

**SALLAL WATER ASSOCIATION
MINUTES OF MARCH 19, 2024, 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, Engineer.

Employees present: Denny Scott, Water Superintendent and Tree Bergman, Associate Water Superintendent.

Guests present: Michael Thomas, Don DeBerg and Aaron Keeler (by telephone, not participating, departed/ended call at 6:20 p.m.) from River Run Ventures, LLC.

CALL TO ORDER

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

VISTOR COMMENTS Mr. Thomas spoke.

CONSENT AGENDA

- Vote to approve minutes for the February 20, 2024 Board meeting.
- Vote to approve consultant statements:
 - Jonson & Jonson - \$10,005.00
 - Gray & Osborne - \$46,787.76

Mr. Costello and Mr. Formisano reviewed their proposed edits and comments to the minutes as posted to Dropbox and discussion followed.

Motion 2024-03-19-01 by Mr. Wise and seconded by Ms. Baker to approve the Consent Agenda to include the following edits to the February 20, 2024 minutes: Accept all of Mr. Costello's edits except for his addition under the first bullet of New Business; delete last sentence under the first bullet of New Business; accept Mr. Formisano's edits concerning his presence at the meeting. Motion passed unanimously.

OPERATIONS REPORT

- Mr. Scott reported on the condition of the water system and current work. He reported that the pump has been put back into Well No. 1 so it can operate during the summer months. Well No. 1 will be re-evaluated in the Fall to determine whether it can be rehabilitated. Mr. Bergman reported on completion of repairs to electrical components and telemetry in the Mt. Si area. Mr. O'Brien reported on Sallal's application for federal disaster funding resulting from the February storm.
- Approval to Pay Legacy final invoice for Generator of \$40,240.79. Mr. Bergman recommended payment.
- Approval to Pay Legacy Retainage of \$7,560.00. Mr. Bergman recommended payment. The motion below covers both agenda items pertaining to Legacy.

Motion 2024-03-19-02 by Mr. McKone and seconded by Mr. Wise to approve payment of \$47,800.70 to Legacy Power Systems for generator installation services and to accept its work. Motion passed unanimously.

- Approval to Pay Cummins Start Up Invoice \$19,232.83. Mr. Bergman recommended payment of this invoice subject to receipt of operations documentation.

Motion 2024-03-19-03 by Mr. Wise and seconded by Mr. Costello to approve payment of \$19,232.83 to Cummins, Inc. subject to receipt of operations documentation. Motion passed unanimously.

- Approval to Hire New Operator. Mr. Scott reported that the field employee has given notice that he will shortly leave the Association's employment. He described a new candidate for the job and wage range, which is within budget. He will offer the job to the new candidate and the Board concurred.
- Approval to Pay \$15,871.29 to Cla-Val Company. Mr. Bergman reported that delivery of two new valves from this company has been received and he recommended payment of the outstanding invoice.

Motion 2024-03-19-04 by Mr. O'Brien and seconded by Mr. McKone to approve payment of \$15,871.20 to Cla-Val Company for parts ordered and received. Motion passed unanimously.

- Mt. Si Duplex Pump Controller Additional Work. Mr. Scott and Mr. Bergman described additional telemetry work that is needed for the Mt. Si area facilities to fully integrate them into the SCADA system. Systems Interface has quoted the cost of the work at \$7,488 but added that a new driver may be needed, which won't be known until the work is underway. The driver will cost \$5,760 plus sales tax. Mr. Scott and Mr. Bergman recommended approval of this scope of work.

Motion 2024-03-19-05 by Mr. McKone and seconded by Mr. Wise to authorize telemetry integration services and equipment from Systems Interface in an amount not to exceed \$15,0000 plus WSST. Motion passed unanimously.

BUSINESS REPORT

Treasurer's Report. Mr. Wise reported on business matters including a cash management update about Umpqua Bank providing Insured Cash Sweep (ICS) service which will provide FDIC coverage for all Sallal funds in the operating account, and which will also pay, initially, 4% interest. Discussions with Vine Dahlen Co. for bookkeeping services and status of legislation approving funding of the new intertie. The status of multifamily water rate analysis from Peninsula Financial Consulting is not clear and it may be necessary to seek the services of another consultant. Security deposit to secure payment bond resulting from the Hi-Mark lien will be returned.

Motion 2024-03-19-06 by Mr. McKone and seconded by Mr. Wise to approve both the Finney Neil 2023 audit engagement letter and the Finney Neil ballot counting engagement letter. Motion passed with six trustees in favor and Mr. Costello voting no.

ATTORNEY REPORT Mr. Jonson reported on King County's continuing inaction regarding a new franchise and claim for franchise compensation.

UNFINISHED BUSINESS none

NEW BUSINESS Plan for Managing Potential Run-Off Election. Discussion followed concerning elimination of the lowest vote getter from a potential run-off election for an open board seat. No action.

EXECUTIVE SESSION Ms. Smutny called for an executive session at 7:47 pm to review personnel and legal matters with counsel. All guests and Mike Johnson exited the meeting. Mr. Bergman and Mr. Scott exited at 8:08 pm. The executive session was concluded at 8:37 pm.

Upon motion made, seconded and passed, the meeting adjourned at 8:37 pm.

Submitted by:
Richard Jonson, counsel

Next scheduled meetings:
Board Meeting: Tuesday, April 16, 2024, at 6 pm

