



MEETING MINUTES OF THE  
BOARD OF DIRECTORS  
CASCADE WATER ALLIANCE'S OFFICE  
SEPTEMBER 27, 2017

**1. CALL TO ORDER**

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

**2. ROLL CALL**

Board Members or Alternate Board Members from the City of Bellevue (Stokes<sup>1</sup>), the City of Issaquah (Butler), the City of Kirkland (Sweet), the City of Redmond (Birney), the City of Tukwila (Ekberg<sup>2</sup>), and Sammamish Plateau Water & Sewer District (Warren) were present, constituting a quorum.

**3. PUBLIC COMMENT**

None.

**4. EXECUTIVE SESSION**

At 3:32 p.m. Chair Butler 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 20 minutes unless the time was extended by further notice.

At 4:05 p.m. the Executive Session was extended by five minutes.

The Executive Sessions adjourned at 4:10 p.m.

**5. APPROVAL OF AGENDA**

**Motion by Ms. Birney and second by Mr. Stokes to approve the meeting agenda as presented. Motion carried unanimously (6-0).**

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

Chuck Clarke distributed information about Resiliency classes that will be offered by Cascade. He also distributed information about Independent Study Program Courses offered by FEMA.

In addition to the Chief Executive Officer's Report included in the Board packet, Mr. Clarke discussed the following:

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<sup>1</sup> Arrived during Executive Session.  
<sup>2</sup> Via conference call.

- There is a specific contracting law issue regarding emergency response. Cascade will meet with appropriate staff from member organizations to determine solutions for the issue so state rules are not violated.
- A wet area was discovered on the slope above the powerhouse where penstocks are buried. Cascade and Veolia investigated and located the source of the leak. An emergency was declared. Addressing this situation on an emergency basis is warranted for two reasons: there is potential for the leak to undermine the stability of the slope and the penstock has to be immediately repaired to sustain the discharge route of water from Lake Tapps Reservoir.
- An extensive manual has been compiled of all the work done during the massive White River - Lake Tapps system improvements throughout 2014 and 2015. This manual provides a road map as to what has been done, what challenges staff faced and what next steps might be necessary.

Ms. Birney discussed the national "Imagine a Day without Water" effort on October 12, 2017, that Cascade will be part of to highlight the issue of aging water infrastructure and the need for investment in water systems. Ms. Birney also read a Proclamation recognizing October 12, 2017, as "Imagine a Day without Water."

## 7. CONSENT ACTION ITEM

- A. Board Meeting Minutes for July 26, 2017.
- B. Motion to adopt Resolution No. 2017-11 to amend CWAC 2.25.070.g, 2.25.080, and 2.25.110 consistent with recent changes to the Public Records Act that address protocols for responding to requests for public records and related charges that Cascade Water Alliance may impose for providing copies of public records, and to amend CWAC 2.25.040.a due to recent changes to Cascade Water Alliance staff necessitating change to designation of Public Records Officer.
- C. Motion to adopt Resolution No. 2017-12 establishing Cascade Water Alliance's Employee Wellness program, amending the Human Resources Policy and Procedures Manual to incorporate the Employee Wellness Program, and amending Chapter 3.05 CWAC.
- D. Motion to adopt Resolution No. 2017-10 authorizing the Chief Executive Officer to complete an application to participate in the King County Pool Plus investment program for bond reserve funds held in its Revenue Bond Fund and, upon approval, to initiate an investment strategy to invest those funds in the Pool Plus program, and to establish appropriate administrative controls for this investment program.
- E. Motion to authorize the Chief Executive Officer to amend the agreement with Nature Vision, Inc., to increase maximum compensation by \$6,000 from \$60,000 to \$66,000 for providing water education programs to Cascade member schools.
- F. Motion to authorize the Chief Executive Officer to execute a driveway easement and maintenance agreement with Soos Creek Water and Sewer District for vehicular and pedestrian access between Southeast 272<sup>nd</sup> Street (Cascade's "Ford Property") and Soos Creek Water and Sewer District property.

