Rocky Beach Water Association
Annual Meeting
Minutes
8-12-2023

The meeting was called to order at 9:00 am, by Tom O'Laughlin.

Tom welcomed members and introduced members of the Board.

The minutes from the last annual meeting (August 13, 2022) were approved as submitted.

Mike Herzog provided the financial report for fiscal year 2023-23 and the proposed budget for 2023-24

Financial Report

Current Fiscal Year Budget (August 1, 2022 - July 31, 2023)
Total budget revenues 27,500
Total budget expenditures 26,500

Assets
CD (reserve) 20,300

Expenses
Director fees 2,375
Idaho fees and Taxes 335
Maintenance 10,960
Utilities 5,117
Office supplies/misc 689
Insurance 1,709
Water testing fees 3,881
Total expenditures 25,066

Proposed Fiscal Year Budget (August 1, 2023 - July 31, 2024)

Total budget revenues 27,500
Carry Over from 2022-23 1,434
Total budgeted expenditures 28,934

Assets
CD (reserve) 20,300

Expenses
Director fees 6,625
Idaho fees and Taxes 350

Maintenance 4,000
Utilities 6,000
Office supplies/misc 700
Insurance 2,000
Water testing fees 7,000
Total expenditures 26,675

The proposed budget was recently submitted to the state of Idaho in accordance withstate requirements.

We had some unexpected bills go about $8,000 last Fall related to cleaning our water reservoir. Because of that we thought we might have to liquidate our cd, but we managed to defer some vendor bills and ended the year in the black. As of August 11, 2023 (yesterday), our check book contained $796.92. The Board recently reinvested the $20,000 cd at 4.25 percent, up from the previous rate of .045 percent.

The financial report, including the actual and proposed budgets, was approved.

Greg Mattison reported that the generator we bought and had installed by Selkirk and North County Electric was tested and worked, until we had a power outage, at which point it kicked in, as it should have, but failed to turn off when power was restored, burning out a part. This has happened twice since the generator was installed. Gregexplained that when we lose power, we also lose water; that the parts were under warranty, but we plan to hold Selkirk and North County electric responsible for the bills that have accrued as a result of faulty installation of the equipment.

Tom announced that the Board had recently instituted **a $100 fee for hookup locations**initiated by members. This was done because Greg was forced to spend much too much time carrying out that work. **The Board also raised the initial fee for brand new hookups from $4,000 to $4,500.** Greg explained that we would like to have hookup sites marked with flags, because we need to know where the hookups are located, in case of emergencies. **The membership voted that the Board should buy flags for distribution to members.** Gratitude to Greg for his work was expressed by the membership. Tom also reported that the IDEQ was scheduled to carry out an inspection of our system on July 25, 2023, in collaboration with Gem State, the company we pay to ensure our water quality. We have not yet heard results. Tom also asked if any members were interested in touring the pump facility and there was some interest, The Board will arrange for a tour on an upcoming Saturday morning.

New Business:
Questions were raised about the condition of our system, its longevity and replacement needs and the likelihood of additional properties requiring hookups. A new reservoir with greater capacity would be extremely costly, and we do not currently have the kind of reserves to envision that. The system must be maintained and we must look to the future to ensure the viability and longevity of the system, costly as that may be. The impact of having a water system such as ours on the value of our homes and real estate

was stressed. All of our property values would decrease significantly without a viable system. A discussion ensued about raising the initial hookup fee even more. A member of the Bagby family objected, explaining that her parents had been part of the initial creation of the Association and paid significant amounts to do that. As the Bagbys are looking to sell subdivided portions of their real estate, a significant increase in the fee feels like a penalty to them. Other members pointed out that the hookup fees would be paid by the buyers and that our primary concern must be the viability of the extant system and what we need to do to ensure that. In the context of what it would cost members to drill their own individual wells, **a motion was passed to raise the initial hookup fee for residences to $15,000**. As there had been no discussion of the motion, **a subsequent motion to revisit the issue failed**. The Board was encouraged to look into grants but the Board's efforts to do that already have shown that available grants would need to be guaranteed personally by the members of the Association, would have to be repaid, and would require matching funds — which the Association does not have. The Board was asked to develop a plan that would detail how many years the system would seem to have left and what it would cost to replace it. A few years ago, the system was appraised at $8,000,000 but Greg estimated its current value atdouble that. **A motion was passed to continue to require numbers from this fiscal year on to pay the current annual water usage fee of $500 plus an additional $250 per hookup** — in order to build up our reserves. A question about whether a site map with all current hookups could be created was answered by Mark Anderson, who suggested he could send out a template for such a map for the Board to use in pursuing that matter. The membership expressed its gratitude to Make Herzog, for his work as secretary/treasurer.

Mike asked members to make sure the Board has their email addresses and phone numbers, reminded them that members need to keep the Board informed about any changes to their system — such as additional hookups — or sale of the property.

invoices **for fiscal year 2023-24,** reflecting the newly approved rates that amount to **$750 per hookup**, will be going out within the next week.

The meeting was adjourned at 9:51 am.