

SALLAL WATER ASSOCIATION

MINUTES OF NOVEMBER 18, 2025 BOARD OF TRUSTEES MEETING

Board members present: Shawn McKone (Vice President), Larry Costello (Treasurer), Eric O'Brien (Secretary), Rich Formisano, and Emilie Moore.

Consultants present: Richard Jonson, Attorney; Mike Johnson, Engineer; Thomas Johnson, Systems Interface; Bea Williams, Springbrook Software; Kevin Dibb (Xpress Bill Pay); and Jacob Alerte, Minute Services.

Employees present: Devin Mettler, General Manager, Tree Bergman, Superintendent.

Guests present: Michael Thomas

CALL TO ORDER

Mr. McKone opened the meeting at 6:01 p.m. with a quorum present.

VISITOR COMMENTS:

Michael Thomas addressed the Board regarding water service to the National Guard property.

CONSENT AGENDA

- Minutes of October 21, 2025 Board meeting
- Consultant statements:
 - Advantage Accounting - \$1,330.0
 - Gray & Osborne – \$25,628.23
 - Jonson & Jonson - \$10,755.00
 - Finney Neill & Company (Auditors) - \$3,100.00
 - (Amended) KLJ Financial - \$6,588.00

Motion 2025-11-18-01 by Mr. O'Brien and seconded by Mr. Costello to approve all items on the consent agenda including all edits to the October 21, 2025 Board meeting minutes as submitted and amended to include payment of KLJ Financial Invoice of \$6,588.00. Motion passed unanimously.

ENGINEERING REPORT (Mike Johnson, G&O)

- North Bend Intertie Update – Replacement of oversized breaker required, causing delay in physical completion. Noise level testing to be completed. Punch list items remaining include revised O&M manuals. Recommended payment of Anvil Construction Progress Estimate #9.

Motion 2025-11-18-02 by Mr. Costello and seconded by Ms. Moore to approve payment of Anvil Builders Project Estimate #9 in the amount of \$19,518.75. Motion passed unanimously.

- Mr. Johnson recommended a contract time extension of 30 days to replace a 400 amp breaker with a 200 amp breaker according to specifications. Discussion followed.

Motion 2025-11-18-03 by Mr. Costello and seconded by Mr. Formisano to extend time for physical completion in the Anvil pump station contract by 30 days as a no cost charge for generator circuit breaker replacement. Motion passed unanimously.

- Well #1 Replacement Drilling update. We are waiting on revisions to insurance endorsements to be returned from Holt before executing the contract, anticipated shortly. There is a wide window for issuing notice to proceed following contract execution.
- Well #2 VFD update. The replacement HVAC unit has been delivered to the site. Work to replace the unit is anticipated will start the week of November 24th.
- Mt Si Roundabout mainline project in relation to the City's timeline for construction and potential future changes was discussed. City has announced its work will be delayed into 2027. Staff recommended going to bid in December for the Sallal mainline work.

Motion 2025-11-18-04 by Mr. O'Brien and seconded by Mr. Costello authorizing the Mt Si Roundabout to Bridge mainline replacement project to be advertised for bids in December 2025. Motion passed unanimously.

- Water Use Projection Analysis timeline for delivery was discussed. Mr. Johnson stated that a draft will be available prior to the December 2025 Board meeting.
- Wilderness Rim Intertie #3 Design Proposal was discussed. An agreement with Wilderness Rim regarding operation of the intertie is yet to be obtained.

Motion 2025-11-18-05 by Mr. O'Brien and seconded by Mr. McKone to approve G&O proposal for Wilderness Rim Intertie #3 Design not to exceed \$28,600.00 and authorize staff to execute necessary documentation. Motion passed; 3 voting yes (Mr. O'Brien, Mr. McKone, Ms. Moore) – 2 voting no (Mr. Costello, Mr. Formisano).

Mr. Thomas exited the meeting.

SOFTWARE PROPOSALS

- Ignition HMI SCADA Software Upgrade. Systems Interface (Thomas Johnson) presented SCADA system upgrade options. Discussion followed.

Motion 2025-11-18-06: Motion by Mr. O'Brien and seconded by Mr. Formisano to authorize staff to procure Ignition HMI software at a cost not to exceed \$80,000.00 including sales tax. Motion passed unanimously.

