SALLAL WATER ASSOCIATION
MINUTES OF July 21, 2026, BOARD OF TRUSTEES' MEETING

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

Consultants Present: Richard Jonson, Attorney; Mike Johnson, Engineer; Amanda Jackson, Minute Services

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

Guests present: Ms. Becky Steidle (member)

CALL TO ORDER (Quorum)
Mr. Iverson called the meeting to order at 6:00 p.m.

APPROVAL OF THE AGENDA
Motion 2026-07-21-01: by Mr. Iverson to approve July 21, 2026, Board of Trustees meeting agenda, seconded by Ms. Moore and passed unanimously.

UNFINISHED BUSINESS
The Board discussed moving unfinished business up in the agenda and maintaining a log of unfinished business for reference during future board meetings.

VISITOR COMMENTS
Ms. Becky Steidle requested that agendas be made available in person and online. Ms. Steidle also stated the website had not been updated with agendas and minutes since April, 2026.

CONSENT AGENDA

- Minutes from June 16, 2026, Board Meeting with edits
- Minutes from June 23, 2026, Special Board Meeting
- Consultant statements:
  - Advantage Accounting - $2,062.50
  - Finney Neill - $1,640.00
  - Gray & Osborne - $44,600.61
  - Jonson & Jonson - $9,087.50
  - KLJ Financial - $3,934.50

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Motion 2026-07-21-02: by Mr. Costello to approve the Consent Agenda including Mr. Costello's edits to the June 16, 2026 meeting minutes, seconded by Ms. Moore and passed unanimously.

ENGINEERING REPORT – *Mike Johnson, Gray & Osborne (G&O)*

- Mt Si Roundabout Pipe Replacement - SLE – Project Complete: Mr. Johnson reported the project was complete. Retainage will be held for 60 days from contract completion.
- WSP Amendment – CIP Projects – Update: Mr. Johnson reported that the amendment was submitted to the Department of Health (DOH). DOH requested additional information on the financial impacts. Information was provided from the rate evaluations, and the amendment is under DOH review.
- Well #1 Replacement Drilling – Holt – Update: Mr. Johnson reported that the well screen was installed. Well drilling is complete and surface seal installed. Pump tests to be coordinated with Mr. Bergman in the next two weeks. Water quality and quantity data will be available within that two-week time frame. No change orders are anticipated. Project completion is anticipated by the end of August.
    - Progress Estimate #3 ($42,731.78): recommended for payment; includes screen materials, grain size analysis and well casing in the amount of $42,731.78.

Motion 2026-07-21-03: by Mr. Costello to approve payment of Holt Progress Estimate #3 in the amount of $42,731.78, seconded by Mr. O'Brien. Mr. Formisano abstained. Motion passed.

- Wilderness Rim Intertie #3 – Update
    - Design: Mr. Johnson reported that the design provisions were complete and submitted to the DOH for approval and to King County for a right-of-way permit.
    - Addendum to Sallal – Wilderness Rim Agreement for Use of Joint Water Storage Facilities: Mr. Mettler reported that edits and comments were added to the draft addendum with input from Mr. Jonson for the Board to review. Board discussion was moved to Executive Session. Further edits will be made to address Board comments, after which Mr. Mettler will initiate discussions with Wilderness Rim.
- Drinking Water State Revolving Fund (DWSRF) Loan 2025-4610 Application – Rattlesnake Tank #3 – Update: DOH contract forms have not been received. August is current estimate for contract forms to arrive.
    - Board discussed alternative locations and confirmed tank #3 to be located at Sallal's Rattlesnake Well field as originally planned. G&O will provide a design proposal for the new tank for approval at the August board meeting. Design work to start after DWSRF contract forms are received and signed.

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- Tank #12 – Location – Conversation: Future CIP planning for an additional tank in or near the 701 pressure-zone was discussed. Board direction was for staff to investigate potential locations available in or near the 701 zone.
- Water Use Projection/Interim Water System Planning – Revision: The updated draft Technical Memo was submitted to Sallal. Future update will include executive summary and conclusions. Board decided best use of time to discuss the updated draft would be to hold a work study. Mr. Mettler will poll the Board, via email, to determine the work study meeting date.
- NB 2025 Draft Water System Plan – Sallal Comments: Mr. Mettler will place in Dropbox Sallal comments to NB WSP Draft. Mr. Johnson stated that NB anticipates comments back from DOH in July or Aug.
- North Bend's Mitigation & Operation Monitoring Plan Update (WSP aka Golder) – No report

OPERATION REPORT – *Tree Bergman*

- Operations report and Water Production spreadsheet posted to Dropbox
- CWAs: updates were made to the CWA tab of the Water Production spreadsheet.
    - CWA Application – Cadman/Heidelberg Materials: no update.
    - CWA application for Middle Fork/National Guard Property has expired and new application has yet to be received.
- Water Production & Consumption:
    - Production is up this month and averaging approximately 657,000 GPD.
    - Year to date production and NB water transferred through intertie represents approximately 37% of Sallal's water right.
    - DSL for the month was 4.9%.
    - NB mitigation: Mr. Costello inquired about the Sallal-NB water use plan. City is currently using Seattle Public Utility for mitigation via Hobo Springs/Boxley creek. City requested Sallal to provide 1 -2 days of mitigation water to assist NB in testing the accuracy of their mitigation flow meter. The test will also give Sallal to test Sallal's SCADA Ignition upgrades. Test planned to occur in next two weeks.
    - Mr. Bergman with assistance from American Leak Detection investigated water system in pressure zone near the Middle Fork tank. No obvious leaks were found.
- Water testing: Chlorine residuals remain within specs. PFAS testing kit for Well #3 was just received, will take samples this week (internal information only). Halo-acetic acid and Trihalomethane testing were taken last month, lab analysis results pending.

