



MEETING MINUTES OF THE  
BOARD OF DIRECTORS  
VIA ZOOM  
NOVEMBER 17, 2021

**1. CALL TO ORDER**

At 3:32 p.m., Ms. Sweet 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<sup>1</sup>), the City of Kirkland (Sweet), the City of Redmond (Birney), Sammamish Plateau Water & Sewer District (Warren) Skyway Water and Sewer District (Ault), and the City of Tukwila (Ekberg)

Board Member Absent: the City of Issaquah (Pauly)

Board Alternates Present: the City of Issaquah (Hall), the City of Redmond (Anderson), and Sammamish Plateau Water & Sewer District (Hooshangi)

**3. PUBLIC COMMENT**

None.

**4. EXECUTIVE SESSION**

None.

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

Ray Hoffman, Cascade CEO, reviewed the Chief Executive Officer's Report that was included in the Board packet.

**6. APPROVAL OF AGENDA**

There was general consensus to approve the meeting agenda.

**7. DISCUSSION ITEM**

A. Water Supply Development Fund

Mr. Hoffman and Mr. Cebron provided an overview of the following resolutions: (1) Resolution No. 2021-10, Establishing the Water Supply Development Fund in the Cascade Water Alliance Code and Amending Sections 5.10.020, and 5.20.040 of the Code and providing direction on Implementation; (2) Resolution No. 2021-11, Amending CWAC Chapter 5.05, Fiscal Policies; (3)

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<sup>1</sup> Arrived at 4:03 p.m.

Resolution No. 2021-12, Amending the Cascade Funds Management Matrix in CWAC 5.65.040; (4) Resolution No. 2021-13, Amending the Amended 2021-2022 Budget to Transfer Funds into the Water Supply Development Fund; and (5) Resolution No.2021-14, Authorizing the Application to the King County Pool Plus investment program for the Water Supply Development Fund. The above resolutions would provide a new “Water Supply Development Fund”, or “Development Fund.”

Mr. Hoffman explained that on March 3, 2021, and June 30, 2021, staff presented to the Board options for future water supply and potential development of a source of equity (cash) funding to support its future supply development. As directed by the Board, staff presented the decisions for the Board which, if approved, would include the following elements:

- Establishing the Development Fund.
- Planned sources of funding to be transferred into the Development Fund.
- Capturing of unplanned funding sources or opportunities to contribute to the Development Fund.
- Monitoring of equity funding progress relative to the capital funding objective.
- Strategies for modifying or adjusting contribution levels as expected needs or schedules change.
- Guidelines for use of the Development Fund for the Water Supply Project.
- Strategies for distributing all or part of the Development Fund if it is overfunded, if capital funding needs materially change, if Cascade’s mission is materially altered, or if Cascade is liquidated.

Mr. Hoffman said that at present, a key advantage that Cascade holds is time, in the form of advance knowledge of potential future needs. During the intervening decade before design and construction commence, Cascade needs to build financial capacity in order for the Project to be financially feasible. Mr. Hoffman added that the aggressive use of the Development Fund as part of this strategy focuses on building financial capacity that provides near-term cash flow to accumulate funds, transitioning to longer-term financial capacity to pay new debt obligations and project costs. Through steady and incremental rate increases, the financial strategy “ramps up” revenue capacity that can be used to bear future debt service and costs while also accumulating cash reserves to help fund the Project and reduce the ultimate debt burden. Through prudent planning and execution, these goals can be met while also maintaining Cascade’s creditworthiness as related to bond ratings and related interest costs.

Chair Stokes spoke about a detailed review of the Bellevue City Council’s November 8, 2021 meeting and Bellevue staff recommendations.

Cascade staff and the Finance & Management Committee recommend approval of the resolutions listed above. Staff also responded to various questions from Board Members.

## **8. CONSENT ITEMS**

- A. Board Meeting Minutes for October 27, 2021.
- B. Motion to authorize the Chief Executive Officer to enter into a contract with the recommended firm from the selection process to provide On-Call Electrical Engineering Services in an amount not to exceed \$100,000.
- C. Motion to adopt Resolution No. 2021-09 amending the 2021-2022 Budget and the 2021-2026 Capital Improvement Program.

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

## 9. OTHER ACTION ITEMS

- A. Motion to authorize the Chief Executive Officer to renew contracts for engineering, vendor, and consulting services as shown in the table included in the Board packet totaling \$2,084,370 and in accordance with the adopted 2021 - 2022 Cascade budget.

Cascade staff called attention to the vendors and consultants list that was included in the Board packet. These vendors and consultants are entities that Cascade contracted for services during 2021, and whose current contracts expire on December 31, 2021; and that staff recommends renewal for 2022. The listed vendors and consultants provide services for legal, conservation, dam engineering, community relations, information technology support, USGS joint funding agreements, and legislative outreach initiatives. All the contractors listed in the Board packet have been evaluated positively in 2021. Information about the prior year expenditures for each vendor and consultant was also included in the Board packet.

**Motion by Mr. Warren and second by Ms. Birney to authorize the Chief Executive Officer to renew contracts for engineering, vendor, and consulting services as shown in the table included in the Board Packet totaling \$2,084,370 and in accordance with the adopted 2021-2022 Cascade budget. Motion carried unanimously (6-0).**

## 10. COMMITTEE REPORTS

- A. Executive Committee – no meetings held.
- B. Finance & Management Committee – Meeting held November 9, 2021.
- C. Public Affairs Committee – no meetings held.
- D. Resource & Management Committee – Meeting held November 4, 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 December 15, 2021 at 3:30 p.m. via Zoom.

## 13. ADJOURN

The meeting adjourned at 4:39 p.m.

APPROVED BY:



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John Stokes, Chair



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Penny Sweet, Vice-Chair