

Ames Lake Water Association

Board of Directors Meeting April 9th, 2013

7:00 P.M

Meeting Minutes

1. Call to Order

David Hoffmann called to order the regular meeting of the **Ames Lake Water Association** at **7:08PM** on **April 9, 2013** in the Association's business office.

2. Roll Call

The following Board members were present: Michael Bicak, Merlyn Blue, Mark Freeman, Mike Hickey, David Hoffmann and Jack Praino; Matthew Rodger joined by telephone. Also present were: Kristina Myers, ALWA office manager; Bob Pancoast, ALWA operations manager; Warren Perkins, Engineer with Gray and Osborne; and Richard Jonson, Counsel.

3. Changes or Additions to Agenda

None

4. Business from the Floor

None

5. Consent Agenda

The Board reviewed contents of the Consent Agenda, containing:

- Minutes,
- Membership Transfers,
- Water Loss adjustments and,
- Aging Accounts.

Jack moved to accept the Consent Agenda. Mike seconded. All approved.

6. Consultants' Report(s):

Richard Jonson summarized his review of ALWA bylaws, noting sections to consider for update. The Board discussed these items, and requested Richard propose updates by the next Board meeting for the following:

- Update requirements with Bonds and Insurance,
- Define restrictions on Board-directed investments in financial instruments,
- Update check signature provision to include ACH transactions,
- Update Member connection restrictions,
- Clean up text and clarify Board's guidance for allocation of fixed fees
- Clarify director removal provision.

Warren updated progress on the Vista project. Subsystems have been brought up, including: pumps, controllers, SCADA and backup power. Full operation is expected by the end of the week. Bob reported that Stouder appears to have ceased operations and Gray & Osborne has been coordinating the work. Warren confirmed that G&O would hold to the cost estimate for its services. The Board discussed conditions for issuing the last progress payment and final payment to the contractor which included receipt of lien releases.

7. System Manager Report

Bob presented updates on the water system status:

- Last month's leaks on the 52nd water main appear to be repaired, based on water loss measurements.
- The updated capacity study has been submitted to the Department of Health.
- Remaining radio-transmitting water meters will be installed by the end of July.

The Board discussed changing policy for issuing Certificates of Water Availability, in light of recently increased available memberships. Jack moved to temporarily over-ride the Association's rules to allow issuance of Certificates of Water Availability to non-members subject to the following: valid for 1 year; one per property owner and for only one lot (plats and non-single family residential developments to be considered on a case by case basis); up to a maximum of 25% available membership inventory. Merlyn seconded. All approved except for Michael, who abstained as he was performing other tasks at the time.

Bob reviewed Office/Shop planning documentation generated in 2009:

- Soil study and septic design
- Traffic study
- Critical Area study
- Preliminary survey

These studies need to be checked to determine which are still current.

Warren left the meeting at 9:11PM.

The field truck has reached its end of life and needs to be replaced. After researching used truck prices the following motion was made: Jack moved to authorize up to \$18,000 for the purchase of a replacement field truck, no older than 2010 model year. Mike seconded. All approved.

8. Business Manager Report

The Board reviewed Lynn Jackson's accounting oversight engagement letter for FY2014, up to 64 hours at \$80/hour. Michael moved to accept the engagement letter; Merlyn seconded. All approved.

Kristina presented an updated budget for FY2014. After discussion the Board concluded more information is required to determine level of cash reserves:

Action Item: Kristina to check RDA required cash reserves.

Action Item: Kristina to compare ALWA operating margins with similar water utilities.

Action Item: Bob to determine emergency fund requirement.

Results of these action items are to be emailed to the Board prior to the next Board meeting.

Jack moved to approve the FY2014 budget, excluding the capital budget. Merlyn seconded. All approved.

Kristina reviewed liability and fidelity insurance amounts and confirmed she was getting a quote for increased fidelity coverage.

12. Miscellaneous

Dave Hoffmann explained a new payroll report, designed to provide a process for Board sign-off. Adjustments to the report were discussed, Matthew emphasizing the need for preventive or detective controls. Jack will devise a plan for controls and present at the next Board meeting.

13. Next Regular Meeting

The next regular meeting will be **May 14, 2013, 7:00 PM** at the Association's business office.

14. Adjournment

David Hoffmann adjourned the meeting **10:07 PM**.

Minutes prepared by Mark Freeman

