



MEETING MINUTES OF THE
BOARD OF DIRECTORS
CASCADE WATER ALLIANCE'S OFFICE
SEPTEMBER 25, 2019

1. CALL TO ORDER

At 3:32 p.m., Chair Stokes called the meeting to order.

2. ROLL CALL

Board Members or Alternate Board Members from the City of Bellevue (Stokes), the City of Issaquah (Hunt¹), the City of Kirkland (Sweet), the City of Redmond (Birney), the City of Tukwila (Kruller²), Sammamish Plateau Water & Sewer District (Warren), and Skyway Water and Sewer District (Ault) were present.

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

Motion by Mr. Ault and second by Ms. Birney to approve the revised meeting agenda that was included in the Board Desk packet. Motion carried unanimously (7-0).

6. CHIEF EXECUTIVE OFFICER'S REPORT

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

- Cascade is researching options to purchase discounted water from Members with an independent water supply. This would be used for unique situations.
- Strategic planning is underway. Board Member interviews are complete. Interviews with Member staff and Cascade staff are underway. A Committee of the Whole meeting is scheduled for November 18, 2019. It is anticipated that the plan will be completed by the end of the year.
- There is a leak around the valve house that is being addressed, along with other maintenance issues at Lake Tapps Reservoir.
- Recent milfoil treatments at Lake Tapps Reservoir have been more effective than previous treatments.

¹ Via conference call.

² Via conference call.

- The Lake Tapps Reservoir water levels are being evaluated to determine the ideal lake level for the winter months to accommodate any unforeseen work by the U.S. Army Corps of Engineers.

7. CONSENT ACTION ITEMS

- A. Special Board Meeting Minutes for August 6, 2019.
- B. Board Meeting Minutes for July 24, 2019.
- C. Motion to authorize the Chief Executive Officer to amend Contract No. 20190113 with SC Words and Design to increase the budget level by \$10,000 to \$34,000 for graphic services.
- D. Motion to adopt Resolution No. 2019-11 approving the revised 2019 Cascade Statement of Investment Policy and Objectives.

Motion by Mr. Warren and second by Ms. Birney to approve Consent Action Items A-D as presented in the Board Packet. Motion carried unanimously (7-0).

8. OTHER ACTION ITEMS

- A. Motion to approve the Cascade Rate True-up Adjustments for 2020 with payment through level monthly adjustments to 2021 Member Charges.

Ed Cebron explained that last year the Board adopted two years of Member charges with a second year of charges adopted using estimates of Member demand because actual data was not available at that time. This method was adopted as a pilot project to allow Members to reliably anticipate Cascade charges for the biennial period. With actual demand now available, the true-up for 2020 has been completed and Member staff were notified of the calculations. Mr. Cebron summarized the table included in the Board packet that indicated the necessary true-up adjustments. He explained the options available for the true-up including: 1) approve the Cascade rate true-up adjustments for 2020 with payment through level monthly adjustments to 2021 Member charges; 2) terminate the pilot program of adopting second year charges and direct staff to present a resolution rescinding adopted 2020 Member charges and adopting revised 2020 Member charges based on the actual charges shown in the Board packet table.

There was mixed support from Board Members on whether to true-up adjustments for 2020 or terminate the pilot program. After evaluating various options, Board Members requested that further discussions regarding true-up adjustments be postponed until the next Board meeting so further research can be conducted.

- B. Motion to authorize the Chief Executive Officer to execute a contract with Robinson Noble, Inc., to provide an Independent Water Supply Audit in an amount not to exceed \$146,000.

Mr. Cebron explained that Cascade provides wholesale water supply to each of its Members. As a part of the water supply relationship, Members with independent supply are responsible for maintaining that supply capacity and availability, with Cascade's supply obligation incremental to that independent supply. Mr. Cebron noted that an RFP was issued on May 20, 2019, soliciting a consulting firm to complete the Independent Water Supply Audits. Only one firm, Robinson Noble, Inc. attended the mandatory pre-submission meeting. Mr. Cebron further explained that after reviewing applicable procurement requirements, Cascade decided to cancel the RFP process and enter direct negotiation with Robinson Noble.

Motion by Mr. Warren and second by Ms. Birney to authorize the Chief Executive Officer to execute a contract with Robinson Noble, Inc., to provide an Independent Water Supply Audit in an amount not to exceed \$146,000. Motion carried unanimously (7-0).

9. STAFF PRESENTATIONS

A. Bond Issue, Rates, and Budget

Mr. Cebron reported that Cascade's bond sale closed on September 4, 2019. The winning bid had an average interest cost of 1.91133%. The Board's decision to go to the bond market instead of the direct bank sale option, presented in May 2019, resulted in more than double the present value savings. The net annual savings is approximately \$850,000 for a present value benefit of \$8.9 million.

B. Affordability

Ed Cebron and Melina Thung provided an overview of affordability issues regarding water and sewer services along with low-income housing and homeless shelter development. They also discussed some of the services that Cascade is offering and evaluating to help with affordability. Cascade will complete a pilot project on multi-family assistance partnership and reach out to Board Members to determine other support activities that might be needed. The current analysis is on RCFC cost of service method and legalities of waiving RCFCs.

10. COMMITTEE REPORTS

- A. Executive Committee – No meetings held.
- B. Finance and Management Committee – Meeting held September 18, 2019. The meeting recap was included in the Board packet.
- C. Public Affairs Committee – Meeting held September 4, 2019. The meeting recap was included in the Board packet.
- D. Resource and Management Committee – No meetings held.

11. NEW BUSINESS

None.

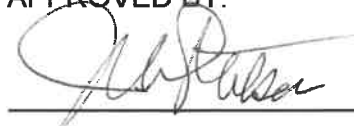
12. NEXT REGULAR MEETING

The next regular Board meeting will be held October 23, 2019, at 3:30 p.m.

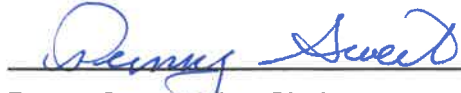
13. ADJOURN

The meeting adjourned at 5:11 p.m.

APPROVED BY:



John Stokes, Chair



Penny Sweet, Vice-Chair