

Quiet Water Board of Directors Meeting July 30, 2011 Approved 8/3/2011

In Attendance: Wally Orchard, Paul Haley, Ken Aebi, Bob Noble, Nan Scott, Greg Scott, Jim Hudson, Mary Rothbart, Mick Rothbart, Sherry Dickinson, and Loren Dickinson. Jaclyn Lichtenstein midway through the meeting.

Meeting Business:

1. The meeting began at 10:00 AM. The first order of business was Treasurer Nan Scott's report on the status of changing from the accounting system of NWCM to the "fund accounting" system used by QW before the contract. Nan Scott related the complexities of converting the 32 page monthly Northwest Community Management (NWCM) accounting report to the 4 page report of the software that will be used when QW goes back to its previous system. Nan has completed this accounting reorganization task and presented the board with the 4 page report that uses the previous "fund accounting" system for the previous fiscal year including the latest NWCM data. This means that the Board is ready to make the change back to the previous system. Nan was acknowledged for the long hours it took to accomplish this task.

It was noted that taxes using the NWCM system would have required a professional tax accountant that would have resulted in additional expense. The changes being put in place will allow the taxes to be done by our financial secretary at considerable savings.

Nan educated the board on the "fund accounting" method versus the "for profit" model used by NWCM. The difficulty in interpreting the NWCM financial reports was given by the Board as one major reason to terminate the contract. Nan explained that the NWCM model does not show the spending and balances for the different LCA's, or the other budget items without time consuming reorganizing. The heart of the fund accounting model is that expenses are billed directly to the different funds in our association's budget. At any time we can see what is spent and what the reserve balances are in each of the LCA's and easily track the status of budgeted items such as maintenance, landscaping, etc. It was discussed by the Board that the two reports should be put on the website for the membership to see the differences.

2. The board has notified NWCM verbally and in writing that the contract is terminated as of July 25 with a 60 day termination period as in the contract. Ken Aebi and Nan Scott drew up the termination notice. Care was taken to express that QW sees NWCM as a competent business and the termination in no way reflects badly on their business. The board will write a notice to the membership about the contract termination that

will accompany the notice for the proposed September 3rd special meeting.

3. A motion was made to appoint Christine Orchard as Financial Secretary as of October 1, 2011 to do the finances for QW. The motion was seconded and the board discussed whether to hire Christine as a contractor or as a QW employee. It was felt that more information was needed to make that decision in light of our legal obligations in the eyes of the IRS, and the cost differences for the two options. Three board members voted in favor of hiring Christine with Wally Orchard abstaining. When a QW bank account is established at the Bank of the West in Yachats the signatories would be Wally Orchard, Nan Scott, and Ken Aebi. (Note Wally and Nan subsequently excused themselves so additional signatories will have to be appointed.)
4. Wally Orchard gave a brief report on the meeting with Kate Danks of the Natural Resources Conservation Service. Ken Aebi, Wally Orchard, and Greg Scott toured the riverbank with Kate and discussed the restoration process. The Board has identified that we need an overall plan for the riverbank and Kate has promised a report by the end of August.
5. Pathway lighting was discussed. Wally has spent time looking into the specifics of the problem. The previous board did work on this issue and obtained some competitive bids, the lowest of which was around \$4000. All 3 LCA's are in need of lighting replacement including new photoelectric switches. Wally will finalize the extent of replacement and the final bid will go into the new budget presented at the proposed September 3rd special meeting.
6. The Board discussed the general grounds issues. Ken Aebi responded to requests by members to research the purchase of higher quality pool furniture. Ken consented to look into this matter and present for budget consideration on September 3rd.

Ken Aebi informed the board about a proposal to use the QW pool for swimming lessons for kids in the Yachats Youth program. Ken is on the Board of Directors for that program. Ken will research the time involved, costs, and liability to QW for such an activity and will report back to the board at a later meeting.

The inside of the pool enclosure was painted by volunteers and organized by Valorie and Dennis Schuelke. The Board expresses its gratitude for the effort from the Schuelke's and all the other volunteers.

The board wants to make Chad McQuade's duties clear. Members have been asking him to do various tasks causing some confusion as to exactly what his job is. In discussion we decided to use the "Ripples" to communicate Chad's job description and duties.

Wally Orchard proposed selling the older riding mower to the present landscape contractor. He has investigated the value and will approach the contractor with this proposal. Wally also proposed a day of chipping the brush pile and a notice in the "Ripples" was suggested.

7. A proposal to use the "Ripples" for more informal and frequent publications was made by Wally. He will talk to Jeannine Janson, the editor, about the expanded use.
8. The Board discussed the September 3rd Special Meeting. The agenda will include; Approval of the 2010 minutes that was not done at the 2011 Annual Meeting, The Bylaws Amendments, Elect a new Design Review Committee, and adopt a revised 2011 Budget.

The notice of the meeting will include requests for members to serve on the DRC. Wally consented to notify present members of the DRC and to find out if they would like to continue. The notice will also include the notice of the termination of the NWCM contract. The special meeting packets will be mailed to meet the 10 day before the meeting deadline.

9. The Board met in Executive Session for 20 minutes at the end of the general session.
10. The meeting adjourned at 1:30 PM

Prepared by Paul Haley, QW Secretary