

Hisega Meadows Water, Inc
MINUTES--Monday---Oct. 9, 2017—6:30 PM
Johnson Siding Fire Station

Present: Randy Smart Pres. (2019), Rick Schurger VPres.(2020), Craig Fischer Treas.(2020), Ron Gordon-Director-(2019), Penny Kaiser Director(2020), Scott Licht-(staff), Keith Lau (staff), Lona Lau (staff), Pam Anderson (staff) , 4 Members, and 2 guest speakers.

Randy Smart called the meeting to order at 6:26 PM.

Website Committee: Randy introduced Brian McKiernan and John Nelson from the Website Committee. They presented the report and recommendations of the Website. Copies of the report was handed out. It stressed that up-to-date information on a website can really improve the communication between the Board and members. After discussion, the Board agreed to accept the recommendations and asked John Nelson to present a quote for design at the next meeting. Rick Schurger made a motion to accept the recommendations up to point of receiving a quote as discussed. Craig Fisher seconded and motion was approved unanimously.

Operator's Report: Scott reported that the automatic control has been working for 32 days. No surges and everything is working smoothly. So far there have been no bills from Temtech on the additional surge protectors and equipment they installed. Water usage has been lower and that is expected for this time of year. Discussion about how many days Dwight works each month was held. Scott explained the several tests that must be run daily and reports required. In addition, he is doing an E-coli test every two weeks for a year. This is the first time for HMWI as it is only required every nine years.

Manager's Report: Keith reported that system has been working smoothly and he has detected no new leaks. Materials are purchased and repair on the pipe will start in 2-3 weeks on the line near Tomlinson property as soon Sage Water Works can schedule it. Water gallons/loss report showed normal usage and loss at 24.9% which is lower. Scott and Keith felt it should be around 9-10% and attribute most of the difference to the older meters in the system rather than the different reading times over 10 days by the members.

Bookkeeper's Report: Randy gave Lona a NSF check he had received and Lona will send the member a bill for \$35. Discussion was held about the Phase 1 and 2, and Phase 3 and operating accounts in the checking account set up under the previous Board. Board instructed Lona to close out the two Phase accounts and include those monies into the operating account. Those monies could be used for the repair needed at Ray Brown property. Randy stated that an upcoming audit would clear up any questions. After review, Ron Gordon motioned to approve the Treasurer's Report with the recommendations to close the accounts discussed, pending audit. Craig Fischer seconded. Motioned carried unanimously.

The Balance Sheet, and the Savings and Loan Balances were reviewed. The 240K deficit on the Balance Sheet was explained with the transfer from Checking to Savings this month. Questions about how the member \$1000 member deposits/reimbursements and the amount of debt were clarified.

Minutes for Sept. 11, 2017 were reviewed. Penny Kaiser motioned to approve them. Rick Schurger seconded. Minutes were approved.

Unfinished Business:

Purchase of a Safe: Randy Smart reported on his research and 2 bids for a safe at the pumphouse. He recommended a gun safe at Runnings for \$640. While it is not waterproof, it sits about 4" off the floor and has a dehumidifier. It will hold any documents needed to store. After learning that the highest flood at the pumphouse should only be 3" because of a run-off pipe at that height, Board agreed it would be a good way to store and secure the HMWI documents. Rick Schurger motioned to purchase the recommended safe. Ron Gordon seconded. Motion passed unanimously.

Remote Meters: Rick Schurger reported on his research to find 2 additional bids for the remote meters. After discussion, the Board agreed that the bids would be higher because they would not include installation and software. Also by approving a bid from Sage Waterworks, we would be using a current reliable service provider. Randy Smart recommended that Board should seek a new revised bid from Sage Waterworks closer to the Annual Meeting date and put an estimated \$70K expenditure to a membership vote. Rick will do further research on the Census meters that Rapid City uses and types and costs of software available. Board agreed to table the remote meter project until Board can do more study.

What To Do with Savings Account Monies: Randy and Craig reported on the CD interest rates from the First Interstate Bank Customer Service. Discussion and comparison of the First Interstate Bank CD interest rates from customer service and the rates submitted by Keith last month from First Interstate Financial Investment Banker who works with non-profits. Lona explained his advice about rotating the terms of the CDs so there would always be emergency funds available. It was clarified that the funds required by USDA could be in CDs. Randy recommended that the Board keep \$50K in the checking account, pay off the oldest DENR loan, and the remaining savings be put in CDs. Further discussion on loan balances and interest rates, and the debt was held. Penny Kaiser presented an anonymous opinion piece about non-profits which did not favor paying off low interest loans and recommended that the Board delay any decision until they could do further study. After discussion, Penny Kaiser made a motion to develop written short term and long term goals before paying off a low-interest loan. There was no second and motion failed. Ron Gordon made a motion to pay off the oldest DENR loan of \$214,445.86 at 3% interest. Rick Schurger seconded. Motion carried on a 4-1 vote.

New Business:

Need for Pam Anderson to record the minutes: Discussion on the need to hire someone to make notes and a recording, and provide the minutes. Penny expressed a desire to have a chance to learn her job before she had the responsibility of providing the minutes. Board discussion included hiring someone to transcribe a digital recording for better accuracy, recognizing that taking the notes took the Director out of the meeting, clarification of when and who made motion to hire a contractor and that the present situation at \$35 per minutes was an affordable solution for now. Pam stated that she began taking the minutes to help the organization through a transition and was open to whatever they decided. Topic was tabled for further consideration and Pam was instructed to submit her minutes to the Secretary, Penny Kaiser within 5 days. The Secretary would forward them to the Board for review.

Amend Minutes of Aug. 14th, 2017: Randy recommended the need to amend the minutes, so they are more accurate as to what was discussed with Holly Blumer and the Board re: who would run the Special Members meeting. Pam informed the Board that the procedure for amending approved minutes was to have the exact text of the addendum reviewed and approved at the next meeting, just as the minutes are approved. Tabled to the next meeting.

Executive Board Meeting: Randy announced that there was an Executive Board meeting on Wed. Oct. 11th at the Fire Station at 6:30PM.

Penny passed out information regarding Robert's Rules of Order.

With no further business, Penny Kaiser motioned to adjourn. Seconded by Craig Fischer. Meeting was adjourned at 8:24 PM.

Respectfully submitted
Pam Anderson