



MEETING OF THE BOARD OF DIRECTORS

MINUTES

BELLEVUE CITY HALL

NOVEMBER 19, 2008

1. CALL TO ORDER

At 3:30 p.m. Chair Lloyd Warren called the meeting to order.

2. ROLL CALL

Board Members or Alternate Board Members from the City of Bellevue (Davidson), Covington Water District (Knight), the City of Issaquah (Kappler/Traeger¹), the City of Kirkland (Burleigh/Lauinger²), the City of Redmond (Marchione), Sammamish Plateau Water and Sewer District (Warren), and Skyway Water and Sewer District (Ault) were present, constituting a quorum.

3. EXECUTIVE SESSION

None.

4. PUBLIC COMMENT

No members of the audience in attendance commented.

5. CHIEF EXECUTIVE OFFICER'S REPORT

A. Staff Reports

1. Finance and Administration: The cash flow analysis of Cascade's five funds is complete. Overall, the sum of Cascade's fund balances and cash flow will remain healthy. However, the Construction fund will need additional cash to maintain a positive balance until anticipated bond proceeds are received in 2009. Staff will bring forward an Interfund Loan Resolution for action at the December Board meeting.

Three submittals were received for the Utility Finance & Rate Consultation RFQ. The most favorable proposal was from the FCS Group. A recommendation to enter into a contract with the FCS Group will be made at the December Board meeting.

A revised payment authorization list was included in the Desk Packet.

2. Conservation
3. Tacoma Cascade Pipeline
4. Planning
5. Intergovernmental and Communications

¹ Attended Executive Session only.

² Attended Executive Session only.

- B. Water Conservation Leadership Award: Mr. Oberg congratulated Michael Brent for being the 2008 honoree for the *Water Conservation Leadership Award*. Further information was included in the Board packet.
- C. Lake Tapps Laser Aerial Photography: Mr. Oberg requested an agenda amendment to include a motion to approve Lake Tapps laser aerial photography.

6. APPROVAL OF AGENDA

Motion by Vice-Chair Burleigh and second by Mr. Marchione to approve the amended agenda, which includes Other Action Item 8 (B) – authorizing the Chief Executive Officer to develop and execute a contract with a qualified firm for the Lake Tapps system aerial photography and laser mapping services. Motion carried unanimously (7-0).

7. CONSENT ACTION ITEMS

- A. Approve October 22, 2008 Regular Board Meeting Minutes.
- B. Approve payment of warrants (revised payment authorization), including payroll, for the month of November 2008.
- C. Motion to authorize the Chief Executive Officer to renew a contract with Portland Energy Conservation, Inc., for the administration of the WashWise Program, in an amount not to exceed \$271,450 for the period January 1 through December 31, 2009.
- D. Motion to authorize the Chief Executive Officer to renew a contract with Pacific Supply, for delivery of high-efficiency replacement toilets to Cascade's business and multifamily accounts, in an amount not to exceed \$70,000 for the period January 1 through December 31, 2009.
- E. Motion to authorize the Chief Executive Officer to renew a contract with Ecos, for the installation of high-efficiency showerheads and faucet aerators at selected apartment complexes in Cascade member areas, in an amount not to exceed \$20,000 for the period January 1 through December 31, 2009.

Motion by Vice-Chair Burleigh and second by Mr. Marchione to approve Consent Action Items A-E. Motion carried unanimously (7-0).

8. OTHER ACTION ITEMS

- A. Approval of Resolution 2008-16 authorizing the execution of the Amended and Restated 50-year Declining Block Water Supply Agreement between the City of Seattle and the Cascade Water Alliance.

Mr. Gagliardo summarized the Resolution, which increases the amount of water available for purchase by Cascade through December 31, 2023. This will increase Cascade's 2009 payment to Seattle by approximately \$2.1 million annually beginning in 2009. Mr. Gagliardo clarified that the increase has already been factored into the 2009 Cascade Budget.

Motion by Vice-Chair Burleigh and second by Mr. Marchione to approve Resolution No. 2008-16 authorizing the execution of the Amended and Restated 50-year Declining Block Water Supply Agreement between the City of Seattle and the Cascade Water Alliance. Motion carried unanimously (7-0).

- B. Authorize the Chief Executive Officer to develop and execute a contract with a qualified firm for the Lake Tapps system aerial photography and laser mapping services.

Mr. Gagliardo explained the necessity for the aerial photographs and mapping of the shoreline of Lake Tapps. This information will provide a basis for the recreational and shoreline erosion assessment; and provide initial documentation of Cascade owned property and structures, as well as other non-Cascade structures around the Lake.

Motion by Mr. Marchione and second by Vice-Chair Burleigh to authorize the Chief Executive Officer to develop and execute a contract with a qualified firm for aerial photography and laser mapping services related to Lake Tapps with a maximum compensation amount not to exceed \$90,000. Motion carried unanimously (7-0).

9. STAFF PRESENTATION

A. Federal and State Legislative Update

Tim Schellberg, President, Gordon Thomas Honeywell Governmental Affairs, provided an update on the state-of-the-state—and country—following the November 4 elections. He provided a list of Cascade delegation meetings. In addition, he summarized the 2009 federal strategy for Cascade, which includes:

- Congressional and Administrative Outreach
- Outreach to Washington DC Interest Groups
- Cooperation with Federal Agencies
- Federal Grants

The 2009 Washington State Legislative Strategies include:

- Ongoing outreach
- Expand support groups
- Build on delegation support
- Pursue leadership support

With the new administration changes, Mr. Schellberg does not foresee any major impacts on funding to Cascade related projects. The state legislative objectives will be to: develop new relationships with the Cascade delegation and leadership; position Cascade for future capital requests; and seek adoption of eminent domain authority. At the federal level, the objectives will be to: develop relationships with congressional staff, delegations, etc.; get the Mud Mountain Project included in the President's Army Corps of Engineer's Budget; and obtain federal grants.

Mr. Schellberg briefly discussed the Economic Stimulus Plan and the effects of this Plan on the State and Cascade.

B. Briefing on proposed "Cascade Finance 101" curriculum

Mr. Hardin explained the proposed "Cascade Finance 101" course and curriculum. There will be a series of four courses offered. The objective of the Finance 101 series is to help participants gain a fundamental understanding of the financial framework in which Cascade plans and operates. The first course is tentatively scheduled for December 19, 2008 and will introduce Cascade's financial plan and fiscal policies.

10. COMMITTEE REPORTS

A. Audit Committee – No meetings held.

B. Executive Committee – No meetings held.

- C. Public Affairs Committee – November 4, 2008 meeting recap was included in the Board Packet.
- D. Resource Management Committee – No meetings held.

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regular Board Meeting will be held December 17, 2008 at 3:30 p.m.

13. EXECUTIVE SESSION

At 4:18 p.m. Chair Warren announced that there would be an Executive Session to consider the qualifications of applicants for public employment. The Executive Session was expected to take approximately 30 minutes unless the time was extended by further notice. Anyone other than the Board Members and Alternative Board Members were asked to step out of the room.

14. ADJOURN

The Executive Session concluded at 4:50 p.m. and the meeting was adjourned.

APPROVED BY:

Lloyd Warren, Chair

Mary-Alyce Burleigh, Vice Chair