



MEETING OF THE BOARD OF DIRECTORS

MINUTES

BELLEVUE CITY HALL

JUNE 22, 2011

**1. CALL TO ORDER**

At 3:30 p.m. Vice-Chair Marchione called the meeting to order.

**2. ROLL CALL**

Board Members or Alternate Board Members from the City of Bellevue (Degginger), the City of Issaquah (Goodman/Traeger<sup>1</sup>), the City of Kirkland (Sweet), the City of Redmond (Marchione), Covington Water District (Knight), Sammamish Plateau Water and Sewer District (Brady), and Skyway Water and Sewer District (Ault) were present, constituting a quorum.

**3. PUBLIC COMMENT**

None.

**4. EXECUTIVE SESSION**

None.

**5. APPROVAL OF AGENDA**

**Motion by Mr. Ault and second by Ms. Sweet to approve the meeting agenda.**

Pending further 2011 budget review, Chuck Clarke suggested that Other Action Items 8b and 8c be pulled from the meeting agenda.

**At the question, motion carried unanimously (7-0) to approve the revised meeting agenda.**

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

Mr. Clarke reported on the following items:

- Discussions continue with the City of Seattle and City of Tacoma regarding water supply options and block contracts.
- Options for purchasing water from Covington Water District are being explored.
- In response to suggestions made during the Board's performance review of the CEO and beginning immediately, Cascade will add a peer feedback component to all Cascade staff evaluations, including the CEO. Input will be collected from Cascade staff peers as well as Member agencies.

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<sup>1</sup> Arrived at 3:35 p.m.  
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- Cascade's budget is adopted for two years, but rates and charges are adopted annually. The 2012 rates and charges were projected in 2010 assuming a 6% general increase. The June forecast remains on track for the projected 6% increase, but now incorporates actual 2010 member water demand data in assigning costs to members.
- Cascade has hired three summer interns for 2011: Reid Backstrom, Tyler Dougherty, and Alyssa Jergens.
- Lake Tapps land transactions are being reviewed. The county is evaluating whether or not they will continue to have the rafting area.
- Discussions with Bonney Lake are ongoing. Bonney Lake has made a series of commitments related to marine and land patrols, including physical presence. The issues of water quality and dike-related boat access are also being discussed.
- Encroachments and ownerships issues will be added to the fall agenda for the Committee of the Whole.

Mr. Clarke asked Board Members if they would like to have the July Board meeting at Lake Tapps. In addition, he questioned whether or not an August Board meeting should be held. Due to time constraints, Board Members concurred that the July meeting should be held at Bellevue City Hall. There was general consensus to cancel the August Board meeting.

Mr. Clarke reviewed a chart that was distributed indicating Cascade Average Daily Demand from SPU.

## 7. CONSENT ACTION ITEMS

- May 25, 2011 Regular Board Meeting Minutes.
- Motion to authorize the Chief Executive Officer to execute a second amendment to Cascade's contract with NAES Power Contractors to continue the extended performance of startup and shakedown services for the Lake Tapps Fish Screens, for an additional contract amount not to exceed \$114,285 (bringing the total contract not to exceed amount to \$785,624), and to extend the contract term through December 31, 2011.
- Motion to authorize the Chief Executive Officer to execute the 2011 Issaquah Salmon Days Sponsorship Agreement in the amount of \$2,000.
- Motion to authorize the Chief Executive Officer to execute the 2011 Kirkland Concert Series Sponsorship Agreement in the amount of \$1,000.
- Motion to authorize the Chief Executive Officer to increase Cascade's 2011 contract with legal firm Davis Wright Tremaine (TWT) by \$50,000, from \$25,000 to \$75,000.

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

## 8. OTHER ACTION ITEMS

- Motion authorizing the Chief Executive Officer to enter into a contract for up to \$200,000 for 2011 for herbicide treatment of the Lake Tapps Reservoir milfoil which is dependent on negotiations during a bid award process.

Mr. Clarke explained that the motion provides Cascade flexibility in case the Lake Tapps Reservoir milfoil becomes a problem. The treatment continues the plan from last year.

**Motion by Ms. Sweet and second by Mr. Traeger to authorize the Chief Executive Officer to enter into a contract for up to \$200,000 for 2011 for herbicide treatment of the Lake Tapps Reservoir milfoil which is dependent on negotiations during a bid award process.**

B. *Removed from meeting agenda.*

C. *Removed from meeting agenda.*

D. Motion to adopt Resolution No. 2011-07 authorizing the CEO to execute an Easement Agreement for Training and Rescue Activities with the Pierce County Fire Protection District No. 22, subject to conditions enumerated therein.

