

ANNUAL MEETING OF THE MEMBERSHIP
Minutes of Meeting
Monday, March 30, 2021

President Daylin Baker called the Annual Meeting of the Membership of the Sallal Water Association to order on Monday, March 30, 2021 at 7:01 pm. Based on a proclamation by Governor Inslee, the Association utilized a computer/ telephone conferencing service by Zoom and all attended by electronic means.

In addition to Ms. Baker, the following members of the Board of Trustees were present: Eric O'Brien, Ann Reed, Larry Costello, Rich Formisano, Shawn McKone and Joyce Hibma. Also present were Denny Scott, Superintendent; Nikka Rose, Business Manager; Tree Bergman, System Operator; Lisa Hagen, Utility Customer Administrator; Richard Jonson, counsel; Warren Perkins, engineer. By count, a total of 7 memberships were attending by Zoom and a total of 134 ballots had been received through mail or delivery.

Board members, staff and consultants were introduced.

Lisa Hagen verified that notices of this Annual Meeting were timely sent to all members of record and a quorum was present due to 134 ballots having been received.

APPROVAL OF MINUTES: Ms. Baker requested motions to approve the minutes of the March 30, 2020 Annual Meeting as posted on the Association's website and August 25, 2020 Special Meeting as presented in the meeting notice.

Motion No 2021 A1- it was moved by Mike Kenyon and seconded by Larry Costello to approve the minutes of the March 30, 2020 Annual Meeting, as posted on the Association's website and Special Meeting held August 25, 2020, as presented in this meeting's notice. Motion approved unanimously.

FINANCIAL REPORT: Ms. Rose stated that the 2020 audit will begin shortly with a new auditor and is scheduled for completion by June 1, 2021. She stated that any member that desires a copy of the audited financial statements contact the Association office after that date.

PRESIDENT'S REPORT: Ms. Baker announced that Warren Perkins, the Association's consulting engineer from Gray & Osborne, will be retiring. She thanked Mr. Perkins for his years of service and added that Kevin Aguilar from Gray and Osborne would be stepping into his place. Ms. Baker reported on the Association's activities during the past year. She noted that a new well and reservoir at Rattlesnake will be completed shortly and a new headquarters project has been advertised for bid. The Association is chlorinating its water supply in accordance with Washington State Dept. of Health water quality requirements. The Association is exploring the availability for new water rights and a water supply and mitigation contract with North Bend. A new franchise agreement with the City and obtaining relief from the City's water conservation and water usage data ordinances are also being discussed. She concluded by stating that

any contract with the City will have to be in the best interests of the Association and its members and will be explained to the members prior to adoption.

ELECTION OF TRUSTEES: Ms. Hagen announced the ballots received and noted that the total excluded one unidentified ballot. Based on the vote count announced by Lisa Hagen, Eric O'Brien (127 votes) and Shawn McKone (128 votes) were elected as Trustees with Matt McManus receiving two write-in votes.

UNFINISHED BUSINESS: Marcus Morissette posed questions concerning a member vote on chlorination, a risk assessment/vulnerability analysis regarding the 2019 water contamination event and water service to the proposed National Guard project. Discussion followed and it was noted chlorination of the system was directed by the Board pursuant to DOH order. Mr. Scott reviewed the details of the 2019 event and current chlorination practices, clearly stating that DOH found no cause for the E. coli and no evidence of negligence on the part of the Association. Ms. Baker stated that while the King County Utilities Technical Review Committee omitted the proposed National Guard site from the Association's water service area, it may be possible to negotiate reinstatement of the site if additional water can be purchased from the City. Michael Thomas inquired about the 2020 audit, status of the Association's water system plan, search for additional water rights and his perception of the benefits of maintaining water supply independent from the City. Ms. Baker stated the new auditors were CPA's with particular expertise with water purveyors. Mr. Perkins stated that the Washington State Dept. of Health has approved the Association's water system plan, but the County has not taken final action. Mr. Formisano reviewed the efforts by the Association to obtain additional water rights. Ms. Buckner discussed mitigation issues... Mr. Perkins discussed water supply interconnection aspects between Sallal's and the City's systems. Mr. Thomas inquired whether the Association was taking steps to discourage speculation in certificates of water availability and memberships. Mr. Scott discussed the Association's rules and procedures.

NEW BUSINESS: None

It was moved by Mike Kenyon and seconded by Joyce Hibma to adjourn the meeting at 8:21 pm, there being no further business to discuss. Motion approved unanimously.

Respectfully submitted,
Richard Jonson, counsel