

SOUTH BOISE WATER COMPANY

Annual Shareholder Meeting Minutes

January 25, 2020

Meeting Station on the East Side of the Boise Depot

2603 W. Eastover Terrace Boise, 83706

Barry Eschen, President called the 2020 South Boise Water Company Annual Meeting to order at 1:03 p.m. on January 25, 2020.

Preliminaries

Roll Call

Board Members/Staff present were:

Barry Eschen, President

Gabe Bishop, Vice President

Monte Wilson, Board Member

Bill Lloyd, Board Member

John Roldan, Board Member

Aaron Tolman, Treasurer

Mike Harrison, Watermaster

Mike Harrison, Secretary

Announcement: Barry Eschen, President introduces the Board Members and has attendees introduce themselves. Along with the proxies, there are 636 shares represented. A quorum is present.

Approval of January 26, 2019 Annual Meeting Minutes.

MOTION: Gary Garrett moves to approve the January 26, 2019 Annual Meeting Minutes as presented.

Seconded by Glen Liberty. All Ayes, Motion Carries.

REPORTS

President-

Barry Eschen states that it was a good season without any significant issues. There were several transitions last year. Emmett Broillier, Treasurer resigned in January. He was President in 2006-2007 and then served as Treasurer for the last 12 years. Aaron Tolman has filled in for the past year and will be leaving us. Barry polled the shareholders for possible replacements. At last year's Board Meeting Dustin Mortimer stated he might be leaving, and he resigned in April. Barry has moved into the Presidents position from Vice President. Gabe Bishop has filled the Vice President seat and Monte Wilson filled Dustin's position on the Board. Barry also states Delta Dental will become a Shareholder off the Meeves Two and we hope to add some users on Drain B. We are doing things in a more business-like fashion including performing written evaluations on our contractors and have improved written contracts with our contractors.

Treasurer-

Aaron Tolman goes over the balance sheet. Aaron states we were over budget with our income by \$2,000.00. We had more assessments come in than expected. We were under budget on most things. We were over on the Treasurer payroll because we had more payroll while he was being trained. We had a total net income this year of \$17,808.69. On our balance sheet we have \$159,255.00 in the bank and our savings account. Aaron also states the Board would like to have around \$250,000.00 in reserves. Aaron states that Doug Zamzow performed the 2018 audit of our financial records.

Secretary-

Mike states that we have 1111 shareholders with 636 shares present with proxies and attendees. Assessments will be going out on March 1st and are late by April 15th. Please let me know if there are any corrections that need to be made with your contact information. We have a website at southboisewater.com. Please take the time to visit the site, it is very informative. There is a lot of information on the site and it will be updated soon with a new look. Gary Garrett makes a request to get a list of a copy of the Shareholders and addresses. Barry states that can be coordinated with Mike. Gary also wants an explanation as to who is responsible for dead end ditches. Barry states if there are two or more shareholders on a ditch the company is responsible for it. Mike tells everyone in attendance to call if they should have any questions or problems with their assessments. Monte Wilson asked a question if there a list of the South Boise Water Company Shareholders readily available. It is suggested that I post the Shareholder information on the website. Barry would entertain a motion that if

approved by our Attorney, Bryce Farris, to post all the shareholder information on our website. Moved by Glen Liberty. Seconded by Randy Ford. All Ayes, Motion Carries.

Watermaster-

Mike Harrison states that it was good water year last year. Delta Dental will be piping the Meeves Two ditch from Schmeizer Lane to the end of the property by The District. Mace Picora has a clog in his yard because of a big maple tree. Master Rooter will try to remove the clog. The Penny Lateral has some fences that are encroaching on the ditch. Mike states he will be working with the property owners to work on a compromise to remove the encroachments to help with access and maintenance. We will be reinstalling a boom at the Chatburn to minimize the debris accumulation. ACHD will be replacing the pipe across Myers on the Meeves Two. They will also be installing a new line on Division between Highland and Hale. Glen Liberty asks about ACHD's responsibility for our pipes. Mike states that ACHD will take care of all our crossings that have a problem at no expense to us. Monte Wilson asks what review procedure is in place prior to a project starting. Mike states that he is notified by the City of Boise on all new applications for permits. Mike also states that Architects and Engineers contact him before plans are submitted as well. Randy Ford asks about the Delta Dental plan. He also asks about the ditch access for the Rickards. Mike will meet with Randy and Brandon, the project manager for Delta Dental on site to discuss his concerns in more detail. Snowpack is close to normal, and we are expecting another good water year.

Mike lets everyone in attendance know to call him if there is a problem. Mike states the shareholders are my eyes and ears on the ditch. Please do not hesitate to call when needed or just to talk.

