

**ALWA Board of Directors
Meeting Minutes
July 22, 2008**

1.) Call to Order:

Vice President Merlyn Blue called the meeting to order at 7:30 P.M. Present were board members Michael Bicak, Merlyn Blue, Mark Freeman, Mike Hickey, David Hoffman and Matthew Rodger arrived at 7:43 PM. Also present were Scott Hemingway, General Manager, John Hastig, engineer with Gray & Osborne, Dick Jonson, counsel, Bob Pancoast, Hydrogeologist with Compass Geographics, and Sharon Bakke, Administrative Coordinator. Absent was Board President Perry Cole.

2. Changes or Additions to Agenda

Michael Bicak stated he wanted to spend some extra time on the P & L when financials were reviewed.

3. Business from Floor

None

4.) Minutes

MOTION 07-22-08-01 – Mike Hickey moved and Michael Bicak seconded motion to approve the meeting minutes from June 24, 2008. Motion carried unanimously.

5.) Action Item Status Reports

Scott briefly reviewed status of action items.

6. Financial Reports and Membership Count

Scott went over the Financial Reports. Michael Bicak asked about petty cash, thinking there had been a discrepancy. Scott explained and answered general questions about the reports.

a.) Check List

Michael Bicak and Merlyn signed checks.

MOTION 07-22-08-02 – Matthew moved and David seconded motion to approve check list. Motion carried unanimously.

b.) Membership list

MOTION 07-22-08-03 – Matthew moved and Mike Hickey seconded motion to approve the Membership List. Motion carried unanimously.

c.) Aging Accounts: Scott gave a summary report of delinquent accounts, saying there were 5 new ones this month and that all paid after getting delinquent notices except one, a renter-landlord disagreement which we expect to be resolved shortly.

Discussion then went to the Profit & Loss report for June. Scott went over the report, explaining that he had incorporated the budget and actuals into it. There are some bugs to work out. He said the budget projections were based upon John's spreadsheet, and consumption numbers were based on last year. The budget numbers displayed were simply the annual budgeted amount divided by 12, resulting in equal amounts entered for each

month. Since consumption based revenues vary so much with seasons, Scott will work with Susan in QuickBooks to set it up to reflect what we actually expect according to season. He explained that the reports seem behind because our accounting system is on a cash basis. Expected income is billed in the month after the month in which water is consumed, and the income shows up as late as the fifth of yet the next month, when payments are due. Scott plans to make improvements in the formatting of this report as we go and refine it so it gives us a clearer idea of our budget and actuals.

7. Old Business

- a.) **Audit FYE 08** – Sharon referred the board to her written report in their packets. Audit is on track to be completed on time.
- b.) **Water System (Comprehensive Plan) Status** – Bob and Dick explained that the recent court decision on the Municipal Water Law is going into effect and the Dept. of Health (DOH) is holding water system plans for co-ops and systems like ours that are public systems but allegedly not “municipal”, because they don’t know yet how everything will be defined and managed.
- c.) **Tall Chief** – Bob said the Dept. of Ecology (DOE) is moving forward slowly, and he expects their hydrogeologist to perform a site visit in early August. The application for water rights transfer has been prepared and is being held because the amounts and timing for withdrawals have been reduced. Bob suggested the Association meet with the people at Tall Chief fairly soon to explain the Association’s concerns with the proposed transfers and potential service issues. Lengthy discussion ensued regarding water rights, the moratorium, strategies for obtaining more water, related costs, etc. Scott expressed concern about the feasibility and cost of the Association developing a small well with limited water rights that will likely require water treatment. The Board remained undecided whether to proceed with the proposed transfer based on Scott’s concerns. The Board concluded it would be necessary to hold a special meeting to discuss the proposed transfer and the possibility of obtaining Seattle water to provide water for new development.

Action Item: Scott schedule meeting with Tall Chief developers.

d.) By-Law Review Committee –

Tabled.

e.) Bank Signature Authority – Sharon collected the last two signatures she needed.

g.) Moratorium – Discussed at length, esp. as regards how it relates to Water System Plan, production capacity, expected growth and rate of growth, Tall Chief, options for obtaining more water and all the many variables affecting service.

8. New Business

a.) Sammamish Plateau Emergency Intertie Agreement and Developer Extension Agreement -

Scott reported on meetings held with Sammamish Plateau and Seattle Public Utilities (SPU). Meetings were attended by Scott, Bob Pancoast, John Hastig and Michael Bicak. Scott explained how purchasing water from another utility can be set up, including various purchasing commitments and pricing structures. Lengthy discussion ensued about costs and

options for purchasing water. Emergency water could be obtained from Sammamish Plateau with just an emergency intertie agreement. Permanent water through the same intertie would require an agreement with SPU. Michael Bicak and David said they thought they still had quite a few questions before they could make a decision about how the Association should proceed. They plan to get together and brainstorm a list of questions, which they will submit to the rest of the board, Scott and consultants. Bob suggested we submit a letter of interest to SPU so they will know to include us in their upcoming contract negotiation session.

Action Item: Michael Bicak and David assemble list of questions.

9. Management Report: Scott reported on the condition of the system. He noted that the Association provided plenty of water and pressure to the fire district that fought the recent house fire on Ames Lake.

10. Consultant Reports

Nothing further

11.) Member Calls and Letters – Scott said that Ed Meyers (#191) visits the office or calls frequently about the status of the moratorium. He is anxious for it to be lifted because he is eager to purchase a membership.

11.) Action Item Review – Sharon reviewed the action items.

12.) Next meeting – August 26, 2008, 7:30 P.M. at Association Business Office.

13.) Meeting Adjourned – 9:50 P.M.

Minutes taken by Sharon Bakke

This Meeting's Action Items

#**	Start Date	Action	Requester	Owner	Due Date	Status/Comments
807-01	7/22	Set up meeting with Tall Chief	Board	Scott	8/26	
807-02	7/22	Assemble list of questions re: options for obtaining more water.	Board	Michael Bicak and David	8/26	

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