

**SALLAL WATER ASSOCIATION**  
**MINUTES FOR June 21, 2022 BOARD OF TRUSTEES MEETING**  
(by Zoom teleconference)

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

**Board members present:** Ms. Denise Smutny (President), Ms. Daylin Baker (Vice President), Mr. Shawn McKone, Mr. Eric O'Brien, Mr. Larry Costello and Ms. Joyce Hibma.

**Consultants present:** Mr. Richard Jonson, Attorney, Mr. Mike Johnson, Gray & Osborne

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

**VISTOR COMMENTS**

None

**CONSENT AGENDA**

- Vote to approve minutes for the May 17, 2022 meeting
- Vote to approve minutes for the June 16, 2022 work study meeting
- Vote to approve consultant statements:
  - Jonson & Jonson - \$8,745.00
  - Gray & Osborne - \$3,256.19
  - Lawhead - \$13,146.04

**Motion 2022-046:** Motion by Mr. Costello and seconded by Ms. Baker to approve the consent agenda consisting of the Board's May 17, 2022, monthly meeting minutes, June 16, 2022, work study minutes (both sets of minutes as edited and posted to dropbox) and all the consultant statements shown above. Motion carried.

**CONSULTANT STATEMENTS**

- Akana - \$36,603.31 Ms. Parker stated that current bill exceeds Akana's authorized ceiling amount. Ms. Smutny commented on the extra and substantial inspection costs caused by construction delays.

**Motion 2022-047:** Motion by Mr. Costello and seconded by Mr. McKone to approve raising the limit on Akana's service contract to \$494,760.52 to and to authorize payment to Akana for invoice no. 20017-21 in the amount of \$36,603.31. Motion carried.

## REPORTS

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

Mr. Johnson reported on the following:

- Water main replacement prioritization. Mr. Johnson presented mapping and an excel spreadsheet with a recommendation for prioritization of water main replacement projects. Discussion followed and he noted that adjustments will be made based on results that derive from ongoing leak detection analysis.
- Generator Installation Package. Mr. Johnson state that Cummins has still not provided a delivery date and so the plan and specifications for installation have not been finalized.

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

- Water Capacity. This item was moved to the executive session portion of the meeting.

### **OPERATIONS REPORT** *Water Superintendent/Mr. Denny Scott*

#### **Water System Update**

- Leak detection services are continuing and approximately 30 meters have been replaced.
- Mr. Butler's request to sell back his unused membership for undeveloped property in the Rattlesnake area was discussed.

**Motion 2022-048:** Motion by Mr. McKone and seconded by Ms. Baker to purchase the Butler Membership for the amount paid less 10% pursuant to Rule 40(10). Motion carried.

- Mr. Bergman discussed water main installation progress at River Run; work on 436<sup>th</sup> and roundabout is ongoing.
- Mr. Bergman reviewed status of other developer extension activity.

**Seacon CWA and Meter Upgrade Request.** Mr. Bergman stated that Seacon has requested upgrading an existing meter from 5/8 x 3/4 for a proposed project on North Bend Way. Discussion was deferred for executive session.

**New Member Application: Sheehan.** Mr. Scott stated that the Sheehan's have a failed well and have requested membership. Discussion was deferred for executive session.

### **New Office Project**

- Mr. Bergman reported on the project. He stated that removal of a portion of the roof in order to install a support strap is scheduled for next week. Work on the bioswale remains and the contractor is working on a building commissioning plan. He stated that the contractor wants to wait until October to install landscaping and disagrees with ongoing plant maintenance duties.

- Pay estimate #12 in the amount of \$238,464.40. The pay estimate was reviewed and adjusted by Akana as set forth in serial letter no. 25. Mr. Bergman noted that the CPM schedule submitted with the pay estimate was incorrect and should not be approved.

**Motion 2022-049:** Motion by Mr. Costello and seconded by Mr. O'Brien to approve the pay estimate no. 12 invoice for \$238,464.40 as adjusted by Akana and with the exception of the CPM schedule. Motion carried.

- Change Order #18: Mr. Bergman recommended approval of Change Order No. 18 for the installation of heat trace wire in underground pipe in the amount of \$419.10.

**Motion 2022-050:** Motion by Mr. Costello and seconded by Mr. O'Brien to approve Change Order #18 in the amount of \$419.40. Motion carried.

- Change Order #19: Mr. Bergman recommended approval of Change Order No. 19 for earthwork and gate revisions in the amount of \$2,518.30.

**Motion 2022-051:** Motion by Mr. McKone and seconded by Ms. Baker to approve Change Order #19 in the amount of \$2,518.30. Motion carried.

