

**SALLAL WATER ASSOCIATION
MINUTES OF DECEMBER 21, 2021
BOARD OF TRUSTEES MEETING**

The meeting was held remotely utilizing Zoom teleconference services.

CALL TO ORDER (QUORUM ACHIEVED): 6:03pm

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

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 speaking for her parents, the Hoenig's, provided an update of their CWA application. The Hoenigs are Sallal members attempting to sell a 28-acre parcel in the UGA to a developer. They submitted an application for a CWA for the purpose of providing assurance to a buyer that water is available from Sallal. Ms. Cooper stated that architects were engaged to prepare a conceptual study of how the property could be developed and that study was recently submitted to Sallal. She inquired how long it would take for the Board to make a decision on their CWA application. Mr. O'Brien stated that we will do our best to process the CWA in a timely manner realizing that the application was only received 10 days prior to the Board meeting. The application will need to be reviewed and a recommendation provided by engineering, operations and finance prior to the Board making a decision. Ms. Cooper thanked the Board and exited the meeting.

CONSENT AGENDA

- Vote to approve minutes for the November 16, 2021 meeting
- Vote to approve minutes for the November 6, 2021 Retreat meeting
- Vote to approve consultant statements:
 - Jonson & Jonson - \$5,484.00
 - Aspect - \$1,660.75
 - Akana- \$38,210.40
 - Gray & Osborne- \$7,615.84
 - Helsell Fetterman- \$762.05

MOTION NO 2021-94: Motion by Mr. Costello and seconded by Ms. Smutney to approve the consent agenda. Consisting of the Nov 6, 2021 Board Retreat minutes and Nov 16, 2021 Board meeting minutes as amended by Mr. Costello and all of the consultant statements shown above. Motion carried. NOTE: The Lawhead statement was moved to the New Office Project portion of the agenda.

REPORTS

OPERATIONS REPORT: Mr. Scott

- Still investigating entrained air in Well #2 pump. The pump has been placed back in-service with a reduced flow rate to minimize entrained air.
- Water System production and usage quantities for the end of year was estimated at over 200M+ gallons.
- New Water Operator job applications: He recommended Mr. Douglas Hartwig. Based on his experience, Mr. Scott requested an increase in the salary offer.

MOTION NO 2021-95: Motion by Ms. Baker and seconded by Mr. Costello authorize hiring of Douglas Hartwig and increasing starting salary to \$32/hour subject to passing background checks. Motion carried.

NEW OFFICE PROJECT: Mr. Costello

- Office Progress Update: work proceeding at a slower pace due to several factors such as supply chain issues, weather, concrete trucker strike and contractor rework. Akana mentioned HMCI is working on submitting a no cost change request to extend contract completion by 56 days.
 - HMCI's immediate focus is to complete work tasks that will enable interior finishing -in the office and shop area, such as installation of doors and large glass windows for entrances and front office.
 - Akana will submit a change order for additional funding of approximately \$75,000 to cover the remainder of the contract period. Through the end of Nov 2021, approximately 84% of Akana's budget has been spent against approximately 60% project completion.
- HiMark Pay Estimate #6- \$286,287.55. There is no retainage on this invoice since the maximum amount of retainage has been collected per the terms of the contract.

MOTION NO 2021-96: Motion by Mr. Costello and seconded by Ms. Smutney to approve HiMark pay estimate #6 in the amount of \$286, 287.55. Motion carried.

- Lawhead submitted a funding proposal dated November 24, 2021, to provide continuing engineering construction services through the end of the New Office Project contract period. The proposal is for 4.5 months (Nov 2021 through Mar 15, 2022) at a price of \$60,750.
- Lawhead's proposal will cover the cost of their November 2021 invoice #5389 for \$13,859.00. Discussion followed.

MOTION NO 2021-97: Motion by Mr. Costello and seconded by Ms. Hibma to approve Lawhead's proposal for continued engineering support services at a price NTE \$60,750 covering the period of November 2021 through March 15, 2022, and to approve Lawhead's Invoice #5389 in the amount of \$13,859 for services rendered in November 2021. Motion carried.

MEMBER ADVISORY COMMITTEE: Mr. Formisano

- Mr. John Prange, a Sallal member, has indicated he would like to join the MAC. He will be submitting his bio for review after which he may be asked to attend the January 2022 Board meeting for introductions and Board interview.

- Ms. Parker will take over MAC scheduling and meeting agenda duties beginning in January 2022.

