

**SALLAL WATER ASSOCIATION  
MINUTES FOR JANUARY 17, 2023 BOARD OF TRUSTEES MEETING**

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

**Board members present:** Ms. Denise Smutny (President), Ms. Daylin Baker (Vice President), Ms. Joyce Hibma (Treasurer), Mr. Shawn McKone, 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. Don Wise Sallal & MAC member, Mr. Marcus Morrisette Sallal member, Mr. Don Deberg, Public Works, City of North Bend

**VISTOR COMMENTS** (Limit time to 3 minutes)

- Mr. Morrisette: Attended to hear any updates on the North Bend-Sallal Supply-Mitigation contract.

**CONSENT AGENDA**

- Vote to approve minutes for the December 20, 2022 meeting.
- Vote to approve consultant statements:
  - Jonson & Jonson - \$11,840.00
  - Westwater - \$9,525.00
  - Gray & Osborne - \$9,448.78
  - Helsell Fetterman - \$810.00

**Motion 2023-001:** Motion by Ms. Baker and seconded by Mr. McKone to approve the consent agenda consisting of the Board's December 20, 2022 monthly meeting minutes and all the consultant statements shown above. Motion carried.

**CONSULTANT STATEMENTS:**

- Akana - \$11,280.75, this invoice exceeds the current contract amount. New amount totals \$668,219.68.
- Lawhead - \$4,697.50, this invoice exceeds the current contract amount. New amount totals \$504,114.14.
- Ahlers, Cressman, Sleight - \$18,473.51, this invoice exceeds the current Board approved amount. New amount totals \$35,446.01.

**Motion 2023-002:** Motion by Mr. Costello and seconded by Mr. O' Brien to approve raising the limit on Akana's service contract to \$668,219.68 and authorize payment to Akana for invoice no. 20017-028 in the amount of \$11,280.75; to approve raising the limit on Lawhead's service contract to \$504,114.14 and to authorize payment to Lawhead for invoice no. 5471 in the

amount of \$4,697.50; and to approve raising the limit on Ahlers, Cressman, Sleight to \$35,446.01 and to authorize payment of Ahlers, Cressman, Sleight for invoice no. 88511 in the amount of \$18,473.51. Motion carried.

## REPORTS

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

- Mr. Johnson submitted Moratorium Response Assistance Proposal Amendment 1. He explained additional effort was expended reviewing and assessing 2019 - 2022 production and consumption data including adjusting the data for Well #1 meter inaccuracy, preparing updated WSP figures for the New Office & Shop open house, preparing a response to UTRC's request for Moratorium information, weekly subcommittee tag-ups, and participation in a future DOH meeting to discuss water system planning revisions.

**Motion 2023-003:** Motion by Mr. Costello and seconded by Ms. Hibma to approve G&O's Moratorium Response Assistance Amendment 1 of January 10, 2023, G&O #22407.00 in the amount of \$11,320.00. Motion carried.

- Mr. Johnson, upon request by Ms. Parker, provided several considerations for developing a Water Conservation Policy. The Board requested a proposal from G&O, suggested asking the MAC to assist with the project and look to have a policy in place by June 2023.

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

- Mr. Jonson provided an update on the King County Franchise Rent Negotiations: Mr. Jonson and lawyers representing several water utilities will meet at the end of January 2023 to discuss the status of rent negotiations and developing a franchise agreement template to be used in negotiations with King County. Mr. Jonson will suggest a template similar to the franchise agreement under consideration with City of North Bend. Mr. Jonson expects negotiations with King County to start in March, 2023.

### **OPERATIONS REPORT** *Mr. Denny Scott, Water Superintendent, made the following report:*

- Cold weather has kept the Operations staff busy. Staff helped several members with bursting pipes on their properties. About 15 trees fell, blocking access to the well buildings and reservoirs. Staff cut the trees to restore access. There was an operational issue with the SCADA controls at the Rattlesnake wells during the last week of December and into the new year. A combination of electrical power interruptions and cell service was the cause of service interruptions. SCADA logic was inspected and control logic changed to prevent this problem from reoccurring. Leak detection work will be resuming after a pause.
- Mr. O'Brien ask if there were any cell phone coverage issues at the new office during the winter storms and suggested looking into FirstNet, a first responder nationwide network used by King County.
- Follow-up with the contractor who recalibrated Well #1 meter: the root cause of the inaccuracy was the internal gearing. Contractor corrected the accuracy by changing out the the gears inside the meter head. The Board ask staff to create a Capital Improvement

Project to replace Well #1 and 2 production meters with magnetic meters to improve reliability.

