

**ALWA Board of Directors
Meeting Minutes
September 11, 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, and Glenn Wallace. Excused was board member Matthew Rodger. Board member Perry Cole arrived at 7:50 P.M. 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

None

3.) Minutes from August 14, 2007 meeting were reviewed.

Jeff requested a change to the minutes to reflect the fact that the board in general and not just he was concerned about the easement across parcel #0203101148, which is membership #1123. He also requested that the minutes reflect the fact that Mr. Carter had presented documents relating to the easement.

MOTION 09-11-07-01: Motion by Michael, seconded by Glenn to approve minutes of August 14, 2007 with the noted changes. Motion carried unanimously.

4.) Action Items:

The Board briefly reviewed the Action Item List.

5.) Financial Reports:

The Board reviewed the Financial Reports. Stuart passed out the Statement of Cash Flows. John noted that the financial reports do not reflect expenditures for capital improvement projects and loan payments to Rural Development. These will be added.

a.) Check list

MOTION 09-11-07-02: Merlyn moved and Jeff seconded motion to approve the check list. Motion carried unanimously.

b.) Membership List:

MOTION 09-11-07-03: Michael moved and Merlyn seconded motion to approve membership list. Motion carried unanimously.

Jeff asked if someone who owns a membership they are not using could choose to sell it to someone who owns a different parcel. That is, sell the membership separately from the property to which it has historically been associated. By-Laws were reviewed and discussion ensued about the moratorium on new memberships.

MOTION 09-11-07-04: Glenn moved to institute the following Temporary Rule: Until the interim moratorium on new memberships is ended, membership transfers can only be transferred when the property to which the membership is associated is sold, conveyed or otherwise transferred, and then the membership goes to the successor owner of the property. Jeff seconded, motion carried unanimously.

c.) **Aging Accounts:** no comments

6.) Old Business:

a.) **New Membership Moratorium** – discussed above.

b.) **Tall Chiefs:** Bob reported they have been actively researching Tall Chief's water rights and working to clarify them. He referred to a letter rec'd on September 6, 2007 from Tom Pors regarding the moratorium on new memberships. Mr. Pors had requested the Association confirm its intent to continue working with Tall Chiefs on their project. It was determined to not issue a renewal of the certificate of water availability but to confirm to the developer that the Association would continue to work on the project on the basis that the developer would provide water rights, source and distribution facilities sufficient to serve the developer's project.

Action Item: Sharon will locate previous correspondence and memorandum of understanding between the Assn. and Tall Chiefs, and then work with Dick and Bob to prepare a letter response to Mr. Pors.

7.) New Business

a.) **Renter Transfer Fee** – Sharon stated that in the past the Association had an item in the fee schedule to charge for administrative time involved in courtesy billing renters for property owners. When the fee schedule was updated last March, this item was overlooked, but it takes quite a bit of time to manage these rental transfers and she felt the Association should charge for that.

MOTION: 09-11-07-05: Michael moved and Merlyn seconded motion to adopt a fee of \$50.00 per transaction for renter sign-ups and transfers, payable by the member (property owner).

Action Item: Sharon revise Fee Schedule per board motion.

b.) **Change Meeting Date:** Sharon stated that since the billing cycle was advanced, a great percentage of office work now falls within the first two weeks of the month and requested the regular board meeting date be moved from the second Tuesday of each month to the third Tuesday of each month to balance the workload. Discussion ensued. The Board wondered how this change would affect Accounts Payable. Topic tabled until this could be answered, until Jeff could check how this would work with other commitments and whether this plan would work for Matthew, who was not present.

c.) **By-Law Review Committee** – Dick had suggested the Board review the Association's By-Laws. Perry stated he would like to be on the committee. Final makeup of committee tabled until next meeting.

Funcannon – Scott stated he wanted to advise the Board that our agreement with Mr. Funcannon allowed that once the issues around his first leak were resolved, he could apply for leak relief under the policy for his second leak. Scott wanted to be sure the Board was aware about proceeding with leak adjustment on their 2nd leak. The Board had no objections.

d.) **Accepting Credit Cards:** Sharon stated we frequently receive requests from members to pay their bills with a credit or debit card. She presented a proposal for the Assn. to begin accepting them. Discussion ensued. The Board would like a more in-depth analysis of potential cost to the Association. Tabled.

Compliance with RD – Sharon presented a written report to the Board on her meeting with Darla O’Connor of USDA Rural Development and John Hastig regarding our loans. Ms. O’Connor had advised we were out of compliance on some things and described what we needed to do to come back into compliance. The Board directed staff to take necessary steps, subject to Board approval when necessary, to cause the Association to get into compliance with the RDA loans and to be able to take down remaining loan funds on the pending loan. Mr. Cohen signed a certification that the Association has in place an emergency response plan and vulnerability assessment.

Action item: Sharon will provide copies of Darla’s most recent letter to the Board.

MOTION 09-11-07-06: Merlyn moved and Perry seconded motion to a.) Transfer \$82,000.00 from the Schwab account to the Money Market Account at Key Bank and b.) Designate that account as the “Debt Reserve” account in order to comply with the requirements of our federal loans.

Action Item: Stuart or Glenn – transfer funds.

Discussion of RD requirements continued with John and Scott explaining where we are on the projects being funded by the balance of loan #6 and what steps still need to be made in order to take advantage of the approximately \$120,000.00 remaining available to be drawn. Mr. Hemingway was directed to work on plans for water quality treatment facilities at the Marshall well. Sharon stated that RD requires a board approved budget and asked if a budget had been approved for this fiscal year. Stuart replied that we had a working budget. Staff will retrieve and review working FYE 2008 budget and await further instructions from the Board on implementation.

8. Management Reports:

Not specifically addressed.

9. Hydrogeologist:

Covered above.

Cash Flow: John presented an income comparison spreadsheet to the Board and discussion ensued. Mr. Hastig summarized that the increases to the tiered rates has resulted in suppressed demand and water consumption revenues have declined compared to 2006. Mr. Cohen cautioned that 2006 was hotter and drier than 2007 and that monthly base charges were substantially increased. Mr. Hastig stated that the revenues must be sufficient to fund improvements described in the comprehensive plan. Perry suggested we begin monthly tracking of the cost of water production. A long discussion followed about whether the rates for the lowest tiers should be increased so that they at least reflect actual water production costs.

9.) Member Calls and Letters – A letter was rec’d from member #622, Edward Wicklein, regarding his interest in serving on the Board.

11.) Next meeting: September 25, 2007, Association Business Office, 7:30 P.M.

Next regular Board Meeting: October 9, 2007, Association Business Office, 7:30 P.M.

12.) Meeting Adjourned - 10:00 P.M.

Minutes taken by Sharon Bakke, Business Office.

Action Items
September 11, 2007

#	Start Date	Action	Owner	Due Date	Status/Comments
9-1	9/11	Prepare letter to Tom Pors, Tall Chiefs	Sharon, Dick, Bob	9/25	Stalled
9-2	9/11	Update fee schedule per board motion	Sharon	9/25	Done
9-3	9/11	Send copies of letter from Darla to Board	Sharon	9/25	Done
9-4	9/11	Transfer funds from Schwab to Key Bank Money Market	Stuart or Glenn	9/25	