

**ALWA Board of Directors
Meeting Minutes
July 28, 2009**

1.) Call to Order:

Vice President Merlyn Blue called the meeting to order at 7:00 P.M. Present were Board members Michael Bicak, Merlyn Blue, Mark Freeman, Mike Hickey, David Hoffmann, and Matthew Rodger. Also present were Scott Hemingway, General Manager, John Hastig, engineer with Gray & Osborne, Warren Perkins, engineer with Gray & Osborne, Dick Jonson, counsel, Bob Pancoast, Hydrogeologist with Compass Geographics, Ashley Emory with Peninsula Financial Consulting, Sharon Bakke, Administrative Coordinator and members Patrick Burke, April Rivkin and Marcia Hardy. Absent was Board President Perry Cole.

2. Changes or Additions to Agenda

There were two changes to the agenda –

1. Patrick Burke
2. Statement of corporate action

3. Business from Floor

Member April Rivkin had sent a letter to the Board asking for a Certificate of Water Availability for her Lot #22 of the Ames Lake Plat. She presented the case that she felt she should be grandfathered in under the moratorium and why. The Board and consultants asked questions and the issue was discussed. She and Marcia Hardy left the meeting at 7:22 P.M.

Member Patrick Burke presented his case to the Board saying he had been granted a limited-to-once-every-seven-years adjustment to his bill last year under the “unaccounted-for water loss” section of the policy when he had suspected his neighbors of using his water. This year, he suspected his neighbors were hooking to his yard hydrant again. He asked the board to grant him an adjustment on his bill in spite of the once every seven year limit. Patrick left the meeting at 7:30 P.M.

Statement of Corporate Action – Dick explained that when the Board needs to make a decision outside a board meeting, RCW 24.06.510 applies:

RCW 24.06.510

Action by members or directors without a meeting.

Any action required by this chapter to be taken at a meeting of the members, shareholders or directors of a corporation, or any action which may be taken at a meeting of the members, shareholders or directors, may be taken without a meeting, if a consent in writing, setting forth the action so taken, is signed by all of the members and shareholders entitled to vote thereon, or by all of the directors, as the case may be, unless the articles or bylaws provide to the contrary.

Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any articles or document filed with the secretary of state.

Scott then presented the Board with a written resolution to sign documenting their action taken to approve of the minutes of the meeting on May 26, 2009. See attached resolution. Signed hard copy on file at the office.

4.) Minutes

MOTION 07-28-09-01 – Matthew moved and Mark seconded the motion to approve the minutes of the June 23, 2009 Board Meeting. Motion carried unanimously.

5.) Action Item Status Reports

Scott said everything is still in process.

6.) Financial Reports and Membership Count

a.) Check List – Scott explained the addendum to the check list - three checks which were inadvertently left off the check list. One was a check made out to himself for his retirement fund, one made out to Jeremy for his retirement fund, and the third for an easement being negotiated for the emergency intertie vault.

Regarding the check for the easement, John explained the reason we need to buy an easement is because the centerline of the road is not in the center of the easement. Normally there would be 15 feet of space between the road and the edge of the right-of-way, which would have been sufficient for the intertie vault, but in this case there was only a little over five feet and an easement is needed from the adjacent landowner. Once the paperwork is signed, Scott will have the payment handy to give to the landowner.

Scott introduced Ashley Emory of Peninsula Financial Consulting, who is working on a rate study for the Association.

MOTION 07-28-09-02 – Matthew moved and Mark seconded a motion to approve the check list. Motion carried unanimously.

b.) Membership List

Matthew asked why it sometimes takes so long for a membership to transfer, noting there was a transfer from February on this list for July. Sharon explained sometimes the new member takes some time to get paperwork back to us. Also, sometimes properties are sold without the Assn. being notified. The Board discussed the billing process under membership transfers and the water shut-off policy for non-payment.

MOTION 07-28-09-03 –Matthew moved and Dave seconded motion to approve the Membership List. Motion carried unanimously.

c.) Aging Accounts:

Scott reviewed the summary of aging accounts, saying the number of accounts past due has been going up and down. He explained how locked off meters are handled. Merlyn asked if the Loretos were staying current; Scott said they were.

7. Old Business

a.) Tall Chief – Scott reported that after minor changes were approved by both parties, the agreement was accepted and Tall Chief's payment check has been cashed. The Certificates of Water Availability have not yet been issued since they won't be needed until after the plat is complete. The Certificates will be contingent upon the Association obtaining a water purchase agreement from Seattle.

b.) Moratorium –Scott reported they are plugging away at the emergency intertie. He said the new easement is agreed upon and being finalized. Adjustments were made to the plan drawings, which will shortly be resubmitted to Sammamish Plateau for approval. As long as we are able to make good use of our wells, the infrastructure at the emergency intertie may be sufficient for serving water purchased from Seattle to the Association. However, if we needed to purchase more water from Seattle in the future, another connection may need to be installed. That is not anticipated in the near future. Discussion went to the Association’s water rights and pumping capacity. Scott said to complete the intertie for Seattle water, we still need to work out wheeling agreements with the City of Redmond and Sammamish Plateau. He has sent letters to both and is waiting to hear back. The Board then discussed our consumption with regard to serving new connections.

c.) Connection Charges – Ashley presented his report to the Board, passing around an updated written version, explaining his definitions, calculations and their respective components. He said his goal was to make a good faith effort to calculate a fair and equitable one-time fee for joining the Association. He answered questions then left the meeting.

