



REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

BELLEVUE CITY HALL – ROOM 1E-108

MAY 28, 2008

3:30 PM

1. CALL TO ORDER
2. ROLL CALL
3. EXECUTIVE SESSION
4. PUBLIC COMMENT – Comments limited to 3 minutes per speaker; 3 speakers on each side of any topic
5. CHIEF EXECUTIVE OFFICER'S REPORT
  - A. Staff Reports
  - B. Tacoma Cascade Pipeline WSDOT SR 900 Road Widening Reach Status
6. APPROVAL OF AGENDA
7. CONSENT ACTION ITEMS
  - A. Minutes of the regular Board Meeting held on April 23, 2008
  - B. Amended Minutes of the regular Board Meeting held on March 26, 2008
  - C. Warrant Authorization and Treasurer's Report
  - D. Resolution No. 2008-09 Establishing Credit Card Issuance and Use Policy
  - E. Tacoma Cascade Pipeline Reach B (Attu) Construction Bid Authorization
  - F. Agreement with Burlington Northern Santa Fe Railroad Company
  - G. Hainline and Associates Owner's Representative Services for the Tacoma-Cascade Pipeline
  - H. Ratification of Everard Temporary Construction Easement for the Tacoma-Cascade Pipeline
  - I. BPA Staging Site Temporary Construction Easement Acquisition for the Tacoma-Cascade Pipeline
8. OTHER ACTION ITEMS
  - A. Resolution No. 2008-10 Adopting Employee Handbook and Authorizing the Chief Executive Officer to Adopt Amendments as Necessary or Advisable for the Efficient and Effective Administration of Human Resources
9. STAFF PRESENTATION
  - A. Tacoma-Cascade Pipeline Related Policy Discussion Topics
10. COMMITTEE REPORTS
  - A. Audit Committee
  - B. Executive Committee
  - C. Public Affairs Committee
  - D. Resource Management Committee
11. NEW BUSINESS
12. NEXT REGULAR MEETING:

June 25, 2008 — Bellevue City Hall — 3:30 PM
13. ADJOURN

NOTE: AS ALLOWED BY STATE LAW, THE BOARD OF DIRECTORS MAY ADD AND TAKE ACTION ON ITEMS NOT LISTED ON THE AGENDA.

## ATTACHMENTS AND ITEMS FOR APPROVAL OR ADOPTION

### 5. Chief Executive Officer's Report

- A. Staff Reports
- B. Tacoma Cascade Pipeline WSDOT SR 900 Road Widening Reach Status

### 7. CONSENT ACTION ITEMS

- A. Minutes of the regular Board Meeting held on April 23, 2008
- B. Amended Minutes of the regular Board Meeting held on March 26, 2008
- C. Warrant Authorization and Treasurer's Report
- D. Resolution No. 2008-09 Establishing Credit Card Issuance and Use Policy

The resolution will establish policies and procedures for credit cards issued to Cascade Officers and employees.

Options:

1. Adopt proposed Resolution No. 2008-09 establishing credit card issuance and use policy.
2. Do not adopt Resolution No. 2008-09 and provide alternate direction.

**Recommended Action:** Adoption of Resolution No. 2008-09 establishing credit card issuance and use policy.

### E. Tacoma-Cascade Pipeline Reach B (Attu) Construction Bid Authorization

Reach B of the Cross Country Reach of the Central Segment Tacoma-Cascade Pipeline (TCP) contains the crossing of the privately owned Attu property. The easement acquired by Cascade for crossing the Attu property contains a condition requiring completion of construction of this reach of the pipeline no later than May 31, 2009. The Board authorized the pre-purchase of the pipe for this section at the April 2008 Board meeting. It is anticipated that the project will be ready for advertisement in August 2008 and the contract awarded in November 2008; however, the consultant team is working to move these dates forward. The estimated construction for Reach B is \$1,000,000 to \$1,500,000.

Options:

1. Authorize the Chief Executive Officer to advertise to contractors for construction of Reach B of the Central Segment of the TCP upon completion of the design and review.
2. Do not authorize the advertisement of Reach B of the Central Segment. This option may cause a delay in the award of the construction contract resulting in insufficient time to meet the construction timeline included in the Attu easement agreement.

**Recommended Action:** Authorize the Chief Executive Officer to advertise to contractors for construction of Reach B of the Central Segment of the Tacoma-Cascade Pipeline upon completion of the design and review.

### F. Agreement with Burlington Northern Santa Fe Railroad Company

The Tacoma-Cascade Pipeline (TCP) will cross the Burlington Northern Railroad Company (BNSF) Railroad tracks south of the City of Covington city limits and just north of Kent-Black Diamond Road. This agreement gives Cascade permission to tunnel under the railroad. The agreement has been reviewed by Cascade staff and consultants. Key components of the

agreement are: 1) Contract fees associated with the agreement are \$3,190; and 2) the License for construction is good for one year after execution of the agreement.