Water Rights-

John Roldan states that there were a couple big activities last year. One was the Refill Right and Flood Control.

The two water rights that were decreed last year made everything legal. We are back to operating normally just like we had historically. The second was an application by Elmore County. Their application was to take 200 cfs off the Boise River. Basically, they want to divert it through a tunnel system to Mountain Home. It was protested by several irrigation companies along with the City of Boise. The argument was that the new right was to be subordinated to the refill rights. The permit was approved by IDWR and the right was subordinated to the refill rights.

BSU Water Developments-

Gabe Bishop states that when he took over at Boise State the first thing he had to address was the irrigation system. Grounds around some of the larger buildings are being watered with domestic water. Gabe is working on Phase Two. This will include running a main line down Belmont to get all the buildings south of University on South Boise Water. The lower Broadway Lateral is being tied into the main irrigation line to minimize flooding at University and Lincoln. There are about 70 irrigation timers or clocks spread out over the campus without any central control. The new pump station will be automated which will only use water when needed. Wasting water will be a thing of the past and the BSU system will be extremely efficient and allow more water to stay in the system and be used where it is needed.

Bylaws Amendments-Monte Wilson

1.1 Increase Board to six members

Monte explains the proposal is to add a sixth member to the Board. The Board is made up of representatives from three large entities and two individuals at this time. The reason to add a sixth member is to get another individual on the Board to balance the interests on the Board. A motion is made by Gary Garrett to add a sixth member to the Board. Seconded by Janet Haroian. All Ayes, Motion Carries.

1.2 Quorum for Board

Monte states this proposal is to set a quorum because it is not currently spelled out in the Bylaws. It is proposed that there would be three Board Members to have a quorum or at least 50%. Randy Ford and Jon Oppenheimer bring up the possibility of making it 50% plus one to create a quorum or four members out of six to create a quorum. After continued discussion a motion is made by Glen Liberty to accept the definition of a quorum as presented. Seconded by Gary Garret. All Ayes, motion carries.

ELECTION OF DIRECTORS – Barry Eschen

Barry gives a statement about the individuals who are running and asks that they give a brief statement about themselves and their involvement in the company. He also asks if there is anyone else who would like to run for a position on the Board. There being no volunteers from the audience he proceeds with the statement from the Board Members running. After statements are made, Barry asked if there are any further candidates.

1. Seats still in office: Barry Eshen
2. Seats up for election:
 - a. Monte Wilson- seeking re-election 2 years
 - b. Gabe Bishop- seeking re-election 2 years
 - c. John Roldan- seeking re-election 2 years
 - d. Bill Lloyd- Jon Oppenheimer running 1 year
 - e. Open 1 Year- Ken Mallea running

MOTION: Barry asked if there are any further candidates. There being none, Barry Eschen asks for motion to elect the slate by acclamation, so moved by Cathryn Brandt. Seconded by Cynthia Wallesz. All Ayes, Motion Carries.

NEW BUSINESS

1. Audit of 2018 Financial Records – Doug Zamzow.

Doug Zamzow is not present, but Aaron Tolman reads a statement that is prepared by Doug Zamzow that says he performed a brief review in December 2019 of the South Boise Water Company's 2018 financial records that were provided by Aaron Tolman. He found that the records appeared to appropriately represent the financial position of the company and to comply with normal work practices, procedures and policies.

2. 2019 Audit-Barry Eschen

Barry asks the shareholders for a volunteer for the 2019 audit. Nancy Collins volunteers. Barry asks the audit to be performed before Aaron leaves town.

3. 2020 Budget Proposal –Aaron Tolman

Aaron discusses the 2020 proposed budget. A motion is made by Randy Ford to accept the budget seconded by Nancy Collins. All Ayes, Motion Carries.

4. Thanks to Bill Lloyd

Barry gives thanks to Bill Lloyd. Barry talks about how valuable Bill has been to the company. His wisdom and contributions to South Boise Water Company are much appreciated and have been invaluable to the daily operations. Monte Wilson, John Roldan and Mike Harrison give brief statements about their interaction with Bill Lloyd and how valuable he is to the company, how he shares his knowledge and time so freely and how much he will be missed. Bill states he will continue to assist when he can and will contribute as needed

ADJOURN A motion to adjourn the Annual Shareholders Meeting of the South Boise Water Company is made by Gary Garrett and seconded by Glen Liberty. All Ayes, Motion Carries. The 2020 Annual Shareholders Meeting is adjourned at 2:49 p.m.

Submitted by

Michael Harrison, Secretary