Action Item – Scott to email link to Water System Plan at G & O to Board.

d.) Water System Plan – Nothing new – it is moving through the approval process.

e.) New Office/Shop – Nothing new.

f.) Audit – Vine Dahlen has completed the field work. Scott explained their bill and passed around a breakdown of charges to date. He said rather than bill the exact dollar amount - they round down from the actual dollar amount owed, \$8,320.75, to \$7,500. We have paid \$7,500 to date this year.

g.) Annual Meeting – Sharon said the President’s Letter was complete and ready to be mailed as soon as she could pin down a venue. According to the By-Laws, the letter needs to include specific information about the date, time and location of the meeting and needs to go out 60 days prior, so she needs to pin down a venue and date before she can send the President’s Letter to the members. The Board suggested venue ideas.

8. New Business

a.) Draft Accounts Payable Delegation of Authority Plan – Tabled.

Merlyn mentioned some members had asked him if our billing date could be moved closer to the beginning of the month. Sharon explained that the billing date is driven by the meter reading, which occurs at the end of each month. We are looking into a new billing system, which may help.

9. Management Report – Scott said it has been very dry and it was especially unusual for June to be as dry as it was. We are staying within our water rights and the mitigation point has not been reached. The aquifers are dropping a bit and the Daniel’s Ranch well, which was running at capacity, started pulling air, so he backed it off and the problem stopped. The Marshall well is on. Scott said we are on course for consumption to be higher than last year. In June we pumped 1.5 million gallons more than last year and in July we pumped 2 million gallons more than last year.

10. Consultant Reports – Bob had nothing to add and John said we had already gone over everything.

MOTION – 07-28-09-04 – 9:10 P.M., Matthew moved and David seconded motion to move into executive session to confer with counsel regarding the Rivkin request, the Patrick Burke request and a letter from Jaki Beshur.

The Board came out of executive session at 9:55 P.M.

11.) Member Calls and Letters –

a.) Jaki Beshur email letters – The Board directed Scott to send Jaki a letter regarding the Association’s commercial rates.

MOTION – 07-28-09-05 – Mike moved to make the Association’s commercial rates the same as residential rates effective January 1, 2010. Mark seconded the motion. Motion carried with Matthew abstaining.

Action Item: - Scott will notify commercial users of impending rate change.

MOTION 07-28-09-06 – Michael moved to authorize the ALWA manager, with the assistance of counsel, to settle the Certificate of Water Availability issue with April Rivkin. David seconded motion. Motion carried unanimously.

MOTION 07-28-09-07 – Mike moved and Mark seconded a motion to grant Patrick Burke a one-time leak adjustment under the vandalism and theft clause of the leak adjustment policy, based upon his claim of theft, with the provision that he keep his yard hydrant locked and any further requests for leak adjustments based upon a vandalism or theft claim be backed up with a police report. Motion carried with David abstaining.

12.) Business from the Board –

none

13.) Action Item Review – tabled.

14.) Next meeting – August 25, 2009, 7:00 P.M. at Association Business office.

13.) Meeting Adjourned – 10:05 P.M.

Minutes taken by Sharon Bakke

Approved, Michael Bicak, Board Secretary

Date

STATEMENT OF CORPORATE ACTION OF DIRECTORS
OF AMES LAKE WATER ASSOCIATION

The undersigned, constituting all of the directors of Ames Lake Water Association, a Washington non-profit corporation, do on this 28th day of July, 2009, make the following statement of corporate action and consent to the adoption of the resolution hereinafter set forth to be in full force and effect in the same manner as if adopted at a duly called meeting of the directors. This Statement of Corporate Action is adopted pursuant to the Revised Code of Washington 24.06.510, to wit:

WHEREAS, on June 2, 2009, the directors reviewed and approved by electronic mail vote the corporation's Board of Directors minutes for the regular meeting held on May 26, 2009; and the directors desire to ratify and confirm such note. Now, therefore,

BE IT RESOLVED that the minutes of the regular Board meeting held on May 26, 2009 in the form presented on June 2, 2009 by Association staff are hereby ratified, confirmed and approved.

ADOPTED AND APPROVED:

Perry Cole, Director

Merlyn Blue, Director

Michael Bicak, Director

David Hoffman, Director

Michael Hickey, Director

Mark Freeman, Director

Matthew Roger, Director

This Meeting's Action Items

#**	Start Date	Action	Requester	Owner	Due Date	Status/Comments
907-01		Email link to WSP to Board	Board	Scott		
907-02		Notify commercial users of rate change	Board	Scott		

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