



MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA HYBRID
FEBRUARY 22, 2025

1. CALL TO ORDER

At 3:32 p.m. Vice-Chair Birney called the meeting to order.

2. ROLL CALL

Board Members Present: City of Bellevue (Hamilton), City of Issaquah (Pauly), City of Redmond (Birney), and Skyway Water and Sewer District (Ault)

Board Members Absent: City of Kirkland (Sweet), Sammamish Plateau Water & Sewer District (Warren), City of Tukwila (McLeod),

Board Alternates Present: City of Tukwila (Martinez¹), Sammamish Plateau Water & Sewer District (Hooshangi)

3. MUNICIPAL RESEARCH AND SERVICES CENTER (MRSC)

Melanie Harding, Executive Director for the Municipal Research and Services Center (MRSC), explained that MRSC is a nonprofit organization that helps local governments across Washington State better serve their communities by providing legal and policy guidance on any topic. MRSC believes the most effective local government is a well-informed one, and as cities, counties, and special purpose districts face rapid changes and significant challenges, they are available to help. Approximately 760 jurisdictions use MRSC's rosters. Cascade's Lead Contracts Negotiator, Chuck Clark, sits on the Board of Directors for MRSC.

4. PUBLIC COMMENT

None.

5. APPROVAL OF AGENDA

Motion by Mr. Hamilton 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, and responded to questions from Board Members.

¹ Joined via Zoom at 4:15 p.m.

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7. CONSENT ITEM

- A. Board Meeting Minutes for January 22, 2025.

Motion by Mr. Hamilton and second by Mr. Ault to approve Consent Action Item A as presented. Motion carried unanimously (5-0).

8. OTHER ACTION ITEMS

- A. Motion to Adopt Resolution No. 2025-04 Authorizing the Chief Executive Officer to Replace an Exhibit in the Agreements to be Executed with the City of Tacoma for Wholesale Water Supply.

Ed Cebron, Cascade Chief Economist/Treasurer, and Andy Baker, Cascade Economist, explained that the Board approved Resolution 2025-01 authorizing Cascade's Chief Executive Officer, in consultation with legal counsel, to finalize and execute the two wholesale supply agreements with the City of Tacoma. Two final draft agreements, along with several exhibits to each agreement, were attached to Resolution 2025-01: 1) the Agreement for Market-Priced Wholesale Water Supply; and 2) the Agreement for Wholesale Water Supply. Resolution 2025-01 stipulated that the final agreements were to be substantially consistent with the final draft agreements that were attached to the resolution. After the Board approved Resolution 2025-01, Cascade and Tacoma staff identified a mathematical error in Exhibit G - Market-Priced Wholesale Rate Methodology of the Agreement for Market-Priced Wholesale Water Supply. The Exhibit G draft that was attached to Resolution 2025-01 did not allocate Cascade's full share of Tacoma's peak capacity.

The updated and final Exhibit G, included in the Board Packet, corrects the mathematical error. This correction results in a 9% increase in Cascade's Market-Priced charges between 2041 and 2062. This translates to a net present value cost increase of \$6 million. As this revision constitutes a substantive change to the draft documents attached to Resolution 2025-01, Cascade requests that the Board authorize the Chief Executive Officer to replace Exhibit G from the draft Agreement for Market-Priced Wholesale Water Supply attached to Resolution 2025-01 with the modified Exhibit G as included in the Board Packet.

Motion by Mr. Hamilton and second by Ms. Pauly to adopt Resolution No. 2025-04 authorizing the Chief Executive Officer to replace an Exhibit in the agreements to be executed with the City of Tacoma for Wholesale Water Supply. Motion carried unanimously (6-0).

9. STAFF PRESENTATIONS

- A. Wholesale Contracts Status Update.

Mr. Hoffman summarized a recent meeting with Seattle Mayor Bruce Harrell, along with a few Cascade Board Members. It was a robust discussion. Seattle does not want Cascade to pay less than Renton. Other items discussed included Seattle's water supply, and wheeling.

10. COMMITTEE REPORTS

- A. Executive Committee – Meeting held January 28, 2025. The meeting recap was included in the Board Packet.
- B. Finance & Management Committee – No meetings held since the last Board meeting.
- C. Public Affairs Committee – Meeting held February 5, 2025. The meeting recap was included in the Board Packet.
- D. Resource & Management Committee – Meeting held February 13, 2025. The meeting recap was included in the Board Packet.

11. EXECUTIVE SESSION

- A. To review the performance of a public employee

At 4:32 p.m., Vice-Chair Birney announced that there would be an executive session to review the performance of a public employee. The executive session was expected to last 20 minutes.

At 4:50 p.m. the executive session was extended for 10 minutes.

At 5:02 p.m. the executive session adjourned.

Motion by Ms. Hooshangi and second by Mr. Ault to adjust the meeting agenda and include consideration of Resolution 2025-05, authorizing the Board Chair to take such actions as are necessary to increase the CEO's annual salary for 2025 by 5% effective with back pay from January 1, 2025. Motion carried unanimously (6-0).

12. NEW BUSINESS

Motion by Mr. Hamilton and second by Mr. Martinez to adopt Resolution No. 2025-05, authorizing the Board Chair to take such actions as are necessary to increase the CEO's annual salary for 2025 by 5% effective with back pay from January 1, 2025. Motion carried unanimously (6-0).

Vice-Chair Birney noted that the Board is going to put together a search committee for a new CEO, since Ray Hoffman will be retiring later this year.

13. NEXT REGULAR MEETING

The next regularly scheduled Board meeting will be held on March 26, 2025 at 3:30 p.m.

14. ADJOURN

The meeting adjourned at 5:04 p.m.

APPROVED BY:



Penny Sweet, Chair



Angela Birney, Vice-Chair

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