

**SALLAL WATER ASSOCIATION
AGENDA FOR OCTOBER 19, 2021
BOARD OF TRUSTEES MEETING**

CALL TO ORDER (QUORUM PRESENT): 6:01pm

Board members present: Mr. Shawn McKone (President), Ms. Daylin Baker (Vice President), Ms. Joyce Hibma (Treasurer), Mr. Larry Costello, Mr. Eric O'Brien, Ms. Denise Smutney and Mr. Richard Formisano (Acting Secretary). Quorum achieved.

Consultants present: Mr. Richard Jonson, Attorney; Mr. Kevin Aguilar, G&O Engineer; Mr. Mike Johnson, G&O President.

Employees present: Ms. Kristina Parker, Director of Finance & Administration; Mr. Denny Scott, Water Superintendent; Mr. Tree Bergman, Water System Operator.

Guests present/Visitors Comments: Cherie Cooper spoke on behalf of her parents Mr. and Mrs. Hoenig. They own 30 acers on Tanner Road. Zoning is mixed use - residential and commercial. The Hoenigs met with Mr. Scott and Ms. Parker on OCT 7th to discuss whether they can obtain a CWA prior to selling their property to a developer. She explained that the zoning is flexible and it was unknown in what manner the property will be developed. Mr. O'Brien explained that CWA's are issued for projects that are ready to proceed and for which a CWA is needed for permit application purposes.

CONSENT AGENDA

- Vote to approve minutes for the September 21, 2021 meeting
- Vote to approve consultant statements:
 - Jonson & Jonson - \$4,260.00
 - Gray & Osborne – \$2,187.46
 - Hellsell Fetterman - \$3,142.20
 - Lawhead - \$18,828.73
 - Akana - \$39,317.59
 - Aspect - \$3,159.25

MOTION NO 2021-77: Ms. Baker made a motion to approve the consent agenda for both the meeting minutes as amended by Mr. Larry Costello and all the consultant statements. The motion was seconded by Mr. Larry Costello. The motion carried.

REPORTS

OPERATIONS REPORT: Mr. Scott reported that with the change of weather water usage is down and chlorine residual is has remained consistent with no taste complaints. Mt. Baker is onsite making leak repairs to the new reservoir at Rattlesnake. The interior has been coated and is drying. Disinfection will occur tomorrow followed by tank refill and leak test, then back in service next week. CWA applications were discussed: Croft CWA ADU, and Silverstone CWA which involves a proposed residential subdivision and is waiting for additional information.

MOTION NO 2021-78: Motion made by Ms. Hibma and seconded by Ms. Baker to issue a CWA for the Croft ADU. Motion carried.

NEW OFFICE PROJECT

- New office pay estimate #4: Recommended for approval by Akana and the Board reviewed.
MOTION NO 2021-84 made by Mr. Costello, seconded by Ms. Baker to approve pay estimate #4 in the amount of \$217,937.83 less \$20,049.48 retainage for total payment of \$197,888.35. Motion carried
- Office Progress Update: Mr. Bergman and Mr. Costello reported on the progress of the New Office.
- Change Order 1: No cost change - Clarification and adjustment to property line and change to the fence line.
- Change Order 2: No cost change - Grade revisions to property. Work has been accomplished but G-O needs to review and approve final drawings
- Change Order 4: Recommended to send back to Akana to discuss and correct a couple of issues. Linear foot discrepancy for silt fence; and Item 4.5 request in the amount of \$6,996 for procuring and adding sand bedding for electrical conduit. Mr. Costello stated that the drawing and specifications clearly requiring HMCI to procure and install sand for electrical conduit bedding.
- Mr. Costello asked about progress of hiring a network company to relocate, install, connect and test the office network and SCADA network at the new office. Ms. Parker has requested quotes from two companies...Systems interface and Nerds-to-Go.

