

ANNUAL MEETING OF THE MEMBERSHIP
Minutes of Meeting
Monday, March 28, 2016

President Sheldon Lynne called the Annual Meeting of the Membership of the Sallal Water Association to order on Monday, March 28, 2016 at 7:07 PM.

This Annual Meeting had been called for the conduct of business in accordance with Article VII, Sections 1- 6 of the by-laws of the Sallal Water Association. In addition to Mr. Lynne, the presiding Board of Trustees was present to include Gerry Prior, Andy Velebir, Eric O'Brien, David Edwards, Harold Ellebracht and Gwen Nagano. Also present were Paul Tredway, Sallal General Manager; Mary Nelson, Sallal Office Manager; Tree Bergman, water operator; and Warren Perkins, Engineer from Gray & Osborne, Inc.. Guests in attendance were Brent Mickelsen, Auditor from Blodgett Mickelsen & Naef, P.S. By count, a total of 8 memberships were represented in person including staff and Board members and a total of 94 via ballots cast.

Sheldon Lynne introduced the Sallal Board members and staff.

Mary Nelson, Office Manager, verified that notices of this Annual Meeting were sent to all members of record on Wednesday, March 17, 2016.

APPROVAL OF MINUTES:

Sheldon Lynne requested a motion to approve the minutes of the 2015 Annual Meeting.

Motion No 2016-A1 it was moved by David Edwards and seconded by Gerry Prior to approve the minutes of the previous Annual Meeting held on March 30, 2015.
Motion approved unanimously.

FINANCIAL REPORT:

Brent Mickelsen reported that the firm of Blodgett, Mickelsen and Naef, P.S. had completed the audit of the Association's books and records. The audit report was mailed to all members as part of the Annual Meeting notice. Brent gave a brief description of the audit and reported that the audit, conducted in accordance with U.S. generally accepted auditing standards went smoothly and presents fairly, in all material respects, the financial position of the Sallal Water Association as of December 31, 2015.

In addition to the reference made to the generally accepted auditing standards, Brent also referenced that the audit was conducted on an accrual basis and that the auditors made minor adjusting journal entries. Brent went through the financial condition of the Association, reporting on liabilities and RDA loans for completed projects. Brent also reported on cash balances, debt (long term notes), construction costs, the statement of activities, and a comparison of balances, this year vs. last year. Brent reported that Sallal is a healthy association with a strong ratio of assets to liabilities and that Sallal is very liquid due to cash and equivalent CD's. Brent reported that Sallal gained 14 new memberships in 2015 and that the Association has 1650 active member certificates.

Brent reported that, per the auditors report, there were no instances of non compliance nor were there any disagreements with management during the audit process. Brent gave a “clean audit” opinion. Dave Edwards corrected the total debt amount and Andy Velebir had a question regarding land value assessment.

PRESIDENT’S REPORT:

President Sheldon Lynne reported on the Sallal Water Association’s activities during the past year. With regard to our budget, Sallal continued to add specific operational and capital reserves to help meet future demands. Sallal continued to operate in good shape and kept all of our members supplied with water without interruption. Sallal had a good year from an operational standpoint. Sallal had good water testing results for the entire year with one exception – a coliform violation in the River Point area. Subsequent samples all came back with good results. For further prevention, we dived and pressure washed and disinfected the two storage tanks in the area; added a flushing station to coincide with our heavier flushing program; added an air-vac release to eliminate bacteria in high spots; and initiated a pre-test program in the area.

General System Improvements - Added 2 sampling stations, giving us a total of 26 for our system; Updated system maps; exercised all valves and hydrants; Completed engineering for our main line replacement on Cedar Falls Road; and completed permit application for new well in the watershed area.

Management of the Wilderness Rim System - Sallal completed another year in managing the WRA system; however, at the end of February, 2016 our contract with WRA ended.

Rogers Group Well at Trucktown – We have completed another successful year in managing the well at Trucktown and have renewed the contract for 2016.

Contract with the City of North Bend – Mr. Lynne mentioned that Sallal is still waiting for the City of North Bend to finish contract negotiations with Sallal regarding future water supplies.

New Growth within Sallal’s System

Sallal is planning for a substantial increase in both residential and commercial growth within our system – some of which will occur in 2016.

Addition of New Water Operator

To help prepare for the new growth in our system, Sallal added a part time operator to be shared with the Ames Lake Water Association. His name is Tree Bergman.

ELECTION OF TRUSTEES:

Sheldon Lynne reported that three positions on the Board of Trustees have expired. Mr. Lynne asked the candidates running for Board positions to introduce themselves and add a brief bio which they did. Mary Nelson tabulated the vote count for the trustee election. Mary announced the vote tallies based on mailed-in votes and ballots submitted by members present. Incumbents David Edwards, Harold Ellebracht and Gwen Nagano were elected to serve for three year terms to expire in March, 2019.

UNFINISHED BUSINESS:

There was no unfinished business brought before the membership to be discussed.

NEW BUSINESS:

There was no new business brought before the membership to be discussed.

Motion No. 2016-A2 it was moved by Eric O'Brien and seconded by Andy Velebir to adjourn the meeting at 7:45 pm, there being no further business to discuss.

Motion approved unanimously.

Respectfully submitted,
Paul Tredway, General Manager