



MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA HYBRID MEETING
JUNE 22, 2022

1. CALL TO ORDER

At 3:30 p.m. Chair 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 (Barksdale), the City of Kirkland (Sweet), the City of Redmond (Birney), Sammamish Plateau Water & Sewer District (Warren), Skyway Water and Sewer District (Ault)

Board Members Absent: the City of Issaquah (Pauly), and the City of Tukwila (Ekberg)

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

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

Motion by Mr. Warren and second by Mr. Ault to approve the meeting agenda as presented. Motion carried unanimously (5-0).

6. CHIEF EXECUTIVE OFFICER'S REPORT

Ray Hoffman, Cascade CEO, reviewed the Chief Executive Officer's Report that was included in the Board packet. Mr. Hoffman responded to questions from Board Members.

7. CONSENT ITEM

A. Board Meeting Minutes for May 25, 2022.

B. Motion to authorize the Chief Executive Officer to enter into a contract to perform herbicide treatment for control of aquatic vegetation in the Lake Tapps Reservoir in an amount not to exceed \$175,000.

- C. Motion to authorize the Chief Executive Officer to purchase equipment and fleet that are necessary to operate and maintain the White River – Lake Tapps Reservoir system in an amount not to exceed \$125,000.

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 (5-0).

8. OTHER ACTION ITEMS

- A. Motion to adopt Resolution No. 2022-10 (1) approving the contribution of \$2,975,444 Shared Benefits to the Water Supply Development Fund, and (2) amending the 2022 Budget accordingly.

Ed Cebron, Cascade's Chief Economist/Treasurer, reminded Board Members that in November 2022, the Board approved Resolution No. 2021-10 the formation of the Water Supply Development Fund ("WSDF"), which is now codified in Cascade Water Alliance Code 5.70. Mr. Cebron said that CWAC 5.70.020 details both planned and unanticipated contributions to the fund. CWAC 5.70.020.C provides (excerpts):

In the event of unplanned or unanticipated available financial resources, a concept of "Shared Benefit" shall be employed to divide the use of any such windfalls equally between mitigation of current financial needs and accumulation for water supply development.

In each case that arises, 50% of the revenues or savings shall remain available for current operating and capital uses, thus helping offset requirements from Member charges, and 50% shall be budgeted for transfer to the Water Supply Development Fund.

Mr. Cebron noted that several events have triggered a potential transfer of Shared Benefits to the WSDF in 2022, including:

- 2021 financial results (RCFC revenues in excess of budget)
- 2021 temporary water sales revenues from Issaquah (RCFC surcharge)
- 2022 bond refund savings (from 2020 refunding)
- 2022 SPU true-up

Fifty percent of these Shared Benefits amounts to \$2,975,444. Cascade proposes to transfer \$2,975,444 to the WSDF; the remainder would remain available for current operating and capital uses.

CWAC 5.70.020.A. provides in part (underlining added):

Contributions to the Water Supply Development Fund shall be subject to Board approval during the biennial budget process and managed, monitored and adjusted by the Board, pursuant to CWAC 5.70.030, including regular periodic review of status and approval of transfers to or from the Water Supply Development Fund from the Planned Sources of Funding and utilizing the Shared Benefits strategy in this section.

Mr. Cebron noted that the WSDF was not anticipated or budgeted for in 2022 but will be incorporated into the 2023 - 2024 budgeting and financial planning.

Mr. Cebron said that by approving Resolution No. 2022-10, the Board would approve the contribution of \$2,975,444 into the WSDF and amend the 2022 Budget accordingly.

Motion by Mr. Warren and second by Ms. Birney to adopt Resolution No. 2022-10 (1) approving the contribution of \$2,975,444 Shared Benefits to the Water Supply Development Fund, and (2) amending the 2022 Budget accordingly. Motion carried unanimously (5-0).

- B. Motion to authorize the Chief Executive Officer to execute a Consulting Agreement with Aspect Consulting to provide a climate change impacts analysis of the White River – Lake Tapps Reservoir system in an amount not to exceed \$150,000.

Melina Thung, Cascade Chief of Staff, explained that Cascade emailed a Request for Qualifications to three firms from the MRSC roster and received two responses. Staff determined that the preferred consultant is Aspect Consulting.

Motion by Mr. Warren and second by Mr. Ault to authorize the Chief Executive Officer to execute a Consulting Agreement with Aspect Consulting to provide a climate change impacts analysis of the White River – Lake Tapps Reservoir system in an amount not to exceed \$150,000. Motion carried unanimously (5-0).

- C. Motion to authorize the Chief Executive Officer to execute a contract with the lowest responsive bidder for the Powerhouse Plunge Pool Retaining Wall Repair Et All Project in an amount not to exceed \$500,000.

Mr. Hoffman said that in late 2021, an emergency was declared due to the south timber retaining wall at the Powerhouse plunge pool failing. It jeopardized the stability of the Powerhouse building and was stabilized shortly thereafter under an emergency declaration. The proposed project will replace the remaining timber wall with a new concrete retaining wall and construct a new wall on top of the existing retaining wall at the northwest corner of the plunge pool to mitigate spray from Valve 1 flow discharge.

Chair Sweet clarified that the motion should authorize an amount not to exceed \$750,000, rather than \$500,000.

Motion by Ms. Birney and second by Mr. Warren to authorize the Chief Executive Officer to execute a contract with the lowest responsive bidder for the Powerhouse Plunge Pool Retaining Wall Repair Et All project in an amount not to exceed \$750,000. Motion carried unanimously (5-0).

9. STAFF PRESENTATIONS

A. Budget and Rates Presentation

Chris Paulucci, Cascade Finance and Administration Manager, provided an overview of the 2023-2024 Budget process. Items discussed included:

- Timeline
- Main changes to the 2023-2024 O&M Budget
- Net changes to the 2023-2024 Budget over the 2022 Budget
- Operating Budget 2022-2024
- 2023 Fixed vs. Variable Operating Budget Breakdown
- Operating Budget Trends 2012-2024
- Cascade Staffing
- Capital Improvement Program
- Notes on the 2023-2026 CIP Budget
- CIP Fixed vs. Variable Budget Breakdown
- Components of Proposed 2023-2024 2.2% Rate Increase

- 2.2% Summary of Proposed Member Charges
- Member Rates
- RCFCs
- Forecasted vs. Actual RCFC Connections 2009-2021

Mr. Cebon responded to various questions from Board Members.

10. COMMITTEE REPORTS

- A. Executive Committee – no meeting held
- B. Finance & Management Committee – Meeting held June 21, 2022
- C. Public Affairs Committee – Meeting held June 1, 2022
- D. Resource & Management Committee – Meeting held June 9, 2022

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regular Board meeting will be held on July 27, 2022 at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 4:43 p.m.

APPROVED BY:



Penny Sweet, Chair



Angela Birney, Vice-Chair