



MEETING OF THE BOARD OF DIRECTORS
MINUTES
BELLEVUE CITY HALL
OCTOBER 26, 2011

1. CALL TO ORDER

At 3:31 p.m. Chair Warren 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), the City of Kirkland (Sweet), the City of Redmond (Margeson), 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. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

At 3:33 p.m. Chair Warren announced that there would be an Executive Session to consider the selection of a site or the acquisition of real estate by lease or purchase because public knowledge regarding these considerations would result in adverse legal or financial consequence to Cascade. The Executive Session was expected to take approximately 10 minutes unless the time was extended by further notice.

The Executive Session adjourned at 3:46 p.m.

5. APPROVAL OF AGENDA

Motion by Mr. Margeson and second by Mr. Haggerton to approve the revised meeting agenda included in the Desk packet. Motion carried unanimously (8-0).

6. CHIEF EXECUTIVE OFFICER'S REPORT

Chuck Clarke reported on the following items:

- Approximately 80% of the milfoil has been contained at Lake Tapps. Another treatment will be conducted in 2012. In addition, mechanical harvesting of the milfoil may be considered.
- An October 12, 2011 "Cascade WaterSense Toilet Replacement Program Residential Survey Report" was distributed to Board Members.
- A Committee of the Whole meeting will be held next week. The primary topic of discussion will be encroachments at Lake Tapps.

- Conservation levels and priorities will be added to a future meeting agenda so policies can be determined.
- Discussions continue with the City of Seattle, City of Tacoma, and Covington Water District regarding water supply options and block contracts.

7. CONSENT ACTION ITEMS

- A. July 27, 2011 Regular Board Meeting Minutes.
- B. Motion to authorize the Chief Executive Officer (CEO) to amend contract number 20110222-00 with Seitel Systems, LLC, to increase maximum contract compensation from \$25,000 to \$36,000.

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

8. OTHER ACTION ITEMS

- A(1) Motion to adopt Resolution No. 2011-17 adopting an amended and restated Interlocal Agreement, adopting minimum demand shares for Sammamish Plateau Water and Sewer District and the City of Issaquah, establishing the terms and conditions for the RCFC Credit Purchase Program, and amending Cascade Water Alliance Code Section 5.25.070 (a portion of the Regional Capital Facilities Charge Methodology).

Mr. Clarke explained that the consolidated resolution is proposed as an alternative to Resolution No.'s 2011-10, 2011-11, 2011-12, 2011-13, and 2011-14.

Motion by Mr. Ault and second by Ms. Sweet to adopt Resolution No. 2011-17 adopting an amended and restated Interlocal Agreement, adopting minimum demand shares for Sammamish Plateau Water and Sewer District and the City of Issaquah, establishing the terms and conditions for the RCFC Credit Purchase Program, and amending Cascade Water Alliance Code Section 5.25.070 (a portion of the Regional Capital Facilities Charge Methodology).

Mr. Clarke clarified that Resolution No. 2011-17 would accomplish the following:

- Amend the December 2004 Amended and Restated Interlocal Contract to raise the maximum administrative dues that may be collected from the Members to 9% of Cascade's annual revenue requirement and to allow the 9% limit to be amended in the budget by Board action by a 65% Dual Majority Vote; and such amendment to the Interlocal Contract requires a 65% Dual Majority Vote (ratified within 120 days by 65%), as measured by Dual Majority Vote of the Members' legislative authorities;
- Set specific minimum Demand Shares effective 2012 of 1.0 for Sammamish Plateau Water and Sewer District and 0.75 for the City of Issaquah;
- Amend Cascade Water Alliance Code Section 5.25.070 of the RCFC Methodology to authorize a program whereby Cascade may purchase RCFC credits from one or more Members; and such amendment of the RCFC Methodology shall require a 65% Dual Majority Vote of the Board; and
- Establish the terms and conditions for an RCFC Credit Purchase Program whereby Cascade may purchase RCFC credits from one or more Members.

Board Members commended staff for their hard work on Resolution No. 2011-17. Overall, Board Members thought their issues were listened to and addressed with the Resolution.

