



MEETING OF THE BOARD OF DIRECTORS

MINUTES

BELLEVUE CITY HALL

APRIL 23, 2008

At 3:34 PM Mary-Alyce Burleigh, Vice Chair, called the 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, the City of Redmond, Sammamish Plateau Water and Sewer District, Skyway Water and Sewer District and the City of Tukwila were present, constituting a quorum.

Lloyd Warren arrived at 3:36 PM and assumed the responsibilities of Chair.

EXECUTIVE SESSION

At 3:36 PM the Chair announced an Executive Session to last approximately 30 minutes to discuss acquisition of property and pending litigation. The Executive Session adjourned at 4:03 PM.

REGULAR MEETING

The Regular Meeting reconvened at 4:05 PM.

PUBLIC COMMENT

No members of the audience in attendance commented.

CHIEF EXECUTIVE OFFICER'S REPORT

- A. Redmond Well Replacement – A recap was given of a memorandum from Michael Gagliardo to the Board, dated April 23, 2008 regarding Redmond Well Replacement and Treatment Facilities. The memorandum was distributed at the meeting.
- B. Employee Salaries – Cascade has retained Johnson HR Consulting for a compensation study.
- C. New Employee – Maria Dudley was introduced as Cascade's new Records Manager.
- D. Staff Reports – Reports from staff were included with the April Board package.
- E. Agenda – A request was made to move Consent Action Item (7L) to Other Action Items (8C) regarding the Eastside Reservoir Due Diligence Engineer and Property Appraiser.
- F. Agenda – A request was made to add Consent Action Item (7L) regarding consideration of the second extension of the agreement with S&S Parcel A Enterprises.

CONSENT ACTION ITEMS

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

- A. Approval of Agenda as amended to move Consent Action Item (7L) to Other Action Items (8C) and add Consent Action Item (7L).
- B. Approval of Minutes of the special Board Meeting (Board Retreat) held on March 15, 2008

- C. Approval of Minutes of the regular Board Meeting held on March 26, 2008
- D. Approval of Minutes of the special Board Meeting held on April 9, 2008
- E. Approval of Warrant Authorization and Treasurer's Report
- F. Revise the Resource Management Committee to remove John Marchione as a Committee Member and Chair, and appoint David Knight as the Committee Chair.
- G. Authorize the Chief Executive Officer to execute Amendment No. 2 to Contract 5 with HDR Engineering, Inc. Authorize the Chief Executive Officer to execute Amendment No. 2 to HDR Contract 5 for \$1,273,000, increasing the total maximum compensation to \$3,743,200.
- G. Authorize the Chief Executive Officer to execute a contract with MWH Americas in an amount not to exceed \$548,000 for the Re-Chlorination Facility design, permit acquisition, specification development, final design and bid assistance.
- H. Authorize the Chief Executive Officer to proceed with the actions necessary to pre-purchase pipe for Reach B of the Central Segment of the Tacoma-Cascade Pipeline.
- I. Authorize the Chief Executive Officer to transmit Audit Acceptance Agreements adopting water audits to all Members for consideration and approval by their legislative bodies with a suggested due date of June 30, 2008. A copy of the agreement was included with the April Board package.
- J. Approve the 2009 Budget Development and Adoption Calendar.
- K. Authorize the Chief Executive Officer to direct Vanir to proceed with the assessment of construction impacts to properties along the Tacoma-Cascade Pipeline.
- L. Approve the second extension of the agreement with S&S Parcel A Enterprises, which will extend the option term until August 15, 2008 with a payment of \$5,000. The payment is fully applicable to the purchase price.

OTHER ACTION ITEMS

- A. A motion to adopt Resolution No. 2008-08 authorizing Board Member attendance at official Cascade meetings via telephone was made by Mary-Alyce Burleigh, seconded by John Marchione and unanimously approved.
- B. A motion authorizing the Chief Executive Officer to execute appropriate agreements with the private law firms utilized by Cascade for the period of May 1, 2008 through December 31, 2008 in the amounts shown below was made by Mary-Alyce Burleigh, seconded by Jim Haggerton and unanimously approved.

Inslee Best Doezie & Ryder, P.S.

General	\$ 34,000	
Lake Tapps Acquisition and Water Rights	80,000	
Water Law Litigation	30,000	
TOTAL		\$ 144,000

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Lake Tapps Acquisition and Operation	\$175,000	
USCOE Dam Replacement	50,000	
Engineering Subcontractor	43,000	
King County & City of Covington Franchises	58,000	
TCP Right-of-Way Acquisition	225,000	
Engineering Subcontractor	610,500	
Eastside Reservoir Acquisition	50,000	
General Matters	25,000	
TOTAL		1,236,500

Davis Wright Tremain Construction	\$150,000	150,000
TOTAL		
Winterbauer and Diamond Human Resources Counsel	\$ 15,000	15,000
TOTAL		
Foster Pepper & Shefelman, PLLC General/Financial Issues Counsel	\$ 10,000	10,000
TOTAL		
GRAND TOTAL		<u>\$1,555,500</u>

C. Eastside Reservoir Due Diligence Engineer and Property Appraiser, per memorandum from Michael Gagliardo to the Board, dated April 23, 2008 regarding Consultant Selection – Eastside Reservoir Acquisition.

1. A motion authorizing the Chief Executive Officer to develop the final scope of work and execute a consultant agreement with R.W. Beck, Inc. for the performance of the engineering and environmental due diligence for purchase of Seattle Public Utility (SPU)'s Eastside Reservoir and associated facilities and properties, with a maximum compensation amount of \$160,000 was made by Mary-Alyce Burleigh, seconded by Jim Haggerton and unanimously approved.

The Board is aware that the final scope of work and budget may need to be modified based on discussions with SPU related to conducting certain proposed tests of the structures.

2. A second motion authorizing the Chief Executive Officer to develop the final scope of work and execute a consultant agreement to prepare an appraisal of the Eastside Reservoir properties, with an initial maximum compensation amount of \$7,300 was made by Grant Degginger, seconded by Mary-Alyce Burleigh and unanimously approved.

STAFF PRESENTATION

A background and overview of the Tacoma-Cascade Pipeline (TCP) project was presented. A copy of the presentation was distributed at the meeting. Monthly staff presentations on the TCP project are recommended to keep the Board up to date on current activities and provide the opportunity for policy direction and Board approval of action items such as construction contracts.

COMMITTEE REPORTS

- A. Audit Committee – No report.
- B. Executive Committee – No report.
- C. Resource Planning Committee – Meeting recap was included with the April Board package.
- D. Public Affairs Committee – Meeting recap was included with the April Board package.

EXECUTIVE SESSION

At 5:12 PM, the Chair announced an additional Executive Session to last approximately 10 minutes to discuss settlement agreements and pending litigation.

ADJOURN

The regular meeting reconvened at 5:25 PM and the meeting was adjourned.

Board Members signed approved Minutes, Resolutions and warrants.

NEXT MEETING DATE

The next regular Board Meeting will be held May 28, 2008.

APPROVED BY:

Lloyd Warren, Chair

Mary-Alyce Burleigh, Vice Chair