

**SALLAL WATER ASSOCIATION  
MINUTES OF August 15, 2023 BOARD OF TRUSTEES MEETING  
SALLAL WATER ASSOCIATION CONFERENCE ROOM**

**Board members present:** Daylin Baker (Vice President), Eric O'Brien (Secretary), Larry Costello, Shawn McKone 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; Stephanie Hawks-Johnson, Don Wise, and Luiza and Jeff Davis.

**EXECUTIVE SESSION: INTERVIEW BOARD TRUSTEE CANDIDATES**

Ms. Baker opened the meeting at 6:00 pm and convened an executive session for the Board to interview applicants Stephanie Hawks-Johnson and Donald Wise for the open Board position. Ms. Parker and council were the only non-Board attendees other than the applicants. Ms. Hawks-Johnson was interviewed first and exited the meeting at 6:15pm. Mr. Wise then entered and was interviewed. The executive session was concluded at 6:30 pm and the regular session of the meeting commenced. Guests (except for Mr. and Mrs. Davis) and Messrs. Scott and Bergman entered.

**APPOINTMENT OF BOARD TRUSTEE**

Based on a show of hands of all Trustees present, Donald Wise was unanimously appointed as Trustee to fill the seat vacated by Joyce Hibma. Mr. Wise accepted the appointment and joined the other trustees at the meeting table. Ms. Hawks-Johnson exited the meeting.

**VISTOR COMMENTS**

Mr. and Mrs. Davis entered the meeting at 6:55 pm. Mr. Davis appealed for relief from a meter installation excess charge of \$2,494.38. The total bill from Fury Siteworks for the meter installation for a home at 13739 436<sup>th</sup> Ave SE was 6,290.10 which exceeded the \$3,800 minimum installation charge. He reviewed the history of the home and the meter installation. Discussion followed and Ms. Baker deferred the discussion and decision on the matter to the end of the meeting. Mr. and Mrs. Davis exited the meeting at 7:13 pm.

**CONSENT AGENDA**

- Vote to approve minutes for the July 18, 2023 Board meeting
- Vote to approve consultant statements:
  - Jonson & Jonson - \$9,460.00
  - Gray & Osborne - \$9,785.39
  - Finney & Neill - \$15,304.93

**Motion 2023-08-15-01** by Mr. O'Brien to approve the consent agenda, seconded by Mr. McKone and passed 5-0 (Mr. Wise abstaining).

**CONSULTANT STATEMENTS:**

- Akana - \$276.63
  - This invoice exceeds the current contract amount. New amount totals \$679,426.66

- Lawhead - \$500.00
  - This invoice exceeds the current contract amount. New amount totals \$517,823.80

**Motion 2023-08-15-02** by Mr. Costello and seconded by Mr. Formisano to approve the consultant statements as presented and adjust the contract balances accordingly. Motion passed 5-0 (Mr. Wise abstaining).

## REPORTS

### **ENGINEERING REPORT** *Mike Johnson of Grey & Osborne*

- Intertie Update. Mr. Johnson provided an update about the necessity of engaging a separate contractor to install the variable speed drive for Well No. 2 rather than attempting a change order with the generator installation contractor. It was also noted that the well pump motor will need to be replaced since the existing motor is not VFD rated. **Action** - G&O will prepare a separate design and bid package for the Well #2 VFD. A proposed schedule posted to dropbox for work to implement the interties and improvements pursuant to the supply contract with North Bend was reviewed and discussed. **Action** – It was noted that the necessary work on the Sallal side of the Boxley Creek intertie to modify the SCADA programming, install instrumentation for monitoring and control is not addressed in the current work plan and schedule. **Action** – G&O will revise the work plan and schedule and provide a design proposal to address the work on the Sallal side of the Boxley Creek intertie.
- Status of the North Bend wholesale water pricing analysis – G&O will provide update at the next board meeting.

### **ATTORNEY REPORT** *Dick Jonson, Jonson & Jonson*

- Draft member document request policy posted to dropbox was reviewed. Discussion followed and Mr. Jonson will prepare an edited version for further Board review.

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

- Operations Update: Mr. Scott presented.
- Headquarters Update: Mr. Bergman provided an update on the final punchlist work that the contractor still has not performed and his scheduled meeting next week with the County inspector. Building permit completion deadline was extended due to contractor delay. It may be necessary to commence enforcement of the contractor's performance bond.

### **BUSINESS REPORT**

- Business Update: Ms. Parker presented.
- Member: Davis letter to Board. Mr. Scott and Mr. Bergman reviewed the meter installation and contractor charges. After discussion, the Board concurred in denying the appeal to adjust the meter installation charge.
- Ratify Email motion: Sale of 2010 Ford Truck.

**Motion 2023-08-15-03** by Mr. McKone to ratify the sale of the 2010 Ford F150 Truck to Fury Siteworks and seconded by Mr. Costello. Motion passed unanimously.

- New Service Truck Discussion. The Board requested Mr. Scott to investigate pricing and availability of a ½ or ¾ ton, 4wd pickup with service body that is less than ten years old.
- Review Proposals for Rate Consultants – review at next meeting.

- Review Current Water Loss Adjustment Policy and Recommended Changes. Ms. Parker presented proposed changes to the Association's water loss adjustment policy as set forth in her memo posted to dropbox. Lengthy discussion followed including a request made in February of this year by member Wagner to adjust the policy as a result of a leak occurrence.

**Motion 2023-08-15-04** by Mr. McKone to accept Ms. Parker's recommendations and direct preparation of a revised policy to take effect retroactively to include the Wagner leak. The motion was seconded by Mr. Wise and passed unanimously.

- Review Proposals for Board Minutes Service – review at next meeting.
- Work Study – scheduled for August 22, 2023 for Purposes of Discussing Water Conservation Policy. No discussion.
- Question was raised regarding record keeping for member capital credits and patronage in accordance with IRS rules. **Action** – Ms. Parker will look into this and provide update at future board meeting(s).

### **EXECUTIVE SESSION**

Ms. Baker called for an executive session at 9:11 pm to discuss personnel issues. Guests along with Messrs. Scott, Bergman and M. Johnson exited. The executive session was concluded at 9:45 pm and the regular session of the meeting resumed.

**UNFINISHED BUSINESS** none

**NEW BUSINESS** none

### **COMMITTEE REPORTS**

**MEMBER ADVISORY COMMITTEE:** None

Upon motion made, seconded and passed, the meeting adjourned at 9:45 pm.

Submitted by:

Richard Jonson, counsel

Next scheduled meetings:

Conservation Policy Workshop: Tuesday, August 22, 2023, 6:00 pm

Board Meeting: Tuesday, September 19 2023 at 6 pm