signed up in February, and one water customer in Evergreen Valley has placed their home for sale (they requested a water agreement to give the Realtor so there is not a surprise about the \$1000 membership fee).

Keith Lau sold his little yellow house to Larry Fuss & transferred his water agreement with the sale.

Norm Tschetter has sold his house & the new owner knows about the membership fee & will sign up after the closing. Norm has not decided yet if he will transfer the fee.

You should all have received a copy of our 2017 Drinking Water Report prepared by DENR.

Our water system has been awarded the Secretary's Award for Drinking Water Excellence by the South Dakota Department of Environment and Natural Resources for the last 17 years

Scot did secure a pump that can be used for chlorine or alum. Munoz remote reader quit and we do not have any spares. Scot found some remotes on E-Bay for \$35; Scot plans on ordering 10 remotes.

HMWI can save \$10.71/month if HMWI lowers Scot's salary by \$140 and reimburse him for the phone cost. Larry should call Paystub to reduce the salary and then reimburse Scot the \$140/mo. Rick made the motion; Penny 2nd the motion. Motion passed unanimously.

Discussion concerning the Infrared lamp; Randy will pick-up the light from Scot and find out what Ace Salvage would pay.

Penny looked in R&R to see who the curb stop belongs to, is it HMWI or the individual members.

Property owner is responsible for the cost replacing the curb stop; HMWI is responsible for the replacement to maintain the quality of the curb-stops.

PV Blaster should be used on curb-stops to loosen the rusted parts,

Bookkeeper's Report: Ron made a motion to approve the Treasurer's Report; Craig seconded. Motion carried unanimously.

Minutes: The February 12, 2018 minutes were reviewed. Rick made motion to approve the minutes; Ron seconded. Minutes were approved unanimously.

Old Business:

Storage Structure: Rick applied for a permit from the County that should be available in a few days, to be able to place a storage unit on HMWI property off of Lindsey. The unit will be placed on the property 6-8' west of the fence around the building. It must have a 30' set back from the property lines. It will be placed North/South.

New Business:

Invoice for Water usage at old Fireside:

Doyle Estes was out of town during the week of Feb. 19; Larry called him on Feb 26 and discussed the 609,600 gallons of water that went through his water meter. He asked what the cost was and Larry told him it was \$4,147.60 plus the \$85 base rate for February. The total cost included \$550 to have Rural Water working 2 days to find the break. There was no response from Doyle after he was given the figures except to give his e-mail address so the work sheet could be sent to him.

Amending of August 14th board meeting minutes: Randy & Penny will get together to amend the August minutes; they will e-mail the discussion, as they remember it, to each other soon.

Audit HMWI Books:

Larry received a phone number from Ken Moss for a CPA in Hill City (Eileen Hamm) that might perform an audit for HMWI. Larry called Eileen's office and spoke with the receptionist; the receptionist called back after speaking with Eileen and stated that she does not conduct Audits.

Larry received a call back from Tim Potts (USDA contact) saying that since we were below \$1M loan balance we would not need a "133" audit for the USDA.

Larry sent the information to Jim Postma requesting recommendations from him; below is his response:

An "A-133 audit" is a specifically defined auditing format for some governmental contract work. So, an "audit" is a reference, that in the accounting world typically entails a whole lot more work [and cost!] than what is bargained for. Thus, my suggestion of an "Agreed-upon procedures" engagement which basically is what most people think of as an audit; it is done at a much lower cost [typically but depends on how extensive the agreed-upon procedures are — thus some negotiating/flex room here].

I can't do that as it is considered to be "attest work" and I am unable in the post-Enron melt-down Sarbenes-Oxley Act world we live in, to do that anymore {I used to - 10+ yrs. ago}

Not a lot of options in RC for audit/attest work: In addition to Ketel-Thorstenson & Casey Peterson, may want to check out: DeSmet & Biggs [I would recommend them] & Donna Denker & Associates.

Sometimes, an organization will appoint an internal 3-5 person committee [of either Board Members/or users] to essentially perform various financial "auditing" work themselves on a Saturday [Yeah - fun!!] or evening(s) to do thing like: reconcile a few randomly selected bank statements, check vendor files for invoices to checks written, look at Quarterly payroll returns/W-2's and compare to wages declared that were paid, etc.

The above are not as through/complete as an audit or agreed-upon procedures engagement, but can merely serve as a detection mechanism for things that might appear amiss [at which point it could be expanded into an outside attest engagement, for example], and may save a few thousand dollars as attest engagements don't come cheap. From James Postma on Feb. 17, 2017

The Board will send out a request for volunteers to serve on financial committee to review financials for the past 5 years.

Property Locks: Scot stated that there are 16 critical locks at an average cost of \$20-\$25 each. Craig was told to purchase the needed locks.

Mission Statement for HMWI: Penny shared the following mission statement: "To continue providing clean and dependable water for its members and planning for the future sustainability of our water system in a cooperative and responsible manner." John Nelson is to add this to the web site.

Misc.:

Being no further business, Rick made a motion to adjourn; seconded by Ron. Meeting adjourned at 8:01 PM

The next regular board meeting will be 6:30 PM, Monday, April 9, 2018 same place.

Respectfully submitted,

Larry Deibert
Transcriber