

**ALWA Board of Directors
Meeting Minutes
January 27, 2009**

1.) Call to Order:

President Perry Cole called the meeting to order at 7:00 P.M. Present were board members Michael Bicak, Merlyn Blue, Jr., Perry Cole, Mark Freeman, Mike Hickey, David Hoffman and Matthew Rodger. Also present were Scott Hemingway, General Manager, John Hastig and Warren Perkins, engineers with Gray & Osborne, Dick Jonson, counsel, Bob Pancoast, Hydrogeologist with Compass Geographics, and Sharon Bakke, Administrative Coordinator.

2. Changes or Additions to Agenda

None

3. Business from Floor

None

4.) Minutes

MOTION 01-27-09-01 – Matthew moved and Merlyn seconded a motion to approve the meeting minutes from December 18, 2008 as amended. Motion carried unanimously.

MOTION 01-27-09-02 – 7:03 P.M., Michael moved and Matthew seconded a motion for the Board to move into executive session. Sharon was excused.

At 7:05 P.M. the Board came out of executive session and Sharon re-joined the meeting.

5.) Action Item Status Reports

The board reviewed the action item list.

Item: 81216-01: Done

81216-02: Done - Dick emailed his comments to the Board

81216-03: Done – Scott emailed the information to the Board

6. Financial Reports and Membership Count

Scott reviewed the financial reports. The board asked about the \$20,000.00 miscellaneous deposit and Scott said that was a permit overpayment refund from King County. He also said he wasn't sure about the figure under item 4599 but thought it may be value lost on investment accounts. He said he has not yet adjusted the budget to reflect changes and that may account for it.

a.) Check List

MOTION 01-27-09-03 - Merlyn moved and Mark seconded motion to approve the check list. Motion carried unanimously.

b.) Membership List

MOTION 01-27-09-04 – Merlyn moved and Matthew seconded motion to approve the Membership Transfer List. Motion carried unanimously.

c.) Aging Accounts: Scott gave a summary report of delinquent accounts, saying the number of accounts going over 90 days seems to be increasing. However, most still pay after they

receive door-hung shut-off notices. Some members have homes going into foreclosure. Discussion ensued about the order in which the billing program applies payments with Scott explaining that payments are applied to the oldest debt first. He also explained the sequence of events surrounding overdue accounts – that accounts over 30 days get “Past Due” stamped on their bill and accounts over 90 receive a letter then a door hanger if they don’t respond to a letter.

Matthew noted we have some bank accounts with deposits exceeding the FDIC or NCUA insured amount of \$250,000.00. He suggested we open another account and discussion ensued.

MOTION 01-27-09-05 – Matthew moved and David seconded motion to open a new account with ING Direct, using \$100,000.00 from SnoFalls Savings and \$100,000.00 from Key Bank Money Market. Motion carried unanimously.

Action Item: Scott, pull necessary documents together.

7. Old Business

a.) **Tall Chief** – Bob passed out copies of a letter from Tom Pors, counsel for Tall Chief, to Mr. Buck Smith at the Water Resources Section at the Department of Ecology, regarding the water right transfer in process from Tall Chief to ALWA. Bob explained that because ALWA is pursuing negotiations for a wholesale water agreement with Seattle Public Utilities, Tall Chief would like Ecology to suspend processing the water right transfer at this time and move it to a “pending” status. Bob suggested ALWA also send a letter to Ecology supporting this request.

MOTION 01-27-09-06 – Merlyn moved and Mike Hickey seconded motion to support the letter from Tall Chief to Ecology to put the water right transfer on hold. Motion carried unanimously.

Action Item: Scott, prepare a letter to Ecology in support of the proposal by Tall Chief.

b.) **Moratorium** – Scott stated there is a meeting set up with Seattle Public Utilities for February 12, 2009, which he and John plan to attend. Dick suggested the Association evaluate its fees for new memberships and connections. John recommended we bring in a financial analyst experienced in utility rate structures. The Board then reviewed a letter that Dick had prepared to them regarding his representing the Association in negotiations with SPU.

Action Item: Scott, work with consultants to develop proposed connection charges.

8. New Business

a.) **Auditor Selection FYE 4/30/09** – Matthew suggested the Board consider asking potential auditors to submit proposals for performing the audit. Sharon noted that we solicited proposals for the past three years and now have a good idea about how much all the local firms charge. John noted that firms may be reluctant to prepare proposals every year, given the cost of preparation. Discussion continued.

Action Item: Scott request proposal from Vine Dahlen for next audit.

b.) **Petty Cash** – Scott said that the petty cash account is currently \$1500.00 per month and that it would be helpful to increase it to \$2000.00 per month. He said that we get close to using that amount up each month and Susan has to spend a fair amount of time keeping track

of it to be sure we don't overdraw the account. He said although we have accounts with most vendors who will bill us at month end, sometimes it is not practical to go through the process of setting up an account with a vendor, esp. if we only purchase from them once a year at most. Sharon suggested that purchased items are budgeted for and tracked by category. The Board reviewed ongoing and recent petty cash expenditures.

MOTION 01-29-09-07 – Michael Bicak moved and Mike Hickey seconded motion to increase the petty cash allotment to \$2000.00 per month. Motion carried unanimously.

9. Management Report: Scott reviewed the management report, explaining about flood repairs going on in the basement of the office building and that Glen Gordon had mentioned his intent to increase the office rent. Scott suggested we may want to look into building an office on one of the Association's parcels. Discussion ensued

Action Item: Scott, look into what is involved in getting a conditional use permit to build on one of our parcels.

Scott then explained about problems we had with the billing program this month. Discussion about offsite data storage ensued and strategies for ensuring the safety of our data.

Action Item: Michael will get information he has on the topic to Scott.

10. Consultant Reports

John said that the Water System Plan has been submitted. The intertie specs are complete and he'll be getting started on the plans for improvements to the booster pump station on 288th Ave. NE. John then introduced Warren Perkins, who is an engineer with Gray & Osborne. Warren is familiarizing himself with the Association in preparation to back John up when he goes part time in June.

Bob said Scott had asked him to prepare portions of the information packets for the new Vista and Marshall Wells to get to Health for source approval. He said that he had prepared and provided Scott with a base report, location maps, updated susceptibility assessments and wellhead protection packets for each of the wells. John (G&O) will need to add some of the final design and testing information and the packets can then be submitted to Health for approval. Bob also said he anticipates seeing quite a lot going on in the State Legislature this session regarding water issues, which he plans report back to the board on.

11.) Member Calls and Letters –

Nothing new

12.) Action Item Review – Perry reviewed the new action items from this meeting.

13.) Next meeting – February 24, 2009, 7:00 P.M. at Association Business office.

14.) Meeting Adjourned – 8:30 P.M.

Minutes taken by Sharon Bakke

Signed Approved, Michael Bicak, Board Secretary

Date

This Meeting's Action Items

#**	Start Date	Action	Requester	Owner	Due Date	Status/Comments
90127-01	1/27/09	pull necessary documents together to open new account at ING Direct	Board	Scott	2/24/09	
90127-02	1/27/09	prepare a letter to Ecology in support of the proposal by Tall Chief	Board	Scott	2/24/09	
90127-03	1/27/09	work with consultants to develop proposed connection charges	Board	Scott	2/24/09	
90127-04	1/27/09	request proposal from Vine Dahlen for next audit	Board	Scott	2/24/09	
90127-05	1/27/09	look into what is involved in getting a conditional use permit to build on one of our parcels	Board	Scott	2/24/09	
90127-06	1/27/09	get information on offsite data storage to Scott	Board	Michael	2/24/09	