- Change Order #21: Mr. Bergman described this change for a change in an electrical breaker. He orally authorized the change order on June 16, 2022, so that the contractor could order the part but contractor has, apparently, not done so. The contractor approved the change order and it was submitted to USDA for approval, which was done, and then the contractor rescinded its approval and requested that the change order be revised by adding a 14 day time extension. Mr. Costello described a work around to

allow the contractor to utilize an existing breaker for the installation that could be replaced later with only hours of delay. Discussion followed.

**Motion 2022-052:** Motion by Mr. McKone and seconded by Ms. Baker to approve Change Order #21 in the amount of \$1,475.40 as originally submitted and with no time extension. Motion carried.

- Approval of Management to engage services with Ahlers Cressman and Sleight. Mr. Jonson recommended a limited engagement with Scott Sleight of Ahlers Cressman and Sleight to obtain construction claim expertise.

**Motion 2022-053:** Motion by Mr. O'Brien and seconded by Mr. McKone to authorize management to engage Scott Sleight of Ahlers Cressman Sleight for up to 10 hours of legal services. Motion carried.

- Additional Services Request from Gray & Osborne. Mr. Johnson stated that delays and contract interpretation disagreements with HCM I have resulted in additional engineering services and he requested an increase in his firm's budget by \$5,700.00.

**Motion 2022-054:** Motion by Ms. Baker and seconded by Mr. Costello to authorize an increase in Gray & Osborne's budget for engineering services on the new headquarters project in the amount of \$5,700. Motion carried.

- Systems Interface Proposal. Mr. Bergman recommended approval of the Systems Interface proposal in the amount of \$19,099.00 plus WSST as posted to Dropbox. Discussion followed concerning whether an existing panel owned by the Association could be used.

- **Motion 2022-055:** Motion by Ms. Baker and seconded by Ms. Hibma to approve the Systems Interface proposal plus installation in a total amount not to exceed \$30,000 subject to utilization of the existing panel if feasible. Motion carried.

## EXECUTIVE SESSION

Ms. Smutny called the Board into Executive Session at 7:47 pm for the purpose of discussing water capacity and new membership application matters. Messrs. Bergman and Johnson exited the meeting. Ms. Smutny closed the executive session and returned to regular session at 8:23 pm.

The Board then authorized management to confirm the existing level of service to the Seacon property through a 5/8 x 3/4 inch meter and issue a certificate of availability for the subject parcel for such level of service.

**Motion 2022-056:** A motion was made, seconded and passed as follows:

- a. An emergency interim moratorium is hereby declared for the purpose of (i) protecting the Association's limited and remaining water system capacity from exploitation and over commitment; (ii) allowing the Board time to fully assess the Association's ability to provide adequate water to all members and holders of binding and enforceable commitments for new connections based upon the limitations set forth in the Association's State issued water rights; and (iii) allowing the Board time to determine how the Association's limited and remaining water system capacity should be allocated;
- b. During such emergency interim moratorium, notwithstanding any Association rule or procedure to the contrary, the Association shall not issue and commitments for new water connections, certificates of water availability or new membership except as follows:
  - i. To holders of previously issued valid, binding and enforceable commitments to receive water service from the Association to the extent of the commitments.
  - ii. To members confirm their existing level of service; and
  - iii. To property owners that transfer their water rights to the Association in accordance with Title 90 RCW for quantities of not less than their usage of Association water.
- c. The Association shall schedule a public hearing in the month of August in order for the Board to received input from members of the public and the Association regarding this action and its impacts.

**BUSINESS REPORT** *Director of Finance & Administration/Ms. Kristina Parker*  
Ms. Parker reported on staff progress, the audit, the Association's financial condition and reconciliation of accounts, exchanged communications with Wilderness Rim and River Run, suggestion for a July staff-appreciation dinner meeting and method of holding Board meetings. The Board concurred in holding meetings by Zoom until the new headquarters are available.

**UNFINISHED BUSINESS**

None.

**NEW BUSINESS**

None.

**ITEMS TO TRACK & COME BACK TO IF THERE IS ACTIVITY**

**COMMITTEE REPORTS**

**MEMBER ADVISORY COMMITTEE *Ms. Parker***

No update

**CONSERVATION COMMITTEE *Ms. Parker***

No update

**MOTION TO ADJOURN:** Motion to adjourn meeting at 8:46pm was made and seconded. Motion carried.

**Next scheduled meeting:**

**Work Study: None for July**

**Board Meeting: Tuesday, July 19, 2022 at 6 pm**