

**Meeting Minutes**  
**ALWA Board of Directors**  
**December 18, 2008**

**1.) Call to Order:**

President Perry Cole called the meeting to order at 7:17 P.M. Present were Board members Merlyn Blue, Perry Cole, Matthew Rodger and Michael Bicak participating via speakerphone until he arrived at 8:00 P.M. Also present were John Hastig, engineer with Gray & Osborne, Dick Jonson, counsel, Bob Pancoast, Hydrogeologist with Compass Geographics, Scott Hemingway, General Manager and Sharon Bakke, Administrative Coordinator. Board members Mark Freeman and Mike Hickey arrived late. Board Member David Hoffmann was absent.

**2. Changes or Additions to Agenda**

Scott stated he would like to add a short Executive Session at the end of the meeting.

**3. Business From the Floor**

None

**4. Minutes**

**MOTION 12-16-08-01:** Merlyn moved and Matthew seconded motion to approve the minutes of November 18, 2008 as presented. Motion carried unanimously.

**5. Action Item Status Reports**

Action items were reviewed.

Items completed:

- 81118-01, circulate draft water system plan; done.
- 81118-02, Rule revision; done.
- 81118-03, Schwab account sold.

**6. Financial Reports and Membership Count**

**a.) Membership List.**

**MOTION: 12-16-08-02** – Matthew moved and Merlyn seconded motion to approve the membership list. Motion carried unanimously.

**c.) Aging Accounts** – Scott reviewed the aging accounts report.

**b.) Check List** - Scott responded to a couple questions on the financial reports and said that some expenses were related to getting started on some projects, such as the SCADA system. He also discussed the status of the intertie with Sammamish Plateau Water and Sewer District.

**MOTION: 12-16-08-03:** Merlyn moved and Matthew seconded motion to approve check list. Motion carried unanimously.

**7. Old Business**

**a.) Annual Meeting Recap** – Short discussion of annual meeting and the organizational meeting of the Board that followed.

**b.) Water System Plan Status** – Scott said it was submitted to the Department of Health and so it is in review. John said if anyone had comments on the plan to get them to him. Dick said he had had some specific comments he had sent out via email and said he would re-send them.

**c.) Tall Chief** – Bob said he had had some discussions with the Dept. of Ecology; they are waiting on the affidavit of publication of public notice.

*Action Item:* Sharon will confirm she sent affidavit to Ecology.

**e.) Moratorium** – Board discussed issues around moratorium such as what circumstances would allow the Association to come out of moratorium, how new memberships would be allocated and what connection fees would apply. Scott said that the Dept. of Health has not yet increased our number of approved connections. John said that a hot September is his biggest concern for demand outstripping supply. He also has concerns about our wells being able to supply demand and recommended having a signed water purchase agreement before the moratorium is lifted. The Board also discussed the waiting list for new memberships. Scott stated he does not plan to start any well re-drilling projects until next fiscal year.

Perry stated he would like to postpone discussion of new business until later in the meeting.

**9.) Management Report** – Scott went over his management report, saying, in part, that a representative from ATEC came out to help with the arsenic filter plant at Marshall Well. He said their goal was to increase the water's contact time with the oxidant and ATEC had made some suggestions for how best to do that. He stated water consumption was down last month and reviewed pumping statistics with regard to our water rights. He said Sammamish Plateau will be reviewing the building plans for the intertie and he does not anticipate further progress until after the first of the year.

Perry asked about the \$42,000.00 leak adjustment and Scott gave details about the huge service line leak a member experienced.

**10.) Consultant Reports** – covered above, nothing new.

### **8.) New Business**

**a.) Fund for the Needy** – Scott said that the Board had discussed developing a program for helping members in need in the past, and since we have had some members having trouble paying their bills, he wanted to bring it up again. Discussion ensued, with the Board asking Scott to pull together more information and find out how neighboring utilities handle it.

**b.) Capitalization Level** – Scott said that in their audit report over the past few years, Vine Dahlen has recommended the Association establish a capitalization level and reviewed the suggested policy included in the Board packets. The Board discussed the proposal.

**MOTION 12-16-08-04:** Perry stated the recommended motion in the board packet could be considered a motion to set capitalization level at \$5,000.00. Michael Bicak seconded motion. Discussion ensued.

**MOTION 12-16-08-05** Merlyn moved to amend previous motion to set capitalization level at \$2,500.00. Matt Roger seconded the motion to amend and it carried unanimously.

Amended motion # 12-16-08-04 was then voted on and it carried unanimously.

8:03 P.M.- Board Secretary Michael Bicak, who had been participating in the meeting via cell phone to this point, joined the meeting in person.

**c.) Delegation of Authority** – Scott presented a draft proposed delegation of authority document to the Board for discussion, stating it was a beginning point for them to consider formal delegation of authority to the General Manager. This would allow authority to be clearly spelled out, thus avoiding misunderstandings in the future. Discussion ensued with the Board asking Dick to review the document for any conflicts with By-Laws, Rules or statutes. During discussion, spending limits for the GM were discussed and the Board asked Scott to review previous meeting minutes.

*Action item:* Dick review Draft Delegation of Authority document.

*Action item:* Scott review previous Board motions for General Manager’s spending limit amount.

### **11.) Member Calls and Letters:**

**a.) #573 – Pete Porzuczek** – The Board discussed Mr. Porzuczek’s letter and asked Scott to respond to his letter and also refer him to our website for more information.

**b.) #882 – Thomas & Becki Trout** – Mr. & Ms. Trout’s letter had specifically requested it be presented at the next Board meeting. The Board discussed the letter and asked Scott to respond to it.

**12.) Next Meeting:** The Board discussed what time to set future Board meetings and agreed they would be held the fourth Tuesday of every month at 7:00 P.M.

**Next Meeting is January 27, 2009, 7:00 P.M., at the Association business office.**

Scott requested the Board move into executive session to discuss a personnel matter. Sharon left the meeting at 9:00 P.M.

**MOTION: 12-16-08-06** - Mike Hickey moved and Merlyn seconded motion to move into executive session at 9:05 P.M.

The board came out of executive session at 9:15 P.M.

**MOTION: 12-16-08-07** - Michael Bicak moved and Mark seconded, a motion approving staff bonuses in the amount of \$500.00.

A new lease proposed by the Fall City Water District was reviewed. Mr. Jonson stated that he represented the District but had not participated in the preparation of the new lease.

**MOTION: 12-16-08-08** – Upon motion duly made and seconded, the new lease was approved. Perry and Michael Bicak then signed the lease.

**13. Class Action Lawsuit.** Dick Jonson reported on the class action lawsuit involving every property owner in the Ames Lake plat. It was concluded that the issues being litigated did not materially affect the Association’s parcels and therefore, it would be sufficient for counsel for the class defendants to represent the interests of the District.

**13.) Adjourned** at 9:25 P.M.

Minutes taken by Sharon Bakke

**Summary of Action Items for this meeting only**

#**	Action	Requester	Owner
81216-01	Confirm affidavit of publication of notice sent to Ecology	Board	Sharon
81216-02	review Draft Delegation of Authority document	Board	Dick
81216-03	review previous board motions for General Manager's spending limit amount	Board	Scott

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