

SALLAL WATER ASSOCIATION
MINUTES OF THE NOVEMBER 19, 2024 BOARD OF TRUSTEES MEETING
HELD BY ZOOM CONFERENCE CALL DUE TO INCLEMENT WEATHER

Board members present: Denise Smutny (President), Don Wise (Treasurer), Eric O'Brien (Secretary), Shawn McKone (Vice-President), Larry Costello, Rich Formisano and Emily Moore.

Consultants present: Richard Jonson, Attorney and Mike Johnson, Engineer.

Employees present: Devin Mettler, General Manager; Denny Scott, Water Superintendent; Tree Bergman, Assistant Water Superintendent; and Scott Hemingway, Water System 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 October 15, 2024 Board meeting.
- Vote to approve consultant statements:
 - Jonson & Jonson - \$5,490.00
 - Gray & Osborne - \$23,675.32

Motion 2024-11-19-01 by Mr. Costello and seconded by Mr. McKone to approve the Consent Agenda to include all edits to the October 15, 2024 minutes as submitted by Messrs. Wise and Mettler. Motion passed unanimously.

ENGINEERING REPORT (Mike Johnson, G&O)

- North Bend/Boxley Creek Intertie Updates – Progress of procurements by Anvil reviewed; Anvil anticipates mobilizing the site by end of February 2025, with commissioning by end of July; City awarded a construction contract for its work on the Boxley Creek Intertie; City has requested that Sallal record a drainage facilities covenant and post a bond to insure that storm drainage and mitigation requirements are performed at Sallal's new pump station site; Mr. Mettler requested guidance whether he could sign and submit the forms; Mr. Jonson stated that these are typical building permit requirements and often handled by management; the Board concurred and authorized Mr. Mettler to proceed. Mr. Bergman reported that Westerlund Construction submitted the lowest bid at \$35,000 for the work to connect Well Nos. 1 and 2 and work has commenced.
- VFD Update – project is ready to proceed, and a preconstruction conference will be held November 22nd with Gary Harper Construction.
- DOH grant funding contract for the intertie work is complete, and progress payments can now be processed.
- Well No. 1 Replacement – G-O is working on plans and specifications.
- Wilderness Rim Meter Vault – Mr. Bergman stated that engineering assistance is required to obtain permits and discussions with Wilderness Rim are ongoing; Fury Siteworks has provided a preliminary

- project cost estimate for a new intertie installation of \$30,000; G&O est. approx. \$28,000 for design work; total estimated project cost approx. \$70,000.
- Construction Contract Documents – Mr. Costello requested that construction contract documents for the new pump station, Well Nos. 1 and 2 connection, and the City’s Boxley Creek Intertie improvements be posted to Dropbox. Discussion followed regarding level of Board member review of construction projects; further discussion to occur at the upcoming work study session.

OPERATIONS REPORT (Denny Scott and Tree Bergman)

- Water Usage– Mr. Scott reported on recent maintenance activities and water usage; leak detection services are being evaluated.
- Project Updates - Mr. Bergman reported on projects and replacement of roll-seal valves replacement.
- River Point PLC Panel Upgrade– Mr. Bergman described needed electrical and SCADA improvements to modernize controls at the Riverpoint pump station. Vendor and contractor proposals were presented totaling \$74,720 and he recommended approval.

Motion 2024-11-19-02 by Mr. Wise and seconded by Mr. O’Brien to approve the River Point PLC Panel Upgrade project as presented in the total amount of \$74,720. Motion passed unanimously.

- DEA Gravity Marine- Mr. Bergman recommended approval of a requested developer extension agreement with Triple 60 LLC doing business as Gravity Marine, for two eru’s.

Motion 2024-11-19-03 by Mr. Wise and seconded by Mr. Costello to approve a water system developer extension agreement with Triple 60, LLC. Motion passed unanimously.

BUSINESS REPORT

Treasurer’s Report (Don Wise)

- Vine Dahlen-Accounting – Engagement letter proposed by Vine Dahlen was insufficient and will be revised.
- Investment Income – Finney Neil – an email regarding IRS investment income was posted to Dropbox and discussed. The fact that Sallal’s capital reserves, which earn interest, are accumulated for expenditure on water system capital projects satisfy IRS requirements.
- Fidelity Investments Update – Discussed.
- Board Stipend – The October 19, 2021 Board motion to adjust the Board stipend amount was reviewed. Mr. Wise stated that the motion tied compensation to meeting attendance but stated that Board members spend substantial time and effort on Sallal’s behalf regardless of meeting attendance. Mr. Jonson stated that the Board was authorized to determine Board member compensation pursuant to Art. IV, Sec. 5 of the bylaws. Discussion followed.

Motion 2024-11-19-04 by Mr. Wise and seconded by Mr. Costello to provide that Board member compensation amounts previously adopted by the Oct. 19, 2021 Board motion is partially superseded to provide that compensation shall be paid on a per month rather than a per meeting basis. Motion passed unanimously.

GM Report (Devin Mettler)

- 2025 Budget – draft 2025 budget still being worked on and updates will be posted to Dropbox; FEMA grant process indicates that Sallal is under-insured in several areas -insurance coverage is under review;

approximately 1,000 meters are at end of useful lives – replacement alternatives are being considered; rate consultant proposals are being solicited.

- AMI/CIP Budget-Work Study Update – Dec. 7, 8:30 am to 3:30 pm. Materials will be posted to Dropbox.
- Springbrook Billing/Accounting Software – software options reviewed.
- 2023 IRS Form 990 – final form posted to Dropbox.
- FEMA public assistance grant update – process should be complete before the end of the year.
- Holiday Party – Dec. 17th. Dinner to be provided at next Board meeting.
- Tod Botten – Membership/Non-User. Documentation to be reviewed by counsel.

ATTORNEY REPORT

Mr. Jonson briefly reviewed the latest communication from King County regarding franchise compensation and offsets for fire suppression costs.

UNFINISHED BUSINESS

- Comprehensive Sallal – NB WSA Project Plans – Mr. Mettler will report at the upcoming workstudy meeting on this subject.
- Board seat rotation – Mr. O'Brien will update the schedule of Board member positions to show who was previously elected or appointed.

NEW BUSINESS

- Proposed National Guard Site – Ms. Smutny discussed a telephone call that she received from State Senator Mark Mullet indicating that Puget Western site is still a candidate for a new National Guard facility.

EXECUTIVE SESSION

None

Upon motion made by Ms. Moore, seconded Mr. McKone and unanimously passed, the meeting adjourned at 7:37 pm.

Submitted by:
Richard Jonson, counsel

Next scheduled meetings:
Board Meeting: Tuesday, December 17, 2024 at 6 pm