

**SALLAL WATER ASSOCIATION
MINUTES FOR MARCH 21, 2023 BOARD OF TRUSTEES MEETING**

CALL TO ORDER (QUORUM PRESENT) 6:01 PM

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

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 and Ms. Shawn Hamerly, Office Manager

Guests Present: Mr. Don Deberg, Public Works City of North Bend; Ms. Ann Bailey, Sallal member & MAC; Mr. Mike Thomas, Sallal member; Ms. Jean Buckner, Sallal member; Mr. Jon Tinker, Sallal member; Mr. Marcus Morissette, Sallal member; Mr. Nathan Quinton, Sallal member.

VISTOR COMMENTS

- Mr. Quinton has property within Sallal Water's service area and along with a few other neighboring properties, are planning a 48-unit cottage style development. He is requesting a certificate of water availability for the homes on his parcel, with the remainder to be served by North Bend since they are adjacent to Centennial Well located on NB Public Works property. Mr. Quinton is currently in the building application process with the City of North Bend for this development.
- Mr. Thomas asked several questions concerning the lack of engineering analyses to confirm that the terms and conditions of the draft Sallal-NB contract can be met. Mr. Thomas sent an email earlier in the day with his questions.
- Ms. Bailey expressed concern about the draft Sallal-NB contract in that the 100 acre-feet of mitigation water required from Sallal will not be adequate and lead to future contract issues.
- Ms. Buckner expressed concern regarding the draft contract with the City of North Bend and wanted to ensure the membership will be offered two meetings to discuss the contract.

CONSENT AGENDA

- Vote to approve minutes for the February 21, 2023 Board meeting.
- Vote to approve minutes for the March 6, 2023 Board work study.
- Vote to approve consultant statements.
 - Jonson & Jonson - \$12,050.00
 - Gray & Osborne - \$4,352.77

Mr. Costello posted edits to the February 21, 2023 Sallal Board Monthly meeting minutes. His edits were in regard to the MAC meeting minutes of February 13, 2023, specifically regarding item #2 pertaining to Sallal mitigation water no longer being backup to Hobo Springs which he thought was contrary to the discussions at the February 6th Special meeting. Ms. Baker confirmed that the issue was discussed at February 6th Special Board meeting and the majority of the Board supported this change.

Motion 2023-024

Motion by Mr. Mckone and seconded by Ms. Baker to approve consent agenda without Mr. Costello's edits to the February 21, 2023 Board meeting minutes. Motion carried 6 for, 1 opposed (Mr. Costello).

CONSULTANT STATEMENTS

- Akana - \$1,937.83, this invoice exceeds the current contract amount. New amount totals \$674,982.77.
 - Lawhead - \$3,015.00, this invoice exceeds the current contract amount. New amount totals \$509,354.10.
- Ms. Parker estimated that Lawhead will probably invoice another \$3,000 to \$5,000 to finish closeout tasks.

Motion 2023-025

Motion by Mr. Formisano and seconded by Mr. O' Brien to approve raising the limit on Akana's service contract to \$674,982.77 and authorize payment to Akana for invoice no. 20017-030 in the amount of \$1,937.83; and to approve raising the limit on Lawhead's service contract to \$509,354.10 and to authorize payment to Lawhead for invoice no. 5491 in the amount of \$3,015.00. Motion carried.

REPORTS

ENGINEERING REPORT *Gray & Osborne/Mr. Mike Johnson made the following report:*

Mr. Mike Johnson stated the Rattlesnake wells received 2 bids for that project last Thursday. Mr. Johnson reported a discrepancy in the bid packet provided to the bidders pertaining to whether a bid bond was to accompany each bid. A bid protest was received by one of the bidders. Board discussion followed with input and recommendations from legal counsel and Sallal's water superintendent.

Motion 2023-026

Motion by Ms. Hibma and seconded by Mr. Costello to reject all bids and resolicit the Request for Proposal for the Rattlesnake Wells Auxiliary Generator Replacement. Motion carried.

ATTORNEY REPORT *Jonson & Jonson / Mr. Richard Jonson made the following report:*

- Nothing to report.

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

- Quiet month, no leaks, water usage running about 400,000 gallons per day which is normal for this time of year. We continue to alternate between all 3 well pumps to spread operating hours evenly. Chlorine residuals holding steady which is a good indication that system is clean. We did have a couple of complaints about chlorine but there was no evidence of stagnant water, took samples – no discrepancies, chlorine residuals normal. Customer still dissatisfied with the chlorine. Suggested customer consider chlorine filter options.
- As snow levels in higher elevations of our service area melt we are resuming leak detection. Estimate leak detection to be completed approximately end of April.
- We used a local contractor to replace 35 meters that required rereading. Continuing to look into upgrading our member meters to next generation smart meters.
- Tank cleaning: The two Mt Si tanks are due to be cleaned this year. They are on a 5-year rotation. Low sediment in our water has kept our tanks extremely clean, we have only ever had to clean out one tank. Should either of the two tank inspections reveal more than a quarter inch of sediment on the tank bottom, then the sediment will be removed.

