

Ames Lake Water Association

Board of Directors Meeting August 11, 2015

7:00 P.M

Meeting Minutes

- Call to Order

Jack Praino called to order the regular meeting of the Board of Directors of **Ames Lake Water Association** at **7:00 PM** on **August 11, 2015** in the Association's business office.

- Roll Call

The following Board members were present: Merlyn Blue, Jack Praino, Mark Freeman and Michael Bicak. Also present: Bob Pancoast, ALWA operations manager, Kristina Myers, ALWA office manager and Richard Jonson, counsel.

Also present were Lisa McKeirnan, CPA and Kim Fyfe, CPA from Vine Dahlen Accounting.

- Accounting Review

Kim and Lisa presented a draft financial statement and auditors report for the period ending April 30, 2015. Discussion followed concerning the Association's financial position and the remaining exception in the audit opinion relating to old asset values. Kristina was requested to check the Verizon cell site lease to determine if anything further is owed. The audit will be presented at the annual meeting. Kim and Lisa left the meeting.

- Consent Agenda

The Board reviewed contents of the Consent Agenda, containing:

- Minutes of the July Board meeting,
- Membership Transfers,
- Water Loss adjustments and,
- Aging Accounts.

Merlyn moved to approve all items on the Consent Agenda, with changes to wording as recommended by Michael. Mark seconded. All approved.

- Checklist & EFT Approval

Merlyn moved to approve the checklist and EFT transfers. Michael seconded. All approved.

- Consultant Reports

- Jonson & Jonson. Richard reviewed the following:
 - The revised leak adjustment policy reduces risks of inordinately large bills resulting from the Association's tiered rate structure. Two spreadsheets prepared by Kristina were reviewed showing quantities and dollar amounts billed for each tier. The necessity of curbing water use to maintain compliance with the Association's water rights is still key. It appears that top tier use is voluntary by members who don't mind paying high rates. Simplifying the rate structure should still be considered. The Board and Management will continue to investigate simplifying the rate structure.

Action item: Bob & Kristina to review history of top tier charges over the last two years. Recommendations will be discussed this autumn.

- Work over the next year to write off old, fully depreciated assets in order to remove the remaining auditors' exception.
- Because the annual meeting is only a month away, it would be fairer to the members to defer filling the two open positions on the Board and instead let the members vote on new candidates. The Board determined to not fill the vacant treasurer position until new Board members are elected next month.

- System Manager Report

Robert provided system updates:

- Bob discussed possible damage to area utilities in the event of a major earthquake. ALWA's long-range plans for dealing with widespread damage include:
 - Stockpiling hardware for repairs,
 - Acquire backhoe and other equipment expected to be in short supply.
- Water use in July was higher than normal for the month, at 9 Million gallons.
- Next year is likely to also be very dry.
- Work continues on the system:
 - Clean the treatment plant media at American Hills as a first step to reduce Manganese levels,
 - Replace aging valves on 290th,
 - Sand separator to be installed at Carnation well.

- Business Manager Report

Kristina reviewed monthly financial reports and the following:

- Annual meeting preparations.

Merlyn moved to approve the April 30, 2105 annual financial statement for presentation to the members. Mark seconded. All approved.

- Spreadsheets detailing monthly water usage in each tier for 2014/2015 were further reviewed and discussed.
- Office files archiving progress is close to plan.
- Obtaining Board candidates for the two open positions was discussed.

- Annual Meeting

The annual meeting will be held **September 15, 2015, 7:00 PM** at Chief Kanim Middle School, in Fall City. A Board meeting to elect officers for the forthcoming year will commence immediately after the annual meeting.

- Adjournment

Jack Praino adjourned the meeting **8:40 PM**.