**Motion by Mr. Stokes and second by Ms. Birney to approve Consent Action Items A-F as presented. Motion carried unanimously (6-0).**

**8. OTHER ACTION ITEMS**

**A. Motion to adopt Resolution No. 2017-13 establishing the 2018 rates and charges.**

Ed Cebron explained that the average 2018 rate increase contained in the adopted budget is 3%. However, SPU costs are now projected to be much higher than previously assumed. Mr. Cebron presented the following rate scenarios to consider:

|                                               | 2017 actual | 2018 | 2019 | 2020 | 2021 | 2022 | 2018-2022 Average Increase | Net surplus (Deficit) (2018-2020) |
|-----------------------------------------------|-------------|------|------|------|------|------|----------------------------|-----------------------------------|
| Prior Cascade Forecast                        | 3.0%        | 3.0% | 4.0% | 3.0% | 3.0% | 3.0% | 3.20%                      | \$932k                            |
| Option 1: 2018 Adjustment                     | 3.0%        | 6.0% | 3.5% | 3.0% | 3.0% | 3.0% | 3.70%                      | \$880k                            |
| Option 2: 2019 Adjustment with Rate Smoothing | 3.0%        | 3.0% | 7.0% | 3.0% | 3.0% | 3.0% | 3.80%                      | \$115k                            |
| Option 3: 2018 with Full Rate Smoothing       | 3.0%        | 4.0% | 4.0% | 4.0% | 3.5% | 3.5% | 3.80%                      | (\$675k)                          |

**Motion by Ms. Sweet and second by Mr. Stokes to approve Resolution No. 2017-13 establishing a 3.0% increase for the 2018 rates and charges.**

Ms. Sweet, Mr. Stokes, and Mr. Butler expressed their support for a 3.0% rates and charges increase in 2018. Mr. Ekberg noted his support for a 4.0% increase in 2018, while Ms. Birney expressed her support of a 6.0% increase in 2018. Her second preference is for a 7.0% increase in 2018. Due to Sammamish’s demand share change, Mr. Warren expressed his support for a 3.0% increase in 2018. The 2019/2020 work plan and budget will be discussed at the January, 2018 Board meeting.

**At the question, motion carried unanimously (6-0).**

**B. Motion to adopt Resolution No. 2017-14 establishing the Regional Capital Facilities Charge (RCFC) for 2018 at the same level as 2017, \$6.005 per CERU.**

Mr. Cebron noted that the 2018 RCFC rate is recommended to remain the same as the 2017 rate.

**Motion by Mr. Stokes and second by Mr. Warren to adopt Resolution No. 2017-14 establishing the Regional Capital Facilities Charge (RCFC) for 2018 at the same level as 2017, \$6.005 per CERU. Motion carried unanimously (6-0).**

**C. Motion to authorize the Chief Executive Officer to enter into Amendment No. 3 to the Mud Mountain Dam Fish Passage Project Design Review contract with HDR Engineering, Inc., in an amount not to exceed \$40,000 (total contract not to exceed amount \$783,000).**

Mr. Clarke discussed the changes necessary to the Mud Mountain Dam Fish Passage Project Design Review contract with HDR Engineering, Inc.

**Motion by Mr. Warren and second by Ms. Birney to authorize the Chief Executive Officer to enter into Amendment No. 3 to the Mud Mountain Dam Fish Passage Project Design Review contract with HDR Engineering, Inc., in an amount not to exceed \$40,000 (total contract not to exceed amount \$783,000). Motion carried unanimously (6-0).**

**9. STAFF PRESENTATIONS**

None.

**10. COMMITTEE REPORTS**

- A. Executive Committee – No meetings held.
- B. Finance and Management Committee – Meeting held September 20, 2017. The meeting recap was included in the Board packet.
- C. Public Affairs Committee – Meeting held September 6, 2017. The meeting recap was included in the Board packet.
- D. Resource and Management Committee – Meeting held September 14, 2017. The meeting recap was included in the Board packet.

**11. NEW BUSINESS**

Mr. Clarke introduced newest Cascade staff member Ray Hoffman.

**12. NEXT REGULAR MEETING**

The next regular Board meeting will be held October 25, 2017, at 3:30 p.m.

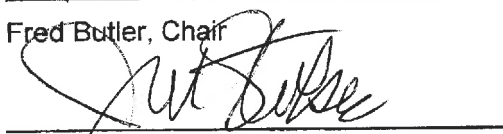
**13. ADJOURN**

The meeting was adjourned at 4:53 p.m.

APPROVED BY:



Fred Butler, Chair



John Stokes, Vice-Chair