

Hisega Meadows Water, Inc.
Board of Directors Meeting
August 15, 2016 @ 6:30 PM
Johnson Siding Fire Hall

| 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 |
| -Secretary | (2019) | 355-1549 | Lona Lau-Bookkeeper | 342-2254 |
| Craig Fischer-Director | (2017) | 519-1837 | | |
| Norm Tschetter-Treasurer | (2019) | 348-3003 | | |

Larry reported that Bob Laurenti had resigned from the board effective July 26. Replacement for Bob Laurenti was discussed. Ron Brown was suggested; we are unsure if he will consent to serving the remaining 10 months, until the annual meeting at the end of June 2017. No action was taken to fill the vacant Board seat.

Approval of Minutes: Motion made by Mick; seconded by Craig to approve the July 11, 2016 minutes. Motion passed unanimously.

Water Operator's report: Scot reported that on July 15 a rock became stuck in the float valve at Evergreen Valley sub-division reservoir, which affected all the settings in the pit; Alum is very touchy. Because of the stuck float, the Big Piney Reservoir was drained by the morning of July 16. Scot & Norm found the problem and replaced the float valve. Mid-Continent performed several tests of our water, which are done every three years; results came back very similar to previous tests. #3 pump is working by installing a 1-1/2" prime hose; #3 pump is a very efficient pump. Approx. 36k gallons are being pumped every day. Scot goes into surgery on Thursday, Aug. 18; Dwight Johnson will be covering Scot's responsibilities for seven days.

Manager's report: Keith reported on water usage vs. gallons pumped, seems to be coming more in line with the new improvements to the system (water loss for June was 29.9%). BH Electric will install the heat meter when we are ready for the meter to be installed. Three valves were changed using Alan Sage to perform the work; Glorine had a new curb-stop installed near her property because of how the old installation was completed. At Bob Barkley's property the line was extended 20'; a flush valve was installed along with a curb-stop. The bill from Alan Sage was \$3,974.39 for materials; labor & equipment charges were \$4,651.45 for a total cost of \$8,625. Motion to approve by Norm and second by Mick. Unanimous approval.

Keith has not received any additional proposals from other backhoe operators during the past month.

Bookkeeper's report: Lona presented the July treasurer's report which was passed unanimously by the board on a motion by Mick and second by Craig.

Larry questioned whether all expenses related to Phase 3 construction should be handled separately from the normal business expenses similar to what we did for Phase 1 & 2 since we received a \$40,000 grant? Lona said she is keeping separate accounting for Phase 3.

A meeting still has not been scheduled between Quinn Construction, Advanced Engineering & HMWI. Also, based on the latest correspondence from Derek (Quinn Construction), it would appear we are close to the point of calling for an Arbitrator to hear disagreements and decide who is responsible for each of the issues. A recommendation will likely be made to the HMWI board at the Sept. meeting.

Mick expressed concern that some of the curb stops still have not been corrected so they can easily be shut on & off. Keith will check five valves and send an e-mail to Larry with the condition of each of the five valves saying if each was acceptable or unacceptable.

Mick's status report on the new pump house:

A paint party could be a couple weeks away. Craig & Mick put in Bentonite rope, expandable sealant, where the old and new walls join. Grout was put in between the concrete panels. Rubber roofing will be placed the week of August 15. Backfilling may take place August 18 or 19th so then electrical work could start the week of August 29. Completion should occur prior to the end of October.

Bob Barkley service discussion: Keith will get a breakout from Alan Sage for the cost of the line from the saddle tap to the curb stop. Mick made motion that HMWI would pay for the portion of the line from the saddle tap to the curb stop because of recent statements the Board has made concerning where the split occurs for HMWI responsibility & home owner responsibility; Norm seconded. Motion was approved unanimously.

Policy for disturbed areas: HMWI will level the area after digging has occurred and spread grass seed along with giving a \$10 credit (which covers the cost for 2500 gallons of water); the responsibility for watering the disturbed area is the homeowner's.

Larry presented the idea of creating a rules & Regulation document for each of HMWI members so that each member would have a hard copy of the policies that have been approved by the Board. Norm expressed reservations about the need for such a document desiring to keep the operation simplified. Mick expressed agreement that such a document should be developed. Larry asked the Board & Staff if anybody had such a document from Jack Sanders under the old C&J Sanders operation. The Board will discuss creating a "Rules & Regulations" document at the September meeting.

Larry will check at with the County concerning the recording of the three Jack Sanders (C&J Sanders) parcels in the name of Hisega Meadows Water. Also, finding out what it would take to merge C & J Sanders and HMWI into one corporation instead of the two. Larry will report at the next board meeting.

Being no further business, the meeting was adjourned at 9:10 PM, next regular board meeting will be September 12, 2016, same time, same place.

Respectfully submitted,

Larry Deibert
Acting Secretary