



MEETING OF THE BOARD OF DIRECTORS

MINUTES

BELLEVUE CITY HALL

DECEMBER 17, 2008

1. CALL TO ORDER

At 3:33 p.m. Chair Lloyd Warren called the meeting to order.

2. ROLL CALL

Mr. Oberg read Resolution 2008-08, which allows Board Member meeting attendance via conference call. He confirmed audience members and conference callers could hear each other.

Board Members or Alternate Board Members from the City of Bellevue (Degginger), Covington Water District (Knight), the City of Issaquah (Kappler¹), the City of Kirkland (Burleigh²), the City of Redmond (Marchione³), Sammamish Plateau Water and Sewer District (Warren), Skyway Water and Sewer District (Ault) and the City of Tukwila (Haggerton) were present, constituting a quorum.

On behalf of the Board of Directors, Chair Warren read a Resolution honoring Mr. Ruark, since he is retiring as General Counsel. Mr. Ruark has served Cascade Water Alliance and its member since before the agency's official inception in 1999. Mr. Ruark helped create Cascade and ensured it stayed the course of being a major water purveyor in the region through his loyal and dedicated service. Boardmembers, staff, and audience members expressed their gratitude to Mr. Ruark for his years of wisdom, patience, and counsel.

3. EXECUTIVE SESSION

At 3:44 p.m. Chair Warren announced an Executive Session to evaluate the qualifications of applicants for public employment. The Executive Session was expected to take approximately 10 minutes unless the time was extended by further notice. Anyone other than the Board Members and Alternate Board Members were asked to leave the meeting room. The Executive Session adjourned at 3:56 p.m. (The Regular Meeting reconvened at 3:57 p.m.)

4. PUBLIC COMMENT

No members of the audience in attendance commented.

5. CHIEF EXECUTIVE OFFICER'S REPORT

A. Staff Reports

¹ Via conference call.

² Via conference call.

³ Via conference call.

1. Finance and Administration – information included in Board Packet.
 2. Conservation – information included in Board Packet.
 3. Tacoma Cascade Pipeline – information included in Board Packet.
 4. Planning—information included in Desk Packet.
 5. Intergovernmental and Communications—information included in Board Packet.
- B. Mr. Oberg advised Boardmembers that staff and General Counsel are working on agreements between Cascade, Covington Water District, and the Tacoma Public Utilities to enable the Covington Water District to utilize some of the water under Cascade's contract with Tacoma. This is expected to be an Action Item at the January 2009 Board meeting.
- C. Mr. Oberg recommended that Agenda Item #7f be deleted from the agenda. He also suggested adding Item #8c motion to authorize the Board Chair or Vice Chair to execute an Employment Agreement for the Cascade Water Alliance Chief Executive Officer consistent with the terms of employment document provided to the Board.

6. APPROVAL OF AGENDA

Motion by Mr. Degginger and second by Mr. Haggerton to approve the agenda with the following amendments:

- **Delete Consent Action Item 7f: Motion to authorize the Board Chair or Vice Chair to execute an Employment Agreement with Ed Oberg for continued services as the Cascade Chief Executive Officer.**
- **Add Other Action Items 8c: Motion to authorize the Board Chair or Vice Chair to execute an Employment Agreement for the Cascade Water Alliance Chief Executive Officer consistent with the terms of employment document provided to the Board.**

At the question, motion carried unanimously (8-0).

7. CONSENT ACTION ITEMS

- A. November 19, 2008 Regular Board Meeting Minutes.
- B. Motion to approve payment of warrants, including payroll, for the month of December 2008.
- C. Motion to approve renewal contracts for general consulting services for the calendar year 2009.
- D. Resolution No. 2008-17 authorizing interfund loans from the RCFC Fund to the Construction Fund for the purpose of paying Cascade expenses pending the receipt of the proceeds of bonds; authorizing the transfer of funds; setting aside the interest rate and terms of repayment; declaring its official intent to reimburse capital expenditures in connection with the purchase of property from proceeds of a future borrowing; and providing for other related matters.
- E. Motion to approve execution of an amended agreement with Foster Pepper & Shefelman, PLLC for legal services in an amount not to exceed \$50,000 for 2008.
- F. Motion to approve execution of the Extension Agreement extending the BPA option for an additional three month period in exchange for an additional \$5,000 extension payment.

- G. Resolution No. 2008-18 adopting a schedule of regular meetings as required by the Open Public Meeting Act (Chap. 42.30 RCW).

Motion by Mr. Degginger and second by Mr. Knight to approve Consent Action Items A-G. Motion carried unanimously (8-0).

8. OTHER ACTION ITEMS

- A. Motion to approve execution of consulting contracts with HDR Engineering, Inc. (\$50,000), Katz & Associates (\$150,000), and Financial Consulting Solutions Group, Inc. (\$150,000).

Motion by Mr. Haggerton and second by Mr. Ault to approve execution of consulting contracts with HDR Engineering, Inc. (\$50,000), Katz & Associates (\$150,000), and Financial Consulting Solutions Group, Inc. (\$150,000). Motion carried unanimously (8-0).

- B. Resolution No. 2008-19 adopting the Human Resources Employee Handbook.

Motion by Mr. Degginger and second by Mr. Ault to approve Resolution No. 2008-19 adopting the Human Resources Employee Handbook.

Mr. Degginger suggested that the Merit Pay section on page 74 of the handbook be reworded since the merit pay paragraphs conflict with each other. One paragraph states that the "merit increases will be granted on the completion of an employee's six month probation period and at twelve month intervals thereafter, until a maximum salary is reached." Then, the next paragraph states that merit pay increases are not automatic. Mr. Degginger suggested that the merit pay program outline criteria for eligibility.

At the question, motion carried unanimously (8-0) to approve Resolution No. 2008-19 adopting the Human Resources Employee Handbook with the deletion of the Merit Pay section, which will be rewritten and presented at the next Board meeting.

- C. Motion to authorize the Board Chair or Vice Chair to execute an employment agreement for the Cascade Water Alliance Chief Executive Officer consistent with the terms of employment document provided to the Board.

Motion by Mr. Haggerton and second by Mr. Ault to authorize the Board Chair or Vice Chair to execute an Employment Agreement with Mr. Chuck Clarke for the Cascade Water Alliance Chief Executive Officer position consistent with the terms of employment document provided to the Board.

Mr. Clarke will commence work on January 20, 2009.

At the question, motion carried unanimously (8-0).

9. STAFF PRESENTATION

None.

10. COMMITTEE REPORTS

- A. Audit Committee – No meetings held. A committee meeting will be scheduled in January 2009. The auditors report that they are seeing great progress.
- B. Executive Committee – No meetings held.
- C. Public Affairs Committee – The December 2, 2008 meeting recap was included in the Board Packet.

D. Resource Management Committee – The December 11, 2008 meeting recap was included in the Desk Packet.

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regular Board Meeting will be held January 28, 2009 at 3:30 p.m.

13. ADJOURN

The meeting was adjourned at 4:09 p.m.

APPROVED BY:

Lloyd Warren, Chair

Mary-Alyce Burleigh, Vice Chair