MOTION NO 2021-79: Motion by Mr. Costello to approve CO1 and CO2 subject to the following:

1. CO1 scope of work description is limited to Revision 1 on Drawing G8R referenced in the CO.
2. CO2 scope of work description shall be revised to clarify that the referenced Drawing G8 is a sketch (not an official contract drawing). Further, an RFI shall be administered to document that the Civil design Engineer of Record has reviewed and approved the elevation changes depicted on sketch G8. Further, the CO scope of work description shall be revised to make reference to the aforementioned RFI. CO2 shall be resubmitted with these administrative changes for the record.

Motion was seconded by Ms. Smutney. Motion carried.

MEMBER ADVISORY COMMITTEE

- Mr. Formisano provided a summary of the minutes for the 10-12-2021 MAC Meeting

MOTION NO 2021-80: Motion by Ms. Hibma, seconded by Mr. O'Brien to approve the MAC Meeting minutes. Motion carried.

CONSERVATION COMMITTEE

- EPA WaterSense Program Update: Ms. Parker reported that she has been in contact with EPA and is waiting for information about the annual reporting requirements. This information is needed to estimate staff hours for participation in the WaterSense program. Mr. Formisano encouraged the Board to read the QUARTERLY MAYOR'S MESSAGE | OCT. 2021 with respect to the City's water conservation efforts.

ENGINEERING REPORT: Gray & Osborne, Mr. Aguilar

- PCI progress estimate #12.

Mr. Aguilar reported that materials for the new drain have been ordered and should be installed next week. Punchlist work underway by PCI was discussed. Mr. Aguilar recommended approval of pay estimate #12. Mr. Johnson discussed the omission of provisions to connect a surge suppressor upstream of the Power ATS as required per RFIs 12 and 15. This is approximately a \$6000 fix. Mr. Johnson stated there was shared responsibility for this item and recommended that we resolve the surge suppressor punchlist item by splitting the cost (\$6000) with PCI and hiring an electrical contractor to complete – the board concurred with this approach. He stated that during the testing phase of the contract, noise and vibration levels that exceeded the design criteria were noted in the new Well #4 pump house indicating there might be a bearing issue for Well #4 pump, Mr. Johnson conferred with the pump manufacturer who recommended that the best course of action would be to perform a second more sophisticated pump vibration test. The manufacturer can perform the test for \$1600. If a bearing is bad, then cost to repair is under warranty and the cost of testing would be borne by the manufacturer. The test will also provide baseline information for future pump maintenance and repair. Messrs. Johnson and Scott recommended that the test be performed and the Board concurred. G&O estimates that PCI should be ready for Final Completion with all punchlist items completed by the November Board meeting.

MOTION NO 2021-80: Made by Mr. Costello and seconded by Ms. Baker to approve PCI pay estimate #12 in the amount of \$2,714.62 (Total of 2,845.51 - \$130.89 retainage). Motion carried

- Review of Bids for the Rattlesnake Wells Auxiliary Generator. Mr. Aguilar reviewed two bids submitted for the generator. G&O recommends awarding the contract to Cummins Inc, 1030 SW 34th St, Suite A, Renton, WA. Proposed delivery is 175 days after the contract approval is received and order is placed. Discussion followed.

MOTION NO 2021-81: Made by Ms. Baker and seconded by Mr. Costello to approve issuing contract to Cummins Inc for the sum of \$128,218.88 for the purchase of one 275 KW Auxiliary Generator. Motion carried

- The final draft of the Request for Proposal for the Installation of the Rattlesnake Wells Auxiliary Generator will be presented at the next monthly Board meeting. Mr. Johnson estimates bidding to occur in January 2022 timeframe and awarding the Installation contract in late spring prior to delivery of the Cummins Auxiliary Genset.

ATTORNEY REPORT: Jonson & Jonson, Mr. Jonson

Mr. Jonson provided a status report on the King County Franchise Fee litigation. He stated that the G&O analysis of fire suppression costs will be needed shortly. Mr. Aguilar stated that a revised draft report addressing prior board comments will be completed by next Board meeting.

