



MEETING OF THE BOARD OF DIRECTORS
MINUTES
BELLEVUE CITY HALL
AUGUST 26, 2009

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 (Kappler¹), the City of Kirkland (Burleigh), the City of Redmond (McCormick²), Skyway Water and Sewer District (Ault), the City of Tukwila (Haggerton³), and Sammamish Plateau Water and Sewer District (Warren) were present, constituting a quorum.

Chair Warren confirmed all members participating via conference call received the Board and Desk packets, and that they could hear Board Members present at the meeting. In addition, Board Members confirmed that they could hear all conference call participants.

3. EXECUTIVE SESSION

No Executive Session was held.

4. PUBLIC COMMENT

No members of the audience in attendance commented.

5. CHIEF EXECUTIVE OFFICER'S REPORT

A. Staff Reports

1. Finance and Administration
2. Conservation
3. Capital Projects Report
4. Planning
5. Intergovernmental and Communications

B. Bonney Lake Days Sponsorship Proposal

C. 2010 Budget, Member Rates, and RCFC

Mr. Hardin summarized the key components of the 2010 Budget, Member Rates, and RCFC. He noted that the average Cascade member charge increase for 2010 will remain at 7.5%. In addition, the 2010 Capital Improvement Plan is \$605,000. The RCFC recommendation will be to keep the

¹ Via conference call.

² Via conference call.

³ Via conference call at 3:32 p.m.

RCFC at its 2009 level of \$6,005 into 2010. Pending Board approval, staff proposes to prepare biennial budgets and rate-setting beginning with the 2011-12 biennium.

Ms. Kraft noted that Cascade provided a comprehensive proposal to four cities regarding water supply opportunities. There is general consensus on the principles of this agreement. However, the financial details are being discussed. Further information will be provided when the water supply proposal is finalized.

6. APPROVAL OF AGENDA

Motion by Vice-Chair Burleigh and second by Mr. Knight to approve the agenda with the addition of item 8C (Motion to adopt the staff recommendation related to the annexation). Motion carried unanimously (8-0).

7. CONSENT ACTION ITEMS

A. July 22, 2009 Regular Board Meeting Minutes

B. Motion to approve payment of warrants, including payroll, for the month of August 2009

Motion by Vice-Chair Burleigh and second by Mr. Knight to approve Consent Action Items A-B. Motion carried unanimously (8-0).

8. OTHER ACTION ITEMS

A. Motion to approve Resolution 2009-10 adopting Amendment No. 1 to the Capital Program Coordination, Management and Finance Plan

Mr. Gagliardo explained that Resolution 2009-10 is a watershed management plan and it enables Cascade to carry out cooperative undertakings. The original finance plan (Resolution No. 2006-06) was adopted in 2006. The proposed resolution is an amendment to the 2006 Plan. In addition, this Resolution supplements the 2004 finance plan adopted by the Board and supersedes this plan.

Motion by Mr. Ault and second by Vice-Chair Burleigh to approve Resolution No. 2009-10 adopting Amendment No. 1 to the Capital Program Coordination, Management and Finance Plan as its watershed management plan for purposes of RCW 39.34.190-.10. Motion carried unanimously (8-0).

B. Motion to approve Resolution 2009-11 authorizing the sale of bonds

Mr. Hardin explained that the purpose of the Bonds is to pay the cost of carrying out a portion of the capital program described in Cascade's 2009 Watershed Management Plan, in particular acquiring Lake Tapps water rights and associated costs.

Motion by Vice-Chair Burleigh and second by Mr. Ault to adopt Resolution No. 2009-11 authorizing the Borrowing of Money and the Issuance and Sale of Water System Revenue Bonds, In One or More Series, for the Purposes of Paying Part of the Cost of Carrying out a Portion of the Cascade Water Alliance Capital Program Coordination, Management and Finance Plan, Providing for a Debt Service Reserve and Paying the Costs of Issuing and Selling Those Bonds; Providing for Bond Insurance and Reserve Insurance; Fixing Certain Provisions and Covenants of Those Bonds; Creating Certain Accounts Relating to Those Bonds; and Authorizing and Directing the Sale of Those Bonds. Motion carried unanimously (8-0).

C. Motion to adopt the staff recommendation related to the annexation by the City of Kirkland of the Bridle View Development and transfer of water service customers from the City of Redmond to Kirkland

Mr. Gagliardo explained that the City of Kirkland was asked to consider a proposed annexation of the Bridle View Development and Snyder's Corner Park. The existing homes are currently part of the City of Redmond's water service area. However, upon annexation, responsibility for water service will be transferred from Redmond to the City of Kirkland. Mr. Gagliardo clarified that the shifting of customers does not result in new development or capital costs. In addition, there are no additional RCFCs associated with the annexation. However, there are a few items that need to be adjusted (i.e., CERUs and future calculations of demand shares).

Although not a large number of residents are affected by the annexation, Dr. Davidson suggested that a formal policy be established to address future transfers.

Motion by Vice-Chair Burleigh and second by Mr. Knight to adopt the staff recommendation for implementation of the RCFC Methodology with regard to the Bridle View Annexation. Motion carried unanimously (8-0).

Vice-Chair Burleigh clarified that the annexation is an annexation by petition. In addition, she expressed her appreciation to Cascade staff and the City of Redmond for assisting with the annexation process.

9. STAFF PRESENTATION

None.

10. COMMITTEE REPORTS

- A. Audit Committee – Mr. Haggerton will provide a recap of the recent auditor's meeting at the next Board Meeting.
- B. Executive Committee – No meetings held.
- C. Public Affairs Committee – The August 4, 2009 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 September 23, 2009 at 3:30 p.m.

13. ADJOURN

The meeting was adjourned at 3:28 p.m.

APPROVED BY:

Lloyd Warren, Chair

Mary-Alyce Burleigh, Vice Chair