



MEETING OF THE BOARD OF DIRECTORS

MINUTES

BELLEVUE CITY HALL

JUNE 25, 2008

1. CALL TO ORDER

At 3:34 p.m. Chair Lloyd Warren called the meeting to order.

2. ROLL CALL

Board Members or Alternate Board Members from the City of Bellevue (Degginger), Covington Water District (Knight), the City of Issaquah (Kappler), the City of Kirkland¹ (Burleigh), the City of Redmond (McCormick), Sammamish Plateau Water and Sewer District (Warren), and Skyway Water and Sewer District (Ault) were present, constituting a quorum.

3. EXECUTIVE SESSION

At 3:35 p.m. Chair Warren announced an Executive Session to discuss settlement discussions and pending litigation. The Executive Session adjourned at 3:44 p.m. (The Regular Meeting reconvened at 3:46 p.m.)

4. PUBLIC COMMENT

No members of the audience in attendance commented.

5. CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Oberg reported on the following items:

- A. Staff Reports – Reports from staff were included in the June Board packet. Thank you to Steve Call and Dennis Fields for their dedication to Cascade Water Alliance. Both gentlemen have accepted positions elsewhere and will be missed.
- B. Ambac, the bond insurance company that insured Cascade's 2006 Water System Revenue Bonds, recently was downgraded in terms of its credit rating. This requires Cascade to take action regarding bond disclosure requirements. Further information was included in the June Board packet.
- C. An intergovernmental and communications report was provided in the June Board packet. Among other issues, the memo addressed the Lake Tapps newsletter mailed to 17,000 people. There were six inquiries from this mailing, which were addressed.
- D. Recommendation to add agenda item 8C to "Other Action Items" – Accept utility work for Tacoma Cascade Pipeline WSDOT SR 900 Road Widening and cancel the Special Board Meeting scheduled June 27, 2008.

¹ Arrived at 3:45 p.m.

E. On June 12, 2008, four Board Members met with the Mayors of Auburn, Bonney Lake, Sumner, and Buckley. In particular, three general areas were discussed:

- Lake Tapps Water Right
- Future water needs
- Governance issues

Follow-up meetings will be held with the Mayors and City staff.

F. Board packets will now be available online.

G. Mike Ruark, Cascade's General Legal Counsel has announced his retirement. A RFQ process is recommended to solicit a replacement. Board Members expressed their appreciation to Mr. Ruark for his years of wisdom and service.

H. Request to move Item 7D, Chief Executive Officer Recruitment to Item 8D. In addition, request to add a new item to the agenda, Item 7D, Temporary Limited Access & Use Agreement, which was included in the Desk Packet.

6. APPROVAL OF AGENDA

Motion by Mr. Degginger and second by Vice-Chair Burleigh to approve the revised Agenda. Motion carried unanimously.

7. CONSENT ACTION ITEMS

- A. Minutes of the regular Board Meeting held on May 28, 2008
- B. Warrant Authorization and Treasurer's Report
- C. Construction Bid and Procurement Policy.
- D. Temporary Limited Access & Use Agreement

Motion by Vice-Chair Burleigh and second by Ms. McCormick to approve Consent Action Items A-D. Motion carried unanimously.

8. OTHER ACTION ITEMS

- A. Resolution No. 2008-11 Authorizing Execution of Lake Tapps/White River Settlement Agreements.

A brief explanation of Resolution No. 2008-11 was provided.

Motion by Vice-Chair Burleigh and second by Mr. Degginger to adopt Resolution No. 2008-11, authorizing the Chair of the Board of Directors to execute the Lake Tapps/White River Settlement Agreements with the Muckleshoot Indian Tribe and the Puyallup Tribe of Indians.

Mr. Degginger congratulated staff members, Council, and Board Members for the historical significance of this agreement.

A press release and fact sheet will be distributed regarding this agreement. In addition, the three agreements will be posted on the website. A formal signing agreement will be conducted at a later date.

At the question, motion carried unanimously.

- B. Consideration of Appeal of the Trial Court's Decision in the Municipal Water Law Case.

An appeal of the trial court's ruling is recommended. The estimated cost for this appeal is not to exceed \$25,000.

Motion by Ms. McCormick and second by Vice-Chair Burleigh to authorize an appeal of the trial court's ruling. Motion carried unanimously.

- C. Accept Utility Work for Tacoma Cascade Pipeline WSDOT SR 900 Road Widening and cancel the Special Board Meeting

Mr. Quick explained the bid opening results for the SR900 Road Widening project. There were seven bidders. Mr. Quick distributed a breakdown of figures depicting the low and high bids. He noted that all of the bids were approximately \$3M lower than the engineer's estimates for the overall project (State and Cascade components). In addition, the line items for Cascade's portion of the bid were discussed. The estimates are still being finalized and the State is required to conduct the due diligence and select the overall low bid.

Motion by Mr. Degginger and second by Vice-Chair Burleigh to authorize the Chief Executive Officer to accept the Utility Work bid for the SR 900 Road Widening Project based on the bid results open today in Olympia; and cancel the Special Board Meeting scheduled for Friday, June 27, 2008 – 3:00 p.m. – WSDOT SR 900 Road Widening Reach Contract.

Mr. Knight summarized the recent committee meeting regarding this project noting that the committee recommends moving forward with the pipeline installation.

At the question, motion carried unanimously.

- D. Chief Executive Officer Recruitment

Waldron & Company was recommended to assist with the Chief Executive Officer search. Further information was included in the June Desk Packet.

Motion by Vice-Chair Burleigh and second by Mr. Ault to authorize the Chief Executive Officer to execute a contract with Waldron & Company in an amount not to exceed \$29,000, plus direct expenses, for the Chief Executive Officer recruitment process. Motion carried unanimously.

9. STAFF PRESENTATION

- A. Tacoma-Cascade Pipeline Related Policy Discussion Topics

- Short-term Supply Strategy

An evaluation was conducted to determine ways to increase available water supply in the short-term. An overview of the two wheeling options was provided by Clair Olivers: Wheeling Tacoma water through Lakehaven and Highline Water Districts to Tukwila through existing interties, or pumping Tacoma water from Kent to Tukwila. Mr. Olivers discussed the feasibility of each of the proposed routes. Both routes have long-term benefits.

Further developments will be shared through the Resource Management Committee.

10. COMMITTEE REPORTS

- A. Audit Committee – No report.
- B. Executive Committee – No report.
- C. Public Affairs Committee – Meeting recap was included with the June Board packet.
- D. Resource Management Committee – Meeting recap was included with the June Board packet. Further recommendations are being prepared for Board review, including possibly modifying the pipe diameter of the Central Segment “Reach B” section of the Tacoma Cascade Pipeline.

11. NEW BUSINESS

Councilmember McCormick inquired as to the status of the Human Resources Handbook. Mr. Oberg reported that evaluation and discussion of the general leave option was still underway.

12. NEXT REGULAR MEETING

The next regular Board Meeting will be held July 23, 2008 at 3:30 p.m.

13. ADJOURN

The meeting was adjourned at 4:43 p.m.

APPROVED BY:

Lloyd Warren, Chair

Mary-Alyce Burleigh, Vice Chair