

**ALWA Board of Directors  
Meeting Minutes  
February 26, 2008**

**1.) Call to Order:**

President Perry Cole called the meeting to order at 7:30 P.M. Present were board members Michael Bicak, Merlyn Blue, Stuart Cohen, Perry Cole, Mike Hickey and Matthew Rodger. Also present were Scott Hemingway, General Manager, John Hastig, engineer with Gray & Osborne, Bob Pancoast, hydrogeologist with Compass Geographics, Dick Jonson, counsel, and Sharon Bakke, Administrative Coordinator. Absent was board member Jeff Cook.

**2. Business from the Floor**

None

**3.) Minutes Approval**

**a.) Board Meeting Minutes 9/25/07 –**

**MOTION 2-26-08-01** – Matthew moved and Michael Bicak seconded motion to approve minutes of September 25, 2007. Motion carried unanimously.

**b.) Board Meeting Minutes 1/22/08 -**

**MOTION 1-26-08-02** – Matthew moved and Merlyn seconded motion to approve minutes of Board meeting on 1/22/08. Motion carried unanimously.

**4.) Action Items:**

The Board reviewed the Action Item List:

**Chart of Accounts** – Stuart suggested there may be some items in the non-recurring category that may need to be shifted to recurring. He said he will meet with Scott and turn the project over to him. He also said it will be important to complete changes before new fiscal year begins and that he would like clear tracking of office vs. field expenses in the new fiscal year.

**Website** – Matthew said Sharon had sent him pdf files of meeting minutes for the past year. He said he needed to post the list of board member names, to list Scott as general manager, and pdf copies of By-Laws, Rules & Regs and fee schedule to post. He said that for conservation information he would post links to some of the well developed websites in the region that have comprehensive information regarding that.

**Schwab** – Sharon stated she thought the update process was complete but that Perry should try to access the website to confirm that. Stuart will forward log-on information to Perry.

**Public Service Program** – Sharon reported nothing from Glenn yet.

**Moratorium & Cost to connect to Seattle** – Stuart would like a rough cost estimate for connection with Seattle.

**Formal Audit** – The board discussed whether they would like to have a formal audit performed by an accredited accounting firm.

**MOTION 02-26-08-03** – Matthew moved and Michael Bicak seconded motion to have a formal audit performed. Motion carried with Merlyn opposed and Mike Hickey abstaining.

**New Audit Requirements** - Stuart suggested the Board form an audit sub-committee and asked for volunteers. Matthew stated the purpose of the sub-committee will be to assist the office in preparation for the new type of audit which includes documenting that the proper types of financial controls are in place. Members of the audit sub-committee will be Stuart Cohen, Matthew Rodger and Mike Hickey.

*Action Item:* Stuart suggested two action items:

- a.) Remove the "Payments Made" report from board meeting packets
- b.) Once a year after the annual meeting, the office should distribute to all board members the most current editions of By-Laws, Rules & Regs, Personnel Policy, Leak Adjustment Policy, Fee Schedule, Code of Conduct Policy and Board Roster.

### **5.) Financial Reports:**

The Board reviewed the Financial Reports. Scott answered questions on the Vendor Balance Summary.

**MOTION 02-26-08-04** – Merlyn moved and Stuart seconded motion to approve financial reports. Motion carried unanimously.

#### **a.) Check List**

**MOTION 02-26-08-05** - Merlyn moved and Matthew seconded motion to approve the check list. Motion carried unanimously.

#### **b.) Membership list**

**MOTION 02-26-08-06** - Stuart moved and Merlyn seconded motion to approve the Membership List. Motion carried unanimously

**c.) Aging Accounts:** Scott gave summary report of accounts receivable aging and explained the new format.

### **6. Old Business**

**j.) Second Field Person** – Scott reported he had hired Jeremy Reier, who is starting on 3/6/08. Scott reported that Jeremy has experience in the water industry, though he is not yet certified. The offer letter stipulates that Jeremy obtain his Water Distribution Manager 1 certificate within 18 months of hire.

**a.) Moratorium** – Board discussed moratorium on new memberships.

**MOTION 02-26-08-07** – Merlyn moved and Matthew seconded motion to extend the existing moratorium for six months.

Discussion ensued. During discussion, a legal question arose and a motion to go into executive session was made:

**MOTION 02-26-08-08** – Michael Bicak moved and Stuart seconded motion to go into executive session to discuss legal matters with counsel. Motion carried unanimously.

**MOTION 02-26-08-09** – Mike Hickey moved and Stuart seconded motion to come out of executive session. Motion carried unanimously.

Discussion continued about motion to extend moratorium. Motion to extend moratorium for six months carried unanimously.

