

**ALWA Board of Directors
Meeting Minutes
December 22, 2009**

1. Call to Order

Board President Perry Cole called the meeting to order at 7:20 pm. Present were Board members Michael Bicak, Merlyn Blue, Mark Freeman, Mike Hickey, David Hoffmann and Matthew Rodger. Also present were Warren Perkins, Engineer with Gray & Osborne; Dick Jonson, Counsel; Bob Pancoast, Hydrogeologist with Compass Geographics; Scott Hemingway, General Manager; and Susan Stevens, Office Administrator.

Motion 12-22-09-01 - Michael Bicak moved and Mark Freeman seconded a motion to go into Executive Session. Motion carried unanimously. Scott and Susan exited the meeting.

Motion 12-22-09-02 – David moved and Matthew seconded a motion to come out of Executive Session at 7:42. Motion carried unanimously. Scott and Susan re-entered the meeting.

2. Changes or Additions to Agenda

Matthew requested that Key Bank's Treasury Management System be added to New Business.

3. Business from Floor

None.

4. Minutes

MOTION 12-22-09-03 – Merlyn moved and David seconded the motion to approve the minutes of the November 24, 2009 Board meeting as written. Motion carried unanimously. Mark signed the minutes.

5. Action Item Status Reports

Perry reviewed the action items. Discussion ensued regarding the steps to lifting the moratorium. It was agreed that the draft Capacity Study prepared by Gray & Osborne should be finalized in order to define the number of sustainable new connections in the immediate future.

**** Action Item 2009-12-01 – Warren Perkins** to finalize Capacity Study.

Board members and consultants were asked to forward to Scott their recommendations regarding changes to connection charges and proposed method for allocation of new memberships. (ref action item **2009-11-02**)

Discussion followed concerning possible methods to allocate new memberships if an allotment of memberships was made available for release,

Bob Pancoast reiterated the importance of publishing a notice when the moratorium is lifted.

6. Financial Reports and Membership Count

Scott reported that revenue for the fiscal year is higher than projected; Administrative expenses are under budget because the new billing software has yet to be purchased; we are over budget on Field Operations because of repairs & maintenance work being done ahead of projected schedule; Professional Services expenses are high due to increased engineering work and legal consultation relating to the wholesale purchase of water.

- a) **Motion 12-22-09-04** - Merlyn moved and Michael Hickey seconded to approve the check list. Motion carried unanimously.

b. Membership List -

Motion 12-22-09-05 – Matthew moved and David seconded a motion to approve the Membership List. Motion carried unanimously.

- c. **Aging Accounts** – Scott briefly reviewed the aging list. As shown on report in the Board packet; no outstanding issues.
- d. **Water Loss Billing Adjustments** – Scott stated that there were 3 water loss billing adjustments in November. Two were for irrigation leaks and one was for failed plumbing. Michael Bicak requested that the exact dollar amounts associated with the adjustments be included in the report.

7. Old Business

- a. **Moratorium** – Scott reported that the moratorium is in effect until the February 2010 Board meeting.
- b. **Connection Charges** – Scott stated that the draft report by Peninsula Consulting was still under review. Board and Consultants' recommendations to be forwarded to Scott.
- c. **Water System Plan** – Warren reported that the plan is still waiting on approval by King County (December or January?)
- d. **New Office** – Scott reported that work on this project is currently on hold pending resolution of other issues. Perry's cost/benefit analysis projects clear savings over the long-term, however Michael Bicak suggested discussion at a future date to include impact of high start-up cost (first year) on current members.

8. New Business

- a. **New billing software** – Scott gave a presentation on the staff's research into new billing software and recommended the purchase of Continental Utility Solutions' program, Continental Billing System (CBS). In the ensuing discussion, several questions arose about the relative benefits of using Key Bank's services for Automatic Clearing House (ACH) payments and cash receipts lock box as opposed to Continental's. Scott recommended that the Association purchase the CBS software for a cost of \$13,600 plus applicable taxes.
- b. **Key Bank's Treasury Management System** - Matthew Rodger outlined mechanism and benefits of using Key Bank's Treasury Management System, emphasizing the ease, flexibility and security.
- ** **Action Item 2009-12-02 - Scott** to verify the ability to use Key Bank ACH/Debit with Continental's software
- ** **Action Item 2009-12-03 – Scott** to contact Derrick at Key Bank to determine cost of ACH and credit card payments using Key Bank and compare to cost using Continental.

Motion 12-22-09-06 – Michael Hickey moved and Merlyn Blue seconded a motion to approve the purchase of Continental's billing software. Motion carried unanimously.

It was recommended to assure there is some written guarantee that the software will perform as requested. Richard Jonson said we may be able to add performance guarantee wording to the contract.

9. Management Report

Scott's written report was reviewed: water production is normal for this time of year. Scott related cold weather incidents. He also reported that a power surge due to lightning may have been responsible for several problems at the Vista well site.

Intertie: waiting for plan approval from Sammamish Plateau

SCADA: Most of the radio communication problems have been worked out. One site still needs antenna adjustment. Once radio communication problems are resolved, Systems Interface will begin testing operation of the SCADA system.

228th Booster: Nothing new to report.

Cascade Water: There is a possibility of purchasing water on a wholesale basis directly from Sammamish Plateau but significant regional connection charges would be due based on the size of the wholesale meter. We are waiting for a proposal from Sammamish Plateau and subsequent approval by Cascade Water but will still pursue SPU water and wheeling arrangements.

Generators: have been serviced and preventive maintenance recommended. There is some concern about ability to repair the diesel generator at Daniel's Ranch if it should fail.

Leak Detection: There were 3 leaks found; one was in a member service line, one in a hydrant and the third in a main line. All have been or will very soon be resolved.

Tax Return: Authorization given for electronic filing of the Form 990.

Field: Continuing improvements

10. Consultant Reports

Bob Pancoast: he is gearing up for the 2010 legislature. Nothing immediately apparent that will impact us. There may be more issues that arise in 2011.

11. Member Calls and Letters

None.

12. Business from the Board

a. Employee bonuses in the amount of \$500 each were unanimously approved.

b. Board member contact information needs to be updated.

**** Action Item 2009-12-07 – Board Members** will forward to the office their current contact information and their preferred method of being contacted.

**** Action Item 2009-12-08 – Susan** will update the contact information sheet after receiving the update from Board members.

c. It was unanimously decided to form a Human Resources (HR) and an Audit Committee. Volunteers to the committees are as follows:

HR: Perry Cole, David Hoffmann and Michael Hickey

Audit: Matthew Rodger, Mark Freeman and Michael Bicak

The Board also recommended some part-time back-up office staffing.

**** Action Item 2009-12-06 – Scott** will research budget and funds availability to support additional staff.

**** Action Item 2009-12-07 – Scott** will develop proposed job description.

13. Action Item Review

There was a brief review of the action items.

14. Next meeting – January 26, 2010, 7:00 pm at Association Business office.

15. Meeting Adjourned – 9:25 pm.

Minutes taken by Susan Stevens