

**SALLAL WATER ASSOCIATION
WORKSTUDY MEETING MINUTES MARCH 7, 2022**

The meeting was held remotely utilizing Zoom teleconference services.

CALL TO ORDER (QUORUM ACHIEVED): 6:02pm

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

Consultants present: Mr. Richard Jonson, Attorney

Employees present: Ms. Kristina Parker, Director of Finance & Administration

Guests present: None

River Run Update:

- Ms. Parker reported that River Run LLC paid in full for 127 ERUs at the previous membership rate prior to the new rate taking effect.

Vector CWA:

- Ms. Parker reported that Vector TDI Alpentel Logistics submitted a CWA application dated 12/14/2021. As the new owner of 3 tax parcels having 2 Sallal memberships and two meters, one a 5/8" x 3/4" and the other 1.5"), within North Bend City limits, it is looking to build an industrial distribution building with office space. Mr. Formisano asked for staff and, if needed G&O, to assess water usage for the proposed development and provide their analysis to the Board. He added that if Vector's ERU and meter request was equal to the existing installed meters on the 3 parcels then the project would not represent an additional demand on the water system. He mentioned it wasn't obvious from the application if 15gpd/employee used to develop Vector's domestic water usage of 1125 gallon/day usage rate for 75 employees is an accepted design standard. After discussion, the majority of the Board concurred that neither an assessment nor a decision to grant additional ERU's was required since the new owner already has two Sallal memberships that will provide the requested ERUs outlined in the CWA application and that staff may issue the CWA on that basis.

2022 Budget Review and Approval;

- Ms. Parker presented proposed Capital and Operating Budgets for 2022. Ms. Parker pointed out the Operating budget shows approximately a \$36k deficit after she reduced several budget categories. Emails from Ms. Baker, Mr. Costello and Mr. Formisano

suggested several budget categories that should be reassessed. Ms. Smutny recommended that we should not approve a budget with a deficit and either make further reductions or use operating reserve to balance the Operating Budget. Ms. Baker thought we should have enough operating reserves to transfer to the operating budget and still remain above our minimum balance. If balancing the budget using Operating Reserves, then the budget should reflect those transfer of funds. The Board asked Ms. Parker to reassess the budget categories discussed during the workshop with the goal of balancing the budget and present revisions by email.

Seattle Public Utility (SPU) Response Letter to East King County Regional Water Association (EKCRWA)

- Mr. Formisano gave a quick overview of the Snoqualmie Aquifer Project and SPU's request to EKCRWA to enter into a Memorandum of Agreement (MOA) as they pursue reactivation of a preliminary permit through the WA Department of Ecology. The project is considered to take approximately 20-30 years before it would provide water to users in the Snoqualmie Valley. EKCRWA will hold a meeting of its members (12) of which Sallal is an associate member sometime in the near future, date is TBD. The meeting and follow-on meetings will help Sallal decide if this project has the potential to provide drinking water to our service area and the cost to join the MOA.

EXECUTIVE SESSION

- Mr. McKone called the Board into Executive Session at 6:46 pm to discuss personnel matters. Mr. McKone closed the executive session and returned to regular session at 6:56 pm.

MOTION TO ADJOURN: Motion to adjourn meeting at 6:57 pm was made by Ms. Baker and seconded by Ms. Smutny. Motion carried.

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

Next scheduled meeting:

Board Monthly Meeting: Tuesday, March 15, 2022 at 6 pm

Annual Meeting: Tuesday, March 29, 2022 at 7 pm