CONSERVATION COMMITTEE

- No update

ENGINEERING REPORT: Mr. Aguilar and Mr. Johnson, Gray & Osborne

- Rattlesnake Reservoir and Well 4 Update: Punchlist items completed with the exception of successful leakage test of the Reservoir and ATS Surge suppression.
 - The second repair to stop the reservoir leaking has failed. PCI and Mt. Baker Silo (reservoir subcontractor) have proposed injecting grout in the cracks from the exterior. G&O has approved this repair method. This work can't begin until a favorable weather window is available. The likelihood of finding a weather window will become difficult as winter has set-in. The reservoir is not in use until a successful leak test is achieved. Mr. Scott was asked to determine how many gallons of water had to be drained from the reservoir in order to make repairs and conduct leak testing. The quantity and cost shall be used as one of many considerations to determine final payment to PCI. Additionally, the warranty period for the reservoir will not start until repairs and leak test are successfully completed.
 - ATS Surge suppressor: As discussed last month, PCI is willing to split the cost as a way to resolve this punch list item, but since Sallal benefited by avoiding utility power costs when the system was operated from their rental generator, they have asked for consideration to recoup that amount to offset their portion of the surge suppressor cost. G&O calculated Sallal avoided \$2,400 in electrical utility costs during this timeframe. Subject to negotiation of a mutually acceptable change order, the Board appeared to concur with allowing PCI to use the \$2,400 cost avoidance in utility power costs to offset their share of the cost for the surge suppressor. Procurement, installation and testing of the surge suppressor most likely will occur in conjunction with the new standby genset.
 - PCI Pay Estimate #13 - \$45,926.66, includes a minor credit for a valve and fitting not installed at the reservoir site and the final cost for Change Order #7 - Well #4 drainage. CO#7 final cost came in at \$27,144.00 well below the NTE \$59,982. As previously agreed, G&O will reimburse Sallal \$2,315.03 for the remobilization, removal and reinstallation of the fence associated with CO#7.

MOTION NO 2021-98: Motion by Mr. Costello and seconded by Mr. O'Brien to approve PCI Progress Estimate #13 for a net payment of \$45,926.66 (total invoice amount \$48,141.06 less \$2,214.40 retainage). Motion carried.

- Final Fire Flow Cost Study Report was received by Sallal Dec 17.

ATTORNEY REPORT: Mr. Jonson, Jonson & Jonson

- King County litigation is concluded assuming no appeals; utility counterclaims dismissed without prejudice. Next major action is to send letter objecting to the KC rent along with fire suppression cost study. Anticipate sending the letter in Jan 2022.

TREASURER'S REPORT

- No update. Sallal Treasurer, was unable to attend the Board meeting.

BUSINESS REPORT: Ms. Parker

- A letter was sent to Wildness Rim and with a copy of our Wholesale Water Rate report.
- Bookkeeping cleanup continued.
- Staff worked to resolve approximately 200 delinquent member accounts. Notices were sent, follow-up phone calls initiated, payments received and payment plans made for those members needing additional time to resolve their accounts. As a result of staff's action, no water service had to be shut-off to these members.
- Followed up on members with non-user accounts: two members are selling their properties and staff was able to collect approx. \$16,000 in past due membership fees.
- The federal Cybersecurity and Infrastructure Security Agency (CISA) was contacted and requested to perform cybersecurity assessments starting in Jan 2022.
- 2022 Draft Budget needs a few more adjustments before it is presented for Board approval at the January 2022 Board meeting.
- The Board was requested to ratify Ms. Baker's December 16th email motion #2021-93, subject to consideration of an amendment proposed by Mr. Costello, regarding modification of Sallal's jury duty policy. Discussion followed and the Board favored returning to Ms. Parker's original recommended jury duty policy change.

Motion 2021-93a: Motion by Mr. O'Brien and seconded by Ms. Smutney to change Sallal's jury duty policy to the following; while serving on jury duty the employee will be paid for the entire length of service. The motion carried and the policy change will include the following details:

- The employee provides evidence of having served on a jury/subpoena for the time claimed.
- For each day that the employee missed work because of jury/subpoena the employee will receive regular – straight-time pay based on their normal work schedule. The employee is not eligible for overtime pay.
- Employee's time served will not count against the employees sick or vacation allowance.
- The employee is responsible for notifying their manager of their jury/subpoena schedule.
- If the employee is dismissed early or the jury is not in session, the employee is responsible for notifying their manager and reporting to work.

UNFINISHED BUSINESS

- 2001 Water Right Application: Mr. Formisano reported that the SPU meeting date is still TBD. Over the last 3 months, Mr. Formisano has attempted to make contact, via email and telephone, with Nicole DeNovio, EKCRWA President, on the status of the Snoqualmie Aquifer Project. Ms. DeNovio has not replied. Mr. Formisano will continue to contact Ms. DeNovio for updates on this project.

NEW BUSINESS: None

ITEMS TO TRACK & COME BACK TO IF THERE IS ACTIVITY: None

EXECUTIVE SESSION

Mr. McKone called the Board into Executive Session at 7:35 pm for the purpose of discussing water usage and staffing. After the water usage discussion, Ms. Parker and Mr. Scott exited the meeting (all other guests having previously left the meeting). Mr. McKone closed the executive session and returned to regular session at 9:10 pm.

MOTION TO ADJOURN: Motion to adjourn meeting at 9:11 pm was made by Ms. Smutney and seconded by Ms. Baker. Motion carried.

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

Next scheduled meeting:

Work Study Meeting: Tuesday, January 4, 2021 at 6pm

Board Meeting: Tuesday, January 18, 2021 at 6 pm