TREASURER'S REPORT Ms. Hibma reviewed Treasurer activities conducted during the last month and noted that work has started on the 2022 budget. She stated that format revisions will be made to the Association's profit & loss statement and balance sheet to improve clarity.

BUSINESS REPORT Ms. Parker

- Business update; MS. Parker reviewed cash, loan and accounts receivable balances and year to date budget information. She stated that she hired a temp when Ms. Hagen was on vacation and would like to keep her on for a while to help staff deal with a backlog of projects. Delinquent water bill collection procedures and fees return to pre-pandemic status starting Oct 1st. CWA issuance procedures and budget will be presented at Board retreat Nov 6th.
- Audit update: Audit field work is complete. Auditor passed preliminary findings to Ms. Parker for review. Final report and presentation will be in next 2 weeks.
- RD loan #10 projection indicates additional funds from Sallal in the amount of approximately \$463,000 (not including interest on the interim Columbia Bank loan) may be required to cover payment obligations through the end of the projects.

UNFINISHED BUSINESS

- Update on Water Right Permit Application: Mr. Formisano went through the comments received by Ecology on our Conceptual Mitigation Plan submittal. Next step is to meet with SPU to determine if they can support any of our mitigation or drinking water options.
- Board Stipend:
 - Background: At some point prior to April 2003, the stipend for Sallal Board members was set at \$100 per meeting (and \$200 for the Board President) and has never been increased. In May 2020, the payment policy was clarified to apply to monthly Board meetings and Annual Meetings of the Members and Special Meetings of the Members. Work-study and Committee meetings are not eligible for a stipend.
 - Mr. O'Brien submitted a motion to make a modest increase to the Board Stipend. The motion would do 3 things:
 - Adjusts the \$100 / \$200 rates to approximate inflation from 2003 to 2021 and sets the new stipend rates to \$150 / \$300 per monthly Board meetings, Annual Meetings and Special Meetings of the Members. Work-study and Committee meetings will still *not* be eligible for a stipend.
 - Goes into effect after the 2025 Annual Meeting of the Members (so no currently-elected Board Members will benefit from this motion)

- Sets a new policy of adjusting the Board stipend for inflation on January 1st of every 5th year thereafter (starting on January 1st, 2030) using https://www.bls.gov/data/inflation_calculator.htm (or its successors).
- Discussion followed. The Board noted in the last 3 years a significant increase has occurred in the hours that Trustees have had to assist in administering and executing their duties, filling in for staff due to turnover, as well as overseeing two large capital improvement projects. There was discussion of when was the appropriate time for changes to take effect.

MOTION NO 2021-82: Made by Mr. O'Brien seconded by Ms. Baker. The motion carried to approve the stipend increase starting in Jan 2025 with Mr. Costello opposing and Ms. Smutney abstaining.

- Update signature authorization at Pacific Premier Bank due to the hiring of our new Director of Finance & Administration.

MOTION NO 2021-83: Motion by Mr. Formisano and seconded by Ms. Baker to authorize Ms. Parker, Director of Finance & Administration, to sign and endorse checks, drafts, and other forms of negotiable instruments drawn on or deposited into the Association's accounts at Pacific Premier. Motion carried.

NEW BUSINESS: N/A

ITEMS TO TRACK & COME BACK TO IF THERE IS ACTIVITY: N/A

EXECUTIVE SESSION:

Mr. McKone called the Board into Executive Session at 8:20 pm for the purpose of discussing CWA issuance procedures, City discussions and personnel. Mr. Aguilar and Mr. Bergman exited the meeting (all other guests having previously left the meeting). Mr. McKone closed the executive session and returned to regular session at 8:54 pm.

MOTION TO ADJOURN: Motion to adjourn meeting at 8:55 pm was made by Ms. Smutney and seconded by Ms. Baker. Motion carried.

Submitted by: Rich Formisano, Board of Trustees Secretary (Acting)

Next scheduled meetings:

Board Retreat: Saturday, November 6, 2021 at 9 am

Board Meeting: Tuesday, November 16, 2021 at 6 pm