



MEETING OF THE BOARD OF DIRECTORS

MINUTES

BELLEVUE CITY HALL

JULY 23, 2008

**1. CALL TO ORDER**

At 3:32 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), the City of Issaquah (Kappler), the City of Kirkland (Burleigh), the City of Redmond (Marchione), Sammamish Plateau Water and Sewer District (Warren), Skyway Water and Sewer District (Ault), and the City of Tukwila (Seal) were present, constituting a quorum.

**3. EXECUTIVE SESSION**

At 3:33 p.m. Chair Warren announced an Executive Session to discuss property acquisitions. The Executive Session adjourned at 3:58 p.m. (The Regular Meeting reconvened at 4:00 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

1. Conservation
2. Tacoma Cascade Pipeline
3. Lake Tapps
4. Intergovernmental and Communications

B. General Legal Counsel Search Status—Mr. Oberg reported that five firms responded to the General Legal Counsel RFQ. Further information was included in the Desk Packet.

C. Scott Hardin, Director of Finance and Administration introduction—Mr. Hardin has recently been named the Director of Finance and Administration for Cascade Water Alliance. He will begin his duties on August 4, 2008. Further information was included in the Desk Packet.

D. Seattle Public Utilities Supplemental Water Contract Update—A letter from Chuck Clarke was included in the Desk Packet regarding terms for a supplemental wholesale water agreement between Cascade Alliance and the Seattle Public Utilities. Mr. Oberg

reviewed the terms of the agreement. In particular, he noted the strong support of wheeling water purchased by Cascade from Tacoma Public Utilities (TPU) through the Lakehaven and Highline Water Districts to provide TPU water to the City of Tukwila and the Skyway Water and Sewer District. An agreement is anticipated for action by the September 2008 Cascade Board meeting. A widespread distribution of this information and agreement will be conducted.

- E. Mr. Oberg recommended altering the meeting agenda by moving Consent Items 7E and 7F to Other Action Items—8A and 8B.

## **6. APPROVAL OF AGENDA**

**Motion by Vice-Chair Burleigh and second by Mr. Ault to approve the agenda with the change to move Consent Items 7E and 7F to Other Action Items—8A and 8B. Motion carried unanimously.**

## **7. CONSENT ACTION ITEMS**

- A. June 25, 2008 Regular Board Meeting Minutes
- B. Warrant Authorization and Treasurer's Report
- C. Authorize execution of the Option to Acquire Easement over S&S Property for the Tacoma Cascade Pipeline
- D. Ratify the Gregory Pipeline Easement Agreement for the Tacoma Cascade Pipeline
- E. Authorize Advertisement for Bids for Reach B Portion of Tacoma Cascade Pipeline Central Segment
- F. Authorize Cascade Pre-Rinse Spray Head Replacement Program Contract
- G. Ratify Amendment to the Reimbursement Agreement increasing costs for Lake Tapps Survey

**Motion by Vice-Chair Burleigh and second by Mr. Ault to approve Consent Action Items A-G. Motion carried unanimously.**

## **8. OTHER ACTION ITEMS**

- A. Authorize Bid Award for the Tacoma Cascade Pipeline North Segment SR 900 Road Widening Reach Pipeline Valves

Mr. Oberg explained the current recommendation to purchase the six valves for the SR 900 Road Widening Reach. Three bids were received for this project with Ferguson Waterworks being the lowest bidder. The six valves identified are a long-lead time item and the immediate needs pursuant to the contract with the Washington State Department of Transportation require the valves to be provided within 180-days from contract signing. Approval of this authorization will satisfy the contract terms.

There was a brief discussion regarding the reasons for the amount of valves within the 1.1 mile pipeline. Further information was included in the Desk Packet.

**Motion by Mr. Ault and second by Vice-Chair Burleigh to accept the Tacoma Cascade Pipeline North Segment SR 900 Road Widening Reach Pipeline Valve bid and authorize the Chief Executive Officer to execute the agreement for the valves. Motion carried unanimously.**

- B. Authorize Bid Award for the Tacoma Cascade Pipeline Central Segment Reach B Pipe Purchase

The engineer's estimate for the Tacoma Cascade Pipeline Central Segment Reach B Pipe is approximately \$1.2M. Although the lowest bid came in slightly below the estimate (approximately \$1.M), Mr. Oberg recommended a delay in action pending further work on the route through Reach B. He added that there are 90-days to act upon the bid.

By general consensus Boardmembers concurred to delay action on the authorization bid award for the Tacoma Cascade Pipeline central segment Reach B Pipe purchase.

## **9. STAFF PRESENTATION**

- A. Proposed 2009 Budget and Regional Capital Facility Charges—Further information included in Desk Packet

Steve Call provided an overview of the preliminary 2009 Budget, with a specific focus on member rates and the Regional Capital Facilities Charge (RCFC). Mr. Call explained that there are no fundamental changes anticipated to the 2009 Budget. However some of the more notable budget changes are in the cost to purchase water and the SR 900 Road Widening and Reach B Construction project.

Because additional operating costs are being incurred in terms of the increase in purchase of new water, there will be a 9.5% cumulative member charge increase to member rates. A 9.5% annual rate increase is anticipated through 2012.

Mr. Call discussed the changes in individual member payments for 2009 as well as the 2008 versus 2009 RCFC charges per CERU. Mr. Degginger requested further information regarding the double-digit RCFC increase and how the projections are calculated.

- B. Chief Executive Officer Recruitment Process Status Report—Further information included in Desk Packet

Mr. Dick Cushing, Waldron & Company, explained the timeline for the Chief Executive Officer search. The finalist selections are anticipated in late-September with final interviews and candidate selection in October.

The Cascade Officer's group has been designated as the Steering Committee for the CEO search process. In addition, Mr. Cushing reviewed the process that will take place over the next few months.

## **10. COMMITTEE REPORTS**

- A. Audit Committee – No report.
- B. Executive Committee – No report.
- C. Public Affairs Committee – Meeting recap was included with the July Board packet.
- D. Resource Management Committee – No report.

**11. NEW BUSINESS**

None.

**12. NEXT REGULAR MEETING**

The next regular Board Meeting will be held August 27, 2008 at 3:30 p.m.

**13. ADJOURN**

The meeting was adjourned at 4:34 p.m.

APPROVED BY:

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Lloyd Warren, Chair

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Mary-Alyce Burleigh, Vice Chair