

**Sallal Water Association
Board of Trustees
Minutes of Meeting
Tuesday, December 18, 2018**

The regularly scheduled meeting of the Board of Trustees of the Sallal Water Association was called to order on Tuesday, December 18, 2018 at 6:00 pm by Sheldon Lynne, acting as meeting chair in Andy Velebir's absence.

Board members present: Eric O'Brien, Gerry Prior, Dave Edwards, Harold Ellebracht, Sheldon Lynne and Daylin Baker.

Consultants present: Richard Jonson, Attorney; Warren Perkins and Ryan Hale, Engineers; and Ashley Emery, financial consultant, Josh Stepherson and Peter Kitchen from Stepherson & Associates.

Employees present: Denny Scott and General Manager - elect, Ted Stonebridge.

Guests present: Ann Herman, Andy Neff, Michael Thomas, Jack Winchester and two others.

GUEST COMMENTS

Ann Herman-Bylaw Amendment. Ms. Herman stated that petition formed signed by 193 members have were previously delivered to the Association business office. She presented a revised version of her proposed bylaw amendment in which changes from the previous submission were highlighted. She stated that this latest version corrected errors and contained clarifications. She stated that many members wish to have a vote on a proposed new water supply contract with the City of North Bend. Mr. Lynne stated that the Board would review the proposal and it may not be able to respond until the next regular Board meeting.

Jean Buckner – A guest spoke on behalf of Ms. Buckner and posed several questions concerning the timing and process for a member vote on the proposed bylaw amendment. Mr. Lynne stated that the Board would review the amendment and respond at the next regular Board meeting. Mr. Thomas stated that the members should be able to vote on a supply contract with the City, he inquired about the status of the Golder study commissioned by the City, and alerted the Board to the issuance of certificate of availability by the City for the River Run project. He also reiterated a privacy concern regarding his water consumption. Mr. Perkins stated that Sallal has every City resident coded so that water usage could be used to calculate sewer charges and for public utility tax purposes. He noted that public utility tax applied to in-City water usage even if the property was on septic.

CONSENT AGENDA

Upon unanimous consent, this agenda item was modified to include approval of minutes of a special Board meeting held on November 6, 2018. Board minutes of the November 20, 2018 regular Board meeting, minutes of a special meeting held on November 6, 2018 and three consultant billing statements (amounts below) were presented.

Jonson & Jonson statement included----- \$7,833.00

Gray & Osborne statement included-----\$21,145.24

Lawhead Architects statement not included-----\$1,460.00

MOTION NO 2018-41 Motion to approve the consent agenda by Harold Ellerbracht and seconded by Daylin Baker. Passed unanimously.

REPORTS

Financial Report

Mr. Emery presented the "2019 Budget (Final)" containing updated figures and specific water rate increases that apply to base and usage. He stated that the rate adjustments were calculated pursuant to the Board motion made at the previous meeting directing an 8% increase to base and usage, and not to amortization. He stated there were some miscellaneous adjustments to make in the Association's rate schedule, but they would be presented when the rate schedule is updated. Discussion followed.

MOTION NO 2018-42 Motion by David Edwards and seconded by Harold Ellerbracht to approve the 2019 Budget as presented and adopt adjustments to water base and usage rates as set forth on page 10 of Mr. Emery's budget document to be effective January 1, 2019. Passed unanimously.

Interim Operations Manager Report

Ted Stonebridge was introduced as the new General Manager beginning after the first the year. Mr. Scott reported on water operations, production and quality, and development projects that are under way.

Engineer Report

Mr. Perkins reported on the status of the Well #1 VFD and office/shop projects.

UNFINISHED BUSINESS

2019 Budget – done

NEW BUSINESS

A.F Evans Project (McEwan) – delinquency. Discussion was deferred.

Dean Pattermann 2"meter exchange. Mr. Scott stated that Mr. Pattermann wishes to exchange a two inch meter for a parcel that he purchased that was previously used as a church for four 5/8 x 3/4 standard residential meters. Mr. Jonson stated that the two inch meter represents 8 eru's according to AWWA standards and the Association would gain four eru's by making the exchange. Mr. Scott stated that the four meters would be tied to four specific single family residential parcels. Discussion followed and the Board requested additional information.

ITEMS TO TRACK

North Bend – Sallal Contract. No discussion.

Ratification motions. Mr. Jonson recommended that the Board ratify two actions taken earlier in the month consisting of confirming the hiring of the new General Manager and approving the electrical and telemetry work for the Terrell water reservoir.

MOTION NO 2018-43 Motion by Eric O'Brien and seconded by Daylin Baker to ratify, confirm and approve (1) the hiring of Ted Stonebridge as General Manager of the Association to commence work on January 7, 2019 pursuant to a written engagement letter previously executed, and (2) letting of an electrical service installation agreement with Tanner Electric in the amount of \$12,161.50 and a telemetry contract with Systems Interface in the amount of 8,990.00 for electrical service and controls for the Terrell water reservoir

The guests and Mr. Emery left at 6:23 pm. Mr. Jonson, the engineers, Mr. Scott, Mr. Stonebridge, Mr. Stepherson, Mr. Kitchen and the Board remained.

EXECUTIVE SESSION

An executive session was convened at 6:23 pm to discuss with counsel legal and related matters pertaining to the member petition for a bylaw amendment as presented by Ms. Herman. The Executive Session was concluded at 7:26 pm and the regular session of the meeting resumed.

MOTION TO AJOURN AT 7:26pm – made and seconded. All voted in favor.

Submitted by:

Richard Jonson, counsel