SALLAL WATER ASSOCIATION
MINUTES OF Aug 18, 2026, BOARD OF TRUSTEES' MEETING

Board Members Present: Bill Iverson (President), Shawn McKone (Vice-President), Larry Costello (Treasurer), Rich Formisano (Secretary), Eric O'Brien, Ann Bailey, Emilie Moore

Consultants Present: Richard Jonson, Attorney; Mike Johnson, Engineer; Karyn Johnson, KLJ Financial (remote); Amanda Jackson, Minute Services

Employees Present: Devin Mettler, General Manager; Tree Bergman, Water Superintendent

Guests present: None

CALL TO ORDER (Quorum)
Mr. Iverson called the meeting to order at 6:00 p.m. at the Association's business office located at 47230 SE 144th St, North Bend, WA 98045.

APPROVAL OF THE AGENDA
Having heard no requests for changes, Mr. Iverson declared the agenda approved.

VISITOR COMMENTS
None

CONSENT AGENDA
- Minutes from July 21, 2026, Board Meeting
- Consultant statements:
- Advantage Accounting - $1,275.00
  - Finney Neill - $15,315.00
  - Gray & Osborne - $7,437.96
  - Gray & Osborne - $11,197.35
  - Jonson & Jonson - $5,225.00

Motion 2026-08-18-01: by Mr. Costello to approve the Consent Agenda including his edits to the July 21, 2026 meeting minutes, seconded by Mr. O'Brien and passed unanimously.

UNFINISHED BUSINESS
- 2026 Project and Action Item Tracker placed in Dropbox Folder 00.1 – 2026 Project and Action Item Tracker.

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The purpose of the tracker is to assist the Board and staff to improve the timeliness in resolving unfinished business. The tracker will be kept updated by the GM. For efficiency, it was recommended that Board members wanting to discuss an unfinished business item at the next Board meeting provide the Board President and GM their request several days before the meeting in order to have it placed on the agenda.

- NB 2025 Draft Water System Plan – Sallal Comments
  Copies of Sallal's letters sent to NB in March 2026 are posted in Dropbox. There has been no response from North Bend. Sallal should continue to ask for a response.

- Rule 42 – Draft Rule Changes – Version 5 08.14.2026
  Staff updated the draft change based on discussions during previous Board meetings. The Board will review and make additional edits and comments via email and Dropbox for discussion at the Sep 2026 Board meeting.

- Mr. Costello mentioned a few unfinished actions that should be considered high priority for completion: Security & Privacy policy, Springbrook water bill data example, Water Supply Agreement Amendment #2 and Procurement Policy changes.

RATE STUDY - *Karyn Johnson, KLJ Financial*

Ms. Johnson provided retail rate study overview & status. Topics included a cost of services analysis, billing data assessment and a preliminary rate structure evaluation. Steps for next month's Board meeting will include: calculating fixed rates; review examples of fixed rates, water usage structure & rates for different customer classes and an "across-the-board" rate. Ms. Johnson exited the meeting at 8:21pm.

ENGINEERING REPORT - *Mike Johnson, G&O*

- Mt. Si RAB Mainline Replacement – SLE Release of Retainage: Mr. Johnson stated that the project is complete and recommended release of retainage in the amount of $37,173.04 as shown in Progress Estimate #4.

Motion 2026-08-18-02: by Mr. Costello to approve payment of Progress Estimate #4 for release of retainage to SLE for the Mt. Si RAB Mainline Replacement project in the amount of $37,173.04, seconded by Mr. McKone and passed unanimously.

- Well #1 Replacement Drilling – Holt – Update: Mr. Johnson reported that pump tests are scheduled for next week and recommended payment of Progress Estimate #4 ($97,990.69).

Motion 2026-08-18-03: by Mr. McKone to approve payment of Holt Progress Estimate #4 in the amount of $97,990.69, seconded by Ms. Moore and passed unanimously.

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- Wilderness Rim Intertie #3 – Update: Mr. Johnson reported that the plans have been submitted to the Washington State Department of Health (DOH), and a permit application has been submitted to King County. Work continues on a contract amendment with Wilderness Rim.

- Rattlesnake Tank #3 - DOH Drinking Water State Revolving Fund (DWSRF) Loan 2025-4610 Application – Update: The DOH DWSRF approval letter was received. Sallal also received a letter from the USDA approving DWSRF funding from DOH. Next step is to receive and sign DOH contract documents. G&O submitted an engineering services proposal for the design, bid & award support and permitting for Rattlesnake Tank #3. Mr. Johnson clarified that the design will include SCADA requirements and require the contractor to subcontract with Systems Interface to perform the SCADA work specified in the design. A SEPA determination will be required and the costs are part of the permitting process. The Board discussed moving forward with G&O's proposal.

