

**Sallal Water Association
Board of Trustees
Minutes of Tuesday, November 17, 2020 Meeting**

The regularly scheduled meeting of the Board of Trustees of the Sallal Water Association was called to order on Tuesday, November 17, 2020 at 6:02 pm by Ms. Baker. This meeting was held online using Zoom due to the COVID-19 outbreak.

Board members present: Daylin Baker, Eric O'Brien, Ann Reed, Larry Costello, Shawn McKone, and Rich Formisano

Consultants present: Richard Jonson, Attorney; Warren Perkins, Engineer

Employees present: Denny Scott, General Manager

Guests present: Jeff and Jan Snook (Redbird Partners), Holly Brown (River Run Apartments), Robert Hibbs, and Katy Isaksen (Rate study)

GUEST COMMENTS: Mrs. and Mr. Snook asked questions about the process to apply for a larger meter, from 5/8" to 1 1/2" to accommodate a proposed commercial development on their property. Currently, they are on a wait list and an upsized meter would utilize 5 ERUs. Denny will investigate the situation further and follow up with the Snooks. Robert Hibbs also requested information on his status for a water certificate which has expired. He will reapply. The Snooks and Mr. Hibbs exited the meeting.

CONSENT AGENDA: November Board Work Study minutes, Chlorination Member Meeting minutes, October regular Board meeting minutes, and consultant statements: Jonson & Jonson for \$9,666.00, Lawhead amended to \$5,413.40 and Dave Jurca for \$10,035.00.

MOTION NO 2020-60: Motion to approve the consent agenda, with minutes and Lawhead billing as amended, by Ms. Hibma, seconded by Mr. Costello. Motion carried.

PRESENTATIONS

Katy Isaksen, Rate Study Summary: Ms. Isaksen presented a draft Water Rate Outlook study and acknowledged receipt of additional information provided by Mr. Costello and Ms. Baker. Data was updated for water usage, growth, income, and capital expenditures. An analysis was provided as to when to increase rates and by how much. She has not yet reviewed the membership fee calculation but will do so and report - the report is expected no later than early January 2021. Ms. Isaksen exited the meeting.

Redbird Partners via Zoom: Holly Brown provided an update on the River Run Apartments status and stated the project was in the last stages of redesign and financing. She stated that the building permit application remains on hold with the City. The civil plans are in review. Plans are for 12 separate apartment buildings. She had not realized that the CWA had expired. Designs for water service to the project have not been prepared. She stated that if all goes to plan, ground-breaking is expected in May of 2021. Ms. Brown requested a renewal of the CWA. Ms. Baker stated that the Board would consider her request and management will respond. Ms. Brown exited the meeting.

Toll Brothers Developer Extension, Phase I

Mr. Perkins recommended final acceptance of the Toll Brothers Developer Extension and noted that the final lift of asphalt won't occur until the homes are built.

MOTION NO 2020-58: Motion to grant of the Final Acceptance for the Toll Brothers Development Phase 1 with Final Lift of Asphalt Deferred was made by Mr. McKone and seconded by Mr. Costello. Motion carried.

Updated Agreement for Engineering Services for Well 4/Reservoir

Mr. Perkins stated that an updated engineering services agreement with Gray & Osborne required by USDA has been prepared and presented.

MOTION NO 2020-59: Motion to approve G & O CM revised contract for Well#4/Reservoir for \$223,732 was made by Mr. Costello, seconded by Ms. Hibma. Motion carried.

REPORTS:

Member Advisory Committee Report *Mr. Formisano*

Minutes for October 13 meeting will be available at the next BOT meeting. There will be no meeting in December. The MAC reviewed a new member bio for Marcus Morisette and recommended him as an addition to the MAC. Mr. Formisano shared that Mr. Morisette seemed interested in helping out and is concerned with North Bend's water conservation ordinance. Mr. Formisano will send an invite to Marcus to attend the next Board meeting. Elmer Sams was planning on providing guidance regarding the generator for the new office – Mr. Costello advised that the office design is already 100% complete including the generator.

MOTION NO 2020-60: Motion to appoint Marcus Morisette to the MAC was made by Mr. Formisano, and seconded by McKone. Motion carried.

Conservation Committee Report *Mr. McKone* No report

Treasurer's Report *Ms. Hibma*

Ms. Hibma presented the Treasurer's report as posted to DropBox. In addition, a collections policy, revised reminder notice and collection letter were also posted to Dropbox and are ready for approval. Discussion followed. Mr. Formisano noted the Covid-19 restrictions need to be considered.

MOTION NO 2020-61: Motion to approve the collections policy, reminder notice, and collection letter was made by Ms. Reed, seconded by Mr. McKone. Motion carried.

Ms. Hibma added that the insurance company discontinued our coverage of pollution related events. The risk of claims is lower now that we are chlorination, but the lack of coverage is still a concern. The insurance broker is researching alternatives. Potential impact to the RD loan needs to be evaluated.

Engineer Report *Mr. Perkins*

Well 4 and Reservoir Mr. Perkins reported that construction is progressing. Concrete is being poured. Possible change order is coming for extra tree removal costs and a possible revision to the schedule due to weather. The first Contractor (Pacific Civil) invoice of \$110,672.42 has been presented for payment. Mr. Costello raised the question of who is tracking the billing and retainage for this project. Discussion followed and Mr. Perkins stated that this was an engineer function. Discussion followed regarding potential change order raised in the G&O project report –extra tree removal cost will not be included since it is unit price based, pump building drain line is no cost change, space heater power for well pump may be a change but likely minimal, removal of prevailing wage requirement is still being evaluated by G&O since the contractor has already established subcontracts based on prevailing wage. SCADA specs for the new Well pump #4 sequence of operations need to be completed and Mr. Perkins will follow up with Tree and Denny. Project schedule deliverable is past due – G&O rejected original schedule and revised schedule has not yet been submitted. Pump has been ordered and delivery is still anticipated to be April/May 2021. PSE is working on sizing electrical extension for the new pump house – delivery of long lead transformer is still TBD, which may be on critical path.

