

**ALWA Board of Directors
Meeting Minutes
January 25, 2011**

1. Call to Order

Board Vice President David Hoffmann called the meeting to order at 7:01 pm. Present were Board members Merlyn Blue, Mark Freeman, and Mike Hickey. Matthew Rodger joined by teleconference. Absent were Board members Perry Cole and Michael Bicak. Also present were Bob Pancoast, Hydrogeologist with Compass Geographics; Dick Jonson, Counsel; Scott Hemingway, General Manager; and Susan Stevens, Office Administrator.

2. Changes or Additions to Agenda

Scott requested that "water meter bids" be added to New Business.

3. Business from Floor

None

4. Minutes

Motion 01-25-11-01 – Matthew Rodger moved and Merlyn Blue seconded a motion to approve the minutes of the December 28, 2010 Board meeting as written. Motion carried unanimously.

5. Action Item Status Reports

Scott reviewed the status of the of the action items.

6. Financial Reports and Membership Count

a. Check List – postponed

b. Membership List –

Motion 01-25-11-02 – Matthew Rodger moved and Mark Freeman seconded a motion to approve the Membership List. Motion carried unanimously.

c. Aging Accounts – Scott reported on the status of overdue accounts.

d. Water Loss Billing Adjustments – Scott reported that there were 4 adjustments given in December for plumbing related issues.

7. Old Business

None

8. New Business

a. Meter Bids - Scott Hemingway presented the bids from suppliers of radio read meters, a meter reading laptop computer and related software. He recommended using Itron technology, as it is widely used, has a good reputation and will allow more flexibility in choosing suppliers. He recommended accepting the bid from Pollard Water, based on the lower price per meter and our anticipated future purchases. Discussion followed.

Motion 01-25-11-03 – Merlyn Blue moved and Mark Freeman seconded a motion to approve the purchase of radio read water meters from Pollard Water. Motion carried unanimously.

9. Management Report

Scott reviewed the items in the Management Report. Discussion ensued regarding the federal lending requirement to collect ethnicity data and the need for added security to protect the data. Matt Rodger recommended the addition of a hardware firewall.

6. a. Check List –

Motion 01-25-11-04 - Mark Freeman moved and Merlyn Blue seconded a motion to approve the check list. Motion carried unanimously

10. Consultant Reports

Bob Pancoast – reported on the status of the bills affecting water systems.

Dick Jonson – reported on the status of the Charles Schwab arbitration proceeding.

11. Member Calls and Letters

None

12. Business from the Board

Motion 01-25-11-05 – Matthew Rodger moved that we set up automatic debit arrangements for Puget Sound Energy, Sprint, CenturyLink, Regence Blue Shield and Tanner Electric in order to reduce the number of checks requiring signature each month. Mark Freeman seconded the motion.

Discussion followed regarding requirements for Board approval of the expenditures and compliance with bylaws, and of the impact of the changes on office procedures. It was recommended that the necessary process be documented and its implementation be deferred and readdressed at the next Board meeting.

Motion carried unanimously.

13. Action Item Review

None

Motion 01-25-11-06 – Merlyn Blue moved and Mark Freeman seconded a motion to go into executive session to discuss personnel issues. Motion carried unanimously. The Board went into executive session at 8:25 pm. Scott Hemingway, Bob Pancoast, and Susan Stevens departed.

Motion 01-25-11-07 – Mike Hickey moved and Mark Freeman seconded a motion to come out of executive session. Motion carried unanimously. Board returned to Open Session at 8:45 pm. Mr. Hemingway re-entered the meeting.

Mr. Hoffman explained that the Board desires to hire a management consultant to review business procedures and operations and report its findings and recommendations to the Board. He stated Laura Keough of Northeast Sammamish Sewer and Water District is available to perform the work at a cost not to exceed \$2,500. Discussion followed.

Motion 01-25-11-08 – Mark Freeman moved and Mike Hickey seconded a motion to approve the engagement for Laura Keough of Northeast Sammamish Sewer and Water District to perform a review of the Association's business operations and procedures and report directly to the Board at a cost not to exceed \$2,500. Motion carried unanimously.

14. Next meeting – February 22, 2011 at 7:00 pm

15. Meeting Adjourned – 9:05 pm.