



MEETING OF THE BOARD OF DIRECTORS
MINUTES
BELLEVUE CITY HALL
JULY 27, 2011

1. CALL TO ORDER

At 3:30 p.m. Chair Warren called the meeting to order.

2. ROLL CALL

Board Members or Alternate Board Members from the City of Bellevue (Davidson/Degginger¹), the City of Issaquah (Traeger²), the City of Kirkland (Sweet), the City of Redmond (Margeson), the City of Tukwila (Haggerton), Covington Water District (Knight), and Sammamish Plateau Water and Sewer District (Warren) were present, constituting a quorum.

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

**Motion by Mr. Haggerton and second by Mr. Margeson to approve the meeting agenda.
Motion carried unanimously (7-0).**

6. CHIEF EXECUTIVE OFFICER'S REPORT

Chuck Clarke reported on the following items:

- Discussions continue with the City of Seattle, City of Tacoma, and Covington Water District regarding water supply options and block contracts.
- Meetings are underway with Cascade members to discuss the implications of potential changes to costs allocation among members.
- Working with Bonney Lake to create a Cooperation Agreement regarding Dike 13.
- Cascade is seeking an operator for the White River-Lake Tapps Reservoir Project, and is requesting proposals from firms experienced in full service operations and maintenance of water diversion, transmission (open channel and pressurized), storage and release projects. The official RFP will be released on August 1. In addition, the new operator will help create the Operating Plan.

¹ Arrived at 3:47 p.m.

² Arrived at 3:45 p.m.

7. CONSENT ACTION ITEMS

- A. June 22, 2011, Regular Board Meeting Minutes.
- B. Motion to authorize the Chief Executive Officer to execute Parametrix Contract No. 201001104, Amendment 3 in the amount of \$50,000 to provide expertise to Cascade on Information Technology (i.e., SCADA, communications, security, etc.) issues related to the PSE transition of the Lake Tapps—White River Project ownership and operation from PSE to Cascade. The amendment is necessary to keep Parametrix in this capacity through the end of December 2011.
- C. Motion to authorize the Chief Executive Officer to execute GeoEngineers Contract No. 20110107-00, Amendment 1 in the amount of \$70,000 to provide Dam Engineering, Hydrology, and Geotechnical services for the White River-Lake Tapps Reservoir Project through the end of 2011.

Motion by Mr. Haggerton and second by Ms. Sweet to approve Consent Action Items A-C. Motion carried unanimously (7-0).

8. OTHER ACTION ITEMS

- A. Motion to adopt Resolution No. 2011-07 authorizing the CEO to execute a Temporary License for Training and Rescue Activities with the Pierce County Fire Protection District No. 22, subject to conditions enumerated therein.

Mr. Clarke reminded Board Members that a previous Action Item (removed from the June 2011 agenda) for Pierce County Fire Protection District was raised in the form of an easement. The revised motion has been restructured in the form of a license.

Motion by Mr. Haggerton and second by Mr. Knight to approve the motion to adopt Resolution No. 2011-07 authorizing the CEO to execute a Temporary License for Training and Rescue Activities with the Pierce County Fire Protection District No. 22, subject to conditions enumerated therein. Motion carried unanimously (7-0).

9. STAFF PRESENTATION

- A. Cost Allocation

Ed Cebon provided a PowerPoint presentation about the Cost Allocation Study. He explained that the focus has been on investments in temporary “Bridge” resources. However, changes in demands have “stranded” these investments. Mr. Cebon added that the common benefit of supply investments has not translated to common and proportionate bearing of risk and cost.

A graph was shown that demonstrated the shifts in costs and payments for 2012-2025. From this research, the imbalance totaled approximately \$19.92 million in equity imbalance.

Mr. Cebon discussed a summary of charge structure scenarios.

- B. Encroachment/GIS

Intern Tyler Dougherty discussed his findings from research conducted using GIS and other mapping data to compile a record of property encroachments at Lake Tapps, to be pursued further with the Pierce County Assessor and other parties. His initial findings uncovered numerous encroachment issues.

C. Filing/Organization

Intern Alyssa Jergens discussed the document inventory and filing system created to help integrate and store many volumes of records acquired from PSE related to Lake Tapps. Some of the information will also be shared with the Bonney Lake Historical Society because of its historical significance.

D. Water Demand Data

Intern Reid Backstrom discussed findings from his analysis of water demand data to develop a demand tracking and reporting system. Some interesting findings include: peak demand (June-September) has been trending downward, while non-peak demand trends slightly upward.

10. COMMITTEE REPORTS

A. Executive Committee – No meetings held.

B. Finance and Management Committee – Meeting held Wednesday, July 27, 2011.

A copy of the Clark Nuber 2010 audit report for Cascade was distributed to Board Members. There were no findings or management letters in the report. Mr. Haggerton reported that the Committee also discussed the following:

- Work continues as Cascade reviews steps necessary to implement the recently adopted House Bill 1332 Joint Municipal Utilities Service Authority.
- Cascade's current office space lease will expire on February 29, 2012. Given Cascade's resulting lack of storage and work space after acquiring Lake Tapps documents and materials, staff is exploring the possibility of adding an additional 2,000 square feet of office space.

C. Public Affairs Committee – Meeting held Tuesday, July 12, 2011. The meeting recap was included in the Board packet.

Elaine Kraft explained that a significant amount of the Public Affairs Committee meeting was spent discussing the process to convert to a Joint Municipal Utilities Service Authority.

D. Resource Management Committee – Meeting held Thursday, July 14, 2011. The meeting recap was included in the Board packet.

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regular Board meeting will be held September 28, 2011 at 3:30 p.m.

13. ADJOURN

The meeting was adjourned at 4:48 p.m.

APPROVED BY:

Lloyd Warren, Chair

John Marchione, Vice-Chair