

**SALLAL WATER ASSOCIATION
MINUTES FOR APRIL 19, 2022 BOARD OF TRUSTEES MEETING
(by Zoom teleconference)**

CALL TO ORDER (QUORUM PRESENT) 6:00 PM

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

Consultants present: Mr. Richard Jonson, Attorney, Mr. Mike Johnson, G&O

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

Guests present:

Mr. Mike Kenyon representing Wilderness Rim Association (WRA). Mr. Kenyon informed the Sallal Board of Trustees that WRA will institute a wholesale rate in June 2022 for Sallal members that receive their water through WRA's water system. Mr. Kenyon noted there were 4 Sallal member properties affected by this new WRA wholesale rate. A letter from WRA will be sent to Sallal by May 1, 2022 as official notice providing details of this new wholesale rate.

CONSENT AGENDA

- Vote to approve minutes for the March 15, 2022 Board monthly meeting
- Vote to approve minutes for the April 4, 2022 Board workstudy meeting
- Vote to approve consultant statements:
 - Jonson & Jonson - \$4,400.00
 - Akana- \$40,562.45
 - Lawhead- \$12,190.00
 - Gray & Osborne- \$4,194.70
 - KIA- \$2,170.00

Motion 2022-030: Motion by Ms. Baker and seconded by Mr. Costello to approve the consent agenda consisting of the Board's March 15, 2022 monthly meeting and April 4, 2022 Workstudy minutes as amended by Mr. Costello and all the consultant statements shown above. Motion carried.

REPORTS

ENGINEERING REPORT *Gray & Osborne/ Mr. Mike Johnson*

- Water Use Reduction Assessment: Mr. Johnson summarized his draft April 15, 2022 memorandum. Several key take aways for calendar year 2021 – DSL was high at 12% and should be reduced. Potential savings through reduction of authorized but unmetered consumption was discussed. Leak detection was recommended to assist in locating & reducing DSL. The Operations staff will perform leak detection in pressure zone 701 in the next month.
- Well #4 and Reservoir: Mr. Johnson reported that PCI has completed the project. G&O drafted a final completion letter that provides guidance regarding Change Order #9, final progress estimate, accepting the project as complete and release of retainage after expiration of lien filing period. G&O checked the following items: there are no claims or liens filed for either labor or materials on this contract, verified with the Dept. of Labor that the contractor and subcontractors are up to date with Worker Compensation Premiums and recommended retainage be held until 45 days after the contract completion date.

Motion 2022-031; Motion by Mr. Costello and seconded by Ms. Baker to approve PCI Change Order #9 decreasing the contract amount by \$31,751.86, pay Final Progress Estimate of \$35,022.60 and accept the project as complete. Motion carried.

ATTORNEY REPORT *Jonson & Jonson/ Mr. Dick Jonson*

- King County Franchise Fee Update: Mr. Jonson reported that Sallal and other water utilities are waiting for King County to respond to counter-proposals and fire suppression cost offsets. The County has indicated to not expect to hear back until summer. Mr. Jonson stated that Sallal and its members are not restricted from engaging King County Council representatives to object to the franchise fees for use of public right of way by water utilities. Discussion followed and the Board concurred in using Sallal's website and newsletter to keep members abreast of this subject.

OPERATIONS REPORT *Water Superintendent/Mr. Denny Scott*

- Water System Update: Mr. Scott reviewed water quality sampling for nitrates at Well #3 and routine chlorine sampling - results are normal. He will meet with American Leak Detection company and direct them to start leak detection

survey work in Pressure Zone 701 next Monday. The new F-350 2010 truck is now part of Sallal's vehicle fleet. A branch fell and shattered the skylight on Well #2 building. The shattered skylight was removed and replaced with a spare from inventory. Taking the recommendation from G&O's Water Use Reduction Assessment, Well #2 chlorine analyzer line flow was reduced from 4.0 gpm to 0.5 gpm along with flow in Wells #1 & 2 pre-lube lines.

- River Run Project: Site ground clearing and excavation has started. During installation of a new sewer line under our waterline, the waterline (AC pipe) broke with no apparent fault by the developer's contractor. The broken AC pipe was replaced with 26' of ductile iron pipe for an approximate cost of \$3,500 paid by Sallal. After the emergency repair, staff debrief recommended changing Sallal specifications to change out AC to ductile iron pipe when future developers are traversing under AC waterlines.
- New Office Project
 - Office Project Update: Mr. Bergman reported Hi Mark is 7 days past Substantial Completion date of April 12, 2022. The contractor's latest CPM shows Substantial Completion on August 10 and Final Payment/Contract Closeout on September 23, 2022, but this schedule has not been accepted and is unacceptable. Possible items causing Hi Mark delays are the concrete drivers strike, material delays such as HVAC condensing unit, several major rework items due to contractor non-conformance and contractor delay in hiring a subcontractor to act as commissioning authority. Commissioning authority is responsible to oversee equipment/system testing, collection of all maintenance/operations manuals and staff training. 4 change orders and a progress payment invoice were submitted for the Board's review and approval.
 - Change order #4, Earthwork: Consists of 3 items - miscellaneous clearing for equipment access, removal of berm on the north and east sides of the property, sand for bedding conduits in electrical trench.
Motion 2022-032; Motion by Mr. Costello and seconded by Ms. Hibma to approve Change Order #4 in the amount of \$25,238.78 with no change in contract time. Motion carried.
 - Change Order #12, Knox Box pedestal: Although a pedestal was indicated on contract specs and drawings there was no design details included in the contract documents. This change order is to construct the pedestal and install it and the Knox box.

