



MEETING OF THE BOARD OF DIRECTORS

MINUTES

BELLEVUE CITY HALL

NOVEMBER 16, 2011

1. CALL TO ORDER

At 3:32 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 (Marchione³), 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

None.

5. APPROVAL OF AGENDA

Motion by Dr. Davidson and second by Mr. Haggerton to approve the meeting agenda included in the packet. Motion carried unanimously (6-0).

6. CHIEF EXECUTIVE OFFICER'S REPORT

Chuck Clarke reported on the following items:

- Board Members are invited to join Cascade's table at the 17th Annual Mountains to Sound Greenway dinner and celebration, which will be held November 30.
- The Water Quality Forum is sponsoring a workshop on November 18.
- A potential supply purchase has been negotiated with Covington Water District. This was done in the context of parallel negotiations with Tacoma Public Utilities, and focused on a comparable to preferable financial package as compared to purchase from Tacoma. The proposed purchase is 7 mgd (peak and average) of supply capacity. Further information was included in the Board packet.
- The next Board meeting will be held in January 2012. Most committee meetings have been cancelled for December.

¹ Arrived at 3:35 p.m.

² Arrived at 3:41 p.m.

³ Arrived at 3:36 p.m.

- Staff is preparing a list of Cascade's accomplishments for 2011. This information will be sent to committee members by the end of the year.
- Lake Tapps homeowners are being notified that temporary licenses are necessary when they want to perform work below the 545' property line.
- The lake drawdown began on November 1 with the goal of getting to 535' around the beginning of January.
- A lease is being negotiated for Cascade's new office space. Assuming the lease becomes finalized, Cascade's offices will relocate to the 520 Building in Bellevue.
- Future policies are being set to address Regional Capital Facilities Charge annual adjustments.

7. CONSENT ACTION ITEMS

- A. October 26, 2011 Regular Board Meeting Minutes.
- B. Motion to authorize the Chief Executive Officer to renew contracts for consulting services as shown in the table included in the Board packet and in accordance with the adopted 2011-2012 Cascade budget.
- C. Motion to authorize the Chief Executive Officer to execute the 2011 Mountains to Sound Greenway Dinner Sponsorship Agreement in the amount of \$1,500.

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

8. OTHER ACTION ITEMS

- A. Motion to authorize the Chief Executive Officer (CEO) to execute a White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement with Veolia Water North America-West, LLC.

Mr. Clarke explained that Cascade issued a Request for Proposals (RFP) to solicit proposals from private contract operators for White River-Lake Tapps Reservoir Project Operations and Maintenance. Three responses were received from the RFP process. Following interviews, the Project Team determined that Veolia was the top-ranked potential contract operator. Mr. Clarke noted that Veolia's estimates for services are significantly lower than Puget Sound Energy's estimates.

Dr. Davidson suggested that the contract be reviewed, particularly the consequential limits and limits on liabilities, by Mr. Degginger prior to finalization. Staff will forward the contract to Mr. Degginger.

Motion by Mr. Haggerton and second by Ms. Sweet to authorize the Chief Executive Officer to execute a White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement with Veolia Water North America-West, LLC. Motion carried unanimously (8-0).

- B. Motion to approve Sammamish Plateau Water & Sewer District's request to provide water supply service to Overdale Water Association as part of the District's expanded service area, to approve and recognize this water supply service as a transaction occurring within 2011, and to require commensurate payment of RCFCs.

Mr. Clarke explained that the Sammamish Plateau Water & Sewer District has provided emergency water supply service to the Overdale area for some time. The District wishes to provide permanent service. Overdale serves roughly 153 homes through operation of a water system that includes two wells and related water rights. Overdale and the District are negotiating for the District's provision of water supply to Overdale and the integration of Overdale into the District's service area.

Mr. Clarke noted that Cascade has ample supply to confirm an ability to serve and allow service. As related to terms of service, an audit detailed two options: standard service to new customers subject to normal Regional Capital Facilities Charges (“RCFCs”); or accepting supplies and supply rights in lieu of RCFCs, with payment necessary to improve the supplies to Cascade’s municipal standards. The recommended action is to treat the Overdale customers (153 connections equaling 162.5 CERUs) as new customers subject to RCFCs, and decline to accept the Overdale supply in lieu of RCFCs. This recommendation is based on the current supply excess experienced by Cascade, the small scale of supply, difficulty integrating into regional resources, and concerns regarding the ability to mothball the source for decades and still be able to rely on the source.

Motion by Ms. Sweet and second by Mr. Ault to approve Sammamish Plateau Water & Sewer District’s request to provide water supply service to Overdale Water Association as part of the District’s expanded service area, to approve and recognize this water supply service as a transaction occurring within 2011, and to require commensurate payment of RCFCs. Motion carried unanimously (8-0).

- C. Motion to approve modified implementation of the Regional Capital Facilities Charges (“RCFCs”) Methodology, as approved by the Board in Resolution No. 2011-17, in coordination with the proposed expansion of Sammamish Plateau Water & Sewer District’s (“District’s”) service area to provide water supply service to Overdale Water Association (“Overdale”).

Mr. Clarke explained that changes were approved by the Board in Resolution No. 2011-17, to the RCFCs credit redemption policies which are effective as of January 1, 2012. Against this background, the District has requested the ability to retroactively redeem credits that were allowed to be used, but not redeemed, for past periods.

Mr. Clarke noted that staff recommends that the District be allowed to reserve necessary RCFC credits to address the expansion of the District’s service area for permanent water supply service to Overdale, and further that credits be allowed for the full CERU count of that service area (not for 50%).

Motion by Mr. Ault and second by Mr. Marchione to approve modified implementation of the Regional Capital Facilities Charges (“RCFCs”) Methodology, as approved by the Board in Resolution No. 2011-17, in coordination with the proposed expansion of Sammamish Plateau Water & Sewer District’s (“District’s”) service area to provide water supply service to Overdale Water Association (“Overdale”). Motion carried unanimously (8-0).

9. STAFF PRESENTATION

- A. Resolution No. 2011-A Recognizing Board Member Degginger’s “Outstanding contributions to Cascade”.
- B. Resolution No. 2011-B Recognizing Board Member Traeger’s “Outstanding contributions to Cascade”.

Chair Warren presented Board Members Degginger and Traeger with tokens of appreciation for their years of service and contributions to Cascade. Board Members also expressed their appreciation to Mr. Degginger and Mr. Traeger.

On behalf of GordonDerr, Joel Gordon presented Mr. Degginger with a certificate of appreciation and photograph in recognition of his 10 years of service.

10. COMMITTEE REPORTS

- A. Executive Committee – No meetings held.
- B. Finance and Management Committee – Meeting held November 10, 2011.

- C. Public Affairs Committee – Meeting held November 8, 2011. The meeting recap was included in the Board packet.
- D. Resource Management Committee – No meetings held.
- E. Special Meeting of the Committee of the Whole – Meeting held November 3, 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 January 25, 2012 at 3:30 p.m.

13. ADJOURN

The meeting was adjourned at 4:34 p.m.

APPROVED BY:



Lloyd Warren, Chair



John Marchione, Vice-Chair