

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

1. Call to Order

Board President Perry Cole called the meeting to order at 7:32 pm. Present were Board members Merlyn Blue, Michael Bicak, David Hoffmann, and Mark Freeman. Matthew Rodger joined by teleconference. Also present were Warren Perkins, Engineer with Gray & Osborne; Tom Zerkel, President of Gray & Osborne; Dick Jonson, Counsel; Bob Pancoast, Hydrogeologist with Compass Geographics; Scott Hemingway, General Manager; and Susan Stevens, Office Manager. Absent was Board member Mike Hickey.

Also present was member Paul Fischer.

2. Changes or Additions to Agenda

Scott Hemingway requested that the Office Lease be added to New Business and that Charles Ulrich be added to Member Calls.

3. Business from Floor

None

4. Minutes

MOTION 03-23-10-01 – Matthew Rodger moved and Merlyn Blue seconded a motion to approve the minutes as written. Motion carried unanimously. Mark signed the minutes.

5. Action Item Status Reports

Scott Hemingway reported that the action items related to the Public Hearing have all been completed. Discussion of completion of the 990 will be addressed with the Audit under New Business.

6. Financial Reports and Membership Count

a. Check List – Deferred until later in the meeting.

b. Membership List – Motion 03-23-10-02 – Merlyn Blue moved and Mark Freeman 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; no significant issues.

d. Water Loss Billing Adjustments – Scott stated that there were two plumbing (unlimited) adjustments made in February, in the amount of \$912.14.

7. Old Business

a. Moratorium – There was discussion about the draft of changes to Rules & Regulations. Dick Jonson would like to refine the modifications with no significant changes.

Motion 03-23-10-03 - Michael Bicak moved and David Hoffmann seconded a motion to approve the changes to the Rules & Regulations, subject to minor changes by Dick Jonson, Scott and Susan. Motion carried unanimously.

**** Action Item 2010-03-01 - Scott Hemingway and counsel, Dick Jonson**, to make minor refinements to the Rules & Regulations, with assistance from Susan.

Motion 03-23-10-04 - Michael Bicak moved and Merlyn Blue seconded a motion to partially lift the current moratorium and make the new rules effective April 5, 2010. Motion carried unanimously.

b. Vine Dahlen Audit – The options for completion of the 990 were discussed.

Motion 03-23-10-05 –David Hoffmann moved and Matthew Rodger seconded a motion to approve the contract with Vine Dahlen for \$11,500 for the FYE 2010 Audit, but to hold off on the \$3,000 portion of the contract pertaining to completion of the 990. Motion carried unanimously.

8. New Business

a. 2011 Budget – Scott reviewed the proposed FYE 2011 budget in more detail. Budget approval was tabled until the April Board meeting.

6 a) Check List Approval

Motion 03-23-10-06 - Merlyn Blue moved and Mark Freeman seconded a motion to approve the check list. Motion carried unanimously

b. Sammamish Plateau Water and Sewer District (SPWSD) Developer Extension Fees - Scott reviewed the fees SPWSD is requesting in order to develop a wholesale contract. They have requested payment for engineering, rate study, and legal fees. SPWSD also suggested modifying the current Emergency Intertie Developer Extension Agreement to include these fees. Discussion ensued. The Board did not want to modify the current Developer Extension Agreement, but was willing to enter into a separate agreement for these fees.

Motion 03-23-10-07 - Mark Freeman moved and David Hoffmann seconded a motion to approve entering into a contract with SPWSD for engineering, rate study and legal fees related to a wholesale water contract, not to exceed \$7500. Motion carried unanimously.

c. Office Lease Renewal – Scott presented the 1-year office lease renewal for approval.

Motion 03-23-10-08 - Matthew Rodger moved and Michael Bicak seconded a motion to approve signing the office lease renewal. Motion failed.

**** Action Item 2010-03-02– Scott** to negotiate with landlords regarding alternative term of lease and payment options.

9. Management Report

Scott reported that the Water System Plan has been approved by King County and we are now waiting on approval by the Washington State Department of Health. No problems or delays are anticipated. He also reported on the status of SCADA and of conversion to new billing software.

****Action Item 2010-03-03 – Staff** to notify members of change in billing format.

10. Consultant Reports

Bob Pancoast reported on the anticipated summer drought, saying that the surface water systems in our area are preparing by filling reservoirs. The drought should not impact ALWA. Expect messages to be put out by the State, which may cause people to use less water. Also, DOE has passed a bill to fund processing of water rights and monitoring usage of water rights.

8 b) SPWSD Developer Extension Fees – Scott Hemingway presented the bid from Fury Construction for the intertie.

Motion 03-23-10-09 - Merlyn Blue moved and David Hoffmann seconded a motion to approve the \$50,043 contract with Fury Construction for the intertie. Motion carried unanimously.

Tom Zerkel of Gray & Osborne addressed ALWA concerns regarding recent engineering activity. He will continue to monitor activity to assure accuracy and quality. He will review the current Water System Plan, per Perry Cole's request, to assure that the needs of ALWA have been fully addressed. Tom will also respond in writing.

11. Member Calls and Letters

Motion 2010-03-23-10 - Michael Bicak moved and David Hoffmann seconded a motion to go into executive session at 9:04 pm. Motion carried unanimously. Warren Perkins, Tom Zerkel and Paul Fischer departed.

Motion 2010-03-23-11 - Merlyn Blue moved and Mark Freeman seconded a motion to come out of executive session. Motion carried unanimously at 9:15 pm.

12. Business from the Board

Perry Cole summarized the content of his letter to Gray & Osborne.

13. Action Item Review

There was a brief review of the new action items.

14. Next meeting – April 27, 2010 at 7:00 pm.

15. Meeting Adjourned – 9:24 pm.

Minutes taken by Susan Stevens