

**ALWA Board of Directors
Meeting Minutes
May 27, 2008**

1.) Call to Order:

President Perry Cole called the meeting to order at 7:32 P.M. Present were board members Perry Cole, Michael Bicak, Merlyn Blue and Matthew Rodger. Also present were Scott Hemingway, General Manager, John Hastig, engineer with Gray & Osborne, Dick Jonson, counsel, Bob Pancoast, Hydrogeologist with Compass Geographics, member Mark Freeman, member David Hoffman, and Sharon Bakke, Administrative Coordinator. Absent was board member Mike Hickey.

2. Open Board Seats

MOTION 05-27-08-01: As Jeff Cook had submitted his letter of resignation from the Board of Directors effective April 25, 2008, and as a quorum of existing board members was present, Matthew moved and Michael Bicak seconded a motion to appoint Mark Freeman to the Board of Directors to complete Jeff Cook's term, and to appoint David Hoffmann to the Board to complete Stuart Cohen's term. Motion carried unanimously.

A round of introductions was carried out, with everyone present offering a brief description of their experience at work and with the Association.

Board member Merlyn Blue arrived at 7:37 P.M.

3.) Additions/Alterations to Agenda

None.

4.) Business From the Floor

None.

5.) Minutes Approval:

The Board reviewed the minutes from April 22, 2008. It was noted that in the third paragraph under section 2a, Motion # 04-22-08-01 should read ... "Scott's proposed commercial rate schedule to be effective on May 1, 2008."

MOTION 05-27-08-02 – Matthew moved and Michael Bicak seconded motion to approve the meeting minutes from 4-22-08 as amended. Merlyn asked a question about the commercial rates being capped at 95,000 gallons. Scott explained that the commercial accounts historically have not used more than that and he had simply capped it where it had been capped previously. Motion carried unanimously.

6. Action Item Status Reports

Scott went over his action items, stating the offer letters are still postponed, the safety projects are still in process and the FAQs for the website are ongoing. Matthew said he had rec'd the narratives from Sharon regarding Key Controls, but had not had a chance to review them. Then Matthew presented his review of the audit proposals. Discussion was tabled until it came up on the agenda. Perry stated he had looked at the changes Dick had proposed to the By-Laws and emailed his comments to everyone earlier today. It was agreed that the Board would look at the Rules & Regulations at the same time as the By-Laws.

Action Item: Sharon please email the Rules & Regs to the Board and Dick Jonson.

7. Financial Reports and Membership Count

Scott reviewed and summarized the year-end financials for fiscal year ended April 30, 2008.

a.) Check List

Copies of the check list were distributed and there was nothing unusual. Perry and Michael signed checks.

Perry shared a newspaper article he had seen about vandalism to one of Fall City's water tanks. Scott reported on the vandalism that took place at both Fall City and Sallal and said he had checked our tanks and they were secure. Discussion of potential vulnerability, intrusion alarms and our emergency response plan ensued.

MOTION 05-27-08-03 – Matthew moved and Michael Bicak seconded motion to approve the check list. Motion carried unanimously.

b.) Membership list

MOTION 05-27-08-04 – Michael Bicak moved and Matthew seconded motion to approve the Membership List. Motion carried unanimously.

c.) Aging Accounts: Scott gave a summary report of accounts receivable aging, noting there were three new ones this month that all paid after getting delinquent notices. He explained that one of the non-responsive accounts had been in touch with Susan and she has set up an agreement with him to pay off the account. We have learned that another of the non-responsive accounts is in foreclosure.

8. Old Business

a.) Audit FYE 08 – Matthew reviewed his summary of audit proposals then passed them around the table. The Board deliberated.

MOTION 05-27-08-05 – Michael Bicak moved and David seconded motion to retain Vine Dahlen for the FYE 08 audit. Motion passed with Merlyn Blue opposed.

Perry Cole signed the engagement letter with Vine Dahlen.

b.) Water System (Comprehensive Plan) Status – John talked about the water system plan, the capital improvement plan and plans for funding same. He explained that the document was our commitment to the Department of Health regarding our plans for the future of the system as well as information for Rural Development, upon whom we are dependent for any loans we may need. He said the draft had been delivered last week and electronic copies had been emailed to the Board for their review. They are now awaiting comments back from the Association and Board. Once review is complete, the Board will need to formally adopt the plan.

