



ANNUAL MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA ZOOM
FEBRUARY 24, 2021

1. CALL TO ORDER

At 3:31 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 Present: the City of Bellevue (Stokes), the City of Issaquah (Pauly¹), the City of Kirkland (Sweet), 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.

Board Alternates Present: the City of Bellevue (Lee), the City of Redmond (Anderson)

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

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

6. CHIEF EXECUTIVE OFFICER'S REPORT

Ray Hoffman reviewed items from the February 24, 2021, Chief Executive Officer's Report.

With sadness, Chair Stokes announced that former Bellevue Council Member and Cascade Board Member Don Davidson recently passed away.

7. CONSENT ACTION ITEM

A. Meeting Minutes from January 27, 2021 Board Meeting.

B. Motion to adopt Resolution No. 2021-01 modifying the minimum Demand Shares of the City of Issaquah and Sammamish Plateau Water and reestablishing production requirements except as waived by the Board.

¹ Joined the Zoom at 4:00 p.m.

Motion by Ms. Birney and second by Ms. Sweet to approve Consent Action Items A-B as presented in the Board packet. Motion carried unanimously (6-0).

8. OTHER ACTION ITEMS

- A. Motion to adopt Resolution No. 2021-02 amending CWAC 5.20.030 regarding the determination of Demand Shares.

Ed Cebron explained that Cascade staff recommends the Board (1) modify the minimum demand shares, reducing them to 0.25 MGD each for Issaquah and Sammamish Plateau Water; and (2) re-establish production requirements except as waived by the Board, both effective as of January 1, 2025. He provided a presentation of a cost-based approach to reducing RCFCs for affordable housing. Mr. Cebron said that the existing method can incentivize actions adverse to Cascade Members and Cascade. Mr. Cebron clarified that the proposed revision continues determining demand share using calendar year based on the greater peak season or annual average (3-year average). If annual average becomes the driving factor, the 3-year period would be shifted back 7 months so that all off-peak usage can be based on knowing the prior three peak demands (use this result if lower than the calendar year calculation). Mr. Cebron added that a simple revision to the rate methodology accomplishes this. The method remains consistent with policy intent and with JMUSA requirements.

Ms. Sweet said that the Finance and Management Committee recommends adoption of Resolution No. 2021-02.

Motion by Ms. Sweet and second by Ms. Birney to adopt Resolution No. 2021-02 amending CWAC 5.20.030 regarding the determination of Demand Shares. Motion carried unanimously (7-0).

9. STAFF PRESENTATIONS

- A. RCFC Structure Review

Ed Cebron provided a review of the RCFC structure. He reminded Board Members that in 2019 the Texas A&M study identified ways to improve affordability of water and sewer services in Cascade's service area for low-income residential customers through: 1) Retail (Member) rate design; 2) Targeted customer assistance programs. Mr. Cebron added that Board Members also explored various approaches to enhancing affordability and ultimately adopted Resolution 2019-04 directing further staff research in several areas, including:

- The manner in which RCFC assessments are calculated under the RCFC methodology;
- Parameters of a pilot project to test the effect of waivers from RCFC assessments on housing projects for low income and homeless individuals;
- Introduction of legislation to waive, adjust or delay RCFC assessments on projects for low-income housing or shelters in members' service areas.

Staff's research began with the RCFC assessment calculation. Mr. Cebron discussed some of the findings from this research.

Ms. Sweet said that the Finance and Management Committee received the RCFC Structure Review presentation and supports further development of a proposal.

Board Members discussed various scenarios for affordability options. There was general consensus to refer additional discussions to the Finance and Management Committee so they can development a proposal.

B. Solar Power Feasibility Study

Mike Brent reminded Board Members that in 2020, at the Board's direction, Cascade hired a consultant, Sazan Environmental, to conduct a solar power feasibility study at select sites in the White River – Lake Tapps Reservoir project area. The purpose of the study was to determine the potential for Cascade developing and utilizing solar power. Board Members were provided an Executive Summary of the full report which explains the findings from the study of the four Cascade sites. The report recommends the powerhouse as the best option for solar power development. Jack Newman, Sazan Environmental, was joined by Sustainability Ambassadors and presented the report findings.

10. COMMITTEE REPORTS

- A. Executive Committee – No meetings held.
- B. Finance & Management Committee – Meeting held February 16, 2021. The meeting recap was included in the Board packet.
- C. Public Affairs Committee – Meeting held February 3, 2021. The meeting recap was included in the Board packet.
- D. Resource & Management Committee – Meeting held February 11, 2021. 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 March 24, 2021 at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 5:03 p.m.

APPROVED BY:



John Stokes, Chair



Penny Sweet, Vice-Chair