

Sallal Bylaws Amendment— Please vote to APPROVE

By the Author of the Amendment

Dear Fellow Sallal Members,

By now you've received the board's position piece on the bylaws amendment I wrote.

There are real problems with that piece:

- Its description of my motivation for writing the amendment is completely untrue.
- It misquotes the amendment and doesn't include the actual text. * *The full text is included in a separate post called "Amendment Full Text"*.
- It offers inaccurate speculation about the effects if it passes, presented as fact.
- It was sent out 10 days before the more balanced "For" and "Against" piece—which the board and I worked on together—even though the "For" and "Against" piece was finalized weeks ago.

Sending out an inaccurate, unsubstantiated opinion piece far ahead of the more balanced information violates generally accepted standards of fairness and transparency for boards of directors. The board says this was an accident, but the damage is done. This is the kind of anti-transparency that is generating mistrust and anger among members.

The board's piece paints me as a member of a special interest group, and implies that I wrote the amendment to fight development. Neither is true. I don't belong to any special interest group. I am a Sallal member of 26 years who followed the process specified in the bylaws for calling a vote on an amendment. I have been working with the board on this since December. (I even wrote certain parts of the amendment to address the board's concerns.) At the board's invitation, I am on Sallal's Member Advisory Committee. I wrote the amendment purely because I believe members should have a say in a decision as big as the proposed contract with North Bend.

Member participation in decisions about the main asset is actually common practice, and is supported by Washington State law:

MEMBER INVOLVMENT IN THE SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION OF ASSETS NOT IN THE ORDINARY COURSE OF BUSINESS IS REQUIRED BY RCW 24.03.

The board's position piece misrepresents how the amendment could be used. It could not be used by a small group of people to railroad the rest of us. It requires 2 meetings: one to thoroughly discuss the legal and other details of the contract, the other to vote on it. **Each meeting requires 30 DAYS NOTICE.** That gives at least 60 days for members to learn about the contract and cast informed votes. **The amendment encourages participation by a large number of members.**

(The total cost per household of the 2 meetings combined would be \$3.48. A small price to pay for having a say in important decisions.)

The board's piece says the amendment could put Sallal at risk of takeover by North Bend. Not so. In fact according to my research, the opposite is true:

- **A contract between Sallal and North Bend could actually pave the way for NB to take over Sallal.**
- **The amendment could present a real barrier to takeover by NB.**

To take over Sallal, NB would need approval by at least 5 agencies. One of the criteria those agencies use is whether there are contracts between the 2 parties. **The amendment could slow down—or stop—Sallal from signing the contract with North Bend, which in turn could weaken NB's case for a merger.**

We may have legal options to defend Sallal's territory. Concerned members (myself included) have urged the board to ask independent attorneys what our legal defense might be, yet the board has been slow to act.

The board's piece says the amendment would interfere with daily business. It does not. The amendment has specific criteria, which apply **only** to the buying or selling of our main asset, the water; it even has exceptions for emergencies, and existing contracts, which I wrote based on concerns I heard from the board.

In summary, the amendment requires 2 special meetings of the members, with 60 days notice total. It requires a detailed review and presentation by the board to the members. **It encourages participation by a large number of members.** Member participation in decisions about our main asset is in keeping with common practice and Washington State law. Finally, the amendment presents a possible way to slow or even stop a takeover of Sallal by North Bend.

Please vote to APPROVE the bylaws amendment.

THE SPECIAL MEETING TO VOTE ON THE AMENDMENT IS TUESDAY, JUNE 11TH

AT 7:00 PM IN THE SNOQUALMIE CASINO BALLROOM.

The board and I will be there to answer your questions.

You may vote in person at the meeting, by proxy (one per member) or by putting it in the drop box in front of Sallal's Office BEFORE 3:30 on Tuesday, 6/11.

***It's now too late to mail your ballot. It must be received (not postmarked) by Tuesday.**

You may also bring your ballot to the meeting, filled out or not. We'll have extra blank ballots there for you. Votes will be counted at the meeting after the question period.

Thanks for caring about our water!

Anne Herman