



MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA ZOOM
OCTOBER 28, 2020

1. CALL TO ORDER

At 3:36 p.m. Chair Stokes called the meeting to order. Board Members confirmed that they received the meeting materials and could hear the speakers clearly.

2. ROLL CALL

Board Members or Alternate Board Members from the City of Bellevue (Stokes), the City of Issaquah (Pauly), the City of Redmond (Birney), the City of Tukwila (Ekberg), Sammamish Plateau Water & Sewer District (Warren), and Skyway Water and Sewer District (Ault) were present via conference call.

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

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

6. CHIEF EXECUTIVE OFFICER'S REPORT

Ray Hoffman reviewed items from the Board packet that were included in the October 28, 2020 Chief Executive Officer's Report.

7. CONSENT ACTION ITEM

A. Meeting Minutes from September 23, 2020 Board Meeting.

Motion by Mr. Warren and second by Ms. Birney to approve Consent Action Item A as presented in the Board Packet. Motion carried unanimously (6-0).

8. OTHER ACTION ITEMS

A. Motion to adopt "A RESOLUTION of the Board of Directors of Cascade Water Alliance, Relating to the Water Transmission and Supply System of Cascade Water Alliance; Authorizing the Borrowing of Money and the Issuance and Sale of Water System

Refunding Revenue Bonds for the Purposes of Paying Part of the Cost of Refunding All or a Portion of the Outstanding Cascade Water Alliance Water System Revenue Bonds, 2012, to Achieve a Debt Service Savings, Providing for the Reserve Requirement, if any, Allocable to the Bonds, and Paying the Administrative Costs of Such Refunding and the Costs of Issuing and Selling the Bonds; Fixing or Setting Parameters with Respect to Certain Terms and Covenants of the Bonds; Delegating Authority to a Designated Representative to Set Final Terms of the Sale and Issuance of the Bonds; and Providing for Other Matters Properly Related Thereto”.

Motion by Mr. Ault and second by Ms. Pauly to adopt Resolution 2020-15 of the Board of Directors of Cascade Water Alliance, Relating to the Water Transmission and Supply System of Cascade Water Alliance; Authorizing the Borrowing of Money and the Issuance and Sale of Water System Refunding Revenue Bonds for the Purposes of Paying Part of the Cost of Refunding All or a Portion of the Outstanding Cascade Water Alliance Water System Revenue Bonds, 2012, to Achieve a Debt Service Savings, Providing for the Reserve Requirement, if any, Allocable to the Bonds, and Paying the Administrative Costs of Such Refunding and the Costs of Issuing and Selling the Bonds; Fixing or Setting Parameters with Respect to Certain Terms and Covenants of the Bonds; Delegating Authority to a Designated Representative to Set Final Terms of the Sale and Issuance of the Bonds; and Providing for Other Matters Properly Related Thereto”

Ed Cebron explained that the bond resolution authorizes an advance refunding of the 2012 bonds, with potential savings of \$400,000 per year. Approval does not mandate the sale; it would be contingent upon meeting yield requirements. Meanwhile, Cascade continues to work on bond documents and related tasks. Mr. Cebron clarified that the sale is anticipated for early December but can be delayed if market conditions worsen.

This Resolution was reviewed and recommended for approval by the Finance and Management Committee.

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

- B. Motion to adopt Resolution No. 2020-16 authorizing the Chief Executive Officer to execute this agreement, or substantively equivalent, with the City of Issaquah for a temporary supply of water.

Ed Cebron provided an overview of the suggested agreement with the City of Issaquah. He noted that Issaquah is interested in a temporary supply block of water to help manage its groundwater development strategy and schedule. The Memorandum of Agreement (MOA) provides for 14 years of supply, which could be shortened to 10 years by Issaquah if desired and could be lengthened through mutual agreement. The block is priced at 50% of full price after an initial transition period, plus a surcharge of \$1,000 per CERU on new growth during the supply period. The MOA conditions the discounted block on a commensurate reduction in Issaquah’s well production and provides exceptions for special cases such as emergencies. Payments would ramp up to about \$400,000 per year under the agreement, benefitting all Cascade members.

This Resolution was reviewed and recommended for approval by the Finance and Management Committee.

Motion by Ms. Pauly and second by Ms. Birney to a adopt Resolution No. 2020-16 authorizing the Chief Executive Officer to execute this agreement, or substantively equivalent, with the City of Issaquah for a temporary supply of water. Motion carried unanimously (6-0).

- C. Motion to authorize the Chief Executive Officer to enter into negotiations with Veolia North America for a five-year contract extension.

Ray Hoffman explained that Cascade staff seeks Board approval to enter into negotiations with Veolia North America (Veolia) for a five-year contract extension. The original contract, approved in 2012, allows for two, five-year contract extensions if mutually agreed to by Cascade and Veolia. The Board approved the first five-year extension in 2017.

Mr. Hoffman noted that staff is recommending a second contract extension for another 5-year term based on the following:

- Cascade is extremely satisfied with the quality of Veolia's work;
- Veolia has learned the project and is responsive to owner-service requests;
- Veolia instituted an earned value reporting tool to monitor planned work versus work completed;
- Veolia has an excellent safety record; and
- A new contract operator would result in additional costs to Cascade for on-boarding and learning the Lake Tapps-White River Reservoir project.

Staff will work with Veolia on a new, five-year contract extension and return to the Board for review and approval in January 2021. If Cascade staff and Veolia are unable to come to mutually acceptable terms for a contract extension, staff will return to the Board in January to provide an update and next steps.

Motion by Mr. Warren and second by Ms. Pauly to authorize the Chief Executive Officer to enter into negotiations with Veolia North America for a five-year contract extension. Motion carried unanimously (6-0).

9. PRESENTATIONS

- A. Sumner/BNSF Lower White River Restoration/Railroad Staging Project

Staff updated the Board on the Sumner/BNSF Lower White River Restoration/Railroad staging project and the potential sale of water to Sumner for habitat restoration.

10. COMMITTEE REPORTS

- A. Executive Committee – No meetings held.
- B. Finance and Management Committee – Meeting held October 20, 2020. The meeting recap was included in the Board packet.
- C. Public Affairs Committee – Meeting held October 7, 2020. The meeting recap was included in the Board packet.
- D. Resource and Management Committee – Meeting held October 8, 2020. 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 on November 18, 2020, at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 4:39 p.m.

APPROVED BY:



John Stokes, Chair



Penny Sweet, Vice-Chair