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- Mr. Costello asked if Sallal has received feedback from DOE or DOH on Sallal/NB comment letter regarding the Fire Training Academy permit. Mr. Mettler stated Sallal has not. Ms. Bailey stated that DOH now has a dedicated PFAS person.

- Operations Maintenance, Sallal Projects and Ops Staff training:
  - Middle Fork Tank RTU has been commissioned and is online.
  - Tanner Booster station: The panel design was completed and will be submitted to the cabinet shop for fabrication. Working on quotes for installation.
  - Wilderness Rim Intertie #2: Has two vaults – Meter to be replaced with a spool piece and check valve renewed in the second vault.
  - New reader boards installed at the Mount Baker silo tank. Terrell and Riverpoint tanks are next.
  - Echologic AC Pipe Testing - Obtaining further information of contractors capable of testing/assessing condition of our AC water mains. Awaiting quote from GC Systems.
  - SCADA Ignition HMI Software – Demo: minor issues & debugging continues. A demo of the Ignition software will be held at the August Board meeting.
- Development Projects:
  - Triple 60 Partners (Gravity Marine) close-out documents are pending. Sallal provided punch-list of items to complete prior to close-out.
  - Ichijo development is about 80% complete with water main installation.
  - Mr. Steele's development project plans have been revised and resubmitted to NB for review and approval.

BUSINESS REPORT

TREASURER'S REPORT – *Larry Costello*

- Financial Investments: Treasurer's reports are posted to Dropbox.
  - The City's reimbursement has been received for the Well #2 VFD work. This concludes receipt of all of Sallal's reimbursement requests to NB.
  - New ICS account has been established.
  - Continued transfer of Fidelity funds from savings to operating accounts pursuant to prior Board authorization.

GM REPORT – *Devin Mettler*

- Dropbox: Sallal Dropbox access was discussed. Board asked Mr. Mettler to research alternatives to the current Dropbox plan used by Sallal.
- 2026 Q2 Financial Report: the report is in Dropbox. Mr. Mettler provided a brief presentation and summary of the Q2 report. No red flags. Expenses are lower than planned due to timing of expenditures and invoices, as well as some changes to the CIP plan.

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- Banking Plan – Update: The movement of $500,000 was completed in July, and another movement of $500,000 has not been transferred yet.
- 2025 Audit – Update: the audit is in process.
- Springbrook – Update: arrangements are in process for a kickoff meeting and Springbrook made an initial request for information.
- Rate Study – Update: Ms. Karyn Johnson provided an amended proposal for review.
  - Mr. Mettler recommended the Board approve the proposal as amended. ($26,365.50)
  - Board discussed having the rate study completed by November 2026 in order to have time to develop the 2027 Rate Schedule to go into effect by Jan 1, 2027.

Motion 2026-07-21-04: by Mr. O'Brien to accept the KLJ Financial Rate Study Services Amendment in the amount of $26,365.50 and authorize signing the proposal, seconded by Mr. Costello and passed unanimously.

- Rule 42: Mr. Mettler placed an updated draft in Dropbox. Board discussed several changes to be included in the next update. Sallal Staff will provide an updated draft for the August Board meeting.

- Member BBQ – Aug 18, 2026, 3p-6p – Update: Mr. Mettler reported the BBQ has been organized with 14-17 members RSVP to date. The Board meeting will be held after the BBQ.

ATTORNEY REPORT – *Richard Jonson, Jonson & Jonson, PS (J&J)*
Mr. Jonson discussed changes to Ecology's instream flow rule for the Snoqualmie/Snohomish River basin regarding private exempt wells.

NEW BUSINESS
Mr. Costello inquired if there would be any changes or impacts to Sallal's operation due to Genie moving their business out of the area. Staff advised that no impacts are anticipated.

EXECUTIVE SESSION
Executive Session was entered at 9:42 p.m. to discuss legal matters with counsel. Ms. Amanda Jackson, Minute Services left the meeting. Executive Session ended at 10:07 p.m. and the regular session of the meeting continued.

Motion2026-07-21-05: by Ms. Bailey to adjourn the meeting at 10:08 p.m., seconded by Mr. O'Brien and motion passed unanimously.

Next Scheduled Meeting

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Board Meeting Tuesday, August 18, 2026, at 6:00 p.m.

Submitted by: Minutes Services

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