

ALWA Board of Directors

Meeting Minutes

October 23, 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, Perry Cole, Jeff Cook, Matthew Rodger and Glenn Wallace. Excused was Bob Pancoast, Hydrogeologist with Compass Geographics. Also present were John Hastig, P.E., of Gray & Osborne, Richard Jonson, attorney with Jonson & Jonson, Scott Hemingway, Operations Manager, and Sharon Bakke, business office.

6. Old Business

a.) Moratorium

Due to the fact that John would be leaving the meeting at 8:00 P.M., Stuart advanced the agenda to discuss the moratorium while John was at the meeting to answer questions. Stuart presented a sheet outlining his questions and thoughts on how to proceed with decision making. Discussion ensued about well production, our cost to produce water, cost of purchasing water, potential interties, usage per connection, projected number of connections and other items the Board needs to consider. John stated much of this information is in the draft Water System Plan. Scott stated he had discovered this past week that we have exceeded the number of Department of Health approved connections. They had approved 1063 connections and we currently have 1075 active users with 86 commitments to serve non-users and non-participants. Scott said he has a call in to DOH to discuss the matter with them. John said we will need to demonstrate to DOH we can serve the connections and commitments. Further discussion of options for obtaining more water ensued. Stuart said he thought the Board ought to have another meeting regarding these matters before the next regularly scheduled meeting and asked everyone to email Sharon with their availability within the next two weeks.

8:00 P.M. John Hastig left the meeting

7.) New Business

a.) Annual Meeting – There are two open Board seats up for election and we had two candidates, but one withdrew at the last minute. The Board identified a list of potential candidates to approach about running for election.

MOTION 10-23-07-01 – Michael moved and Matthew seconded motion to extend the deadline for candidate submissions to October 25, 2007.

Stuart had proposed a questionnaire for the members to be included in the Annual Meeting Notice. He passed out a new version that had been revised according to suggestions by John and others. The Board discussed it then decided not to include a questionnaire in the Notice.

The Association has received a written “proposed statement for membership vote at the annual meeting” to be included in the Annual Meeting Notice from Roger Lillejord, Member # 95. Stuart has prepared a sheet with his suggested rebuttal for inclusion in the Notice. Discussion ensued and Stuart will prepare another draft including Board suggestions and send to Sharon for inclusion in the Notice by October 25th.

5.) Financial Reports:

The Board reviewed the Financial Reports.

a.) Check list

MOTION 10-23-07-02: Perry moved and Merlyn seconded motion to approve the check list. Motion carried unanimously.

b.) Membership List:

MOTION 10-23-07-03: Michael moved and Merlyn seconded motion to approve membership list. Motion carried unanimously.

4.) Action Items:

The Board briefly reviewed the Action Item List. Stuart stated that Susan had sent him a draft of the budget and it is nearly complete.

c.) Aging Accounts: Scott answered a few questions

2.) Business From the Floor

8:20 P.M., Mr. Doug Lora (member # 1126) arrived at the meeting and gave a presentation to the board. He is developing his property with one house and had received a Certificate of Water Availability stating water was adjacent to his property with no notice of the need to extend the water main. This was issued during the management transition when Denny Scott of Sallal Water Association was acting water operator. Later, when Mr. Lora requested water service, he was notified he needed to complete a main extension. Late notice of such an expense has put him in financial difficulty, so he was requesting the Association to extend the main and allow him to pay for it after his house is completed when he would have more access to credit. The Board discussed the situation in detail with Mr. Lora who then left the meeting at 9:06 P.M.

MOTION 10-23-07-04 – Michael moved the Board go into executive session for legal consultation.

MOTION 10-23-07-05 – Perry moved the Board come out of executive session.

MOTION 10-23-07-06 – Perry moved and Michael seconded motion to extend credit to Mr. Lora and authorized counsel to prepare a contract requiring Mr. Lora to pay for the main extension within a specified time after his Certificate of Occupancy is awarded and subject to his paying all the Association's legal and recording fees regarding this matter. Motion passed with Merlyn and Glenn opposed.

6.) Old Business

b.) RDA Compliance – Stuart stated that after the board had moved to transfer funds from Schwab to Key Bank Money Market last month, he had been looking into cash flow and realized we could likely fund the RDA reserve account from our regular cash account, the SnoFalls Savings Account, which he felt would be better than moving it from our longer term investment accounts at Schwab. He suggested we transfer \$60,000.00 this month and the balance next month as cash flow allowed.

MOTION: 10-23-07-07: To transfer \$60,000.00 from SnoFalls Savings to Key Bank Money Market Account for the purpose of designating the latter account as the "Debt Reserve"

Account, to bring us into compliance with our loan agreements with RD. Motion passed unanimously.

c.) Budget: Tabled

d.) Marshall Well Approval and Treatment Plan – Marshall well improvements were reviewed and discussed.

MOTION 10-23-07-08 – To approve a budget of \$75,000.00 for treatment plant improvements at Marshall Well to remove arsenic. Passed unanimously.

e.) Water System Plan Status: Tabled.

f.) Tall Chiefs: Tabled.

g.) By-Law Review Committee: Tabled

h.) SCADA – Tabled

8. Management Reports:

Nothing

9. Hydrogeologist:

Bob Absent

10.) Member Calls and Letters –

d.) # 63 David Egan requested the Association purchase back the membership he holds on one of his vacant lots. Discussion about policy regarding this.

MOTION: 10-23-07-09: Matthew moved to create a Rule to the effect that: a) Memberships are tied specifically with the property they are currently associated with and cannot be transferred from one property to another, and b) that members may elect to sell memberships, but only back to the Association at the amount of the membership fee (and not any other fees) on the current fee schedule. Merlyn seconded, Motion passed with Glenn abstaining, suggesting the Board review Article 5 of the By-Laws.

Action: Dick will review a draft of the rule and staff will prepare a letter to Mr. Egan.

a) # 235 Erickson – Leak Adjustment – Member was requesting extension of one month limit on leak adjustment. Board discussed. Request denied. Directed staff to offer member the standard payment plan of 6 months with 5% interest per month.

b.) #450 Kossow – Leak Adjustment – Member requested extension of one month limit on leak adjustment. Board Discussed and denied.

c.) #1004 Blakely Woods HOA – Letter regarding irrigation leak disputing charges and requesting meeting with Board. Board discussed and decided member was eligible to apply for leak relief per the policy. Scott will reply to member.

11.) Next meeting: November 1, 2007, Association Business Office, 7:00 P.M.

Next regular Meeting: November 27, 2007, Association Business Office, 7:30 P.M.

12.) Meeting Adjourned - 9:55 P.M.

Minutes taken by Sharon Bakke, Business Office.

Action Items
October 23, 2007

#	Start Date	Action	Owner	Due Date	Status/Comments
10-1	10/23	Letter to Mr. Lora	Sharon Dick	11/27	
10-2	10/23	Letter to Mr. Egan	Sharon Dick	11/27	
10-3	10/23	Revise rules per Motion 10-23-07-09	Sharon Dick	11/27	
10-4	10/23	Letter to Erickson	Scott	11/27	Done
10-5	10/23	Letter to Kossow	Scott	11/27	Done
10-6	10/23	Letter to Blakely Woods HOA	Scott	11/27	Done