- Several Pressure Reducing Valves are on a schedule to be rebuilt this year. They are on a 5-year overhaul schedule.
- Sent Well #3 production meter (magnetic) back to be tested. Magnetic meters seldom need recalibration. It has been about 15 years since it was first installed and considered prudent to send this meter for inspection and calibration as part of our 2022 water consumption and DSL investigation. Also investigated the cost of a new magnetic meter to replace the meters in Well #1 & 2. Ballpark estimate is \$3,900 per unit.
- Installed a new 12" isolation valve in Cedar Village area today using a contractor with oversight by Mr. Bergman (Sallal Water Operator). The valve improves our ability to isolate a section of piping while minimizing the number of member connections affected should repairs ever be needed. Surprisingly the water main was 12 ft underground.
- New Office & Shop Project: Mr. Bergman is mostly through the punch list. Remaining paint and caulking, operational and maintenance manuals and landscaping still pending. USDA had their final inspection, participants included Lawhead (project Engineer of Record), Himark (construction contractor), Ms. Parker and Mr. Bergman. USDA did not find additional discrepancies than those already on the punch list.
- River Run developer extension agreement not ready to accept at this time, expect next month.

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

- Annual Meeting Update: Ballots have been coming into the office. Ms. Hamerly is managing the ballots as in previous years.
- The smart meter reading system upgrade Denny mentioned will be presented at the April Board meeting.
- Banking Update: Umpqua merged with Columbia on 03-20-2023. Sallal has accounts with both Umpqua and Columbia Banks, Ms. Parker worked with both banks to merge our data for a smooth transition.
- USDA loan update: They have forwarded all documents to their council for review. Ms. Parker anticipates the closing of the loan in the next 2 to 3 weeks.
- Ms. Parker presented an updated draft budget in paper form to the Board. The updated draft included previous recommendations from the Board. The Board requested the updated draft budget to be sent in electronic copy.
- Ms. Parker discussed the idea of a new format for meetings by holding the executive session at the beginning of meeting and inviting guests to arrive for open session at a specific time. Discussion followed. It was decided to keep the existing meeting format.

EXECUTIVE SESSION

- Ms. Smutny called for an executive session at 7:16 for the purposes of discussing the request for service area adjustment, CWA requests and personnel matters. All guests exited the meeting. The executive session concluded at 7:52 pm and the regular session of the meeting resumed.

UNFINISHED BUSINESS

- Upon exiting Executive Session the following items were discussed:
 - Mr. Quinton's CWA request: The Board requested Mr. Scott ask Mr. Quinton to clarify his application to specify what he is requesting from Sallal and provide necessary details about the proposed development.
 - Mr. and Mrs. Fleck CWA: Per their CWA application the Flecks do not need any additional ERUs, they need a CWA, to submit to King County, that reflects the existing water connection. Mr. Scott to issue a CWA identifying existing water connection with no additional ERUs.

- Mr. Buchan CWA request; Last month the Board approved a CWA renewal for 11 ERUs. The new CWA request is for an additional ERU for irrigation service. The Board requested Mr. Scott to discuss with Mr. Buchan if this a temporary water service until plant establishment has been achieved.
- Mr. Formisano reported that a letter from Department of Ecology was received today. This letter formally closed the 2001 water right application.

NEW BUSINESS

None

ITEMS TO TRACK & COME BACK TO IF THERE IS ACTIVITY

None

MEMBER ADVISORY COMMITTEE (MAC) *Ms. Kristina Parker*

- Ms. Parker updated the Board that Mr. Don Wise was unable to attend tonight's meeting. The meeting minutes from the March 14th, 2023 meeting were placed in Dropbox.
- Presented the March 14, 2023 MAC meeting minutes.

Motion 2023-027

Motion by Mr. McKone and seconded by Ms. Hibma to approve the March 14, 2023 MAC meeting minutes.
Motion carried.

DATA AND TECHNOLOGY COMMITTEE *Mr. Formisano*

- Mr. Formisano has updated the task lists and has placed in Dropbox for Board review.
- Staff needs to complete assessment and update of the CWA list (task #23) to confirm ERU availability for 2023.
- G&O is getting close to completing major tasks #3, 4, and 5. WSP chapter 2 tables (task 5) are in draft. For tables needed the number of connections we decided to use average connections per year as opposed to EOY connections. I took on the task to create the same tables using EOY connections so we can compare. 2019 consumption data is still needed from staff to complete this task.
- As explained earlier, Mr. Scott has sent Well #3 water meter for inspection and calibration (task #6).
- As discussed in Mr. Scott's operation report, Ms. Laffey is investigating smart meters and advanced meter infrastructure improvements (task #26). This next generation of meters and infrastructure can be a game changer for improved consumption accuracy, ease and timeliness of meter readings & leak detection. The project will dovetail nicely with the conservation policy project.
- Task #28 has not begun but is to determine the benefit & cost of implementing advanced analytical tools for staff, engineering and members to assess water usage. This would be similar to the analytical tools Tanner Electric uses to provide data and information to its staff and members.

CONSERVATION COMMITTEE *Ms. Parker*

- Conservation coloring contest going well...have received 8 entries from children ages 4 through 9 years old.

CITY OF NORTH BEND COMMITTEE *Ms. Baker and Ms. Hibma*

- Ms. Baker provided a short update of the draft contract with the City. She stated that Mr. Johnson from Gray & Osborne has been working on engineering details of the agreement.

- Mr. Johnson, Mr. Scott, and Ms. Parker had their first meeting with the City as Sallal's representatives on the Intertie Management Committee as described in the draft contract and it went well.
- Senator Mullet has confirmed that two million dollars has been set aside for Sallal and the City of North Bend to split. The funds are to cover the costs of the infrastructure needed for the Water Supply contract.

MOTION TO ADJOURN

Motion to adjourn the meeting at 8:15pm was made by Ms. Baker and seconded by Mr. McKone. Motion carried.

NEXT SCHEDULED MEETINGS

Annual Member Meeting: Tuesday, March 28, 2023 at 6 pm.

Board Meeting: Tuesday, April 18, 2023 at 6 pm