

Ames Lake Water Association
Board of Directors Meeting June 11th, 2013
7:00 P.M

Meeting Minutes

1. Call to Order

Mark Freeman acted as Chairman and called to order the regular meeting of the Board of Directors of **Ames Lake Water Association** at **7:12PM** on **June 11, 2013** in the Association's business office in Fall City, WA.

2. Roll Call

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

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:

- May 14, 2013 Board Meeting Minutes,
- Membership Transfers,
- Water Loss adjustments and,
- Aging Accounts.

Mike moved to approve all items on the Consent Agenda. Michael seconded. All approved.

6. Consultants' Reports

Lynn Jackson discussed Material Weaknesses from last year's financial audit, and what to expect from this year's audit:

- ALWA transitioned from Cash Basis to Accrual accounting within the last year, so the audit will note the non-GAAP method for part of the year.
- Although improved, some segregation of duties is lacking, mainly due to the small staff. A suggested improvement would be to employ an outside agent to set up new employees and vendors within the accounting software.
- Controls are lacking for property tracking and disposal. This will be improved going forward.
- There is no written document on risk management. It is suggested a risk assessment and review be performed every two years.

7. Checklist Approval

Only one board member with check signing authority was present, so checks could not be completed at the meeting. Kristina would coordinate obtaining the second signatures at a later date. Michael moved to accept the checklist, subject to second Board officer's approval. Mike seconded. All approved.

8. Consultant Reports (continued)

Richard had emailed the Board a second set of proposed changes to the Bylaws. Matthew suggested a modification. Richard will prepare updated proposed Bylaws by July 12.

Josef reported that King County had rejected a street patch associated with the Vista project. Stouder will correct the patch at no cost to ALWA.

9. System Manager Report

Bob presented a summary of operations for the preceding month:

- Unaccounted water usage was 4.8%; an acceptable number
- The Vista project site has been cleaned up
- Installation of the radio water meters is due to be completed in July

Water in the southern section of the system tested positive for total coliform, but no fecal coliform was detected. In response, the system was flushed with chlorinated water and notices were mailed to members. The type of coliform is unlikely to be a health concern, but is an indicator of stagnant water. Going forward, this section of the water system will be flushed periodically as a precaution.

A brief update was given on the Shop & office building plans.

The 3G SCADA system is operational. The next update will install intrusion sensors at various facilities.

The Daniels Ranch deep vault update project is ready to start in late June or early July.

The NE 52nd booster project proposal is being prepared.

A possible future project would add a larger pipeline to the Carnation tanks to improve fire flow.

10. Business Manager Report

Kristina presented a brief financial overview.

Matthew moved to add Lynn Jackson, CPA to electronic payments. Michael seconded. All approved.

Matthew moved to add 401(k) retirement to electronic payments. Mike seconded. All approved.

Kristina proposed the budget for the website update project be reduced by \$1,238 to help provide funds for Quickbooks Enterprise while staying within the operating budget. Matthew had moved to approve purchase of Quickbooks Enterprise update for \$3,000 in the previous Board meeting. The motion had been tabled until funds could be found. Mike seconded. All approved. Michael requested staff to find an efficient means to implement an updated website.

Kristina presented initial information from an insurance broker on fidelity bond insurance. She will search for another broker to obtain a quote.

12. Next Regular Meeting

The next regular meeting will be **July 9th, 2013, 7:00 PM** at the Association's business office.

14. Adjournment

Mark Freeman adjourned the meeting **9:07 PM**.