Options:

1. Authorize the Chief Executive Officer to execute the agreement with the BNSF Railroad Company.
2. Do not authorize the execution of the agreement with BNSF and provide alternative direction to staff.

**Recommended Action:** Authorize the Chief Executive Officer to execute the agreement with the BNSF Railroad Company.

G. Hainline and Associates Owner's Representative Services for the Tacoma-Cascade Pipeline

Cascade's Chief Executive Officer retained Hainline & Associates (Hainline) to provide Owner's Representative (Project Management) services for the Tacoma-Cascade Pipeline. Specifically, Hainline is assisting the Chief Executive Officer with:

- Overall project coordination;
- Strategic project planning;
- Project status documentation;
- Management of consultant contracts; and
- Evaluation of the project schedule and budget.

The Tacoma Cascade Pipeline project is extremely complex and requires close coordination of consultant activities including HDR Engineering, Inc., MWH Americas, Inc., Vanir Construction Management, Davis Wright Tremaine, GordonDerr, and Langton Spieth.

The Chief Executive Officer recommends continuation of Hainline as Cascade's Owner's Representative and is seeking Board approval to extend the contract through the year end 2008 at a cost not to exceed \$265,000. A portion of this cost will be offset by reductions in the Vanir Construction Management contract for activities such as the project schedule and budget development, monitoring and reporting.

Options:

- 1) Authorize the Chief Executive Officer to execute a contract with Hainline & Associates, Inc. in an amount not to exceed \$265,000 to provide Owner's Representative services for the Tacoma-Cascade Pipeline project through year end 2008.
- 2) Do not authorize the Chief Executive Officer to execute a contract with Hainline & Associates, Inc. and provide alternative direction to staff.

**Recommended Action:** Authorize the Chief Executive Officer to execute a contract with Hainline & Associates in an amount not to exceed \$265,000 to provide Owner's Representative services for the Tacoma-Cascade Pipeline project through year-end 2008.

H. Ratification of Everard Temporary Construction Easement for the Tacoma Cascade Pipeline

The Everard Temporary Construction Easement and Irrevocable Escrow Agreement were executed by the Everard family on May 12, 2008. Post execution ratification of the agreement by the Board is required.

The Everard property is part of the Tacoma-Cascade Pipeline Central Segment located adjacent to 160<sup>th</sup> Avenue SE. Cascade is acquiring a temporary construction easement over

the eastern 30 feet of the property for construction staging during construction of the pipeline within 160<sup>th</sup> Avenue SE. The purchase price is \$5,000.

Options:

- 1) Ratify the Everard Temporary Construction Easement and Irrevocable Escrow Agreement executed by the Chief Executive Officer.
- 2) Do not ratify the Everard Temporary Construction Easement and provide alternative direction to staff. Without ratification, the agreement will be terminated. Alternatives are likely to be more costly to Cascade than the Everard Temporary Construction Easement.

**Recommended Action:** Ratify the Everard Temporary Construction Easement and Irrevocable Escrow Agreement executed by the Chief Executive Officer to execute such documents.

I. Approval of the BPA Staging Site Temporary Construction Easement Acquisition for the Tacoma-Cascade Pipeline

HDR has identified a 355,000 square foot site (approximately 8.1 acres) within the BPA property, which is needed as a staging site during construction of the Tacoma-Cascade Pipeline. The staging site is flat, largely unencumbered, located adjacent to Covington Way SE and is zoned industrial. It will be used to store pipes, earthwork and other materials and will likely house temporary construction offices.

HDR estimates the need for the temporary construction easement over the staging site for a period of two years, with the need for a month-to-month renewal basis after the initial two-year period. BPA has offered the site for \$60,000 for the initial two-year period, plus the right to renew on a month-to-month basis for up to one additional year at \$2,500 per month. Due diligence performed by HDR indicates that this is reasonable rate.

Options:

- 1) Approve the BPA Staging Site Temporary Construction Easement Acquisition cost of \$60,000 for the two year temporary construction easement with up to twelve monthly extensions at a rate of \$2,500 per month and authorize the Chief Executive Officer to execute the documents necessary for this transaction.
- 2) Do not approve the BPA Staging Site Temporary Construction Easement Acquisition and provide alternative direction to staff.

**Recommended Action:** Approve the BPA Staging Site Temporary Construction Easement Acquisition cost of \$60,000 for the two-year temporary construction easement with up to twelve monthly extensions at a rate of \$2,500 per month and authorize the Chief Executive Officer to execute the documents necessary for this transaction.

