

**SALLAL WATER ASSOCIATION
MINUTES OF THE SEPTEMBER 17, 2024 BOARD OF TRUSTEES MEETING
SALLAL WATER ASSOCIATION CONFERENCE ROOM**

Board members present: Denise Smutny (President), Don Wise (Treasurer), Eric O'Brien (Secretary), Larry Costello and Emilie Moore.

Consultants present: Richard Jonson, Attorney; Mike Johnson, Engineer; and Leslie Sesser, CPA.

Employees present: Devin Mettler, General Manager; Denny Scott, Water Superintendent; Tree Bergman, Associate Water Superintendent; Scott Hemingway, Water Operator

Guests present: none

CALL TO ORDER

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

VISTOR COMMENTS none

CONSENT AGENDA

- Vote to approve minutes of the August 20, 2024 Board meeting.
- Vote to approve consultant statements:
 - Jonson & Jonson - \$3,740.00
 - Gray & Osborne - \$28,814.81
 - Finney, Neill & Co. - \$10,810.00

Motion 2024-09-17-01 by Mr. Wise and seconded by Mr. Costello to approve the Consent Agenda to include all edits to the August 20, 2024 minutes as submitted by Messrs. Wise and Costello. Motion passed unanimously.

Ms. Moore entered the meeting.

AUDITOR REPORT (Leslie Sesser, Finney Neill & Co.)

Ms. Sesser presented the draft 2023 annual audit and comments of the auditor. Discussion followed. Mr. Costello offered a correction to note 8 in the draft. She exited the meeting at 6:22 pm.

ENGINEERING REPORT (Mike Johnson, G&O)

- North Bend/Boxley Creek Intertie Updates – Mr. Johnson reported that the easement has been signed and recorded; construction contract with Anvil Builders, Inc. has been executed and notice to proceed issued (9.13.24); building permit from North Bend is approved. The Site use permit is expected to issue by month end.
- DOH Funding Update – Mr. Mettler reported that DOH/DWSRF staff were still working on the grant contract.
- VFD Update – Mr. Johnson reported that only one bid was received, which was from Gary Harper Construction in the amount of \$169,619.20; the engineer's estimate was for \$152k; other contractors declined to bid because the project was small yet complex; he reviewed the bidder's qualifications and

designated subcontractors and recommended awarding the contract; Messrs. Scott and Bergman concurred. Discussion followed whether to delay the award and seek additional bids.

Motion 2024-09-17-02 by Ms. Smutny and seconded by Mr. O'Brien to award the Well No. 2 VFD project to Gary Harper Construction, Inc. in the amount of \$169,619.20. Motion passed unanimously.

- Well No. 2 Electrical Improvements (VFD Project) Construction Management Services. Mr. Johnson presented a proposal to perform construction management services for the Well No. 2 VFD project.

Motion 2024-09-17-03 by Mr. Costello and seconded by Mr. O'Brien to approve a construction management services agreement with Gray & Osborne for the Well No. 2 VFD project in an amount not to exceed \$26,500.00. Motion passed unanimously.

- Well No. 1 Replacement – Design of the proposed replacement well for Well No. 1 was discussed and the Board concurred to stay with the concept previously approved of installing a well with depth and screening equivalent to the original Well No. 1. G&O will proceed on that basis.
- Wilderness Rim Meter Vault – Mr. Bergman reviewed County permitting issues and stated that G-O assistance was needed to design new water main within County right of way.

OPERATIONS REPORT (Denny Scott and Tree Bergman)

- DSL Leak Detection– Mr. Scott reported on recent repairs and noted that DSL has dropped. Mr. Scott will work with G&O to complete a questionnaire needed to initiate a pilot test of the Echo Logic leak detection system.
- Project Updates - Mr. Scott reported on reduced water production and usage due to weather conditions, a development concept presented by Albert Lee and inventory of possible lead in service lines, noting Sallal's system didn't have any lead service lines.
- Well 3 Update – Well No. 3 is back in service and samples for pfas testing have been sent to EPA.
- Pump Tech invoice – Mr. Mettler requested a motion ratifying a previous email authorization to approve payment of this invoice.

Motion 2024-0-17-04 by Mr. Wise and seconded by Ms. Moore to ratify and approve payment of \$29,478.93 to Pump Tech for Well No. 3 work. Motion passed unanimously.

- Boxley Creek Intertie – Mr. Bergman stated that he received a bid from Fury Siteworks to install the main to connect Well Nos. 1 and 2 in the approximate amount of \$44,000 but is awaiting more bids. He recommended that the work be performed in October and requested approval to award the project to the lowest responsible bidder as determined by management.

Motion 2024-0-17-05 by Mr. O'Brien and seconded by Mr. Costello to approve a small works construction contact in an amount not to exceed \$50,000 for the installation of water main and appurtenances to connect Well Nos. 1 and 2 and authorizing management to determine and issue the contract to the lowest responsible bidder. Motion passed unanimously.

BUSINESS REPORT (Devin Mettler)

- Treasurer's Report – Mr. Wise reported on finances; going forward, draft financial statements will be presented to the Board on a quarterly basis; work has begun on the 2025 budget, with a draft to be presented at the October board meeting.
- GM Report – Mr. Mettler reported on job postings and applicants, completion of annual backflow testing, and staff investigation of potential new billing and financial software.
- Multi-Family Rates- Mr. Mettler presented proposed changes to the rate schedule to create a separate multi-family category and adjustments to Rule No. 42. After discussion, the Board requested Mr. Mettler to obtain proposals from rate consultants to provide analysis of and recommendations for rate changes.
- FEMA public assistance grant update – Sallal's application remains pending; insurance claim submitted.

ATTORNEY REPORT

Mr. Jonson briefly reviewed recent King County activities regarding new franchise applications and related fees and regional water supply activities.

UNFINISHED BUSINESS

- Minutes from the 2023 Member Meetings. This matter is complete.
- Mr. Costello reiterated a previous request for a comprehensive plan for service meter replacement and new endpoint installation
- Mr. Formisano reiterated, by email, other previous requests:
 - Comprehensive Sallal/North Bend WSA Project Plan
 - Provide the 2023 WUE report
 - Schedule a CIP work study

NEW BUSINESS None

EXECUTIVE SESSION None

Upon motion made, seconded and passed, the meeting adjourned at 7:44 pm.

Submitted by:

Richard Jonson, counsel

Next scheduled meetings:

Board Meeting: Tuesday, October 15, 2024 at 6 pm