

**SALLAL WATER ASSOCIATION
MINUTES OF MAY 16, 2023 BOARD OF TRUSTEES MEETING**

CALL TO ORDER (QUORUM PRESENT) 6:06pm

MEETING CONVENED AT THE SALLAL WATER ASSOCIATION CONFERENCE ROOM

Board Members Present: Ms. Denise Smutny (President), Ms. Daylin Baker (Vice President), Ms. Joyce Hibma (Treasurer), Mr. Eric O'Brien (Secretary), Mr. Shawn McKone, Mr. Richard Formisano, and Mr. Larry Costello via conference phone.

Consultants Present: Mr. Richard Jonson, Attorney; and Mr. Mike Johnson, G & O.

Employees Present: Ms. Kristina Parker, Director of Finance & Administration; Mr. Denny Scott, Water Superintendent; Mr. Tree Bergman, Associate Water Superintendent; Ms. Shawn Hamerly, Office Manager; Ms. Andrea Laffey, Administrative Assistant.

Guests Present: Mr. Don Deberg, Sallal member and Public Works Engineer, City of North Bend; Mr. Michael Thomas, Sallal member; Ms. Jean Buckner, Sallal member; Ms. Ann Bailey, Sallal member & MAC member; Mr. Don Wise, Sallal member & MAC member; Mr. Marcus Morissette, Sallal member; Ms. Anne Herman, Sallal member; Ms. Melissa West, Sallal Member; Ms. Christina Knight, Sallal Member; Mr. James Amphlett, Sallal Member, and Mr. Adam Behrman, Greystar / River Run project.

VISTOR COMMENTS (Limit time to 3 minutes)

- Mr. Michael Thomas stated that he is opposed to the contract. He cited concerns about lack of engineering details, conservation requirements and cost of water rate analysis. He asked for the DOH/DOE document regarding warning on water rights.
- Mr. Adam Behrman of Greystar/River Run project discussed the ERU allocation applicable to their project. He requested return of payment for 27 ERU's.
- Mr. James Amphlett stated that he is against the board signing the water supply contract.
- Mr. Marcus Morissette agreed with Mr. Thomas regarding concern about the DOH/DOE warning. He declared that he plans on attending executive sessions until it is proven in the bylaws that he could not attend. Attorney Jonson responded that the Board may enter into an executive session to discuss confidential matters and members of a co-op have no right to attend board meetings.
- Ms. Jean Buckner requested to know the confidential topics and also wanted to be present in the executive session.

CONSENT AGENDA

- Vote to approve minutes for the March 21, 2023 meeting
- Vote to approve minutes for the April 18, 2023 meeting
 - Vote to approve consultant statements:

- Jonson & Jonson - \$16,755.00
- Gray & Osborne - \$2,846.72

There was discussion regarding March 21st and April 18th meeting minutes and the consultant statements. Some board members representing the majority agreed that Mr. Costello's edited version of the March 21st minutes be considered part of the Consent Agenda. Mr. Costello requested that due to the April 18th DRAFT minutes not being available for review with sufficient time prior to the board meeting that they be held out for a later meeting. Ms. Smutney was agreeable to removing the April 18th minutes from the agenda for a future meeting. Mr. Costello objected to the legal and engineering bills and requested to see water supply contract communications among the engineer, attorney and negotiating committee. Mr. Jonson stated that he will work on a separate response to Mr. Costello's request and comments.

Motion 2023-035: Mr. McKone moved to approve the Consent Agenda as presented in the meeting agenda. Seconded by Ms. Hibma. Six votes in favor. Mr. Costello opposed. Motion passed.

CONSULTANT STATEMENTS:

- Akana - \$1,364.48
 - This invoice exceeds the current contract amount. New amount totals \$678,373.91
- Lawhead - \$1,399.00
 - This invoice exceeds the current contract amount. New amount totals \$515,688.77

Ms. Parker and Mr. Bergman reviewed the status of punch list work on the building.

Motion 2023-036: Mr. McKone moved to approve the Akana and Lawhead consultant statements and to adjust the contract balances accordingly. Mr. Formisano seconded. All in favor. Motion passed.

REPORTS

ENGINEERING REPORT *Mike Johnson of Gray & Osborne*

- Proposal for Construction Management Services for Rattlesnake Wells Generator. Mr. Johnson reported that the generator should be delivered in early July. He reviewed the G-O proposal for inspection work, pay estimates, meetings, start up and testing based on a \$30,000 budget. He added that the contract for the installation work has been awarded but not signed yet; and G-O is awaiting paperwork from the contractor. Systems Interface will install additional SCADA controls.

Motion 2023-037: Mr. Formisano made a motion to approve construction management contract proposed by G-O for the generator installation at Rattlesnake. Seconded by Ms. Hibma. All voted in favor. Motion passed.