- Mr. Tree Bergman explained fire hydrant maintenance and plans to perform maintenance on all fire hydrants in 2023.
- Headquarters Update by Mr. Tree Bergman: The punchlist is shrinking and currently at 35 items. Waiting for HMCI to make corrections to O&M manuals per Lawhead direction. Reminder that completion of landscaping will take place in the Spring. Roof leaks reported at last month's Board meeting were under warranty and have been repaired.
- River Run Update by Mr. Tree Bergman: Development construction progress going well, anticipate next month a request for final acceptance of the project. G-O will review as-builts, easements and bill of sale,
- Memberships and CWAs:
  - Sallal received a request for water service from Ms. Barb Pexa. Water is currently provided by a private well on her property but the well has gone dry. A CWA and membership application have not yet been submitted but the facts of the situation were reviewed due to emergency circumstances.

**Motion 2023-004:** Motion by Ms. Baker and seconded by Mr. O' Brien to approve a membership for one Single Family Residential 5/8" meter connection subject to payment of membership fees and complete submission of membership application documents.

- CWA Extension request for Silverstone NB LLC: Last Board meeting Mr. Glen Hart and Mr. Greg Kappe provided an overview of the development project. The Board deferred a decision to January 17, 2023 Board meeting in order for staff and engineering to review several detailed reports submitted by Mr. Hart. Data submitted by the applicant was discussed.

**Motion 2023-005:** Motion by Mr. McKone and seconded by Ms. Hibma to approve Silverstone NB LLC CWA extension request for seven single family residential connections. Motion carried

**BUSINESS REPORT** *Ms. Kristina Parker, Director of Finance and Administration made the following report*

- Business Update
  - New Office & Shop project: HMCI released the lien.
  - Budget- Will be presented at the February monthly Board meeting.
  - Still waiting for Ms. Katy Isaksen to provide the documentation for the rate study that she wasn't able to complete before retiring.
- Business Insurance renewal: The Board reviewed the insurance proposal. A separate insurer for D&O liability policy is being researched. The other insurance coverages were reviewed, Mr. Costello pointed out the list of locations to be insured included our previous rental location and should be removed. Ms. Parker was asked to check the coverage for our new building since the coverage seemed significantly larger than the cost of construction.
- Ms. Parker asked the Board to pick a date for the Annual meeting. The Board selected March 28, 2023. 7:00 pm.

- Ms. Parker reported that the USDA loan is continuing to work towards loan closing. Loan Resolution Security Agreement Form 1780-28 needs to be re-adopted, signed and submitted to USDA and she asked the Board to pass a resolution to again approve the loan.

**Motion 2023-006:** Motion by Mr. Costello and seconded by Mr. O'Brien to approve Denise Smutny, Board President, to adopt, approve and authorize execution by the officers of the Loan Resolution Security Agreement Form 1780-28 for the New Office and Shop project in the amount of \$6,528,000.

- Valuation Draft Report: Deferred to Executive Session.
- Data and Technology Committee Update: Mr. Formisano summarized the key tasks remaining on the "To-Do" list that was placed in dropbox.
- City of North Bend Update: Deferred to Executive Session.

### **EXECUTIVE SESSION**

Ms. Smutny called the Board into Executive Session at 7:24 pm for the purpose of discussing legal issues with counsel including the upcoming DOH meeting, termination of the Emergency Interim Moratorium, personnel matters, the draft franchise agreement with the City and the City's desire to acquire the water system. All guests, Mike Johnson and Mr. Tree Bergman exited the meeting. Ms. Smutny closed the executive session and returned to regular session at 8:42 pm.

### **UNFINISHED BUSINESS**

**NEW BUSINESS:** None

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

### **COMMITTEE REPORTS**

#### **MEMBER ADVISORY COMMITTEE** *Ms. Kristina Parker*

- The meeting minutes for the January MAC Meeting will be presented for approval at the February monthly Board meeting.

#### **CONSERVATION COMMITTEE** *Ms. Kristina Parker*

- Conservation Policy was discussed during the Engineering Report.

**MOTION TO ADJOURN:** Motion to adjourn meeting at 8:43 pm was made by Ms. Baker and seconded by Mr. McKone. Motion carried.

#### **Next scheduled meeting:**

**Board Workstudy: Monday, February 06, 2023 at 6 pm**

**Board Meeting: Tuesday, February 21, 2023 at 6 pm**