

**Sallal Water Association
August Work Study Meeting
Minutes of Tuesday, August 3, 2021**

The August Work Study meeting of the Board of Trustees of Sallal Water Association was called to order on Tuesday, August 3, 2021 at 6:01pm by Mr. McKone.

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

Consultants present: Richard Jonson, Attorney, Kevin Aguilar and Mike Johnson, G & O

Guests: Norm Heerspink, Mt. Baker Silo

Guest comments: Mr. Heerspink presented a letter dated August 3, 2021 from Baker Silo LLC requesting Sallal to accept the new reservoir based on promises to perform repairs if needed. He explained the concrete curing process and noted that the leaks are in the process of sealing themselves. He reviewed repair work already performed. He reviewed the provisions of the letter that agreed to continue to monitor the sealing process and perform leak down testing for 60 days. If there are still leak issues, the warranty will cover the additional repair work. Mike Johnson stated that it was premature for the Board to consider accepting the work and recommended that no action be taken in response Baker Silo's request. Mr. Heerspink left the meeting at 6:15 pm.

Topic: North Bend Negotiations

Discussion followed concerning the status of negotiations with North Bend over a water supply and mitigation contract. Mike Johnson reviewed Sallal's maximum day demand for water and discussion followed whether North Bend could replace mitigation water during times of MDD. Given the constraints, several commented that Sallal should not make an absolute guarantee of mitigation water at all times. SPU mitigation contract language with North Bend was reviewed and may be utilized. Work will continue on preparing a response to the City's latest contract draft.

National Guard Project

Discussion followed concerning whether Sallal is best suited to serve the National Guard project if it were to obtain additional water supply from the City.

Conservation Policy

Water conservation was discussed and the conservation subcommittee will be asked to develop a proposed policy for Board review and approval. Appropriate text will be added to both the franchise and supply agreement drafts confirming Sallal's authority to adopt conservation policies applicable to its members.

Franchise Agreement

The latest contract draft from the City's attorney was discussed. Mr. Jonson will circulate revisions to the draft.

Motion to adjourn at 8:33 pm was made by Ms. Hibma, seconded by Mr. O'Brien. Motion carried.

Submitted by: Ann Reed, Board of Trustees Secretary