



MEETING OF THE BOARD OF DIRECTORS  
MINUTES  
BELLEVUE CITY HALL  
APRIL 28, 2010

**1. CALL TO ORDER**

At 3:31 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/Degginger<sup>1</sup>), 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 (Warren), and Skyway Water and Sewer District (Ault) were present, constituting a quorum.

**3. EXECUTIVE SESSION**

At 3:33 p.m. Chair Warren announced that there would be an Executive Session to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

The Executive Session was expected to take approximately 10 minutes unless the time was extended by further notice.

At 3:40 p.m., the Executive Session was extended for 5 minutes.

The Executive Session adjourned at 3:47 p.m.

**4. PUBLIC COMMENT**

None.

**5. APPROVAL OF AGENDA**

**Motion by Vice-Chair Marchione and second by Mr. Haggerton to approve the meeting agenda included in the Desk Packet. Motion carried unanimously (7-0).**

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

A. Staff Reports

1. Finance and Administration.

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<sup>1</sup> Arrived at 3:48 p.m.

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

Chuck Clarke reported on the following items:

- Diversions into Lake Tapps have stopped since the lake has officially reached full recreational pool levels. Several problems were identified with the diversion structure during the diversion process. Further information was included in the Desk Packet.
- Information about agenda Item 8b (Resolution No. 2010-07) was included in the Desk Packet. Cascade and its employees have been contributing to Social Security continuously since April 1, 1999, despite not having a 218 Agreement in place. Cascade must either: 1) file a 218 Agreement now and apply it retroactively to February 3, 2000 (the date that Cascade adopted a retirement plan, or; 2) Do not file a 218 Agreement, stop contributing to Social Security, and seek reimbursement of employer and employee contributions to Social Security back to at most three years prior to now. Filing a 218 Agreement with SSA is irrevocable.
- A draft "Study Proposal: How Regional Water Service Providers Can Be Organized" was distributed. This draft is intended to clarify the authority of organizations, like Cascade, trying to set up regional entities for water and sewer services.
- The recent audit is near completion with one remaining issue being addressed pertaining to the characterization of a pending payment under a tribal settlement agreement.
- Dikes are not typically covered under normal insurance policies. Board Members will need to establish risk tolerance levels so proper insurance coverage can be determined for the dikes surrounding Lake Tapps.
- An RFQ will be issued May 3, 2010 for an insurance provider. This RFQ process is in keeping with Cascade's procurement policy of periodically testing the market for all consultants and vendors to assure that Cascade is obtaining services most effectively and efficiently. The current insurance policy will be renewed for one year.

## **7. CONSENT ACTION ITEMS**

- A. March 24, 2010 Regular Board Meeting Minutes.
- B. Motion to approve payment of warrants, including payroll, for the month of April 2010.
- C. Motion to authorize the Chief Executive Officer to transfer \$122,128 to Cascade's GordonDerr trust account to fund Attorney-Client Privileged Real Estate Services as described under the Agreement between GordonDerr and HDR Engineering.
- D. Motion to authorize the Chief Executive Officer to execute HDR Engineering, Inc. Contract No. 5 Amendment 4 for an extension of time to July 31, 2010 to complete the Tacoma Cascade Pipeline (TCP) North Segment Termination and Transition (TNT) Plan.
- E. Motion authorizing the Chief Executive Officer to execute a Contract with Coluccio Construction Company to repair a valve on the Bellevue Issaquah Pipeline (BIP) located at SE Newport Way and 150<sup>th</sup> Avenue SE.
- F. Motion authorizing the Chief Executive Office to execute Contract No. 20100402-00 with PACE Engineers, Inc. to provide services to establish vertical control for Lake Tapps in an amount not to exceed \$32,500.

- G. Motion to adopt Resolution No. 2010-06 designating and authorizing the Chief Executive Officer to take all necessary action in the event of an emergency including, but not limited to, declaring that such an emergency exists, waiving competitive bidding requirements, and awarding all necessary contracts on behalf of Cascade to address the emergency situation, consistent with RCW 39.04.280; and directing that if a contract is awarded without competitive bidding due to an emergency, the Chief Executive Officer shall make a written finding of the existence of an emergency no later than two weeks following the award of the contract, submit those findings to the Board Chair no later than two weeks following the award of the contract and submit a report to the Board at its next meeting.

**Motion by Mr. Haggerton and second by Mr. Ault to approve Consent Action Items A-G. Motion carried unanimously (7-0).**

## **8. OTHER ACTION ITEMS**

- A. Motion to adopt the staff recommendation related to interpretation of current Regional Capital Facilities Charge (RCFC) Methodology.

Scott Hardin explained that a sub-group comprised of three member staff and one Cascade staff was formed to evaluate five Regional Capital Facilities Charge issues. After evaluating the issues, Member staff and Cascade staff consider the recommendations to be consistent with the existing RCFC Methodology and the Interlocal Agreement. Therefore, no revisions to the Methodology or to the Interlocal Agreement were required.

**Motion by Mr. Degginger and second by Mr. Knight to adopt the staff recommendation related to interpretation of current Regional Capital Facilities Charge (RCFC) Methodology. Motion carried unanimously (7-0).**

- B. Motion to adopt Resolution No. 2010-07 authorizing an employee majority referendum for Social Security coverage.

**Motion by Ms. Sweet and second by Mr. Degginger to adopt Resolution No. 2010-07 authorizing an employee majority referendum for Social Security coverage. Motion carried unanimously (7-0).**

## **9. STAFF PRESENTATION**

- A. Budget process review

Mr. Hardin explained that staff has begun preparations for the 2011 (or 2011-12) budget development process. Following a review of Cascade's financial structure and financial policies, staff has begun to identify potential budget drivers for the next few years, including the three remaining water supply portfolios that will likely define Cascade's operating expenses and capital improvement program starting as early as late 2010.

Information on how rates will be impacted will be provided later in May. Mr. Hardin explained that the budget process involves staff, Board Members, and FCSG rate consultants culminating with adoption of the budget in September.

Mr. Hardin noted that a proposal for Board consideration will be brought before Board Members at the May 26, 2010 Board meeting to convert Cascade to biennial budgeting starting with the 2011-2012 biennium. Mr. Hardin clarified that Member rates and charges would be fixed for the first year of the biennium and would be projected for the second year; the second year charges, expected to be slight, would be amended as needed.

**10. COMMITTEE REPORTS**

- A. Audit Committee – No meetings held.
- B. Executive Committee – No meetings held.
- C. Public Affairs Committee – The meeting recap from the April 6, 2010 meeting was included in the Board packet. In addition, a draft Board Retreat meeting agenda was distributed for review. The Board Retreat will be held June 5, 2010.
- D. Resource Management Committee – No meetings held.

**11. NEW BUSINESS**

None.

**12. NEXT REGULAR MEETING**

The next regular Board meeting will be held May 26, 2010 at 3:30 p.m.

**13. ADJOURN**

The meeting was adjourned at 4:29 p.m.

APPROVED BY:

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Lloyd Warren, Chair

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John Marchione, Vice-Chair