

**SALLAL WATER ASSOCIATION
MINUTES OF OCTOBER 17, 2023 BOARD OF TRUSTEES MEETING
SALLAL WATER ASSOCIATION CONFERENCE ROOM**

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

Consultants present: Richard Jonson, Attorney; Mike Johnson, G & O; Leslie Sesser of Finney Neill & Co.

Employees present: Kristina Parker, General Manager; and Tree Bergman, Associate Water Superintendent.

Guests present: Don DeBerg, Sallal member and City of North Bend Public Works Engineer; Michael Thomas, member.

CALL TO ORDER

Ms. Smutny opened the meeting at 6:00 pm.

VISTOR COMMENTS Mr. Thomas spoke about conservation policy and a proposed CIP update by North Bend showing a pump station and main extension to the National Guard site.

Ms. Sesser presented 2022 audit results and findings.

CONSENT AGENDA

- Vote to approve minutes for the September 19, 2023 Board meeting (as edited by Mr. Costello)
- Vote to approve consultant statements:
 - Jonson & Jonson - \$4,825.00
 - Gray & Osborne - \$5,876.43
 - Finney & Neill - \$5,399.00

Motion 2023-10-17-01 by Mr. Wise and seconded by Mr. Costello to approve the consent agenda but not including the September minutes (due to missing information). Motion passed unanimously.

CONSULTANT STATEMENTS:

- Lawhead - \$320.00
 - This invoice exceeds the current contract amount. New amount totals \$518,463.77.

Motion 2023-10-17-02 by Mr. Costello and seconded by Mr. Wise to approve the consultant statement as presented and adjust the contract balance accordingly. Motion passed unanimously.

REPORTS

ENGINEERING REPORT *Mike Johnson of Grey & Osborne*

- Water Conservation Policy Update. Lengthy discussion followed including the impact on Wilderness Rim.

Motion 2023-10-17-03 by Mr. McKone and seconded by Ms. Baker to approve the Water Conservation Policy as presented. Motion passed 5 to 2 with Messrs. Costello and Formisano voting no.

- Intertie Update. Site evaluation update for location of potable water intertie. Mr. Johnson recommends alternate no. 2 as described in report posted to dropbox. The Board concurred.
- VFD at Well 2 Update. G-O's proposal for additional engineering services was reviewed. Mr. Bergman stated that the new pump has been installed.

Motion 2023-10-17-04 by Mr. O'Brien and seconded by Mr. McKone to approve Gray & Osborne's proposal for Well 2 VFD design, bid and support services dated Oct. 9, 2023 as posted to dropbox. Motion passed 6 to 1 with Mr. Costello voting no.

- NB Wholesale Rate Study. No report.
- Generator Installation Update. Generator has been installed, tested and is operational. Disconnect switch has not yet been delivered. Rental generator will be returned shortly. Payment No. 1 to the installation contractor recommended by G-O. Ms. Parker also requested approval of 85% payment to Cummins upon receipt of a proper invoice.

Motion 2023-10-17-05 by Mr. Costello and seconded by Mr. O'Brien to approve Progress Payment No. 1 to Legacy Power Systems in the amount of \$116,553.62. Motion passed unanimously.

Motion 2023-10-17-06 by Mr. McKone and seconded by Mr. Costello to approve 85% payment in the amount of \$108,986.50 to Cummins Power Systems upon receipt of invoice for such amount. Motion passed unanimously.

ATTORNEY REPORT *Dick Jonson, Jonson & Jonson* Deferred to executive session.

OPERATIONS REPORT *Tree Bergman, Associate Water Superintendent*

- Operations Update: Report with discussion.
- Headquarters Update: Final building permit approval expected upon final review by King County of as-builts for site development work. Ms. Parker reviewed minor billing dispute with HiMark and the Board concurred in accepting \$545 in payment.
- Water Production/Consumption. Presented.

BUSINESS REPORT *Ms. Parker, Director of Finance and Administration.*

- Business Update: Report with discussion. The Board concurred with a granting short-term extension of the Tupper CWA.
- 2024 Operational Budget. Presented.
- Change of Check Deposit Method.

Motion 2023-10-17-07 by Ms. Baker and seconded by Mr. O'Brien to authorize new check depositing procedures and equipment acquisition as set forth in Ms. Parker's memo posted to dropbox. Motion passed unanimously.

- Peninsula Financial Consulting Multifamily Rate Proposal.

Motion 2023-10-17-07 by Mr. McKone and seconded by Mr. Wise to approve the Peninsula Financial Consulting's proposal as posted to dropbox. Motion passed unanimously.

EXECUTIVE SESSION Ms. Smutny called for an executive session at 8:27 pm to discuss pending legal issues with counsel. Messrs. DeBerg and Bergman exited. Mike Johnson exited during the executive session. The executive session was concluded at 9:05 pm and the regular session of the meeting resumed.

UNFINISHED BUSINESS none

NEW BUSINESS none

Upon motion made, seconded and passed, the meeting adjourned at 9:06 pm.

Submitted by:
Richard Jonson, counsel

Next scheduled meetings:
Board Meeting: Tuesday, November 21, 2023 at 6 pm