

**ALWA Board of Directors
Meeting Minutes
January 26, 2010**

1. Call to Order

Board President Perry Cole called the meeting to order at 7:00 pm. Present were Board members Michael Bicak, Mark Freeman, and Mike Hickey. Matthew Rodger joined by teleconference. Also present were Warren Perkins, Engineer with Gray & Osborne; Dick Jonson, Counsel; Bob Pancoast, Hydrogeologist with Compass Geographics; Scott Hemingway, General Manager; and Susan Stevens, Office Administrator. David Hoffmann arrived at 7:05. Absent was Merlyn Blue.

2. Changes or Additions to Agenda

Michael Bicak requested that a discussion of performance testing of engineering services be added to New Business.

3. Business from Floor

None.

4. Minutes

MOTION 01-26-10-01 – Matthew Rodger moved and Michael Bicak seconded the motion to approve the minutes of the December 22, 2009 Board meeting as written. Motion carried unanimously. Mark signed the minutes.

5. Action Item Status Reports

Perry reviewed the action items.

2009-12-01: Capacity study completed and recommendation included in packet.

2009-12-04: Perry Cole and Mark Freeman had submitted updated contact information. Michael Bicak and Mike Hickey confirmed that there were no changes to their contact information.

2009-12-06 & 07: Scott still in needs analysis phase for additional administrative staff. He is working on the new budget and expects to have draft available for February, 2010, Board meeting.

David Hoffmann joined the meeting and pointed out an error on the 12/22/09 minutes, referencing motion 12-22-09-01. Correction to name: "Seconded by David Hoffmann".

6. Financial Reports and Membership Count

- a. Check List - Motion 01-26-10-02** – Mike Hickey moved and Mark Freeman seconded to approve the check list. Motion carried unanimously.
- b. Membership List – Motion 01-26-10-03** – Michael Bicak moved and David Hoffmann seconded a motion to approve the Membership List. Motion carried unanimously.
- c. Aging Accounts** - Scott briefly reviewed the aging list. as shown on report in the Board packet; no outstanding issues.
- d. Water Loss Billing Adjustments** – Scott stated that there were three adjustments made in December. Two were plumbing (unlimited) and one was for irrigation (limited). The adjustment amounts were \$2,561.50, \$409.10 and \$342.55.

7. Old Business

- a. Moratorium** – Scott reported that he had made calls to poll current non-users regarding their intention to build or sell in near future. He made direct contact with approximately 1/3 of the non-users. Not many planning to build and not many want to sell membership back.

Extensive discussion ensued. Warren Perkins presented a written capacity study and reviewed the factors which lead him to believe that the Association is able to issue a limited number of new memberships. There is consensus among the Board members that twenty five new connections could be made available based on the study. Issues remain regarding the process for coming out of moratorium, however, which are as follows:

1. Need to make a final determination about the number of additional connections the system can support.
2. Need to make a final decision on changes to connection charges
3. Need to make changes to Rules & Regulations to include a process for allocating the new connections and other details, such as imposing a time limit for building.

- ** Action Item 2010-01-01: Scott** to work with **Dick** to draft modifications to Rules & Regulations and distribute to Board and consultants for comments.

4. Need to hold a public meeting to announce intention to come out of moratorium, introduce the new fees and the new Rules and Regulations, and to describe proposed method to come out of moratorium.

- b. Connection Charges** – Scott discussed proposed modifications to connection charges and recommends retaining the existing Membership Fee and Storage Fee, but combining Source Fee, Area Wide Fee and General Facility Fee into a single General Facility Fee.

Management, staff and consultants will work on proposed rules and rates for presentation and discussion at next Board meeting.

8. New Business

- a. Proposal for Engineering Services for 288th Booster Station** – Warren Perkins presented a proposal for engineering services for the project. A concern was voiced about having a single source for our engineering services, rates for services and prior errors made by Gray & Osborne. Discussion followed including Michael Bicak's request regarding measure testing for engineering contract.

- ** Action Item 2010-01-02 – Perry** to draft letter to president of Gray and Osborne outlining concerns about accuracy of engineering work and to get assurance that G&O will accept liability in the event of an error on their part.

9. Management Report

Scott's written report was referenced and no questions were posed. Scott explained the method for cleaning water tanks.

10. Consultant Reports

Bob Pancoast said that there is a flurry of activity in the Legislature regarding water-related issues. The bill cut-off is Friday, February 5th. He also shared the projection that the effect of El Nino will be a warmer and drier spring and early summer. The effects usually fade by mid-summer.

11. Member Calls and Letters

- a.** The "Thank You" letter from the Fall City Food Pantry was shared. Bob said his wife is involved with the FCFP and need has increased while donations have decreased.

12. Business from the Board

None

13. Action Item Review

There was a brief review of the action items.

14. Next meeting – February 23, 2010, 7:00 pm at Association Business office.

15. Meeting Adjourned – 10:05 pm.

Minutes taken by Susan Stevens