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

- B. *Removed from the meeting agenda.*
- C. *Removed from the meeting agenda.*
- D. *Removed from the meeting agenda.*
- E. Motion to adopt one of the following resolutions establishing 2012 Rates & Charges: Resolution No. 2011-15, which allocates rates and charges according to current (i.e., unchanged) methodology or “baseline;” or Resolution No. 2011-16 which allocates rates and charges according to a revised model that assigns a minimum demand share of 0.75 mgd to Issaquah and 1.0 mgd to Sammamish Plateau and assumes a change in the limitation on administrative expenses that may be allocated to members on the basis of CERUs from 5% to 9%, effective only upon the adoption of the 2011 Amended and Restated Interlocal Contract by the Board and ratification by Members’ legislative authorities.

Mr. Clarke explained that Resolution No. 2011-16 is consistent with Resolution No. 2011-17.

Motion by Ms. Sweet and second by Mr. Ault to adopt Resolution No. 2011-16 which allocates rates and charges according to a revised model that assigns a minimum demand share of 0.75 mgd to Issaquah and 1.0 mgd to Sammamish Plateau and assumes a change in the limitation on administrative expenses that may be allocated to members on the basis of CERUs from 5% to 9%, effective only upon the adoption of the 2011 Amended and Restated Interlocal Contract by the Board and ratification by Members’ legislative authorities. Motion carried unanimously (8-0).

- F. Motion to adopt Resolution No. 2011-08 establishing the Regional Capital Facilities Charge (RCFC) for 2012.

Motion by Mr. Ault and second by Mr. Margeson to adopt Resolution No. 2011-08 establishing the Regional Capital Facilities Charge (RCFC) for 2012. Motion carried unanimously (8-0).

- G. Motion to adopt Resolution No. 2011-09 authorizing the CEO to execute a Park License Agreement and Right-of-Way Dedication Deed with the City of Bonney Lake (“City”), subject to the conditions enumerated therein.

Motion by Ms. Sweet and second by Mr. Margeson to adopt Resolution No. 2011-09 authorizing the CEO to execute a Park License Agreement and Right-of-Way Dedication Deed with the City of Bonney Lake (“City”), subject to the conditions enumerated therein.

Mr. Clarke explained that the City of Bonney Lake and Cascade entered into a MOU in July 2011, contemplating that (1) the City and Cascade would enter into an agreement whereby Cascade would allow the City to use Dike 13 as an extension of Allan Yorke Park; and (2) Cascade would dedicate a 10’ strip of land to the City for purposes of widening West Tapps Highway and for construction of a sidewalk.

Mr. Clarke clarified that Resolution No. 2011-09 is a license, rather than an easement. He explained that geoenvironmental engineers determined that construction of a sidewalk may be a significant benefit to the Dike. However, the City will have to maintain this area.

Motion by Ms. Sweet and second by Mr. Margeson to amend the previous motion with instruction to verify reversionary interest. Amended motion carried unanimously (8-0).

At the question, motion carried unanimously (8-0) to adopt the amended Resolution.

- H. Motion to authorize the Chief Executive Officer (CEO) to execute a sixty-five month lease for approximately 6,300 square feet of office space in Cascade’s current building or at 520 112th Ave. NE.

Motion by Mr. Haggerton and second by Mr. Ault to authorize the Chief Executive Officer (CEO) to execute a sixty-five month lease for approximately 6,300 square feet of office space in Cascade’s current building or at 520 112th Ave. NE. Motion carried unanimously (8-0).

9. STAFF PRESENTATION

Mr. Clarke noted that proposals are being evaluated for a new operator at the Lake Tapps facility. A recommendation is anticipated at the November Board meeting.

10. COMMITTEE REPORTS

- A. Executive Committee – No meetings held.
- B. Finance and Management Committee – Meeting held October 20, 2011. The meeting recap was included in the Board Desk packet.
- C. Public Affairs Committee – Meeting held October 11, 2011. The meeting recap was included in the Board packet.
- D. Resource Management Committee – Meeting held October 13, 2011. The meeting recap was included in the Board packet.

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

Chair Warren thanked everyone that attended the 100th anniversary of the White River project. He also noted that officer elections for the Cascade Board will be conducted at the February 2012 Board meeting.

The next regular Board meeting will be held November 16, 2011 at 3:30 p.m.

13. ADJOURN

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

APPROVED BY:

Lloyd Warren, Chair

John Marchione, Vice-Chair