MOTION NO 2020-62: Motion to approve first payment application of Pacific Civil invoice for \$116,016.75 less retainage of \$5,341.33 was made by Mr. Costello, and seconded by Mr. McKone. Motion carried.

North Bend Connection Study Mr. Perkins stated that a Water Demand Report, Task 1, has been posted to DropBox. To be discussed at the next Board meeting.

WSP Update No news. Mr. Perkins will follow up with UTRC.

Fire Flow Cost Analysis Mr. Perkins stated that work was underway on analyzing the cost of providing fire protection services. Discussion followed regarding inclusion of capital costs and depreciation. Study assumptions and criteria need further discussion before proceeding with the study – Warren will arrange a meeting with Ms. Baker and Mr. Costello to review this.

Attorney Report *Mr. Jonson*

Application process for new CWA is ready for Board review. Denny will send out forms and we will be voting via email and ratify at the next Board meeting. Discussion followed. To be placed on agenda for next month.

General Manager Report *Mr. Scott*

GM report in Dropbox

Dropbox update has been fixed by changing administrator.

Cadman has inquired about the availability of water for its gravel pit. Mr. Perkins confirmed that based on the amount of the inquiry, Sallal does not have enough water to sell. Discussion followed. Mr. Formisano will contact Cadman to get more information about the request and about Cadman's water rights application.

Non-participators update: There have been no call-backs or return emails from previous inquiries. The Fausett property was discussed. Amounts are delinquent but a manufactured home was removed from the parcel along with the meter. Mr. Jonson recommended that a process, pursuant to the Rules, be commenced to revoke the membership and the previously filed lien removed.

River Run update Discussion resumed regarding the expired River Run CWA. Discussion followed. Mr. Scott will have the property owner fill out a renewal application which will be reviewed at the next Board meeting.

Wait list update Mr. Perkin's stated that revised documentation is contained in the water production trends document in DropBox

UNFINISHED BUSINESS:

Document Retention Policy

MOTION NO 2020-63: Motion to approve the Document Retention Policy as presented was made by Mr. Formisano, seconded by Ms. Hibma. Motion carried.

Cedar Village Phase II DE Acceptance (Quadrant).

Mr. Perkins stated that Phase II of Cedar Village developer extension has been completed and is ready for final acceptance.

MOTION NO 2020-64: Motion to grant final acceptance of the Cedar Village Phase 2 developer extension was made by Ms. Hibma, seconded by Mr. McKone. Motion carried.

2020 Budget

MOTION NO 2020-65: Motion to approve the 2020 Budget as presented was made by Mr. Costello, and seconded by Ms. Hibma. Motion carried. Mr. Perkins suggested to include required emergency response and resiliency plan in the budget for next year.

Rate Schedule Revision Update

MOTION NO 2020-66: Motion to amend Master Rate Schedule to include base (\$127.35) and amortization (\$188.25) rates for 3" meters was made by Mr. Costello, and seconded by Mr. Formisano. Motion carried.

Lawhead Architects – Removal of Storage Area

MOTION NO 2020-67: Motion to authorize Lawhead to remove storage area on the north side of the new office area was made in a motion by Mr. Costello, seconded by Mr. McKone. Motion carried.

Benefits update: *Ann Reed* We are unable to change medical and dental at this time. We can change disability insurance. Ms. Reed will meet with staff on disability insurance change. She also suggested partnering with other small water districts to look into lower insurance rates.

Update on New Office and RD Loan: *Larry Costello* The interim loan commitment letter from Pacific Premier has not yet been issued. Bid package was complete and ready for advertisement November 16th but postponed due to the interim loan commitment letter. An RDA loan outlay report and operating budget need to be completed by the end of December.

Update on 2001 Water Right Application: *Rich Formisano* Met with Aspect on October 30 concerning Phase 1 draft report and requested proposal for Phase II. A proposed contract change order for phase 2 was posted in the Project file in Dropbox . Mitigation and water supply strategies as proposed by Aspect were discussed.

Update on North Bend conversations (contract, franchise, and water usage data) *Daylin Baker* Ms. Baker reported on discussions with North Bend. A meeting with the Mayor will be scheduled when Ms. Hibma returns.

NEW BUSINESS:

IT Policy (first read): *Ann Reed* The draft IT policy was presented for review. Concerns about SCADA were discussed. Systems Interface will be working through programming on SCADA. The IT Policy does not cover industrial controls. Ms. Reed will revise the draft to clarify what the IT Policy covers and what it does not.

Update on new hires: *Daylin Baker* The initial interviews will be held on December 3 to determine the top three candidates to move on to the final interview during the December work study meeting. Ms. Baker requested that questions be sent to her.

2021 Budget: *Daylin Baker* Deferred to next month's meeting

EXECUTIVE SESSION:

Executive Session was called by the President Baker at 10:11 pm to discuss personnel issues. Mr. Perkins exited the meeting. The executive session was concluded at 11:14 pm and the regular session of the meeting resumed.

MOTION TO ADJOURN:

Motion to adjourn meeting was made by Mr. Costello and seconded by Mr. Formisano. Motion carried.

Submitted by: Ann Reed, Board of Trustees Secretary