

**ALWA Board of Directors
Meeting Minutes
May 16, 2007**

1.) Call to Order:

President Stuart Cohen called the meeting to order at 7:30 P.M. Present were board members Michael Bicak, Merlyn Blue, Stuart Cohen, Jeff Cook, Matthew Rodger and Glenn Wallace. Excused was board member Perry Cole. Also present were John Hastig, P.E., of Gray & Osborne, Bob Pancoast, Hydrogeologist with Compass Geographics, Richard Jonson, attorney with Jonson & Jonson, Scott Hemingway, Operations Manager and Sharon Bakke, business office.

2.) Business From the Floor

Addressed at meeting on May 8, 2007

3.) Minutes from April 26, 2007 meeting were reviewed.

MOTION 05-16-07-01. Motion by Merlyn, seconded by Matthew to approve minutes of April 26, 2007 with addition of table showing action items. Motion carried unanimously.

4.) Financial Reports:

No questions on Financial Reports

a.) Check list was approved at meeting on May 8, 2007.

ACTION ITEM: Matthew will work with Susan to expedite getting revisions to chart of accounts completed.

b.) Membership List:

MOTION 05-16-07-02 Motion by Glenn, seconded by Merlyn to approve membership list of May 8, 2007.

c.) Aging Accounts: Scott reported that the number of accounts over 90 days is going down dramatically.

5.) Old Business:

a.) Funcannon: Mr. Jonson reviewed and the Board discussed Bill Funcannon's letter dated May 16, 2007 that acknowledged the amount due and his counter-offer of a revised payment program.

MOTION 05-16-07-03: Matthew moved and Merlyn seconded motion to accept payment plan as outlined in letter from Mr. Funcannon dated May 16, 2007. Motion carried unanimously.

ACTION ITEM: Dick Jonson will follow up with memo to Mr. Funcannon regarding Board's decision.

b.) Budget:

Discussion about money budgeted for various projects and how much is left for new projects. There is no accounting yet available for some projects, as they are not yet complete. Currently, it is estimated we have spent approximately 75% of the money budgeted for the Comp Plan, and about 10% into monies budgeted for the arsenic treatment plant for Marshall Well. Repairs to Vista 1A well are complete, as are tests and rehabilitation on Daniel's Ranch and Carnation Wells.

c.) Telemetry Proposal:

Stuart opened floor for comments from Board, there were none. Stuart expressed concern about the proposal as it stands. The proposal is for design work only. He requested more detailed inventory of what components are already in place, including design work that has been already been completed and to what extent existing components, including design work, can be integrated into new plan. He would also like clear outline of implementation priorities in order to stage implementation over time. Discussion ensued.

ACTION ITEM: Scott will summarize for Board how he would implement telemetry to operate the system. Stuart requested specific information outlining what functions would provide the most benefit for the cost. Glenn will meet with Scott to perform cost benefit analysis to see if priorities become clearer.

John Hastig reminded the Board that time is of the essence because our radio license expires at year end and G&O has some large projects coming up that will prevent them from being able to finish the telemetry design in order to have a portion of the project on line before year end and perfect the FCC license if they don't get started soon.

d.) Project Priority List – to be removed from agenda

e.) Tall Chiefs:

Bob reported that not much is new, movement on project is slow due to other commitments. Scott expressed concern about the long dead-end line in the plan and suggested they tie the water line in at SE 8th or SE 15th. Bob will convey suggestion.

f.) Water System Plan Status:

John reported they are currently reviewing the first three chapters and are working on the fourth chapter. Bob will be doing the conservation program portion of the plan. Discussion ensued about the ability of our system to support the number of presently undeveloped building sites within the Association's water service area and the non-participator class of members.

The previous Water System Plan projected 1209 connections at full buildout. John stated that multiple, independent analyses performed recently project closer to 1600 – 1,650 potential connections at buildout. He expressed concern about our ability to serve that number of connections with our current water rights.

John also expressed concerns about our ability to meet current demands within our water rights, considering the capacities of some wells. John explained that our Maximum Daily Demand (MDD) was previously estimated at 1.86 of our Average Day Demand (ADD), but the latest analysis showed that it is actually closer to 3 times the ADD, a fact borne out by the inability of our wells to keep up with demands during extended periods of warm weather. A question was asked as to whether this was a recent development, since there did not seem to be a history of problems meeting demand in the past. Bob pointed out that the former operators regularly posted conservation notices and requests to reduce demands to avoid the problem. John pointed out that the time has come to begin addressing the issue, and pointed out that the DOH criteria is that the source capacity be capable of supplying the full MDD within the 24 hour day, with the recommendation that wells not be called upon to operate more than 18 hours per day except in emergencies.

