

**ALWA Board of Directors  
Meeting Minutes  
November 18, 2008**

**1.) Call to Order:**

President Perry Cole called the meeting to order at 7:00 P.M. Present were Board members Merlyn Blue, Michael Bicak, Perry Cole, Mark Freeman and David Hoffman. Board Member Matthew Rodger called in and participated via speakerphone for the entire meeting. Also present were John Hastig, engineer with Gray & Osborne, Dick Jonson, counsel, Bob Pancoast, Hydrogeologist with Compass Geographics and Scott Hemingway, General Manager. Also present were Lisa McKeirnan and Kim Fyfe from Vine Dahlen.

**2. Changes or Additions to Agenda**

None

**3. Business From the Floor**

a.) **Audit Presentation.** Kim Fyfe reviewed the April 30, 2008 financial statements, notes, audit opinion and several technical deficiencies in internal controls. The deficiencies were being addressed to the satisfaction of the auditors although some were unavoidable for small organizations such as the Association, such as Vine Dahlen preparing the Association's financial statement. Ms. McKiernan and Ms. Fyfe responded to several questions and left the meeting at 7:45 pm.

**4. Minutes**

A typographical error was found on page 3 (change "affect" to "effect").

MOTION 11-18-08-01: Merlyn moved and Mark seconded motion to approve the minutes of October 28, 2008 as amended. Motion carried unanimously.

**5. Action Item Status Reports**

Discussion of Action items.

Items completed:

810284, Information Plan; done

810285, Respond to member letters; done

810286, Annual meeting slide presentation information; done

**6. Financial Reports and Membership Count**

**a.) Check List.**

MOTION: 11-18-08-02 – Merlyn moved and Mark seconded motion to approve the check list. Motion carried unanimously.

**b.) Membership Approval**

MOTION: 11-18-08-03: Matt moved and David seconded motion to approve membership list. Motion carried unanimously.

**c.) Aging Accounts – Scott reviewed.**

## **7. Old Business**

- a.) **Annual Meeting** – Bob Pancoast presented a draft powerpoint presentation for the President’s report. Discussion followed and the presentation was shortened.
- b.) **Water System Plan Status** – John presented a draft plan. Scott stated he would circulate an email link to the draft. John suggested that the Board be prepared to approve the plan at the next Board meeting.
- c.) **Tall Chief** – Bob reported that Ecology wants separate wells for the two water rights; a new notice was just published at Ecology’s request; the developer has requested a cost estimate from the Association. He reviewed discussions with Seattle Public Utilities for water but it appears that a wheeling contract will be needed with Cascade Water Alliance (CWA). He and Scott will proceed with discussions with CWA and work on a cost estimate for the developer.
- f.) **Moratorium** – no report.

## **8.) New Business**

- a.) **Rule 19** – Dick reported on a recent State Supreme Court case that relieved a city for legal liability for an inoperable hydrant. He suggested that a change to Rule 19 be considered. The board discussed the proposed policy.

MOTION 11-18-08-04 – Michael Bicak moved and David seconded a motion to approve changing Rule 19 by deleting the words “free of charge” at the end of the first sentence and replacing them with “except as authorized by the Association” and deleting the second sentence in its entirety. Motion carried unanimously.

*Action item: Sharon revise Rules per above motion.*

- b.) **Revised Budget** - Scott reported on a change to the current budget as requested by RDA. The Board concurred in the change.
- c.) **Schwab and Liquidity** – Mr. Jonson reported on discussions with Schwab that he had for another client and information he learned regarding the bond fund with respect to which the Association was a participant. Matthew discussed his experience with similar accounts. The matter was discussed further.

MOTION 11-18-08-05 – Matt moved and David seconded a motion to liquidate the bond fund with Schwab and to invest the funds into an FDIC insured account with a bank or a similarly insured account with a credit union. Motion carried unanimously.

*Action Item: Michael B. will call Schwab and order a liquidation of the fund and he and Scott will investigate banks and credit unions in which to open one or more new accounts.*

- 9.) Management Report** – Scott reported on water use, treatment issues at Marshall, revised budget and Corbin easement issues. The Board agreed that the gate could be relocated on the easement to a mutually satisfactory location at Mr. Corbin’s expense and Scott was authorized to respond accordingly.

**10.) Consultant Reports** – covered above, nothing new.

**12.) Review of New Action Items** – Scott will work on IRS Form 990 policies for Vine Dahlen and respond to Corbin; Michael Bicak and Scott will work together on reinvesting Schwab Bond fund proceeds in insured accounts at banks or credit unions.

**13. Executive Session** - An executive session was called at approximately 9:30 pm to review the employment performance of the general manager. Scott and the consultants left the meeting.

At 9:55 pm, the executive session was concluded and the regular session was reconvened.

MOTION 11-18-08-06 - Michael Bicak moved and David seconded motion to grant an increase in salary to Scott Hemingway. The increase shall be 2.5% of base annual rate, increasing his annual rate to \$82,000. The rate adjustment is retroactive to July 01, 2008 and shall be paid on the next regularly scheduled pay date. Furthermore, Michael Bicak moves to grant a performance bonus of \$2000 to Scott Hemingway. The bonus is to be paid on the next regularly scheduled pay date. Motion carried unanimously.

**13.) Next Meeting:** December 16, 2008, 7:00 P.M., Association business office.

**14.) Adjourned** at 10:00 P.M.

Minutes taken by Dick Jonson

**Summary of Action Items for this meeting only**

<b>***</b>	<b>Action</b>	<b>Requester</b>	<b>Owner</b>
81118-01	Circulate a link to the draft water system plan via email	Board	Scott
81118-02	Revise Rules per motion 11-18-08-04	Board	Sharon
81118-03	Michael B. call Schwab, order a liquidation of the fund. He and Scott will investigate banks and credit unions in which to open one or more new accounts.	Board	Michael B. & Scott

\*\* First digit indicates year, second & third digits indicate month, third & fourth digits indicate number of action item in that month.