

**Sallal Water Association
Work Study Meeting
Minutes of Tuesday, April 6, 2021**

The April Work Study meeting of the Board of Trustees of Sallal Water Association was called to order on Tuesday, April 6, 2021 at 6:03 pm by Mr. McKone. This meeting was held online using Zoom due to the COVID-19 outbreak.

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

Staff present: Nikka Rose, Denny Scott

Consultants present: Richard Jonson, Attorney

1. Wilderness Rim Rates

Contract documents and services provided by Sallal to Wilderness Rim were reviewed. Mr. Jonson stated that rate setting for Wilderness Rim's water use is based on the original joint facilities agreement in which Sallal is empowered to set a wholesale rate. Mr. O'Brien stated that in the past, Sallal provided billing and operations services to Wilderness Rim pursuant to separately negotiated agreements but those agreements expired and the extra services are no longer provided. Discussion followed concerning four homes on Cedar Falls Rd. that were originally part of Wilderness Rim but receive water directly from Sallal and the Starbow homes that are Sallal members but are connected to the Wilderness Rim system. Discussion continued regarding the wholesale rate charged to Wilderness Rim. A Sallal letter to Wilderness Rim dated 2017 appears to reference the latest wholesale rate calculation by Ashley Emery of Peninsula Financial Consulting. Mr. McKone suggested that Ashley Emery be contacted for history and assistance with updating the wholesale rate. Mr. Scott stated that he will research the Wilderness Rim file in the office to include arrangements on the Starbow homes and four homes on Cedar Falls Road. He reviewed chlorination levels at the Wilderness Rim intertie and noted they were in the correct range. Mr. Formisano stated that Mr. Kenyon should be contacted and be apprised of Sallal's next steps. Ms. Rose will contact Mr. Emery and schedule him for participation in the April Board meeting if possible. Ms. Hibma requested information concerning reimbursement of water costs for the Starbow properties. Ms. Rose stated that the last payments found were in January of 2018 and 2019. Mr. Scott exited the meeting at 7:07 pm.

2. Negotiations with the City

Ms. Baker reviewed discussions with North Bend's mayor and attorney. Discussion followed regarding Mr. Jonson's edits to the City's water conservation and water usage data ordinances. Mr. Formisano stated that the ordinances should be revised by the City before the supply contract is addressed. Discussion followed concerning the draft supply contract and the City's request to revert back to its Fall, 2019 draft and franchise agreement requested by the City.

Review of agenda for the next meeting with the City, scheduled for May 24, 2021, was discussed. Mr. Costello's rate study for potable and mitigation supplies will be reviewed at the next Board work study meeting. Ms. Baker will present Mr. Jonson's edits on the conservation and water usage data ordinances after further review.

Other items: Mr. Costello stated that bid opening on the headquarters project occurred earlier today and more information will follow as it is developed.

Motion to adjourn at 8:49pm was made by Ms. Baker, seconded by Mr. Costello. Motion carried.