Jeff asked about the possibility of getting more water by creating an intertie with another utility. Discussion ensued about the various pros and cons of trying to do that. Bob pointed out that past boards have determined to stay with "untreated" well sources. It has been a goal not to rely upon an intertie with a chlorinated and/or fluoridated system, since regular use of such an intertie would bring with it the requirement to treat our existing sources similarly. Bob is continuing his work to help us acquire additional water rights for suitable supplies. Bob and John both suggested that a big reason for implementing telemetry improvements is to allow optimum management of current resources.

ACTION ITEM: Sharon will provide John and Bob with specific information on each of the members in the non-participator class of users to assess impact on system by future development.

g.) Website:

Matthew reported that the office has an outline in place and it should be very easy to put the website up within the next month or two.

ACTION ITEM: Matthew will coordinate with the office to obtain text of documents planned for website.

6.) New Business

a.) Project Bid Award – awarded at the May 8, 2007 meeting

7.) Management Reports

a.) Office Report was reviewed, no questions.

ACTION ITEM: Stuart requested list of office procedures that are already documented and a list of procedures that still need to be documented.

b.) Field Management Report

ACTION ITEM: Stuart requested a list of field operations procedures that are already documented and a list of procedures that still need to be documented.

Scott reported that the OSHA consultation was performed last week by the Washington State Department of Labor and Industries. The biggest concerns were electrical systems and vault access (ladders). Scott will need to make some changes. There are three categories of threat, from most urgent to least urgent. We have no items in the most urgent category and the inspector was impressed that we already have a priority list in place with associated cost of repair estimates. The report from OSHA will probably be ready around the end of the month and the final conference would be after that.

ACTION ITEM: We have no documented safety plan. Scott reported he should be able to complete one within about 90 days.

8.) Hydrogeologist Report

Bob stated that he and Scott are working on a susceptibility analysis on the new Vista well (source 13) and the Marshall well in an attempt to get waivers for some monitoring requirements as part of the effort to gain formal DOH approval to use these sources. He talked a little bit about what is going on in the State legislature regarding water issues that may affect water utilities and explained what was going on with the lawsuit against the Municipal Water Law, including suggestions about how the Association might position itself. Merlyn asked if water rights came with the acquisition of the Lono well and system. Bob didn't think so.

9.) Member Calls and Letters – none

10.) Board Comments – Board requested this item be removed from agenda.

Glenn said he would like the Board to consider implementing a Public Service Program in which assistance with water bills might be available to members in need.

ACTION ITEM: Glenn will compile a proposal for the Board to consider and forward it via email before the next board meeting.

Jeff asked if the staff would be taking minutes from here on out and stated he thought it was a good idea. He also stated he would like a tour of the water system.

ACTION ITEM: Scott will propose dates for tours of the system for interested parties.

MOTION 05-16-07-04: At 8:55 pm, Glenn moved and Merlyn seconded motion to move into executive session to discuss legal matters with counsel.

At 9:10 pm, the regular session of the meeting was reconvened. No action was taken with regard to items discussed in the executive session.

Stuart stated that the board would like an action item table to be included with each set of minutes.

ACTION ITEM: Stuart will send Sharon the table template for inclusion in minutes.

Discussion ensued about procedures in place which have no associated rule documentation.

ACTION ITEM: Sharon will propose amendment to Rules & Regulations for next board meeting.

11.) Next meeting will be held June 12, 2007 at Association Business Office.

12.) Motion to Adjourn by Matthew - 9:40 P.M.

Minutes taken by Sharon Bakke, Business Office.

Action Items
May 16, 2007

Start Date	Action	Owner	Due Date	Status/Comments
4/07	OSHA Inspection	Scott		Done
4/07	Offer letters	Scott & Sharon		List given to Scott
4/07	Cost benefit analysis of second field person	Scott		In process
4/07	Reevaluate priority of safety projects	Scott & John		
4/07	Break telemetry into manageable projects	Scott & John		
5/07	Chart of Accounts	Matt & Susan	6/8/07	Sent to Matthew 5/24
5/07	Memo to Funcannon	Dick Jonson	5/18/07	Done
5/07	Telemetry Cost Benefit Analysis	Glenn & Scott	6/8/07	Meeting held 5/17
5/07	Non Participator detail	Sharon	5/31/07	Done
5/07	Website	Matthew/ Office	8/7/07	Information sent to Matthew.
5/07	List of Procedure Documentation status	Office & Field	6/8/07	Done – in packets
5/07	Documented Safety Plan	Scott	8/31/07	In Process
5/07	Public Service Program	Glenn	6/8/07	
5/07	Action item template	Stuart	5/31/07	Done
5/07	Rules	Sharon	6/8/07	Done – in packet