

**ALWA Board of Directors
Meeting Minutes
February 23, 2010**

1. Call to Order

Board President Perry Cole called the meeting to order at 7:03 pm. Present were Board members Merlyn Blue, Michael Bicak, David Hoffmann, 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. Mark Freeman arrived at 7:08.

Also present were members Scott Perry and Greg Jones.

Representatives of Key Bank, Mike, Derrick, Shannon and Michelle, were also in attendance.

2. Changes or Additions to Agenda

Add guests, Scott Perry and Greg Jones to Business from Floor. Scott Hemingway requested that Audit be added to New Business.

3. Business from Floor

i. Scott Perry – Scott Perry explained his situation. He owns 2 adjacent lots, one of which has a membership. The existing structure straddles the lot line and, in order to remodel, Mr. Perry must do a BLA (boundary line adjustment.) In order to get approval for the BLA, he needs a Certificate of Water Availability for the lot which does not have a membership. He explained that he has no intention of building on the vacant lot in the near future and merely needs the Certificate of Water Availability to move forward with the BLA. He stated he was on the waiting list and was prepared to purchase a membership when one becomes available. He stated his need was immediate and he could not wait for the moratorium to be lifted. Scott Hemingway reviewed current Association rules regarding issuing a Certificate of Water Availability for member properties only.

The Board thanked Mr. Perry for his information and said they would attempt to determine a mutually agreeable solution.

ii. Greg Jones – Mr. Jones is building a house on a lot which has a membership but does not currently have water. Pursuant to Association rules, in order to be served, developers are required to extend the main line to the far side of the property. Mr. Jones explained the history of this development, showing where the original main line extension had been placed on the east side of the block of properties, due to easement issues. He said the area was already platted and he was just building a single family home on an existing lot. He stated that the normal line extension policy should not apply in this situation. Mr. Jones proposed installing the meter in the cul-de-sac, and he would install a service line from there to the house.

The Board thanked Mr. Jones and agreed that in this case Mr. Jones could install the meter at the cul-de-sac.

Scott Perry and Greg Jones departed at 7:35

a. Key Bank Global Treasury Management – The Key Bank team gave a presentation on the services available through Key Total Treasury, highlighting the additional security, streamlining of transactions and flexible management reporting. The Key Bank representatives left the meeting at 8:40.

4. Minutes

MOTION 02-23-10-01 – Last names for Mark Freeman and David Hoffmann were switched on items 6.a. and 6.b. of the 1/26/10 minutes. Michael Bicak moved and Mike Hickey seconded the motion to approve the minutes of the December 22, 2009 Board meeting as amended. Motion carried unanimously. Mark signed the minutes.

5. Action Item Status Reports

Scott Hemingway reported that he expected to be able to present the draft 2011 budget at the March Board meeting.

No major progress on other items.

6. Financial Reports and Membership Count

- a. **Check List - Motion 02-23-10-02** – Merlyn Blue moved and David Hoffmann seconded to approve the check list. Motion carried unanimously.
- b. **Membership List – Motion 02-23-10-03** – Mike Hickey moved and Matthew Rodger seconded a motion to approve the Membership List. Motion carried unanimously.
- c. **Aging Accounts** - Scott briefly reviewed the Aging Accounts report as shown in the Board packet; one home previously in foreclosure was sold and the balance due on the account was paid; no outstanding issues.
- d. **Water Loss Billing Adjustments** – Scott stated that there was one plumbing (unlimited) adjustment made in January, in the amount of \$255.35.

7. Old Business

- a. **Moratorium** – There was discussion about the draft changes to Rules & Regulations. The steps needed to come out of moratorium were discussed.

Based on the results of the capacity study, it was agreed that the Association can support an additional 25 memberships. It was proposed that the open memberships be offered first to those on the waiting list, with the stipulation that there would be an initial deadline for formal application and another deadline for payment in full of fees (award of membership). Discussion followed concerning holding a hearing at the Fire Hall prior to next month's Board meeting to obtain input from members and the public regarding the manner of lifting the moratorium and proposed changes to the rules.

