

**SALLAL WATER ASSOCIATION
MINUTES OF July 18, 2023 BOARD OF TRUSTEES MEETING**

CALL TO ORDER (QUORUM PRESENT) 6:00 pm

MEETING CONVENED AT THE SALLAL WATER ASSOCIATION CONFERENCE ROOM

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

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

Employees present: Kristina Parker, Director of Finance & Administration; Denny Scott, Water Superintendent; and Tree Bergman, Associate Water Superintendent.

Guests present: Don Deberg, Sallal member and City of North Bend Public Works Engineer; and Don Wise, member.

VISTOR COMMENTS (Limit time to 3 minutes) none

CONSENT AGENDA

- Vote to approve minutes for the April 11, 2023 meeting
- Vote to approve minutes for the May 16, 2023 meeting.
- Vote to approve minutes for the June 20, 2023 meeting
- Vote to approve consultant statements:
 - Jonson & Jonson - \$10,232.40
 - Gray & Osborne - \$10,615.73
 - Helsell Fetterman - \$9,135.00

Motion 2023-07-18-01 made by Ms. Baker to approve the consent agenda to include Mr. Costello's edits to the April 11 and May 16 minutes as submitted except that on the 4th line of page 2 of the May 16 minutes the second sentence shall begin with "Some board members, representing a majority, agreed". Motion seconded and passed 3-1 (Mr. Costello voting no and Mr. Formisano abstaining).

CONSULTANT STATEMENTS:

- Akana - \$227.74
 - This invoice exceeds the current contract amount. New amount totals \$679,150.03
- Lawhead - \$500.00
 - This invoice exceeds the current contract amount. New amount totals \$516,633.77

Motion 2023-07-18-02 made by Mr. Costello to approve the consultant statements. Motion seconded and passed unanimously.

REPORTS

ENGINEERING REPORT *Mike Johnson of Grey & Osborne*

- Draft Water Conservation Policy including Conservation Stage Threshold Alternatives. Lengthy discussion followed concerning conservation stages and trigger mechanisms. The Board concurred that combined Board and MAC workshop will be held on Tuesday, August 6, 2023, 6 pm at the Association office for further review.
- Proposal for Engineering Services for Well 2 VFD. Mr. Johnson proposed a task order in the amount of \$7,900 for engineering services to design and oversee installation of a variable speed drive for Well No. 2. Discussion followed.

Motion 2023-07-18-03 made by Ms. Baker to authorize a task order with G-O in the amount of \$7,900 for engineering services to design and oversee the installation of a variable speed driver for Well No. 2. Motion seconded and passed unanimously.

- Proposal for NB intertie Booster Station and Design. Mr. Johnson proposed a task order in the amount of \$156,200 for engineering services to locate, design, prepare project reports, submit for permits, prepare construction specifications and provide bid and award services for the new intertie booster pump station to receive North Bend water. Lengthy discussion, questions and answers followed. G-O was requested to prepare a Gantt chart for all of the water system improvements described in the water supply contract with the City of North Bend.

Motion 2023-07-18-04 made by Ms. Baker to authorize a task order with G-O in the amount of \$162,000 for engineering services for the new intertie booster pump station to include preparation of a Gantt chart covering all water system improvements described in the water supply contract with North Bend. Motion seconded. Passed unanimously.

- Proposal for Cost of Wholesale Water Analysis for City of North Bend (proposal is to split the cost between Sallal and North Bend). Mr. Johnson proposed a task order in the amount of \$12,585, to be divided evenly between Sallal and North Bend, to provide a recommendation for a wholesale rate for water purchased by Sallal above the 100 acre feet anticipated for mitigation. Lengthy discussion followed whether it would be a good use of Sallal funds to participate in the development of a wholesale rate that will be adopted by the City.

Motion 2023-07-18-05 made by Ms. Baker to authorize a task order with G-O to be performed for both Sallal and the City of North Bend in the total amount of \$12,585, with Sallal paying one-half the cost, for engineering services to recommend a wholesale rate for water purchased by Sallal above the 100 acre foot amount for mitigation. Motion seconded. passed unanimously.

ATTORNEY REPORT *Dick Jonson, Jonson & Jonson*

- No news regarding King County franchise negotiations.
- Proposed development of a member document request policy. Discussion followed and the Board concurred that Mr. Jonson prepare a draft policy of Board review.

OPERATIONS REPORT *Denny Scott, Water Superintendent & Tree Bergman, Associate Water Superintendent*

- Operations Update (Denny)

- Headquarters Update (Tree). Reviewed continuing punchlist and warranty work by the contractor.
- Old Generator Removal. Messrs. Scott and Bergman both recommended having Legacy Power Systems, the contractor previously selected to install a new generator at Rattlesnake, remove the existing damaged generator, including fuel and tank, for a cost of \$12,900. Discussion followed. Ms. Parker exited the meeting at approximately 8:00 pm.

Motion 2023-07-18-06 made by Mr. O'Brien to authorize a change order in the amount of \$12,900 to the generator installation contract with Legacy Power Systems for the removal of the existing damaged generator, fuel and fuel tank at Rattlesnake. Motion seconded. passed unanimously.

BUSINESS REPORT

- Business Update
 - Audit – starts next week. Scheduled for July 11, 2023.
 - Budget – figures in Dropbox; discuss at next meeting.
 - Current Year financial statements – in Dropbox.
- Review Proposals for Rate Consultants – review at next meeting.
- Review Current Water Loss Adjustment Policy and Recommended Changes – review at next meeting.

UNFINISHED BUSINESS none

NEW BUSINESS

- Joyce Hibma Resignation – Ms. Smutny read aloud Ms. Hibma's resignation letter. She stated that replacement candidates will be solicited for subsequent Board review.

COMMITTEE REPORTS

MEMBER ADVISORY COMMITTEE: None

DATA AND TECHNOLOGY COMMITTEE: None

CONSERVATION COMMITTEE: None

EXECUTIVE SESSION – Ms. Smutny called for an executive session at 8:33 pm to discuss personnel issues. The guests and Mike Johnson exited the meeting. Messrs. Scott and Bergman exited the executive session a few minutes later.

The executive session was concluded at 8:56 pm and the regular session of the meeting resumed.

MOTION TO ADJOURN made by Mr. Costello at 8:57 pm.

Motion passed unanimously.

Submitted by:

Richard Jonson, counsel

Next scheduled meetings:

Conservation Policy Workshop: Tuesday, August 8, 2023, 6:00 pm

Board Meeting: Tuesday, August, 15, 2023 at 6 pm