8. OTHER ACTION ITEMS

A. Resolution No. 2008-10 Adopting Employee Handbook and Authorizing the Chief Executive Officer to Adopt Amendments as Necessary or Advisable for the Efficient and Effective Administration of Human Resources

Cascade presented an employee handbook to the Board in 2001. At that time, the Board deemed it was in Cascade's best interest not to adopt an employee handbook. Recently Moss Adams LLP (in conjunction with the Organizational Strategic Plan) and State Auditors recommended Cascade implement an employee handbook.

The employee handbook has been updated in consultation with legal counsel and contains similar personnel policies that guide all Member jurisdictions. Legal counsel also assisted in updating policies related to non-discrimination, harassment and whistle blower protection. Highlights include:

- 1) Establishment of a General Leave policy in lieu of vacation and sick leave. Limits on maximum accrual and cash-out upon separation are generally consistent with those of Members.
- 2) Cascade's current policy of matching employee contributions to the 457 deferred compensation plan were determined to be inconsistent with Members or other public agencies. The handbook provides for discontinuation of the employer match for all new employees. Current employees will be subject to a two year phase out of employer match of the 457 Deferred Compensation Plan (2009 – 67% match, 2010 - 33% match, 2011 - 0%).

Options:

- 1) Adoption of Resolution No. 2008-10 adopting the Employee Handbook and authorizing the Chief Executive Officer to adopt amendments necessary or advisable for the efficient and effective administration of human resources.
- 2) Do not adopt Resolution No. 2008-10 and provide alternate direction.

**Recommended Action:** Adoption of Resolution 2008-10 adopting the Employee Handbook and authorizing the Chief Executive Officer to adopt amendments necessary or advisable for the efficient and effective administration of human resources.

## 9. STAFF PRESENTATION

Tacoma-Cascade Pipeline Background and Overview of Tacoma-Cascade Pipeline Related Policy Discussion Topics:

### A. Franchise Updates

Franchises from King County along with the Cities of Covington and Renton will be required to initiate construction activities in the Rights of Way. Steve Call will provide an update on Cascade's efforts related to the Franchises.

### B. Construction Risk Management and Insurance

John Parnass (Cascade's Construction Counsel) will describe the insurance coverage for contractor operations and design services (copy attached). While Cascade maintains its own insurance, risks related to construction and design should be borne by the insurance carriers for the contractors and engineers hired by Cascade. Mr. Parnass will summarize the insurance policies that will be obtained to achieve that result.

### C. Construction Bid Acceptance/Rejection Policy

As a part of the Tacoma-Cascade Pipeline development process, Cascade will utilize competitive procurement procedures for materials (e.g., valves, pipe, etc.) and construction.

Dennis Fields will provide an overview of the proposed policy document (attached) that has been developed by Cascade staff and Construction Counsel. It is recommended for Board approval by Member Staff and the Resource Management Committee.

#### D. Sediment Control Options

Water delivered to Cascade from Tacoma Public Utilities is unfiltered and contains particulates, or turbidity. Concerns with higher turbidities include impairing the disinfection capability of chlorine and causing long-term problems.

Dennis Fields will provide an overview of the proposed policy document (attached) that has been developed by Cascade staff and Construction Counsel. It is recommended for Board approval by Member Staff and the Resource Management Committee.

#### E. Interconnection Policy

An interconnection with other water systems through interties provides a valuable means of increasing water system reliability. If water systems are interconnected, potable water supply can readily be available in the event of a major water system failure.

Dennis Fields will provide an overview of the proposed policy document (copy attached) that has been developed by Cascade staff and Construction Counsel. It is recommended for Board approval by Member Staff and the Resource Management Committee.

### 10. COMMITTEE REPORTS

- A. Audit Committee – No meetings held.
- B. Executive Committee – No meetings held.
- C. Resource Planning Committee – May 22 Meeting Recap attached.
- D. Public Affairs Committee – May 6 and May 13 Meeting Recaps attached.

Directions to Bellevue City Hall  
450 110<sup>th</sup> Ave NE  
Bellevue, WA 98004  
(425) 452-6800

From I-405 north or southbound:

Take NE 4th Street exit

Head west on NE 4<sup>th</sup> Street

Turn right onto 110<sup>th</sup> Avenue NE

Proceed ½ block on 110<sup>th</sup> Avenue NE and turn right into the entrance of Bellevue City Hall's visitor parking lot.

**BE SURE TO HAVE YOUR PARKING VALIDATED AT THE SERVICE FIRST DESK ON YOUR WAY IN TO THE MEETING**