- Draft Water Conservation Policy. Mr. Johnson reported on his work on a proposed water conservation policy. Samples from neighboring utilities have been reviewed to look for ways to promote conservation and response action to water shortages. He stated that he will have a draft soon for review. Mr. Formisano suggested MAC group to possibly help with conservation policy.

ATTORNEY REPORT *Jonson & Jonson/ Dick Jonson*

- Draft Irrigation Meter Policy – No Report.

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

- Operations Update: He reported on the status of the system during the last month including installation of a new magnetic meter on Well No. 3.
- Ichijo CWA renewal: He stated that Ichijo was delayed by the City and its request for a CWA renewal appeared reasonable. He recommended renewal of the CWA. He noted the ERU's for the project have been accounted for since 2017.
- Tanner Electric CWA renewal: He stated that Tanner had also been delayed and recommended renewal of the previously issued CWA for 1 ERU.
- It was confirmed that planning for installation of zone meters is still an objective for 2023. Mr. Scott and Mr. Bergman will work with G&O to develop a plan.

Motion 2023-038: Ms. Hibma made a motion to approve both Ichijo and Tanner Electric CWA renewals. Seconded by Ms. Baker. All voted in favor. Motion passed.

- Meusey CWA application: This matter was tabled due to incomplete paperwork from the applicant.

Mr. Tree Bergman, Assistant Water Superintendent, made the following report:

- Headquarters Update: Temporary irrigation system will be installed next. Wildflower mix will be spread around the grounds and once established, not much water needed. Punch list items are coming to a close – just minor items remaining. Mr. O'Brien exited the meeting at this point to deal with a work-related emergency.
- Acceptance of Three Rivers Estates Project: Final Acceptance with final lift of paving deferred. All documents required under the developer extension agreement have been received and sent to the engineer, fees are paid, and water testing is done. He recommended final acceptance subject to the developer's obligation to install the final lift of paving. Once we accept, the 2-year warranty starts after which we will do a final inspection and the developer will be required to perform any needed repairs.

Motion 2023-039: Motion to accept Three rivers Estate project with final lift of paving deferred made by Mr. Formisano. Mr. McKone seconded. All voted in favor (except for Mr. O'Brien who was not present). Motion passed.

- Vector DEA: They are performing site work on the property and can't work on the water system until they have an approved DEA. Mr. Bergman added that the owner has a CWA for two properties which are now expired, but the two parcels have been merged into one for the project.

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

- Business Update: She reported on office activities and the USDA loan closing that occurred on April 26th. She reported on a field staff member assigned to light duty with modified hours. She stated that due to shifting of duties, Board approval of new part time field position is needed.
- Minutes for the April 24, 2023 informational meeting have been posted to dropbox with no Board action required.
- Plan for informational meeting on May 24, 2023 were discussed. Details are in dropbox.
- Special Run-off Election: Details of the prior run-off election were reviewed. She recommends that a third party conduct the next vote count and will research possible vendors including Sallal's independent auditor, Finney Neill & Co. She recommended adoption of guidelines for observers and a removal process, should they not follow the guidelines. Ms. Smutny stated that Don Wise has removed himself from running, leaving two candidates. No action was taken to schedule the meeting in order that Ms. Parker can obtain proposals and scheduling from a vendor to conduct the vote count.

Motion 2023-040: Mr. McKone made a motion to approve a new part time field employee position. Ms. Baker seconded. All voted in favor (except for Mr. O'Brien who was not present). Motion passed.

EXECUTIVE SESSION – Ms. Smutny called for an executive session at 7:28 pm to discuss personnel issues, legal matters with counsel and other confidential matters. All guests exited the meeting. Employees Shawn Hamerly, Denny Scott, and Kristina Parker exited the executive session after several minutes. The executive session was concluded at 8:09 pm and the regular session of the meeting resumed. Employees Shawn Hamerly, Denny Scott, and Kristina Parker re-entered the meeting along with members Ann Bailey, Don Wise, and Michael Thomas.

UNFINISHED BUSINESS

Motion 2023-041: Mr. McKone made a motion to amend the previous motion on the part time position to include it being full time. Ms. Baker seconded All voted in favor. Motion passed.

NEW BUSINESS

Mr. O'Brien re-entered the meeting and discussion followed concerning River Run's request for reimbursement of 27 ERU's. The Board concurred to take no action on the request in order to review at a future meeting Sallal's previously issued ERU estimate for the project and other details.

ITEMS TO TRACK & COME BACK TO IF THERE IS ACTIVITY

COMMITTEE REPORTS

MEMBER ADVISORY COMMITTEE: None

DATA AND TECHNOLOGY COMMITTEE: None

CONSERVATION COMMITTEE: None

MOTION TO ADJOURN: Motion to adjourn the meeting at 8:15 pm was made by Ms. Baker, seconded by Ms. Hibma, and unanimously approved.

Next scheduled meeting:

Member Informational Meeting: May 24, 2023 at 6 pm

Board Meeting: Tuesday, June 20, 2023 at 6 pm