



ANNUAL MEETING MINUTES OF THE  
BOARD OF DIRECTORS  
BELLEVUE CITY HALL  
FEBRUARY 24, 2010

**1. CALL TO ORDER**

At 3:31 p.m. Jim Haggerton called the meeting to order.

**2. ROLL CALL**

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

**Motion by Jon Ault and second by John Marchione to move agenda Item 8a (Other Action Items) after agenda Item 4 (Public Comment). Motion carried unanimously (8-0).**

**3. EXECUTIVE SESSION**

None.

**4. PUBLIC COMMENT**

None.

**5. OTHER ACTION ITEMS**

- A. Motion to appoint Officers and Committee Chairs for the period 2010-2011 pursuant to Section 4.04 of the Cascade Water Alliance By-laws.

Mr. Haggerton nominated the following people for Board Officer positions:

- Lloyd Warren—reelect as Committee Chair
- John Marchione—nominate as Vice-Chair
- Jim Haggerton—reelect as Secretary/Treasurer

Mr. Haggerton solicited other nominations for Board positions. There were none.

**Motion by Penny Sweet and second by Grant Degginger to reelect Mr. Warren as Committee Chair, nominate Mr. Marchione as Vice-Chair, and reelect Mr. Haggerton as Secretary/Treasurer. Motion carried unanimously (8-0).**

## **6. CHIEF EXECUTIVE OFFICER'S REPORT**

Chuck Clarke reported on the following items:

- A series of meetings have begun with the four cities (Auburn, Bonney Lake, Buckley, and Sumner). Issues discussed include: trespassing, permitting, facilities and maintenance.
- Discussions are continuing with the cities of Tacoma and Seattle over contract and water issues. These discussions will continue to determine the best available options.
- A Cascade Board retreat is recommended for April 2010. Further details will be sent out to Board Members.

Mr. Degginger questioned whether or not the Agreement between GordonDerr and HDR Engineering under agenda Item 7g is necessary, since the Agreement was established to preserve attorney-client privilege protection of the work product and protect against lawsuits. T.C. Richmond clarified that the lawsuits have been dismissed and the Agreement will be monitored to determine if further changes are necessary.

### **A. Staff Reports**

#### **1. Finance and Administration.**

Scott Hardin explained that Cascade designated King County to serve as its treasurer, in 2006, and entered into a King County Investment Pool Agreement. The King County Investment Pool Agreement has included both investment and cash management services. To comply with new state law, however, the County is now separating investment and cash management services into two agreements that must be executed by continuing participants by March 31, 2010.

Mr. Hardin discussed the financial losses in the portion of the King County Investment Pool that invested in four commercial paper investment funds. As a participant in the investment pool, Cascade shared in the losses and continues to recover some of the value of the impaired investments. Mr. Hardin summarized the layers of oversight that have been added to alleviate such losses in the future. Further information was included in the Board packet.

There was general consensus to authorize Cascade's Board Treasurer to execute the Investment Pool Agreement on behalf of Cascade. The Board also authorized the Treasurer to enter into additional agreements to provide for operational coordination between Cascade and King County Treasury Operations.

#### **2. Conservation.**

Mike Brent discussed the leak detection mailer that will be mailed to Cascade member areas during national Fix-A-Leak-Week. In addition, a conservation video will be aired on local television channels that explain how to use the dye kit included in the detection mailer. Further information was included in the Board packet.

#### **3. Capital Projects Report.**

Jon Shimada provided an update on the following Capital Projects:

- WSDOT SR900 Road Widening Pipeline Installation.
- Ford Property Garage and Noonan House Demolition.
- TCP Central Segment.
- TCP North Segment.
- Bellevue – Issaquah Pipeline.
- Lake Tapps.

Further information was included in the Board packet.

4. Planning.

Michael Gagliardo summarized the monthly report that was included in the Board packet.

5. Intergovernmental and Communications.

Elaine Kraft discussed some highlights from the recent Lake Tapps celebration and open house. More than 125 public officials and community members attended the event. Further information was included in the Board packet.

Ms. Kraft will send out a Chamber schedule with future community Chamber meetings. Board Members are encouraged to attend the meetings.

**7. APPROVAL OF AGENDA**

**Motion by David Knight and second by Mr. Brady to approve the meeting agenda with the amendment of Item 8a discussed above. Motion carried unanimously (8-0) to approve the revised meeting agenda.**

**8. CONSENT ACTION ITEMS**

- A. January 27, 2010 Regular Board Meeting Minutes.
- B. Motion to approve payment of warrants, including payroll, for the month of February.
- C. Motion to accept an Aquatic Weeds Management Grant in the amount of \$30,000 from the State of Washington Department of Ecology.
- D. Motion to authorize the Chief Executive Officer to execute AECOM Contract No. 090103, Amendment 2 for an extension of time to perform the Lake Tapps Operational Assessment.
- E. Motion to authorize the Chief Executive Officer to execute an amendment to the consultant contract with HDR Engineering, Inc. for the preparation of the Environmental Impact Statement for the Lake Tapps Project (HDR Contract No. 7, Amendment No. 3), increasing the maximum compensation amount from \$1,139,803 to \$1,280,468.
- F. Motion to authorize the Chief Executive Officer to execute a change order with Earth to Earth LLC Construction Company for services and materials over and above the original agreement, increasing the amount by \$9,381.59 to an amount not to exceed \$25,863.89 for the demolition of the Noonan property located at 15935 SE 272<sup>nd</sup> Street in Covington.

**Motion by Mr. Marchione and second by Mr. Ault to approve Consent Action Items A-F. Motion carried unanimously (8-0).**

- G. Motion to authorize the Chief Executive Officer to transfer \$343,000 to Cascade's GordonDerr trust account to fund Attorney-Client Privileged Real Estate Services as described under the Agreement between GordonDerr and HDR Engineering.

Mr. Degginger requested the following information pertaining to the GordonDerr and HDR Engineering agreement:

- What are the costs incurred thus far?
- What are the limits imposed?
- How will these costs and limits be managed?

Further discussions were tabled until the next Board meeting.

**9. STAFF PRESENTATION**

A. Conservation video

*Shown earlier in agenda.*

B. Lake Tapps operational briefing

Mr. Gagliardo provided an operational briefing for Lake Tapps. Particular items discussed included:

- Risk management.
- Conditions left by Puget Sound Energy.
- Operating agreement with Puget Sound Energy.
- Use of Lake Tapps facilities.
- Planning and land use.
- Regulatory.

Further information from Mr. Gagliardo's presentation was included in the Board Desk Packet. In addition, Mr. Clarke summarized the Asset Management Operational Tasks included in Desk Packet and encouraged Board Members to participate in a tour of Lake Tapps.

Ms. Richmond discussed Cascade's Enterprise Risk Management (ERM) initiative that will be launched on February 16, 2010. Cascade will use the ERM model to evaluate its risks in a step-by-step approach that will identify, prioritize, and respond to risks. The initial focus of the initiative will relate to ownership of Lake Tapps.

**10. COMMITTEE REPORTS**

- A. Audit Committee – No meetings held.
- B. Executive Committee – No meetings held.
- C. Public Affairs Committee – No meetings held.
- D. Resource Management Committee – No meetings held.

**11. NEW BUSINESS**

None.

**12. NEXT REGULAR MEETING**

The next regular Board meeting will be held March 24, 2010 at 3:30 p.m.

**13. ADJOURN**

The meeting was adjourned at 5:01 p.m.

APPROVED BY:

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Jim Haggerton, Secretary/Treasurer