



ANNUAL MEETING OF THE BOARD OF DIRECTORS

MINUTES

BELLEVUE CITY HALL

FEBRUARY 26, 2008

At 3:28 PM Grant Degginger, Chair, called the meeting to order.

EXECUTIVE SESSION

At 3:29 PM the Chair announced an Executive Session to last approximately 30 minutes to discuss acquisition of property and confidential settlement discussions. The Executive Session adjourned at 3:35 PM.

REGULAR MEETING

At 4:00 PM the Chair called the regular meeting to order. Board Members or Alternate Board Members from the City of Bellevue, Covington Water District, the City of Issaquah, the City of Kirkland, Sammamish Plateau Water and Sewer District, Skyway Water and Sewer District and the City of Tukwila were present, constituting a quorum.

PUBLIC COMMENT

No members of the audience in attendance commented.

CHIEF EXECUTIVE OFFICER'S REPORT

Modifications have been made to the agenda to streamline meetings.

CONSENT ACTION ITEMS

A motion to approve Consent Action Items A-I as amended was made by Jim Haggerton, seconded by Mary-Alyce Burleigh and unanimously approved.

- A. Approval of Agenda as amended to add item 6B to Other Action Items.
- B. Approval of Minutes of the regular Board Meeting held on January 23, 2008.
- C. Approval of Treasurers Report.
- D. Adoption of Resolution No. 2008-03, for the purpose of authorizing reimbursement of costs associated with the processing of permits and franchises.
- E. Adoption of Resolution No. 2008-04, for the purpose of adopting a water audit methodology.
- F. The Chief Executive Officer was authorized to execute amendment No. 3 to the contract with HDR Engineering, Inc for Final Design of the Central Segment of the Tacoma-Cascade Pipeline for \$700,000. In accordance with subtask 402.4 Permit Acquisition (of Contract 3); the amendment will increase the total maximum compensation amount to \$3,854,820 to cover estimated expenditures through April 30, 2008. An additional amendment to complete the final design of the Central Segment will be brought forward for consideration by the Resource Planning Committee and the Board at their March 2008 meetings.
- G. The Chief Executive Officer was authorized to execute a services agreement with Watershed, LLC for Cascade's irrigation audit program with a maximum compensation amount of \$67,700.

- H. The Chief Executive Officer was authorized to enter into a consultant contract for auditing services with ClarkNuber for an amount not to exceed \$48,000 per year for three years, with the option to renew for two additional years.
- I. The Chair or Vice-Chair were authorized to execute the Chief Executive Officer Employment Agreement with Ed Oberg for the period of January 24, 2008 through December 31, 2008 at a monthly salary of \$15,000 and other terms as reflected in the Employment Agreement. A copy of the Employment Agreement was included with the February Board package.

6. OTHER ACTION ITEMS

- A. A motion to appoint Officers for the period 2008-2009 and Committee Chairs as described in the email from Lloyd Warren (included with the February Board package) was made by Mary-Alyce Burleigh, seconded by Jim Haggerton and unanimously approved. Appointments follow:

Chair:	Lloyd Warren
Vice Chair:	Mary-Alyce Burleigh
Secretary/Treasurer & Chair, Finance Committee	Jim Haggerton
Chair, Membership Committee	Mary-Alyce Burleigh
Chair, Public Affairs Committee	Grant Degginger
Chair, Resource Planning Committee	Lloyd Warren

- B. Other motions:

A motion ratifying the Pioneer Place Irrevocable Escrow Agreement and Pipeline Easement Agreement which were mutually executed on January 28, 2008 was made by John Marchione, seconded by Mary-Alyce Burleigh and unanimously approved.

A motion authorizing GordonDerr to finalize the Attu easement agreement with a total compensation amount not the exceed \$225,236 was made by John Marchione, seconded by Mary-Alyce Burleigh and unanimously approved.

COMMITTEE REPORTS

- A. Executive Committee

No report.

- B. Resource Planning Committee

The Planning Committee met on February 14 and discussed, among other things:

**(1) Guiding principles for construction community outreach** – Tacoma-Cascade Pipeline (TCP) “Construction Community Relations and Outreach Plan Approach” (included in the February Board package) highlights Cascade’s current approach to construction community relations and defines the guiding principles that will be used to achieve the level of service desired by Cascade during construction. The guiding principles are intended to guide Cascade’s outreach efforts related to the TCP project.

**Action:** The Board concurred with the guiding principles as presented and directed staff to work with the Public Affairs Committee to identify any policy issues and bring those issues and recommendations back to the Board.

**(2) Tacoma-Cascade Pipeline (TCP) Re-chlorination facility** – In October, 2007 Cascade requested proposals from three engineering consultant firms for design of the TCP Re-chlorination facility. Proposals were received from Pace Engineering and MWH Americas, Inc (MWH). The Technical Team reviewed the proposals and recommends that Cascade select MWH to design the Re-chlorination facility. MWH is currently preparing the TCP

Operations plan; awarding MWH this contract would provide for seamless integration of the two scopes of work.

The Resource Planning Committee authorized negotiating the contract for design of the TCP Re-chlorination facility with MWH and to report back to the Resource Planning Committee on the proposed scope and budget prior to presenting a contract to the Board for consideration, likely at the March Board Meeting.

- (3) Soos Creek cost-share agreement** – The Soos Creek W&S District Comprehensive Plan calls for the construction of a water and sewer line along 192<sup>nd</sup> Street. Soos Creek has requested that Cascade and the District enter into an agreement for the joint construction of the Soos Creek projects and the TCP. Cascade would construct the Soos Creek project as part of Cascade's project.

The Committee authorized negotiating a Construction Cost Sharing Agreement with Soos Creek to be reviewed with the Committee prior to being presented to the Board for consideration.

- (4) Eastside Reservoir Acquisition** – Per prior direction from the Board, discussions have been initiated with Seattle Public Utilities regarding Cascade's acquisition of the Eastside Reservoir.

The Committee authorized staff to solicit proposals from qualified firms to conduct engineering due diligence and appraisal on the Eastside Reservoir to support Cascade's acquisition negotiations.

- (5) Lake Tapps Outlet Screening Study Proposal** – The Muckleshoot Indian Tribe (MIT) has requested that Cascade, as a condition of its Settlement Agreement, conduct a study to assess the need for screening Lake Tapps outlets to prevent exotic or predatory species from entering the White River. A general scope of work has been discussed with the MIT. The estimated budget for the study is \$15,000-\$30,000. The 2006 Draft Report of Examination provides for installation of fish screens on any new outlet structures (Cascade submitted comments that screens should not be required unless there is a demonstrated need).

The Committee authorized the Negotiating Team to include the study requested by the MIT as part of the Settlement Agreement.

C. Membership Committee

No report.

D. Finance Committee

See Action Item D, Resolution No. 2008-03 authorizing reimbursement of costs associated with the processing of permits and franchises.

See also Action Item H regarding the Consultant Contract with ClarkNuber.

E. Public Affairs Committee

The Committee is coordinating preparation of media outreach materials associated with the Board's consideration of the Lake Tapps Asset Purchase Agreement.

ADJOURN

The meeting was adjourned at 4:16 PM.

Board Members signed approved Minutes, Resolutions and warrants.

NEXT MEETING DATE

The Board Retreat will be held March 15, 2008 at 8:30 AM at the Tukwila Community Center.

APPROVED BY:

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Lloyd Warren, Chair

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Mary-Alyce Burleigh, Vice Chair