

**Sallal Water Association  
Board of Trustees  
Minutes of Tuesday April 21st, 2020 Meeting**

The regularly scheduled meeting of the Board of Trustees of the Sallal Water Association was called to order on Tuesday, April 21, 2020 at 6:00 pm by Daylin Baker. This meeting was held online using Zoom due to the COVID-19 outbreak.

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

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

**Employees present:** Lisa Hagen, Utility Customer Administrator; Ted Stonebridge, General Manager

**Guests present:** Jean Buckner, Michael Thomas, Ann Bailey, Jim Besso (Wilderness Rim)

New Board Member, Shawn McKone, was introduced.

**RURAL DEVELOPMENT LOAN APPLICATION:**

Mr. Perkins submitted an application for Sallal's RD loan request last week. It is currently under review by USDA as Sallal awaits comments. The loan includes funding for the new office and shop; and completion of Well #4, and new reservoir. The requested loan totals near 7 million at an interest rate between 2.5 to 2.8% for 40 years.

**GUEST COMMENTS:**

Jean Buckner asked about the North Bend Contract. A: Most recent contract is dated November 2019. Ms. Buckner also questioned about the need for a hydrogeologist. A: This need is for determining whether or not to pursue a new water right. Finally, has Sallal noticed an increase in water consumption due to COVID-19? A: Some increase has occurred. Michael Thomas asked if water production would be added to the website. A: Yes, when the data is compiled. Mr. Thomas also asked if Sallal had received any guidance from DOH in regard to COVID-19 and water usage. A: Not at this time.

Jim Besso (Wilderness Rim) reported what appeared to be a soapy residue in the water. A: The bubbles in the water were caused by air from recommissioning Well #2. Mr. Besso mentioned operations within the WR system.

**CONSENT AGENDA**

Board minutes of the March 17th, 2020 regular Board meetings and the consultant billing statements were presented. Minutes were amended. The GM clarified that architectural service regarding solar panels was to evaluate suitability of the new office's structural design to support solar panels in the future, but the scope of the office project does not include solar.

**MOTION NO 2020-15** Approval of the consent agenda with Mr. Costello's minutes edits for the March 17<sup>th</sup>, 2020 meeting, and April 7<sup>th</sup> 2020 and April 8<sup>th</sup> 2020 work study sessions was made in a motion by Mr. O'Brien and seconded by Mr. Costello. Motion carried.

**REPORTS**

**Member Advisory Committee Report**

The March 24<sup>th</sup> and April 14<sup>th</sup> meetings were summarized by Mr. Formisano. The Committee is reviewing items that could be helpful to the Board. One of the projects is to publish production data on the website.

**MOTION NO 2020-16**

Approval of the MAC minutes for the March 24<sup>th</sup> and April 14<sup>th</sup> meetings was made in a motion by Ms. Reed and seconded by Mr. Costello. Motion carried.

**Treasurer’s Report**

Financial update and summary were presented by Ms. Hibma. Fourteen hours were spent reviewing office procedures on the financial processes and communicating with office staff to understand CUSI (billing software) processes. Ms. Hibma also explained the differences between accrual vs cash accounting, and advised that accrual basis will continue to be Sallal’s accounting method. In addition, Ms. Hibma also noted that special projects reports can be pulled from QuickBooks.

**Engineer Report**

WSP draft was ready to send to DOH. Discussion followed concerning a public meeting. A Member meeting was planned for a Zoom webinar to be posted on the website for a presentation at 7pm, on May 5.

**MOTION NO 2020-17**

Approval for sending the WSP to DOH, DOE, North Bend, the tribes and posting to Sallal’s website for review was made in a motion by Mr. McKone and seconded by Ms. Reed. Member comments will be due by May 25, 2020. Motion carried.

Well #2 is up and running with chlorination treatment for contact time.  
New Office & Shop/Reservoir/ Well #4 RD application was submitted, and still waiting for permit for office and shop. The new reservoir and wells permits are in.

**Attorney Report**

King County Rental Fee appeal moving slowly.

**General Manager Report**

Mr. Stonebridge GM reported a slight increase in water usage. Well 2 tested below contaminates level. Ms. Hibma proposed making an edit to the Akana Exhibit A document, Mr. Formisano brought up backup power options for the new office facility. Mr. Formisano, Mr. Costello, and Mr. Stonebridge will meet to discuss options.

**UNFNISHED BUSINESS**

Draft of rates schedule changes showing addition of two tiers for commercial members was discussed. Mr. Stonebridge recommended all rate schedules be made similar, having 7 tiers, rather than only 4 for commercial members to be effective July 1, 2020. 17 commercial members will be affected, and they will be given advance notice of any changes.

**MOTION NO 2020-18**

Approval for all rates to have 7 tiers, effective July 1, 2020, was made in a motion by Mr. O’Brien and seconded by Ms. Hibma. Motion carried.

Water Rate study update and presentation may be available for the next Board meeting with draft model. SOQ solicitation for the 2001 water right mitigation study resulted in two submittals. An interview committee of Mr. Costello, Ms. Baker, Mr. Formisano, Mr. Stonebridge, and Mr. Perkins will meet during dates and times to be set up by Mr. Stonebridge.

Mr. Stonebridge is waiting for response for drawings from the Puget Western development to determine water availability.

#### **NEW BUSINESS**

Conservation subcommittee made up of Ms. Hibma, Mr. Formisano, and Mr. McKone, reported on ideas including providing landscaping alternatives, sharing information on conservation on website, developing age appropriate materials on water education, and adding water usage information on bills. Documenting what we do in this effort can assist in evaluating our success in conservation.

Division 0 specifications will be handled by Lawhead with the understanding that this effort is just for the office.

#### **MOTION NO 2020-19**

Approval for Lawhead to develop Division 0 specifications was made in a motion by Mr. Costello and seconded by Mr. O'Brien. Motion carried.

Discussion for Board representation on MAC concluded on one position for the Board President and a second position with a quarterly rotation.

Board may review newsletter drafts that will be placed in Dropbox.

Ms. Baker suggested a need to create a Guidebook for the Board to address procedures. Ms. Baker with assistance from Ms. Hibma will provide a draft copy that will be posted in Dropbox when ready. Some issues may involve the bylaws, and others just policy and procedures.

Mr. Costello brought up concerns about how Board member elections are conducted. These concerns will be addressed during a work/study to be scheduled for the first Tuesday in June, 2020.

A reminder for COVID-19 businesses that are reopening will need to flush systems before using the water in their businesses.

Discussion concerning the format of the WSP member meeting noted that questions about the presentation will be allowed up to the time limit until 8:30 pm.

Organizational Meeting minutes as well as draft Annual Meeting minutes will be included for the next Board meeting.

#### **EXECUTIVE SESSION**

Mr. Besso and Ms. Hagen left the meeting at 8:41 pm and Ms. Baker called an executive session to discuss legal and other confidential matters. The executive session was concluded at 9:23 pm and the regular session of the meeting resumed.

#### **MOTION TO ADJOURN**

Motion to adjourn meeting at 9:23pm made by Mr. Costello and seconded by Mr. Formisano. Passed unanimously.

Submitted by:

Ann Reed, Board of Trustees Secretary