

**SALLAL WATER ASSOCIATION
MINUTES OF THE JULY 15, 2025, BOARD OF TRUSTEES MEETING**

Board members present: Shawn McKone (Vice President), Larry Costello (Treasurer), Rich Formisano, Bill Iverson, and Emilie Moore

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

Employees present: Tree Bergman, Water System Superintendent

Guests present: None

CALL TO ORDER

Mr. McKone opened the meeting at approximately 6:00 pm

VISITOR COMMENTS

None

CONSENT AGENDA

- Minutes from June 17, 2025, Board Meeting
- Consultant Statements:
 - Jonson and Jonson - \$3,145
 - Gray and Osborne - \$55,712.34
 - Advantage Accounting - \$1,260
- Invoices over \$10,000
 - Ashford Electric - \$20,454.40
 - Mountain States Pipe - \$84,428.03
 - Systems Interface - \$28,192.80

The over \$10,000 contractor invoices were removed from the Consent Agenda for consideration under the Operations Report. The June 17, 2025, Board Meeting minutes and edits posted to Dropbox were reviewed. Mr. Jonson suggested a spelling revision of the word “drought” to the acronym “DROUT”.

Motion 2025-07-15-01 by Mr. Costello and seconded by Mr. Formisano to approve all items on the consent agenda except for the over \$10,000 contractor invoices to include all edits to the June 17, 2025, minutes as submitted. Motion passed unanimously.

ENGINEERING REPORT (Mike Johnson, G&O)

- North Bend Intertie Update – Mr. Johnson stated that the project is proceeding, and August 4th is the projected date to commence work on the trail crossing for the Tanner power connection. The startup and testing plan was reviewed, and a meeting was held to discuss it. Change Order #3 was reviewed, which covered the revised route for the electrical service installation as required by King County. The change order includes work for boring,

backfilling of pits, signage, and additional surveying and credit for trench work. Mr. Johnson expects a permit from King County within the next several days for the change order work. The total change order is \$32,237.20, which is well below the previously authorized limit of \$50,000 for this work. Mr. Costello noted that Change Order #3 does not include a change to the contract time, although it was confirmed that the current contract substantial completion date of August 7, 2025 cannot be met based on the contractor's current work plan. The proposed change order should include a zero cost time extension which the contractor should request. September 30th is the amended substantial completion date for the WSA which still appears to be feasible.

Motion 2025-07-15-02 by Mr. Costello and seconded by Mr. Formisano to approve Change Order #3 with Anvil Construction in the amount of \$32,237.20 subject to revision to address the contract completion time. The motion passed unanimously.

Progress Estimate #5 was reviewed. Mr. Costello noted that no payment can be released after 60% completion without submission of the start-up and testing plan. Mr. Johnson reviewed project status and stated that the contractor submitted the start-up and testing documents on July 18th, but they require revision. Discussion followed on what additional information is needed including schedule dates for testing, selection of third part testing agencies, and performance of electrical system studies prior to testing. Coordination of start-up with the City was discussed. Mr. Bergman noted that the payment estimate included design charges from Tanner Electric. Mr. Johnson and Bergman recommended payment of the invoice.

Motion 2025-07-15-3 by Mr. Costello and seconded by Mr. Iverson to approve Progress Estimate #5 to Anvil Construction in the amount of \$552,577.30. The motion passed unanimously.

- Well #1 Replacement, Rebid Update - Mr. Johnson stated the well replacement bid packet had been sent out this week and bid opening is on August 6th.
- Well #2 VFD Update – Mr. Bergman reported that Well #2 VFD work is getting close to completion. Systems Interface needs to complete programming. Initial testing has been performed but additional testing is needed under low flow conditions. Mr. Johnson described problems with the AC unit on the roof and G-O is looking at different ways to resolve problem at no charge.
 - Gary Harper Construction - Progress Estimate #4 in the amount of \$20,093.29 was submitted and recommended for payment.

Motion 2025-07-15-04 by Mr. Costello and seconded by Mr. Iverson to approve payment of Gary Harper Project Estimate #4 totaling \$20,093.29. The motion passed unanimously.

- Water Use Projection Analysis – This is currently being worked on with information coming from North Bend on land use densities to determine projected usage by in-city members.