c.) Tall Chiefs – Bob said they have been in discussions with the Department of Ecology and working out comments from the Tribes regarding the possible water rights transfer from Tall Chief to the Association. He said the water rights are very old, and there are two types. The first is an irrigation right, and Ecology doesn't think they can convert it into a year-round water right. Bob expects it will probably be a seasonal water right for peak season from May to October. The other right is smaller, and it is for domestic potable water that has historically only been used for the clubhouse. Discussion ensued. John pointed out that we will need water as well as water rights. That is, a well that produces enough water. Bob showed on a map where the wells are currently located and where the

proposed houses would be. He stated that Tall Chief is willing to pay the entire cost to put in the well and required infrastructure, including offsite facilities, and he believes we would have a net benefit, in that the proposed houses may not use all the water the Association would gain. John said we would need to pump the water quite a bit and would need a booster station to make use of it. He will evaluate potential costs and he and Scott will prepare an evaluation of pros and cons of this project for the Board. The Board indicated a consensus, except for Michael Bicak who requested additional information, for the Association to continue working with Tall Chief developer on this proposal.

Action Item: John and Scott prepare evaluation of pros and cons of the Tall Chief project for Board.

- d.) **By-Law Review Committee** – Rules need to be looked at in addition to the By-Laws; Sharon will email electronic copy of Rules to Dick and Board.
- e.) **SCADA** – Scott stated he is waiting on increased revenue anticipated in coming months to start work on the telemetry project again. He plans to meet with John and Systems Interface next month. He assured the Board that intrusion alarms would be part of the project.
- f.) **Bank Signature Authority** – Sharon stated she had everything she needed now and would send it to Sno Falls tomorrow.

9. New Business

- a.) **Schwab Monthly Statements** – Scott explained that Susan was missing several months' worth of balance statements for the Schwab account. Michael Bicak volunteered to acquire them and forward to office.

Action Item: Michael Bicak to obtain Schwab statements for months of December 2007 through March 2008 for our records and so Susan can balance the account.

- b.) **Main Extension Policy:** Scott presented his proposal for a Water Main Extension Policy, copy of which is attached to these minutes. Discussion ensued.

MOTION 05-27-08-06: Michael Bicak moved and Merlyn seconded motion to adopt Main Extension Policy as presented. Motion carried unanimously.

10. Management Report: Scott reviewed the manager's report. Michael Bicak asked if Scott was planning to send anything out to members regarding the resolution of the arsenic issue with Marshall Well.

Action Item: Scott will send something out explaining that the arsenic MCL violation at Marshall Well has been resolved.

11. Hydrogeologist

Bob said a hearing regarding the new Municipal Water Law took place last week and a decision is expected later this week. He expects whatever decision is made will be appealed to the State Supreme Court. He said the next legislative session is scheduled to be a long one and he anticipates quite a few water issues to be taken up.

12.) Member Calls and Letters – Scott said Bo Ross (#2) had called today asking about issues he had brought up last month. Scott said he told Mr. Ross that he expects the issues surrounding Auxiliary Dwelling Units (ADUs) to be taken up when the Board looks at revisions to the By-Laws. Regarding his bill and special health circumstances, Scott had told

Mr. Ross that with the Association being as small as we are, we don't really have the staff to administer a special charity program at this time. Scott reported that Mr. Ross seemed to understand his explanation.

Scott suggested that the new board members might like to go on a tour of the water system and familiarize themselves with it more. Discussion ensued with Michael Bicak suggesting we might want to routinely have a tour for the Board once a year. Dates were discussed and June 12, 2008 was tentatively selected as the tour date.

Action Item: Scott will coordinate system tour for Board.

It was suggested we may need to review and update our Vulnerability Assessment.

Action Item: Scott will review Vulnerability Assessment..

Matthew reminded the Board that the position of Vice President was currently vacant.

MOTION 05-27-08-07: Matthew moved and Michael Bicak seconded motion to elect Merlyn Blue, Jr. as Vice President of the Board. Motion carried unanimously.

12.) Next meeting – June 24, 2008, 7:30 P.M. at Association Business office.

13.) Meeting Adjourned – 9:43 P.M.

Minutes taken by Sharon Bakke, Business Office.

**Action Items
April 22, 2008**

***	Start Date	Action	Requester	Owner	Due Date	Status/Comments
851	5/27	Send electronic copy of Rules & Regs to Dick and Board	Board	Sharon	6/24	
852	5/27	Send electronic version of Water System Plan to Bob	Bob	Scott	6/24	
853	5/27	Put together evaluation of pros and cons of Tall Chief project proposal	Board	Scott & John	6/24	
854	5/27	Obtain missing balance statements on Schwab Account, forward to Susan	Office	Michael Bicak	6/24	
855	5/27	Send letter to members re: resolution of arsenic MCL violation	Board	Scott & Sharon	6/24	
856	5/27	Vulnerability Assessment review	Board	Scott	6/24	
857	5/27	Coordinate system tour for Board	Board	Scott	6/24	

** First digit indicates year, second digit indicates month, third digit indicates number of action item in that month.