

**Sallal Water Association
Board of Trustees
Minutes of Tuesday May 21st, 2019 Meeting**

The regularly scheduled meeting of the Board of Trustees of the Sallal Water Association was called to order on Tuesday, May 21st, 2019 at 6:00 pm by Vice President Daylin Baker.

Board members present: Daylin Baker, Harold Ellebracht, Sheldon Lynne, Gerry Prior and Michael Thomas

Board members absent: Eric O'Brien

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

Employees present: Ted Stonebridge, General Manager, Jessica Besso, Accountant II

Guests present: Anne Herman, Jean Buckner, Ann Reed, Lynelle Dennis, Micah Clark, Mike Johnson, Richard Schram (arrived at 6:17 pm).

SPECIAL HEARING (EMERGENCY INTERIM RULE)

Ms. Baker opened a hearing to receive comments on the Association's proposed Amended and Restated Emergency Interim Rule as adopted by the Board on April 16, 2019. Mr. Stonebridge stated that no written comments had been received in response to the notice of hearing published in the Snoqualmie Valley Record. Ms. Baker inquired whether anyone present wished to speak with regard to the amended rule. Ms. Buckner asked about how the amendment would affect the mule pasture proceeding and commented on fees enabled by the rule, waiting list provisions and categories of membership. There was no further comment and Ms. Baker closed the hearing at 6:08 pm.

GUEST COMMENTS

Lynelle Dennis -Ms. Dennis discussed her request for a new membership to connect Todd's Towing.

Anne Herman - Ms. Herman discussed the letter she submitted to the Board earlier in the day complaining about the posting of an article on Sallal's website opposing the bylaw amendment and requesting an apology and delay of the special member meeting. Discussion followed. The Board concluded that the meeting should go on as planned and that the proposed bylaw amendment and for and against statements and should be posted on Sallal's website.

Jean Buckner – Ms. Buckner commented about the UTRC appeal, requested statements made in the Board's position paper be retracted, asked if certificates of water availability had been reissued for the Mule pasture and would like to know the number of candidates running for the open Board position that live in the City and stated that Sallal's wells at Rattlesnake should not be used for mitigation water.

Richard Schram – Mr. Schram was not on the agenda but mentioned he's been a Sallal member since 1994 and this is the first Board meeting that he has attended. He sees two groups at this meeting and asked the Board, do you want the members to work with you or against you.

CONSENT AGENDA

Board minutes of the April 16th, 2019 regular Board meeting and the consultant billing statements (amounts below) were presented.

Jonson & Jonson statement included----- \$6,245.00

Gray & Osborne statement included-----\$38,916.57

MOTION NO 2019-25 Motion to approve the consent agenda by Harold Ellebracht and seconded by Sheldon Lynne. Michael Thomas abstained. Passed unanimously.

REPORTS

Committee Report

Ms. Baker gave an update on the Member Advisory Committee meeting held on April 30th, 2019.

Engineer Report

Mr. Perkins stated that all required documentation from Chinook Lumber pursuant to the developer extension agreement has been reviewed and is complete. Mr. Stonebridge stated the project is complete and recommended a motion from the Board for project acceptance.

MOTION NO 2019-26 Motion for project acceptance for the Chinook Lumber water system developer extension by Sheldon Lynne and seconded by Gerry Prior. Passed unanimously.

New office/shop: King County is completing review of Conditional Use Permit application and is close to approving.

Well #4: Mr. Perkins reported no comments have been received from King County for Land Use approval. Still waiting for approval from King County. The structural plans were approved by King County but recommended to wait on constructing until next spring.

Attorney Report

Mr. Jonson stated all interested parties have submitted responses to the UTRC in the proceeding to remove the mule pasture from the Association's water service area and the appeal process may go on for two or three months. He said that the UTRC has requested the East King County Regional Water Assn to opine on the matter and an upcoming EKRWA meeting would address the issue. He noted that because he has provided legal service to the EKRWA, he would be unable to participate. Mr. Lynne stated he would do so.