- Mt. Si Roundabout Update – Watermain replacement plans have been reviewed by management. 90% plans have been submitted to King County and the City. Discussions are underway with the City regarding landscaping irrigation.

OPERATIONS REPORT (Tree Bergman)

Mr. Bergman reported on water usage, operations, maintenance activities and new employees.

- Roundabout Irrigation – No further discussion.
- Project Updates – Status of projects reviewed.
- Middle Fork Tank Control Panel – SCADA – RTU panel is built and has been delivered to the site; work is underway. Mr. Bergman recommended approval of System Interface's proposal for work at the site and for payment of invoice #33037 to Systems Interface. A separate proposal from Ashford Electric for panel installation and related electrical is forthcoming and will be issued for approval prior to start of that work.

Motion 2025-07-15-05 by Mr. Costello and seconded by Ms. Moore to approve proposal from Systems Interface for work on the Middle Fork Tanks Control Panel in the amount not to exceed \$51,825 plus WSST. The motion passed unanimously.

Motion 2025-07-15-06 by Mr. Costello and seconded by Ms. Moore to approve invoice #33037 in the amount of \$28,192.80 and to ratify prior payment of invoice #32565 in the amount of \$5,638.56 from Systems Interface for work on the Middle Fork Tanks RTU Panel. The motion passed unanimously.

- River Point Booster Station Control Panel. Work on this panel is now complete. Mr. Bergman recommended payment of invoice #6189 from Ashford Electric.

Motion 2025-07-15-07 by Mr. Costello and seconded by Mr. Iverson to approve invoice #6189 from Ashford Electric for the installation of the RTU panel at the River Point Booster station in the amount of \$20,454.40. The motion passed unanimously.

- Meters and Endpoints. Mr. Bergman reviewed billing from Mountain States for Aquacell Endpoints and 1 year subscription for services.

Motion 2025-07-15-08 by Mr. Costello and seconded by Ms. Moore to approve invoice #33020 from Mountain States Pipe and Supply for AquaCell Endpoints and a one-year subscription in the amount of \$84,428.03. The motion passed unanimously.

- Intertie Operating Procedures Update - two Board members have been attending meetings with Sallal staff and G&O to review procedures. There is an upcoming meeting on July 17th at 9:00 am.
- Hiring Update- Offers accepted by two applicants. Start date in two weeks.

- Puget Western Property/CWA Update – Brief discussion regarding resale of the property or a portion to the National Guard. Staff will review potential impact to and status of the CWA.
- Wilderness Rim Update – Discussions are continuing with Mike Kenyon of Wilderness Rim.

BUSINESS REPORT

Treasurer's Report (Larry Costello)

- Financial Investments – The financial report, as of July 15, 2025, was presented by Mr. Costello.
- Second Quarter Financial Report – Mr. Costello presented and capital projects, grant receipts, and future reserve expenses were discussed. The City has yet to pay submitted invoice for reimbursable work under the water supply contract. Discussion followed.

GM Report (Larry Costello)

- 2024 Year End/Audit Update – Mr. Mettler is continuing to work on closeout of the 2024 accounting books. The 2024 audit should be completed by September.
Finney Neil – Audit work has commenced and an onsite visit is scheduled for August 14. Advantage Accounting has been assisting Mr. Mettler with the audit process.
- DOH/DWSRF Funding – Investigation underway for sources for an additional loan to fund capital project construction.
- Data Protection and Security Policy – No report.
- Rate Study – No report.

Attorney Report (Richard Jonson)

None

UNFINISHED BUSINESS

- Mr. Formisano reminded that Rules 36-38 and 42 need to be updated. The Board will discuss updates with Mr. Mettler when he returns.
-

NEW BUSINESS

- Mr. Costello noted that Well #2 gpm capacity as stated in the water supply agreement may require amendment, among other changes. A list of proposed changes to the WSA will be submitted for review at a future meeting.

EXECUTIVE SESSION

None

Upon the motion made by Mr. Iverson, seconded by Ms. Moore and unanimously passed, the meeting was adjourned at 7:56 pm.

Submitted by: Blair Krieg, Minutes Services

Next Scheduled Board Meeting

Board Meeting: Tuesday, August 19, 2025, 6:00 pm.

Final