Motion 2022-033; Motion by Mr. Costello and seconded by Mr. O'Brien to approve Change Order #12 in the amount of \$4,310.62 with no change in contract time. Motion carried.

- Change Order #13 Concrete delivery: This change order is an accommodation by Sallal in order to resolve a dispute consisting of payment for expedited delivery of 50 yards of concrete to the site to complete shop garage door aprons, sidewalks, ADA ramp, and various pads & bollards. This accommodation was developed based on discussions with the contractor. Concrete delivery has been delayed due to the concrete drivers strike but work on the building was nevertheless able to continue. However, Hi Mark unilaterally added verbiage to the change order that adds 88 days to the contract and reserves the right for additional cost & time compensation caused by the concrete drivers strike. Mr. Formisano recommended the Board accept only the cost to expedite the concrete delivery but not the 88 days of delay and open ended demand for future compensation included by Hi Mark. He noted there was no basis provided by HMCI for the 88 days of additional contract time and that the true delay to the project caused by the concrete drivers' strike could be assessed once the concrete is delivered and Hi Mark provides an accurate CPM network schedule.

Motion 2022-034; Motion by Mr. Costello and seconded by Mr. O'Brien to approve Change Order #13 in the amount of \$15,469.44 with no change in contract time and to strike-out the verbiage, in red font, added by Hi Mark. Motion carried.

- Change Order #15 Additional strapping: Hi Mark failed to install metal strapping on 3 windows. The cost of this change order was for installing 24" vice 16" straps in four locations on each of the 3 windows. The straps were longer than specified, the cost of which was \$280.00.

Motion 2022-035; Motion by Mr. Costello and seconded by Ms. Baker to approve Change Order #15 in the amount of \$280.00 with no change in contract time. Motion carried.

- Hi Mark pay estimate #10 for \$147,117.11: The pay estimate was reviewed by the Board. Mr. Formisano recommends to approve PE#10 with the exception of the attached construction schedule which does not meet specification 01-30-00 and indicates a substantial completion date of 8/10/2022, and omits missing commissioning authority tasks, includes a 98-day delay due to the concrete drivers strike and includes

several other tasks unsupported by the activities and critical path logic links provided in the schedule.

Motion 2022-036; Motion by Mr. Costello and seconded by Mr. Formisano to approve PE#10 in the amount of \$147,117.11 with the exception of the attached CPM Network schedule. Motion carried.

- Lawhead Architects Extension Request. The architect submitted a letter dated March 31, 2022, for "Additional Service for Construction Administration for 4 months." This covers the additional period of performance from April through August 15, 2022. Total cost to continue their services for this period of performance is \$45,225.00.

Motion 2022-037; Motion by Mr. Costello and seconded by Ms. Baker to approve Lawhead Architects the extension of service to August 15, 2022 in the amount of \$45,225.00. Motion carried.

EXECUTIVE SESSION

Ms. Smutny called the Board into Executive Session at 6:58 pm for the purpose of discussing legal issues with counsel. All guests exited the meeting. Ms. Smutny closed the executive session and returned to regular session at 7:14 pm.

BUSINESS REPORT *Director of Finance & Administration/Ms. Kristina Parker*

- Business Update

- Ms. Parker reported that the new staff members were coming up to speed and working well. She requested ratification of the hiring Ms. Shawn Hamerly.

Motion 2022-038: Motion by Ms. Baker and seconded by Ms. Hibma to ratify the hiring of Ms. Shawn Hamerly as part of the office staff. Motion carried.

- Time of the year to send letters to members that have backflow prevention devices. All installed backflow assemblies must be tested annually by a State of Washington certified backflow assembly tester. A copy of the test report must be provided directly to Sallal.
- Staff working to resolve issues with some water meter transmitters interfacing with billing software.
- Office staff project to go through archives determine what can be removed & shredded, reorganized and prepped for bringing to the new office building.

- First quarter financial statements were reviewed. She is working on a new set of financial reports. New reports to be completed by May and will be shared at next month's Board meeting.
- Water Leak Adjustments -
 - Discussed Leak Relief Policy: The Board concurred that the Director of Finance & Administration should be able to approve water leak adjustments under a dollar threshold and report all requests for leak relief at each Board meeting. Water leak adjustments above the threshold would need Board approval. Rule #42 will be reviewed and the Board will determine if changes are needed at next month's Board meeting.
 - Tabled decision for Member #224-2 request for leak relief to next month's Board meeting.
- Select an Auditor – This topic was tabled to next month.
- The Board ratified **Motion 2022-026**: Motion by Ms. Baker and seconded by Mr. Costello, via email on 3/30/2022, to purchase a 2010 F-350 diesel, 4x4, with a 6.4 Diesel engine VIN # 1FDWX3GR5AEA96086 from Valley Equipment & Truck for approximately \$23,000 not including sales tax.

UNFINISHED BUSINESS

- Update on 2001 Water Right Application: Mr. Formisano reviewed a discussion with an Ecology representative and discussed the viability of using Well #3 as a source of mitigation for the 2001 Water Right permit. Ecology will discuss internally and get back in touch Mr. Formisano with their assessment.

NEW BUSINESS

Nothing to report

ITEMS TO TRACK & COME BACK TO IF THERE IS ACTIVITY

COMMITTEE REPORTS

MEMBER ADVISORY COMMITTEE *Mr. Formisano*

No update

CONSERVATION COMMITTEE *Ms. Parker*

No update

MOTION TO ADJOURN: Motion to adjourn meeting at 7:47pm was made by Mr. O'Brien and seconded by Ms. Hibma. Motion carried.

Next scheduled meeting:

Board Meeting: Tuesday, May 17, 2022 at 6:00 pm.

Workstudy Meeting: Monday, June 6, 2022 at 6:00 PM