- Springbrook Accounting & Billing Software presentation by Bea Williams. Discussion only. Tom Johnson, Ms. Williams and Mr. Dibbs exited the meeting.

OPERATIONS REPORT (Tree Bergman)

- Water production at 86% of rights, DSL at 8.48%, PFAS testing, HPC test results consistently at <1, and mainline break on Cedar Falls Road Segment #3 (approx. 250,000 gallons lost) discussed.
- Well #4 VFD and Well #2 Surge arrestor emergency repair. Damage to electrical components at Rattlesnake discussed. Due to critical nature, Mr. Bergman declared an emergency and ordered replacement work and equipment. Discussion followed.

Motion 2025-11-18-07: Motion by Mr. Costello and seconded by Mr. O'Brien to ratify the declaration of emergency by staff, waive bid solicitation requirements, and approve associated spending. Motion passed unanimously.

- Service installs, CWA updates and developer projects were discussed.
- Middle Fork RTU SCADA panel installation options were discussed.

Motion 2025-11-18-10: Motion by Mr. O'Brien and seconded by Mr. Costello to authorize staff to install the PLC panel as Middle Fork Tanks for an amount not to exceed \$40,000.00. Motion passed unanimously.

- Intertie Operating Procedures (SOP's) and Water Usage Plan were discussed Board requested a Work Study in January 2026 focused on the water usage plan, SOPs, and scenario planning. Mr. Costello requested status of the replenishment water from North Bend to replace the mitigation water that Sallal provided to the City. It was noted that Sallal will begin receiving replenishment water by November 21st.

BUSINESS REPORT

Treasurer's Report (Larry Costello)

- Financial Investments – Mr. Costello reported on balances of cash and investments, Form 1120 filing, and City of North Bend reimbursement delays.

Motion 2025-11-18-08 by Mr. Costello and seconded by Mr. Formisano to accept Form 1120 as presented, authorize Treasurer, Vice-President , or General Manager to sign the form, and authorize filing by accounting firm with section B and C clarifications. Motion passed unanimously.

GM REPORT (Devin Mettler)

- USDA requirements for Engineering consulting firm Tri-Annual Review and request for statements of qualifications were discussed.
- Federal procurement policy changes and subsequent revisions to Sallal Water Association's Procurement Policies were presented. Mr. Jonson suggested asking USDA to review prior to adopting revisions. Discussion followed.
- Amendment #2 to the Water Supply Agreement updates. City proposed edits do not capture the circumstances. Mr. Mettler will revisit this matter with the City to make adjustments.
- 2025 Rate Study update and discussion. DRAFT for board review will not be available until after the first of the year.
- 2026 CIP Budget and 2026 Budget work study to be scheduled.
- DWSRF loan application for Rattlesnake Reservoir #3 was discussed.

Motion 2025-11-18-09 by Mr. Costello and seconded by Mr. O'Brien to authorize submission of DWSRF Loan Application for Rattlesnake Reservoir #3 project in the proposed amount of \$2,388,650.00. Motion passed unanimously.

- Board Vacancy advertisement and interview planned was discussed. Board will continue search for an interim Board member to fill the vacancy prior to the 2026 annual member meeting. Staff requested to redouble advertising efforts with a submission deadline of December 31, 2025 and potential interviews in January 2026.

ATTORNEY REPORT (Richard Jonson)

- Updates on King County franchise compensation, Sallal's mutual defense pact, the need to update Sallal's fire suppression cost analysis, and Sallal's emergency procurement procedures were discussed.

UNFINISHED BUSINESS

- Rules 36–38 & 42 – No discussion.
- CR-103E Alert – WAC 246-290-315 – PFAS update by Mr. Formisano regarding PFAS testing requirements and rate increase to include in 2026 budget.

NEW BUSINESS

None.

EXECUTIVE SESSION

Mr. McKone declared an executive session at 10:15 pm to discuss legal matters with counsel. The executive session was concluded at 10:35 pm and the regular session of the meeting resumed.

ADJOURNMENT

Upon motion made by Ms. Moore, seconded by Mr. Costello and unanimously passed, the meeting adjourned at 10:36 pm.

Submitted by:

Jared Alerte, Minute Services

Next scheduled meetings:

Board Meeting: Tuesday, December 16, 2025 at 5:30 pm.