

**ALWA Board of Directors  
Meeting Minutes  
March 25, 2008**

**1.) Call to Order:**

President Perry Cole called the meeting to order at 7:54 P.M. Present were board members Merlyn Blue, Jr., Perry Cole, Jeff Cook, Mike Hickey and Matthew Rodger. Also present were Scott Hemingway, General Manager, Jeremy Reier, Water System Operator, John Hastig, engineer with Gray & Osborne, Bob Pancoast, Hydrogeologist with Compass Geographics, Dick Jonson, counsel, member Mark Freeman, guests Darla O'Connor and Wesley Cochran from USDA Rural Development and Sharon Bakke, Administrative Coordinator. Absent was board member Michael Bicak.

**2. Business from the Floor**

Scott introduced Jeremy Reier, our newly hired Water System Operator. Jeremy then left the meeting.

Darla O'Connor spoke with the Board and answered questions about the requirements under our six loans with Rural Development and what would be required for future loans. She went over the steps involved in making a loan application and what her office would be looking for in terms of qualification for these federal loans. She explained that formal audits need to be done every year when total indebtedness to the RDA exceeds \$1,000,000 and that RD would periodically perform security and compliance reviews of our systems.

Darla and Wesley left the meeting at 8:17 P.M.

**3.) Minutes Approval**

**a.) and b.) Board Meeting Minutes 2/26/08 and 3/8/08 –**

**MOTION 3-25-08-01** – Matthew moved and Merlyn seconded motion to approve minutes of February 26, 2008 and March 8, 2008. Motion carried unanimously.

**4.) Action Items:**

Perry asked if anyone had anything to discuss on the action item list.

**Schwab** – Perry announced that Board Vice President Stuart Cohen had resigned. Perry said that he now has access to the Schwab account and described steps needed to remove Stuart's name from the account. He noted that member Mark Freeman was with us tonight considering applying for a seat on the Board.

*Action Item:* Perry will work on removing Stuart's name from the Schwab account and Sharon will work on removing his name from the other bank accounts.

**Website** – Matthew said the website is up, and described his considerable progress to date. He said he still needs text for the Frequently Asked Questions section.

*Action Item:* Scott will see that FAQ text is sent to Matthew.

**Public Service Program** – Sharon reported Glenn had emailed his suggested program, but it looked like administration of the program would be complex and labor intensive so she wasn't sure how well it would work for us.

**5.) Financial Reports:**

The Board reviewed the Financial Reports. Scott said water sales were down and that he had found a bad valve, the repair of which was expensive.

**a.) Check List**

**MOTION 03-25-08-02** – Merlyn moved and Matthew seconded motion to approve the check list. Motion carried unanimously.

**b.) Membership list**

**MOTION 03-25-08-03** - Merlyn moved and Matthew seconded motion to approve the Membership List. Motion carried unanimously

**c.) Aging Accounts:** Scott gave a summary report of accounts receivable aging. He said all the accounts that hit 90 days this month have paid and the only other aged accounts are on payment plans or are presently uncollectible.

**6. Old Business**

**a.) Moratorium** – completed last month

**b.) Comprehensive Plan** – John stated that Josef from his office is making progress now that they know what the new rates will be.

**c.) Audit** – Sharon stated she had sent requests for proposals to 25 potential auditors but had only heard back from a few. She expects proposals to start coming in after the end of tax season on April 15<sup>th</sup>.

Matthew, who is heading up the audit committee, said that we need to have Key Controls in place on procedures such as Accounts Receivable, Purchasing, Payroll and Information Technology. He requested Scott send him brief narratives about each of these areas. Then the committee will meet to isolate controls and advise on preparation of month-end checklists and documentation.

*Action Item:* Prepare brief narratives about procedures and email to Matthew. Then set up meeting to discuss.

**d.) Marshall Well Treatment Plant** – Scott reported that the project is almost finished. Since the well has been off for the last two quarters, we have been informed by Dept. of Health that we are no longer out of compliance on arsenic MCLs.