Mr. Jonson deferred to Mr. Stonebridge regarding the North Bend Water Supply contract. Mr. Stonebridge will draft a response to the April 2nd, 2019 letter from the City of North Bend.

Mr. Jonson stated a proposal was received from McEwan's attorney and will discuss in executive session.

Mr. Jonson reported on the appellate response brief filed by the utilities in the King County Franchise Fee Litigation and King County has until June 15th to file its brief.

Mr. Jonson suggested that the Board extend the duration of the Amended and Restated Emergency Interim Rule for further review.

General Manager Report

Mr. Stonebridge stated that on Friday April 5th a water main break was discovered along SE 149th Street. The 6" A/C watermain was repaired with a 6" full circle repair band by Sallal staff and Fury Construction. No property damage occurred, and no customers were affected.

Mr. Stonebridge reported on the status of the Terrell tank: The ladder enclosure, power conduit and light pole are installed.

Annual PRV maintenance completed by GC Systems: 11 PRV's rebuilt at various sites throughout the system.

Mr. Stonebridge discussed water production/usage for March and stated the Coliform, IOC, VOC sampling at Well #4 were all satisfactory.

Mr. Stonebridge discussed the incident with interruption in the SCADA system and improvements that are being implemented.

Mr. Stonebridge and Mr. Scott met with the Roger's Group at the Truck stop to discuss system improvements.

Mr. Stonebridge reported that written comments to the draft supply contract with North Bend will be sent shortly.

Mr. Stonebridge reported that he and Mr. Jonson worked on a water services agreement for the Roger's Group/Truck Stop which was presented in the Board packet and recommended approval.

MOTION NO 2019-27 Motion to approve the water services agreement with the Roger's Group by Harold Ellebracht and seconded by Sheldon Lynne. Passed unanimously.

UNFNISHED BUSINESS

Amended and Restated Emergency Interim Rule. Discussion deferred to executive session.

NEW BUSINESS

The Board discussed Jean Buckner's request to post the FSVRT submission to the King County UTRC on Sallal's website.

MOTION NO 2019-28 Motion to post all the documents pertaining to the UTRC appeal by Harold Ellebracht seconded by Michael Thomas. Motion passed with voting as follows: Ms. Baker, Mr. Ellebracht, Mr. Prior and Mr. Thomas – Yes, Mr. Lynne – No

The Board approved the GM to work with Ms. Dennis regarding her request for a new membership.

Ms. Baker asked Mr. Stonebridge for an update on the Board of Trustees vacant position. Mr. Stonebridge stated that 6 members have inquired about the open Board position. After discussion, the Board determined that the trustees will review biographical statements of the interested persons and each will be asked for permission to post their statement on the Association website. The Board will develop a short list of not more than three candidates and interview them at the next Board meeting.

Ms. Baker requested that the Association perform an analysis of the effects of continue growth vs. moratorium on water rates.

The Board directed the GM to write objective standards for evaluation readiness for new construction and update the notice on the website.

The Board discussed hiring an attorney to review the possibility of condemnation by the City of North Bend and hiring a consultant to complete a rate study.

All other items in this part of the agenda were deferred to be discussed in executive session.

At 8:44 pm, Ms. Baker convened a break and advised that the next item was an executive session. All guests left the meeting. The Board members and Messrs. Stonebridge, Jonson and Perkins re-entered the meeting at 8:55 pm.

EXECUTIVE SESSION

An executive session was convened at 8:55 pm to discuss with counsel legal matters including the King County litigation, pending employee litigation, member request for additional membership, McEwan hearing and the Emergency Interim Rule. The executive session was concluded at 10:46 pm and the regular session of the meeting resumed.

An Amended and Restated Emergency Interim Rule (revised 2019) as presented was discussed.

MOTION NO 2019-24 Motion to continue in effect the Amended and Restated Emergency Interim Rule as adopted at the April 16, 2019 Board meeting until further action of the Board by Sheldon Lynne, seconded Harold Ellebracht. Passed unanimously.

MOTION TO AJOURN meeting at 10:47 pm by Sheldon Lynne, Seconded by Gerry Prior. Passed unanimously.

Submitted by:

Ted Stonebridge, GM