

**RMS WATER COMPANY**

**BUSINESS MEETING**

**MARCH 24, 2014**

David Wren called the meeting to order at 7:15 and verified there is a quorum. Mrs. Pulley was not present.

David Wren read the minutes from the previous annual meeting. Discussion followed concerning sale of land mentioned in minutes. Jeanne Lehrmann stated that we needed to have this on the agenda before we can discuss this. Discussion continued. Finally Mr. Wren stated that we needed to talk about this at a different time. Al suggested that we put it on the agenda for future discussion.

Jeanne Lehrmann made a motion to approve minutes with the part of MS removed. Jimmy Carpenter made a second to the motion. Motion carried.

Mr. Wren read the minutes from the previous RMS regular meeting. Jeanne Lehrmann made a motion to approve the minutes with the correction of the amount of the bank transfer. Al Bumelis made a second to the motion. Motion carried.

Mr. Wren stated it is time for elections. Al Bumelis made a motion to appoint David Wren as president of RMS. Jeanne Lehrmann made a second to the motion. David stated that the nomination did not need a second to the motion. Question was asked if David would accept the position. He said yes. Motion carried. Al Bumelis stated that he would like to see Jeanne Lehrmann as secretary/treasurer and Mrs. Pulley as vice president. Discussion followed. Another nomination was made however, it was not audible. Vote taken and Mrs. Pulley was voted in as vice president. David asked if Jeanne was willing to take the position of secretary/treasurer. David stated that we now have our new slate of officers.

**PUBLIC COMMENT**

Mary Dunn stated Mrs. Pulley has been on the MS board for 46 years and we have always had a budget and have stayed within the budget. Al stated that no, they have not stayed within budget. Al was referring to RMS and Mrs. Dunn as referring to MS.

Mrs. Sielaf stated that Mrs. Pulley has always been supportive of water rights for RMS and MS and she thinks that was totally out of line.

**AUDIT**

Mary Needler presented the annual audit. Al stated that 2006 was last year that RMS made a profit. Al stated that at our current rate, we would be bankrupt in 2 to 3 years. He stated that USDA would not allow that and our bylaws would not allow that. Discussion followed. Mary Needler continued to review the audit. Al stated that this report will be sent to the entities that we owe money to.

Al made a motion to accept the audit. Jimmy made a second to the motion. Motion carried.

David Wren moved on to Item #7 on our agenda: reviewing bylaws. Al Bumelis stated that the bylaws are from September, 1993. Al stated that any revision must be first approved by our lenders. They have to be notified of our intention to change our bylaws. They will then send us a list of what should be in our bylaws to protect their interest. He read Article 28, Section 1. Due to the deficit of the past 7 years of \$89,976.40 and looking at \$10,000 deficit this year, each entity owes \$45,000 to RMS. Al stated that we are not adhering to our bylaws and that we need an attorney to review bylaws. Discussion followed concerning expenses and income. Al recommends that we raise water rates to \$1.50 from each entity. Bylaws also

state that RMS has monthly meetings. Al said our service agreement calls for \$608 monthly payment established in 1991. At a 2% increase per year would bring that amount to \$923 and we should continue to raise it 2% each year. This is in our bylaws and we need to discuss this at our next meeting. Al stated that we need to raise our water rates otherwise we will have to pay at the end of each year. He also stated that in letters from USDA that we cannot charge different customers different rates per 1,000 gallons of water. All customers have to equally pay the same price. RMS pays \$1.17 and Riesel pays \$1.28. This was supposed to have been changed. Mary Dunn stated that this amount has changed; however, Al stated that Riesel should pay the same amount as MS. Mrs. Dunn stated in 1991 this was the way it was set up. Al stated that currently this is against law. Mrs. Dunn stated that a FHA man was present at that meeting when this was set up. Al suggests that perhaps the law has changed and we need to adhere to current law. Mrs. Sielaff stated that she understands the rate of increase or decrease should be the same percentage and not the dollar amount.

David Wren asked when Riesel's well went on line. Al stated April, 2011 and we lost a pump a year later. David pointed out that in 2010 all the water Riesel used came from RMS. David stated in 2012 we had \$30,000 worth of work done and the next year Riesel purchased \$10,000 worth of water. David said he needed more time to study this situation.

Discussion followed concerning history of RMS.

David asked Jeanne Lehrmann to discuss situation with Riesel City Council and asked Jimmy Carpenter to report to MS.

The next meeting will be June 11, 2014 at 7:00 p.m.

Jeanne Lehrmann made a motion to adjourn. Jimmy Carpenter made a second to the motion. Motion carried.

Respectfully submitted,

Jeanne Lehrmann  
RMS Secretary/Treasurer