

## **SALLAL WATER ASSOCIATION**

### **MINUTES OF NOVEMBER 21, 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 (by Zoom).

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

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

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

#### **CALL TO ORDER**

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

#### **VISTOR COMMENTS** none

#### **CONSENT AGENDA**

- Vote to approve minutes for the September 19, 2023 Board meeting
- Vote to approve minutes for the October 17, 2023 Board meeting (removed from the consent agenda for separate discussion and vote)
- Vote to approve consultant statements:
  - Jonson & Jonson - \$5,140.00
  - Gray & Osborne - \$14,506.02
  - Finney & Neill - \$11,960.00

**Motion 2023-11-21-01** by Mr. O'Brien and seconded by Mr. McKone to approve the consent agenda (not including the October minutes). Motion passed unanimously.

**Motion 2023-11-21-02** by Mr. Costello and seconded by Mr. Formisano to approve the October 17, 2023 minutes as edited by Mr. Costello. Motion failed 2-5 with Mmes. Smutny and Baker and Messrs. O'Brien, McKone and Wise voting against.

**Motion 2023-11-21-03** by Mr. O'Brien and seconded by Ms. Baker to approve the October 17, 2023 minutes as originally posted by management. Motion passed 5-2 with Messrs. Costello and Formisano voting against.

#### **CONSULTANT STATEMENTS:**

- Lawhead - \$455.48
  - This invoice exceeds the current contract amount. New amount totals \$670,882.14.

**Motion 2023-11-21-03** by Mr. O'Brien 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*

- Intertie Update. Preparation of 50% plans are next step for the North Bend Way Intertie.
- Well 2 Update. Plans for VFD and HVAC are being prepared. 30% deliverable for the P&ID and sequence of operation will be issued separately, date TBD.
- NB Wholesale Rate Study Update. G-O memorandum to North Bend was reviewed. Mr. Wise presented an additional calculation to include quantities of mitigation water purchased which would lower the rate. Mr. Costello requested confirmation that the City will not attempt to recover additional cost items previously discussed.
- Generator Installation Update. PSE is scheduled to install new connection on Nov. 28.

## **Attorney Report**

- Mr. Jonson reported on two Perfluoroalkyl substances (PFAS) class action lawsuits and recommended that the Association engage the Marten Law Firm to prepare and file pleadings to opt out of the litigation so as to not be bound by settlement agreements with the manufacturers.

**Motion 2023-11-21-04** by Ms. Baker and seconded by Mr. O'Brien to authorize the General Manager to engage the Marten Law Firm for legal services at a cost not to exceed \$5,000 to opt out of two PFAS class action law suits. Motion passed unanimously.

## **OPERATIONS REPORT *Denny Scott and Tree Bergman***

- Operations Update: Report by Mr. Scott with discussion.
- Headquarters Update. Mr. Bergman reported on completion of as-builts and submittal to King County - awaiting final inspection.
- Water Production/Consumption. Ms. Parker reported that she will be posting updated figures shortly to include November.
- CWA Application – Triple Sixty. Mr. Bergman reviewed the development proposal and noted that the owner of the property already has two memberships that served two homes on four parcels. The development will consist of a boundary line adjustment that converts the four parcels into two and for each parcel to have a storage facility. The developer is requesting a CWA for four ERU's with two attributable to two new and separate irrigation meters. After discussion, the Board concurred that each of the two newly proposed parcels was already entitled to a standard meter and it was unnecessary to issue two additional meters for temporary irrigation of new landscaping improvements.

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

- Business Update: Report with discussion.
- 2024 Operational Budget. Capital receipts and expenditures presented. Ms. Parker will request Board approval of the entire budget at next meeting. Submit comments to her prior to the meeting.
- Ratify Vote to Approve 2022 IRS 990. Ms. Parker requested ratification of a prior vote occurring by email. She stated that she made corrections to the form as previously circulated and responded to Mr. Costello's questions and comments as noted in a memo posted to Dropbox.

**Motion 2023-11-21-05** by Mr. Wise and seconded by Mr. O'Brien to ratify approval of execution and filing of IRS Form 990 for 2022. Motion passed unanimously.

- Vote to Approve Eaton Corporation Invoice for \$11,881.99. Mr. Bergman explained that the invoice was for diagnostic services and new pump starter equipment for pumps at Edgewick.

**Motion 2023-11-21-06** by Mr. McKone and seconded by Mr. Wise to approve payment to Eaton Corporation in the amount of \$11,881.99. Motion passed unanimously.

- December Staff vacation schedules were reviewed.

**EXECUTIVE SESSION** Ms. Smutny called for an executive session at 8:23 pm to discuss potential claims issues with legal counsel concerning service to the Puget Western site and River Run. Messrs. DeBerg and Johnson exited. The executive session was concluded at 8:40 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 8:40 pm.

Submitted by:

Richard Jonson, counsel

Next scheduled meetings:

Board Meeting: Tuesday, December 19, 2023 at 6 pm