

SOUTH BOISE WATER COMPANY

Annual Shareholder Meeting Minutes

January 14, 2017

Meeting Station on the East Side of the Boise Depot
2603 W. Eastover Terrace
Boise, ID 83706

Dustin Mortimer, President called the 2017 South Boise Water Company Annual Meeting to order at 12:34 p.m. on January 14, 2017.

Preliminaries

Roll Call

Board Members/Staff present were:

Dustin Mortimer, President
Evelyn Holder, Secretary
Emmett Brollier, Treasurer
Mike Harrison, Watermaster
Barry Eschen, Board Member
Steve Davis, Board Member

Board Members/Staff absent were:

Barbara Beagles, Board Member - Absent
LeeAnn Garton, Vice-president - Absent

Announcement: Dustin Mortimer, President introduces the Board Members and has attendees introduce themselves. A quorum is present.

Approval of January 9, 2016 Annual Meeting Minutes.

MOTION: Doug Zamzow moves to approve the January 9, 2016 Annual Meeting Minutes as presented. Seconded by Monte Wilson. ALL AYES: MOTION CARRIES...

REPORTS

President –

1. Mortimer acknowledges the fact that South Boise Water Company is 100 years old this year.
2. Mortimer also explains the updated policy on paper retention and record keeping.
3. Eschen and Holder have been clarifying and reformatting the policies and procedures and have posted them on the website.
4. Mortimer shares with the shareholders the information on the website and Eschen points out the history section and gives credit to Bruce Otto for his time and effort in helping to find the history information.
5. The issue of cash reserves is addressed and Mortimer explains that at this time we are reactive and he would like to see the Company be pro-active. It would be appropriate to have 6 months to one year of operating capital in reserves.

Treasurer—The annual financial reports have been distributed. The balance sheet indicates we have \$103,484.49 in reserve and we will use part of that prior to the receipt of our 2017 annual assessments. The profit and loss indicates we have had a good year. The budget for the website is over budget because we do not pay one year but two years. Ditch Maintenance is under budget because the planned projects were not all completed. Legal fees were less than the budget had predicted.

Watermaster—

1. Harrison starts by saying he thinks we had a really good year. We had plenty of water but that also creates more problems and some flooding.
2. This year, 2017 we have a full slate of projects to complete.
3. Harrison reports that ACHD is our main support system. They are going to complete the work on many projects that they consider their responsibility.
4. This fall Harrison has been up against the weather trying to get things done.
5. Every year we have a draw down when it gets really cold so we can freeze the elodea and then flush it out.
6. Bill Lloyd has been helping Harrison to measure the flow in River Run and then they made adjustments accordingly.

7. A shareholder asks about 1701 Division and Harrison explains that property is the first on his list for maintenance this year.
8. A shareholder asks about the situation with the trees that were cut down at 1216 Boise Avenue. Harrison explains that was Idaho Power and he spoke with them about leaving the stumps. It seems the pipe is right under the stumps so if they grind the stumps they will ruin the pipe. Instead they are planning to poison the stumps and then take them out.
9. Another shareholder asks about the maintenance as needed at 1700 Londoner and Harrison explains that property is also on the maintenance list for 2017.
10. As is posted on the website our irrigation season is from April 15 to October 15. If however, the weather is really nice and the plants need the water we will extend that one week.
11. The snowpack for this year is already above normal so we will have plenty of water in 2017. Some snow is wetter than other snow so the number of inches is not always a true indicator of the water shed.
12. Harrison reassures the shareholders that if they have any problems to notify him.

ELECTION OF DIRECTORS

Seats remaining in office for another year are Dustin Mortimer and Barbara Beagles. One seat is up for re-election, Barry Eschen. Bill Lloyd is running for LeeAnn Garton's seat.

MOTION: There are no other nominations. President Mortimer asks if there are any objections to approve the re-election of Barry Eschen and the election of Bill Lloyd by acclamation. There are no objections and Mortimer declares Barry and Bill elected.

NEW BUSINESS

1. Emmett Brollier reads the audit for the 2016 fiscal year. The audit was performed by Karen Otto.
2. Proposed Budget for 2017
 - a. Estimated income through assessments is \$94,340.
 - b. Estimated expenses \$91,175
 - c. Net Income \$10,178

MOTION: Monte Wilson moves to approve the Budget for 2017. Seconded by Doug Zamzow. ALL AYES: MOTION CARRIES...

3. Barry Eschen speaks to the shareholders about water rights. South Boise Water Company has 11.72 cfs of irrigation water, 1.8 cfs drainage water and 40 cfs of aesthetic water. Bill Lloyd, Mike Harrison and Barry Eschen have reviewed the data on flow in Loggers Creek. We were taking too much and adjusted to the proper amount near the end of last season. Next year we expect to run a similar amount—20 cfs—in lower Loggers. We do plan a short increase after the spring drawdown to flush out material and attract fish. This will imitate the natural cycle.
4. South Boise Water Company, in cooperation with River Run, run 40 cfs of Fish and Game winter water in Loggers. If we were to lose the Fish and Game water, we have a residual right to run 10 cfs for aesthetic and wildlife purposes.
5. South Boise Water Company owns part of Lucky Peak and we are paying it on a 20 year repayment plan.
6. Water is a necessity of life and there are lots of complicated rules to follow. When people want to get more water they try to pick the rules apart to find a way they can get more water. One issue that is working its way through the courts is the refill of Lucky Peak and who is authorized to get what. When storage space in Lucky Peak first fills and then is emptied to make room for later snowmelt, preventing later flooding to date the new storage water has been credited to those whose storage was emptied out. There are individuals that say that when it fills the second time it should not go to those same people but to other people. This matter will be before the Supreme Court in about one year. A group of the companies that have the water storage rights have banded together and have an attorney working for everyone involved in the case. Each is paying a portion of the fees to protect their water rights.
7. Drain Ditch A was once our ditch. We have shareholders who get water from Drain Ditch A. We are meeting with the drainage district to formalize the use of the ditch. The negotiations are going well.

Mortimer explains that we have found people who have been using the water without paying. He asks that people be aware of their neighbor and if anyone sees someone who they do not think is a shareholder please let us know.

Mortimer also alerts people to please clean their ditches to ensure the water can flow properly.

MOTION: Monte Wilson moves to adjourn the annual meeting at 1:40 p.m. Seconded by Doug Zamzow. ALL
AYES: MOTION CARRIES...

ADJOURN South Boise Water Company Annual 2017 Meeting is adjourned at 1:40 p.m.

Submitted by

Evelyn Holder, Secretary