**f.) Comp Plan** – Perry reviewed previous discussion on comp plan. The Board had decided not to shrink our service area. Scott reported on his meeting with John Hastig and people representing Sammamish Plateau Water & Sewer District regarding an emergency intertie, saying the District was open to the idea and their discussion was positive. Discussion ensued about what types of charges would be likely.

Stuart moved to permanently institute odd/even outdoor watering policy. Discussion ensued, with Bob reporting studies have shown that these kinds of water conservation methods show better customer compliance when instituted as an emergency measure. Motion withdrawn.

**b.) Audit** – discussed above.

**c.) RDA Compliance** – Darla O’Conner from RDA plans to attend the March 25 Board Meeting

**e.) Marshall Well Treatment Plan** – Scott reported that the filter media has been changed and disinfection is in process. He still needs to install settling tank where sediment settles out, which protects our drain field. Well should be ready to put back on-line in March 2008.

**i.) SCADA** – Scott reported that the radio system is working sufficiently to maintain our license with the FCC. He has talked with Systems Interface about six projects he needs to help him move water. He expects this to cost around \$60 – 70,000.00 to install. John explained some details and Scott will prepare a proposal for the Board.

**g.) Tall Chiefs** – Bob reported he is waiting on a draft Report of Examination (ROE) from Ecology. He said his discussions with them have been positive about our plans and described the parameters of the proposed water right and a new well that would be needed. He presented a written copy of a notice regarding the proposed water right transfer that Ecology requires us to publish in a newspaper of general area circulation.

*Action Item:* Sharon will see to publication of Notice.

**h.) By-Law Review** – Dick said he had looked over the By-Laws and sent out a draft proposing changes. Scott will circulate.

*Action Item:* Dick, Scott and Perry will work on By-Laws and present to Board.

## **7. New Business**

**a.) Emergency Intertie** – discussed above

## **8. Management Report:**

Scott reported that he has been very busy. He was glad to report that he had received the final inspection cards from King County approving the two new tanks. He said our meter reader was not available this month so he has had to read meters.

**9. Hydrogeologist:**

Bob discussed water issues before the legislature, and that King County is considering requiring all new construction to have fire suppression sprinklers. He said the municipal water lawsuit is moving forward.

**10.) Member Calls and Letters –**

a.) # 763 Gillis – Scott presented letter from Mr. Gillis requesting one time reduction of renter transfer fee from the current charge of \$50.00 to the previous charge of \$10.00, since the last fee schedule he had showed \$10.00. Board discussed and upon motion made and seconded, unanimously denied request. Scott will reply to Mr. Gillis by letter.

**11.) Review of New Action Items –**

**Audit Committee** – will meet to discuss internal financial controls.

**By Law Committee** – will look over Dick’s suggested changes to By-Laws.

**6.) d. Budget & Rates** – Perry reviewed what has been accomplished so far and gave overview of next steps. Discussion ensued. Scott suggested he could present proposed budget and rates at the next board meeting. Board decided to conduct a working budget meeting at the Association business office on Saturday, March 8, 2008, 8:00 to 11:00 AM.

Action Item: Perry requested each board member submit to him via email their philosophy on various items for the budget and rates: how many tiers on rate schedule, amortization and depreciation, raising fees such as membership fee, etc., how much to spend on capital improvements per year, include any water in lowest tier of base fee, whether lowest tier should be billed at cost to produce water and how income and expenses should be balanced.

Action Item: Scott will send out copies of budget policy to board members.

**12.) Next meeting** – March 8, 2008, 8:00 to 11:00 AM at Association Business office.

Next regular monthly meeting: March 25, 2008, Association Business Office, 7:30 P.M.

**13.) Meeting Adjourned** – 9:40 P.M.

Minutes taken by Sharon Bakke, Business Office.

**Action Items  
February 26, 2008**

<b>#</b>	<b>Start Date</b>	<b>Action</b>	<b>Requester</b>	<b>Owner</b>	<b>Due Date</b>	<b>Status/Comments</b>
2-1	2/26	Remove "payments made" report from board packets	Board	Susan	3/25	
2-2	2/26	Send policy documents to board members after annual meeting	Board	Sharon	3/25	
2-3	2/26	Publish water right transfer notice	Board	Sharon	3/25	
2-4	2/26	Meet to review By-Laws	Board	By-Law Committee	3/25	
2-5	2/26	Meet to discuss internal controls with office staff	Board	Audit Committee	3/25	
2-6	2/26	Submit budget and rate philosophy to Perry	Perry	Board	3/8	
2-6	2/26	Send copies of budget policy to board	Board	Sharon	3/25	