

**ANNUAL MEETING OF THE MEMBERSHIP**  
**Minutes of Meeting**  
**Monday, March 31, 2014**

President Sheldon Lynne called the Annual Meeting of the Membership of the Sallal Water Association to order on Monday, March 31, 2014 at 7:05 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 Don Klausung, Gerry Prior, Andy Velebir, Eric O'Brien and David Edwards. Not present was William Stringer. Also present were Paul Tredway, Sallal General Manager; Mary Nelson, Sallal Office Manager; and Denny Scott, Water System Superintendent. Guest in attendance was Ernest Henrie, Wilderness Rim Homeowner Association Water Chair. By count, a total of 8 memberships were represented in person including staff and Board members and a total of 84 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 Thursday, March 20, 2014 and Friday, March 21, 2014.

**APPROVAL OF MINUTES:**

Sheldon Lynne requested a motion to approve the minutes of the 2013 Annual Meeting.

**Motion No 2013-A1** it was moved by Andy Velebir and seconded by David Edwards to approve the minutes of the previous Annual Meeting held on March 25, 2013.  
Motion approved unanimously.

**FINANCIAL REPORT:**

Paul Tredway 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. Paul 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, 2013.

In addition to the reference made to the generally accepted auditing standards, Paul also referenced that the audit was conducted on an accrual basis and that the auditors made minor adjusting journal entries. Paul went through the financial condition of the Association, reporting on liabilities and RDA loans for completed projects. Paul also reported on cash balances, debt, construction costs the statement of activities, and balance this year vs. last year. Paul 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. Paul reported that Sallal gained 17 new memberships in 2013 and that the Association has 1624 active member certificates.

Paul reported that, per the auditors report, there were no instances of non compliance nor were there any disagreements with management during the audit process. No questions arose regarding the 2013 audit.

**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 weathered a power outage in January as well as operating in good shape during one of the hottest and driest summers in recent memory and kept all of our members supplied with water without interruption. Sallal had a good year from an operational standpoint and had good water testing results for the entire year. Sallal maintains a very high quality of water without the need for treatment. Sallal continued to monitor for HPC’s (Heterotropic Plate Count), which gives the association another early warning of possible contamination. Mr. Lynne praised the work of Denny Scott, the Sallal system superintendent for his work during the past year.

**General System Improvements** - Added 3 sampling stations, giving us a total of 24 for our system. We completed the process of getting AC power to our Rattlesnake reservoir. We also started the process of wireless communication of all of our storage tanks and wells in order to access data on a moments notice from anywhere. This project will be completed in 2014.

**Management of the Wilderness Rim System** - We have completed another successful year in managing the WRA system and have renewed the contract for 2014.

**Rogers Group Well at Trucktown** – We have completed another successful year in managing the well at Trucktown and have renewed the contract for 2014.

**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.

**Settlement with Contractor Working for the City of North Bend** – Sallal was able to secure a settlement from the City of North Bend’s sewer installation contractor. While installing the sewer line for the City, their contractor hit and damaged our main lines on numerous occasions. In 2013 Sallal received a settlement from the contractor.

No questions arose regarding the President’s report.

**ELECTION OF TRUSTEES:**

Sheldon Lynne reported that two positions on the Board of Trustees have expired. 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 Andy Velebir and Gerry Prior were elected to serve for three year terms to expire in March, 2017.

**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. 2013-A2** it was moved by Don Klausung and seconded by Eric O'Brien to adjourn the meeting, there being no further business to discuss.  
Motion approved unanimously.

Respectfully submitted,  
Paul Tredway, General Manager