Motion 2026-08-18-04: by Mr. O'Brien to approve the G&O proposal for Engineering services for Rattlesnake Tank #3 in the amount of $211,500.00, seconded by Mr. McKone and passed unanimously.

- Water Use Projection/Interim Water System Planning – Revision: Will be discussed at the work study on August 22, 2026, 9a.m. to 12p.m.

- WSP (formerly Golder) contract to update North Bend's Mitigation Operation and Monitoring Plan – Update: Mr. Johnson reported WSP is in the data gathering & review stage of the contract and projecting to complete the scope of work by the end of the 2026. Mr. Formisano requested that Sallal formerly ask the City to review the model scenario results, especially those that use Sallal as the primary source for mitigation. The Board also discussed obtaining a copy of the revised Mitigation Operation and Monitoring Plan.

OPERATIONS REPORT - *Tree Berman*

- SCADA Demo-Mr. Bergman provided a demonstration of the new Supervisory Control and Data Acquisition (SCADA) platform.

- Superintendent's Report: Mr. Bergman reported on the following highlights:
  - Water production & consumption:
    - Distribution system leakage was 4.47%.
    - Production this past month has increased to 875,000 gallons per day.
  - Water testing:
    - Chlorine residuals remain within specs.
    - Scheduled Lead samples were taken and submitted to the lab.
    - Well #3 polyfluoroalkyl substances (PFAS) samples awaiting lab results.

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        - Halo-acetic acids and trihalomethanes samples on the water distribution system passed – with non-detect results.
    - Operations Maintenance, Sallal Projects and Ops Staff training:
        - Congratulations to Mr. Mettler on passing the WDM 1 test!
        - Leak detection is still on hold pending receipt of proposals from vendors.
        - Fire hydrant relocation due to sidewalk construction on Cedar Falls Rd.
    - Development Projects:
        - Ichijo development: water main installation is 95% complete.
        - Triple 6D partners: waiting for closeout documents for project completion.

- The City of North Bend will request mitigation water by the end of this month. The timing of providing mitigation water will be scheduled so as not to interfere with Well #1 Replacement pump tests.
- Tanner RTU Panel – Systems Interface Invoice - $11,198.02: All work associated with the invoice has been completed and recommended for payment. Remaining work is pending fabrication of new cabinet by 3rd party subcontractor.

Motion 2026-08-18-05: by Mr. McKone to approve payment of the Systems Interface invoice for work on Tanner Remote Terminal Unit (RTU) Panel in the amount of $11,198.02, seconded by Ms. Moore and passed unanimously.

BUSINESS REPORT

TREASURER'S REPORT – *Larry Costello*

- Financial Investments: Mr. Costello reported that Treasurer's Reports are posted to Dropbox.

GM REPORT – *Devin Mettler*

- 2025 Audit – Update – Presentation: Mr. Mettler reported that the audit is in process. A presentation is scheduled for the September 15, 2026 Board meeting.
- Springbrook Software Implementation Update: Mr. Mettler reported that the project kickoff meeting was held. Expect by the end of this week, staff will finish converting, verifying and correcting accounts from QuickBooks to Springbrook followed by Springbrook staff review. Anticipate Oct – Nov to be able to use Springbrook for accounting purposes. The Utility Billing module is still on schedule for launch in June 2027.

ATTORNEY REPORT - *Richard Jonson, J&J*

Mr. Jonson reported on the following items:

- New PFAS class action litigation update; board will have to decide whether to file a claim thereby releasing the manufactures from all future liability or opt-out in order to reserve our right to claim compensation in the event of future discovery of PFAS in our water system.

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- A case from the Court of Appeals in Washington held in favor of a developer that filed a condominium declaration that circumvented City of Snoqualmie subdivision requirements. Mr. Jonson recommended changes in Sallal Rules 35-38.
- Snoqualmie Tribe DROUT Project draft report "Mitigation for the Snoqualmie Basin" was recently presented. The tribe is concerned about the lack of streamflow, water temperature and fish. The report showed a very slight impact from municipal water purveyors that utilize ground water.

NEW BUSINESS

Mr. O'Brien proposed two modifications to incorporate in future agendas: place estimated times for each agenda item; for executive session indicate the number of items to be discussed and estimated time for each item.

EXECUTIVE SESSION

None

ADJOURNMENT

Motion 2026-08-18-06: by Ms. Bailey to adjourn the Board Meeting at 9:56 p.m., seconded by Ms. Moore and passed unanimously.

Next Scheduled Meeting

Board Meeting: Tuesday, September 15, 2026, at 6:00 p.m.

Submitted by: Minutes Services

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