Mr. Clarke explained that the Pierce County Fire Protection District No. 22 ("Fire District") owns certain property adjacent to Lake Tapps Reservoir, which includes a boat house and boat ramp. One of the duties of the Fire District is to provide emergency water rescue and recovery services, including SCUBA diving services, on Lake Tapps Reservoir. The Fire District launches its boat and personnel either from its property or Pierce County's North Tapps County Park.

In addition to emergency water rescue and recover services, Mr. Clarke explained that the Fire District trains its staff and/or volunteers in the waters of Lake Tapps Reservoir. This training includes SCUBA diving and recovery training. It is recognized that such training is necessary so that the Fire District may continue to serve the public in these important public safety operations. These activities are not currently covered under a formal agreement between Cascade and the Fire District. Under a formal easement agreement, the Fire District would be granted a permanent, nonexclusive easement right to conduct such training activities, as well as to respond to water rescue emergency calls, and Cascade would be fully protected from liability by the Fire District's activities through appropriate indemnity and insurance provisions.

Mr. Knight questioned whether or not similar agreements need to be considered with the Police Department if they are responding to 911 calls on Cascade property. Ms. Trimble clarified that the SCUBA training aspect for the Fire District raises additional concerns because SCUBA diving is considered an ultra-hazard activity.

Mr. Degginger questioned why a permanent property right needs to be granted to the Fire District, rather than an easement. He is concerned that this authorization may set a precedent for other jurisdictions. Other committee members concurred with this concern.

Staff will research options for granting an easement to the Fire District and will report back to the Board. In the meantime, Resolution No. 2011-07 is withdrawn.

## **9. STAFF PRESENTATION**

A. Economic/rate forecast

Scott Hardin explained that 2011 is projected to remain within budget, but adjustments may be considered later in the summer to accommodate additional reimbursements or a revised distribution between operations and capital projects expenditures. No adjustments are currently foreseen for the 2012 budget.

Ed Cebron noted that the average 2011 member charge increase over 2010 was 6% (before credits and adjustments). In addition, the 2012 average member charge increase over 2011 was forecast in September 2010 to be 6% and remains at 6% after collecting member usage data this spring.

Mr. Cebron reviewed the projected rate changes for Cascade members. There is an approximate \$1.3 million difference, mainly due to credits collected.

#### B. Strategic Plan

Aleksandra Gancheva, RNR Consulting, discussed the Strategic Plan process to assess Cascade's internal functions and resources as well as the external environment. A full report was distributed to Board members. Specific steps for the Strategic Plan process included:

- i. Conduct Project Organization & Kick-off
- ii. Review of Existing Documentation
- iii. Conduct Interview with Cascade's CEO
- iv. Review of Values, Mission and Desired Future Direction
- v. Conduct Interviews with Cascade's Board Members
- vi. Conduct an Assessment of Cascade's IT Systems
- vii. Review External Environment
  - Conduct Focus Groups with Member Staff
  - Define Community Engagement Strategy
  - Community Engagement
  - Review Competition and Water Suppliers
  - Review Regulatory, Social and Economic Projections
  - Define Opportunities and Threats
- viii. Review Internal Environment
  - Define Competitive Advantage and Sustainability Factors
  - Determine Value Creating Activities
  - Define Strengths and Weaknesses
- ix. Conduct SWOT Analysis
- x. Conduct Vision, Mission, and Values Development Session
- xi. Generate Strategic Goals
- xii. Validate Strategic Goals
- xiii. Create, Submit and Review Strategic Plan

Boardmembers expressed their appreciation for the thorough report. They felt the information was informative and useful.

### 10. COMMITTEE REPORTS

- A. Executive Committee – No meetings held.
- B. Finance and Management Committee – Meeting held Thursday, May 19, 2011. The meeting recap was included in the Board packet.
- C. Public Affairs Committee – No meetings held. Ms. Kraft discussed her recent visit to Washington D.C. where she and other Cascade representatives met with the congressional delegation.
- D. Resource Management Committee – No meetings held.

**11. NEW BUSINESS**

None.

**12. NEXT REGULAR MEETING**

The next regular Board meeting will be held July 27, 2011 at 3:30 p.m.

**13. ADJOURN**

The meeting was adjourned at 4:46 p.m.

APPROVED BY:

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Lloyd Warren, Chair

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John Marchione, Vice-Chair