

**SALLAL WATER ASSOCIATION
ANNUAL MEETING OF THE MEMBERSHIP
Minutes of Meeting
Tuesday, March 25, 2025**

The annual meeting of the membership of the Sallal Water Association was held at 6:00 pm on Tuesday, March 25, 2025, at the Sallal Water Association business office located at 47230 SE 144th Street, North Bend, WA 98045.

15 members attended in person and are listed on a sign-up sheet maintained by the Association. The attendees included Trustees Denise Smutny, Shawn McKone, Don Wise, Eric O'Brien, Larry Costello, Rich Formisano and Emilie Moore. Also present were Devin Mettler, General Manager; Mike Johnson, engineer; Richard Jonson, counsel; and Leslie Sesser, CPA.

CALL TO ORDER AND COUNT OF MEMBERS

President Denise Smutny called the meeting to order. Eric O'Brien (Secretary) announced that ballots were still being counted and that a sufficient number have been received to constitute a quorum. It was announced that a total of 1969 members were entitled to vote, 99 members were needed for a quorum, and 196 valid ballots were received.

PROOF OF NOTICE

Mr. O'Brien announced that notice of this annual meeting was timely sent to all members of record.

ELECTION OF TRUSTEES

Ms. Smutny stated that ballot counting was underway and voting would be closed shortly.

FINANCIAL REPORT:

Ms. Sesser presented results from the audit of the Association's December 31, 2023, financial statements. She stated that the Association received an unqualified audit opinion.

APPROVAL OF MINUTES:

Ms. Smutny stated that minutes of the March 26, 2024, annual meeting of the members were included in the annual meeting packet sent to all members and requested a motion to approve them.

Motion No 2025 A1- Larry Costello moved and Don Wise seconded a motion to approve the 2024 annual member meeting minutes as presented. The motion was approved based on a show of hands with no one voting against.

PRESIDENT'S REPORT:

Ms. Smutny reported on the Association's activities during the past year. At 6:15 pm, she announced the closing of voting. Mike Johnson gave a slide presentation on the intertie with North Bend that is presently under construction.

UNFINISHED BUSINESS

None

NEW BUSINESS

Jean Buckner stated that she spoke with the chairman of the Utilities Technical Review Committee of King County (UTRC) and was told that the Association's water system plan does not include the Puget Western site, and the plan must be updated in order for Sallal to serve the site.

Motion No 2025 A2- Jean Buckner moved and Anne Herman seconded a motion to require the Association to obtain UTRC approval to serve the Puget Western site before expending any funds on the intertie with North Bend and agreeing to serve the Puget Western site. Discussion followed and it was explained that Sallal would violate contracts if it stopped work on the intertie with North Bend; the intertie is necessary regardless of development of the Puget Western site; there is no agreement between the Association and site owner and developer but that a certificate of water availability has been issued that conditions water service on the transfer of the site into Sallal's water service area and completion of the intertie. Discussion concerning the Association's and the City of North Bend's water system plans followed. Ms. Buckner then offered to revise her motion to direct the Board to reconsider spending Association funds on the intertie until the UTRC approves an updated water system plan. After further discussion, Ms. Buckner withdrew her motion and requested the Association to consult with the UTRC concerning whether the Association's water system plan needs updating. Ms. Smutny stated that the Association will study the matter.

ELECTION RESULTS:

Mr. O'Brien announced election results based on the counting of ballots as follows:

- 1969 members are entitled to vote.
- 199 total ballots
 - 196 valid ballots
 - 3 invalid ballots (no signature or votes cast for non-member)
- Vote counts:

Bill Iverson	170
Emilie Moore	153
Denise Smutny	128
Stefanie Hawk-Johnson	108

Mr. O'Brien stated that Mr. Iverson, Ms. Moore and Ms. Smutny were each elected to a three-year term on the Board of Trustees.

NEW BUSINESS, continued

Mr. Mettler gave a presentation on Association plans to systematically upgrade customer water meters with new smart meters that will enable the Association and members to better monitor water usage.

Anne Herman made two motions.

Motion No 2025 A3- Ms. Herman moved and the motion was seconded to provide Board candidates with an opportunity to speak at member meetings prior to the closing of voting. After discussion, the motion was approved by a show of hands with no one voting against.

Motion No 2025 A4- Ms. Herman moved to authorize members the right to attend all Board meetings except for portions dealing with confidential matters. Mr. Costello explained Association Rule 30 which ensured this right except for executive sessions. After discussion, Ms. Herman withdrew the motion.

Mr. Wise moved, the motion was seconded and unanimously approved to adjourn the meeting at 6:57 pm.

Respectfully submitted,
Richard Jonson, counsel