

Hisega Meadows Water, Inc.

Board of Directors Meeting

April 10, 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 Rick, seconded by Mick to approve 3/09/17 minutes; Motion unanimously approved.

Water Operator's report: Provided 4-08-17: March 3-1-17 to 3-7-17 Was covered in February Operator Report. 3-8-17: Big Piney Reservoir overflow line outlet is buried. I told Quin Construction about it multiple times & they had assured me they would fix it. Now that they are out of the picture, I will dig it out sometime this summer. I think it can be done by hand. 3-14-17: There was a 14,000 gal spike in water usage. 3-15-17: Daily water use back to normal (31,000 gal) 19 ½ min for Harmscos to clean up. Normal is about 17 ½ min. Creek is dirty. 3-16-17: There was a 7,770 gal spike in water usage. Turned off heaters in Intake pit & Backwash pit. 3-20-17: Purged air bubbles from Alum Line. 3-23-17: Hawkins delivered 92 gal of Alum & 91 gal of Chlorine & 1 gal of conditioner. 3-24-17: Tightened front door hinge screws. 3-30-17: Adjusted Yardney top valve. 3-31-17: Installed new Alum tubing & cleaned Alum injection fittings @ 4" intake line. Purged air from new Alum line. 25 min Harmsco clean up. 4-4-17: 1,115,500 gal on filters, day 32 Filters will need to be changed soon. 4-5-17: Cleaned strainer on #3 pump. Very hard to prime in. 4-7-17: 12# filter differential. Filter change @ 14 # or sooner. **MISCELLANEOUS:** Dwight worked 6 days in March; 1,074,140 gal of water pumped in March; Floor drain in pit has thawed out; After Mike Berry of Tem-Tech got the automatic pump controls working on 3-7-17 everything has been working pretty good. The controls for Big Piney went out on April 9; Mike Berry came out on April 10 and found the transducer was bad. Norm asked if there is a savings by getting 20 filters at one time instead of 8? Keith will get a cost from BHE for a price to install a heat meter at the Pump House.

Manager's Report:

Alan Sage repaired the leak at Joe Fetch Property (10100 Pioneer Ave) on April 7. Keith is going to contact the county to have the \$5000 bond refunded that we paid to the county during the construction phase. The 2" meter has been ordered that will be placed in the pit.

Bookkeeper's Report: On a motion by Norm and second by Rick, the March financial reports were unanimously approved. Lona contacted US Bank to find out if we can pay the DENR loan monthly instead of quarterly.

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

Old Business: Compensation of Board Members:

First Proposal to clarify By-Laws:

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.

Proposed changes in blue:

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. **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 First Proposal failed to receive a second, therefore, no vote was cast.

Compensation of Board Members:

Second Proposal to Clarify By-Laws:

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. Motion failed on a 2-aye; 2-naye vote.

Norm seconded the proposed By-Law submitted by Mick at the March meeting. Motion failed on a 2-aye; 2-naye vote.

Compensation of Board Members:

Third Proposal to Clarify By-Laws:

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.

Proposed changes in blue:

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. **No compensation (payment of salary) for officers and directors shall be permitted. Board members may be reimbursed for Corporation business expenses, not to exceed \$50 without prior Board Approval.**

The proposed By-Law change was submitted by Craig Fischer by e-mail sent to Larry Deibert. Mick Blumer requested the vote on above motion be delayed until the May 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 at the March meeting. After receiving a phone call from Ray Brown expressing dissatisfaction with the Board's decision to provide compensation to each property owner affected by the Phase 2 upgrade, Larry spoke with Bob Nelson (Landscape business). Bob is willing to provide recommendation and a cost for our consideration. Norm stated that a motion was made and approved at the March meeting; end of discussion. Keith, Norm, Rick & Larry will meet at Keith's house April 14 to review the properties and get a final measurement for each property that needs to receive compensation.

Rules & Regulation of HMWI:

The Board reviewed the changes suggested by the four HMWI members and accepted their suggested changes. The document will be printed and included in the annual packet.

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. Larry submitted a request to Paula Hammond at First American Title on April 3. Paula handled the transaction in 2011 and has asked Mitch LaFleur in their office to research and respond to our request.

Involvement of HMWI membership:

Bob Buchanan offered to keep the web site current and has placed all approved minutes on the web site.

New Business:

No New Business

Being no further business, the meeting adjourned at 8:33 PM.

The next regular board meeting will be 6:30 PM, Monday, May 8, 2017, same place.

Respectfully submitted,

Larry Deibert
Assistant Secretary