Motion 2010-02-04: Michael Bicak moved and Mike Hickey seconded a motion to close the existing waiting list effective at midnight on 2/23/10 and to open a new waiting list effective at 12:01 am on 2/24/10. Motion carried unanimously.

The Board then opened discussion regarding Scott Perry's request for a Certificate of Water Availability prior to being awarded a membership on the vacant lot and Greg Jones request. After discussion, the Board concurred in authorizing management to offer Mr. Perry an interim certificate of availability contingent upon an agreement to purchase full membership at new rates when the moratorium is lifted and authorizing Mr. Jones to serve his customer's new home from a meter to be installed in the cul-de-sac and declaring that the Association's line extension policy had been previously satisfied for service to this area.

**** Action Item 2010-02-01: Scott Hemingway and counsel, Dick Jonson,** to develop proposed contract whereby Scott Perry receives an interim Certificate of Water Availability, contingent on agreement to purchase full membership at newly adopted rates when the moratorium is lifted.

President, Perry Cole, departed at 9:10 pm.

Motion 2010-02-05: David Hoffman moved and Mark Freeman seconded a motion to extend the current moratorium for another 6 months, to August 23, 2010. Motion carried unanimously.

Motion 2010-02-06: Matthew Rodger moved and Merlyn Blue seconded a motion to hold a public hearing to discuss coming out of moratorium and proposed rule changes, scheduled for 6:30 to 7:30 pm on Tuesday, March 23, 2010, at the Fall City Fire Station. Motion carried unanimously.

1. Post draft of revised Rules & Regulations to the ALWA website.

**** Action Item 2010-02-02 – Scott and counsel, Dick Jonson,** to finalize draft of revised Rules & Regulation.

**** Action Item 2010-02-03 – Scott** to post draft of revised Rules & Regulations to website.

2. Publish notice of hearing.

**** Action Item 2010-02-04 – Scott and Dick Jonson** to write announcement to be published.

**** Action Item 2010-02-05 – Staff** to arrange publication.

3. Do mailing of notice of public hearing to current members.

**** Action Item 2010-02-06: Scott** to write draft of notification letter and distribute to Board members via email for review.

**** Action Item 2010-02-07: Staff** to do mailing of notice.

b. Connection Charges – Scott presented proposed changes to the Association's membership and related fees based on a recommendation of Peninsula Consulting.

Motion 2010-02-23-07: Michael Bicak moved and Mike Hickey seconded a motion to change the fee schedule, effective immediately, as follows:

a. Eliminate Source and Area Wide fees

b. Increase General Facility Fee to \$13,000

c. Add a non-refundable Membership Application Fee of \$100

****Action Item 2010-02-08: Staff** to revise fee schedule.

8. New Business

a. Wholesale Water – Scott Hemingway reviewed the current status of negotiations. Sammamish is proposing that ALWA purchase water from them on a wholesale contract. Cascade would pass ERU charges on to us. Scott is waiting for a formal proposal from Sammamish and will continue to research other options. He will prepare a comparison when he gets the proposal from Sammamish.

b. Audit – Scott reported on Vine Dahlen's quote for the FYE 2010 audit and the preparation of the 990. Matthew suggested we explore other options for preparation of the 990. The Board concurred in proceeding with the audit proposal.

****Action Item 2010-02-09: Scott** to explore options for preparation of the 990, including completion by staff.

9. Management Report

Scott referenced the written report and indicated there are no changes.

10. Consultant Reports

Nothing to report.

11. Member Calls and Letters

None.

12. Business from the Board

None

13. Action Item Review

There was a brief review of the action items.

14. Next meeting – March 23, 2010

Public Hearing, 6:30 to 7:30 pm at the Fall City Fire Station, followed by adjournment of Board Members, Staff and Consultants to the ALWA Business Office to conduct the Association Business.

15. Meeting Adjourned – 10:15 pm.

Minutes taken by Susan Stevens