**e.) SCADA** – Scott reported he plans to meet with Systems Interface next month.

**h.) Emergency Intertie** – Scott reported he had met in the field with representatives from Sammamish Plateau Water and Sewer District. Their pipes are only about 55 feet from ours, and we would not need to cross any roads to intertie. He explained what would be involved in terms of metering and pressure regulation.

**8. Management Report:**

Scott reported that the developer of the Elfendahl extension has requested meters, but the Association can't do that until all the requirements in the developer extension agreement have been met. Scott sent a letter to the developer with a list of items to be completed. He said it is possible the developer will present a request for acceptance of the extension at the next board meeting.

**9. Hydrogeologist:**

**Tall Chiefs** – Bob reported that the public notice ran in the newspaper for the required two weeks. We have received the affidavits certifying this, which he will forward to the Department of Ecology. He stated that the Tulalip Tribe wrote a letter expressing concerns about the plan.

Bob reported that the legislature had a short session this year and did not take up much in the way of water issues. However, he expects they will have a long session next year and focus quite a bit on water policy.

**Old Business Continued...**

**h.) By-Law Review** – Scott, Perry and Dick are on the By-Law Review committee. Dick said he had some suggested changes. He requested we send him our electronic file of the document so he could insert his comments and forward to Perry and Scott.

*Action Item:* Sharon will forward electronic version of By-Laws file to Dick who will then insert comments and forward to Perry and Scott.

**7. New Business**

**a.) Rate Notice Cover Letter** – The Board discussed the letter to go out to members with the new fee schedule.

*Action Item:* Perry will finalize the letter and send to Sharon so she can send it to the mailing house.

*Action Item:* The Board suggested some formatting changes to the Fee Schedule. Sharon will implement.

**b.) Board Email Accounts:** Scott suggested that the Board consider having dedicated email accounts for their ALWA correspondence. Discussion ensued. The Board agreed they would like to have dedicated accounts associated with our web domain.

*Action Item:* Scott will have accounts created and forward information to the Board.

**10.) Member Calls and Letters** – None.

**11.) Review of New Action Items** – Sharon read off the list of new action items.

Mark Freeman prepared to leave the meeting. Perry explained some background information about the Association and serving on the Board. He left at 9:15 P.M.

**MOTION 03-25-08-05:** 9:20 P.M., Matthew moved and Merlyn seconded motion to go into executive session to discuss legal matters about the Lora main extension with counsel. Motion passed unanimously.

**MOTION 03-25-08-06:** Matthew moved and Merlyn seconded motion to come out of executive session. Motion passed unanimously.

**12.) Next meeting** – April 22, 2008, 7:30 P.M. at Association Business office.

**13.) Meeting Adjourned** – 9:50 P.M.

Minutes taken by Sharon Bakke, Business Office.

**Action Items**  
**March 25, 2008**

<b>#</b>	<b>Start Date</b>	<b>Action</b>	<b>Requester</b>	<b>Owner</b>	<b>Due Date</b>	<b>Status/Comments</b>
3-1	3/25	Have previous board member's name removed from Schwab account	Board	Perry	4/22	
3-2	3/25	Have previous board member's name removed from bank accounts	Board	Sharon	4/22	
3-3	3/25	Send FAQ text to Matthew for website	Matthew	Scott	4/22	
3-4	3/25	Prepare procedure narratives for Key Control project	Matthew	Scott	4/22	
3-5	3/25	Set up meeting re: Key Control project		Matthew	4/22	
3-6	3/25	Forward By-Laws to Dick Jonson	Board	Sharon	4/22	
3-7	3/25	Forward By-Law comments to Scott & Perry	Board	Dick	4/22	
3-8	3/25	Finalize Rate notice cover letter & forward to Sharon		Perry	4/22	
3-9	3/25	Make formatting changes to Fee Schedule	Board	Sharon	4/22	
3-10	3/25	Create email accounts for Board	Board	Scott	4/22	