



MEETING OF THE BOARD OF DIRECTORS
MINUTES
BELLEVUE CITY HALL
MARCH 28, 2007

ROLL CALL

At 3:33 PM Lloyd Warren, Vice Chair called the meeting to order. Board Members or Alternate Board Members from the City of Bellevue, Covington Water District, the City of Issaquah, the City of Kirkland, the City of Redmond, Sammamish Plateau Water and Sewer District, Skyway Water and Sewer District and the City of Tukwila were present, constituting a quorum.

Grant Degginger joined the meeting at 3:40 PM and assumed the responsibilities of Chair.

CONSENT ITEMS

- A. Approval of Agenda
- B. Approval of Minutes from the Regular Meeting held on February 28, 2007
- C. Approval of the revised Treasurer's Report

A motion to approve the consent items was made by Joe Forkner, seconded by Mary-Alyce Burleigh and unanimously approved.

PUBLIC COMMENT

No members of the public in attendance commented.

ACTION ITEMS

There were no action items for this meeting.

STANDING COMMITTEE AND STAFF REPORTS

A. Executive Committee

The Executive Committee discussed matters related to acquisition of Lake Tapps and associated water rights from Puget Sound Energy, Inc., as well as confidential settlement negotiations during its weekly conference calls and a meeting on March 15. These issues were discussed during the Executive Session.

B. Resource Planning Committee

Climate Change

The Resource Planning Committee's regular meeting on March 8 featured a presentation from Dr. Richard Palmer of the University of Washington's Climate Impacts Group. Dr. Palmer is leading the technical climate change assessment being conducted through the King County regional water resource planning process. Cascade contributed funding to expand this effort to include the White River Basin. Dr. Palmer provided an update on the work in the White River Basin.

Membership Audits

At a special meeting on March 22, the Committee met jointly with the Finance Committee to review the Membership Audits prepared for each Member. The Audits establish the

conditions of service for each Member as well as conditions related to Independent Supply, including production requirements and RCFC Credits. The Audit Methodology has been distributed to the Board. Complete Audits will be presented to the Board and each Member in April. Following final review, the Board will be requested to consider adopting the Audit Methodology and authorizing execution of an Audit Acceptance Agreement with each Member.

Source Exchange

A second special meeting of the Committee was held on March 28 to discuss issues related to source exchange programs arising from the King County regional water resource planning process and future planning activities with King County.

Conservation

The Conservation Work Group, with input from the Member Staff Committee, has developed a draft long-range conservation program with the following elements (details were included in the 2006 Conservation Program Summary and Summary of Recommended 2008-2013 Cascade Conservation Program documents which were included with the March Board package. A draft Conservation Plan Summary was distributed at the March Board Meeting):

- A time frame of 2008 – 2013
- An annual budget of approximately \$600,000 adjusted annually for inflation
- An annual and peak season savings goal of 1 mgd and 1.45 mgd, respectively, at full implementation
- A determination of 13 primary conservation measures to pursue to achieve the savings goal
- A breakdown of participation, cost, and savings for each Member

The conservation plan will provide compliance with the water use efficiency rule for Cascade Members and is consistent with the Interlocal Contract and the Cascade Conservation Policies. If there is consensus of the Board, a resolution adopting the conservation goals will be prepared for consideration at the April Meeting and Cascade will proceed with additional conservation planning activities.

C. Membership Committee

No specific report.

D. Finance Committee

The Finance Committee met jointly with the Planning Committee (see Planning Committee report).

The Director of Finance distributed the preliminary 2006 year-end financial summary to the Committee. The annual independent audit is scheduled for April.

E. Public Affairs Committee

HB 1561 passed the House on March 7 by a vote of 75 to 21. The Senate Judiciary Committee held a hearing on the bill on March 21. Mary-Alyce Burleigh and Hugh Spitzer represented Cascade at the hearing. A series of meetings and conference calls were held to address concerns raised by Committee Members and staff. The Chair sent a letter to the Committee addressing a concern raised by the City of Auburn.

The Committee continues to plan for Cascade's annual celebration event in May, including preparation of the 2006 annual report. Several letters have been sent to the Federal Delegation supporting the proposed Environmental Enhancement Initiative.

GENERAL MANAGERS REPORT

Cascade has moved into the new office. Notices have been sent with the new address. Phone numbers will remain the same.

The monthly Conservation Activities Report and Demand Summary were distributed with the March Board package.

The General Manager and General Counsel reported on the status of actions challenging provisions of the Municipal Water Law (to which Cascade is a Defendant-Intervener). It was the consensus of the Board to expand Cascade's retention of Foster Pepper LLC to include representation in this case.

NEW BUSINESS

There was no new business for this meeting.

EXECUTIVE SESSION

At 4:00 PM the Chair announced an Executive Session to last approximately 40 minutes to consult with counsel regarding acquisition of property and discuss the Due Diligence Process and real estate acquisition.

The Executive Session was adjourned and the regular meeting reconvened at 4:35 PM.

ADJOURN

The meeting was adjourned at 4:40 PM.

Board Members signed approved Minutes and checks.

NEXT MEETING DATE

The next regular meeting will be held:

April 25, 2007

3:15 PM – Roundtable discussions and refreshments

3:30 PM – Meeting of Cascade Water Alliance Board of Directors

ATTENDANCE

Board Members Present:

Grant Degginger, City of Bellevue

Don Davidson, City of Bellevue

David Knight, Covington Water District

Joe Forkner, City of Issaquah

John Rittenhouse, City of Issaquah

Mary-Alyce Burleigh, City of Kirkland

Jim Lauinger, City of Kirkland

John Marchione, City of Redmond

Lloyd Warren, Sammamish Plateau W&S District

Steve Stevlingson, Sammamish Plateau W&S District

Stanley Stone, Sammamish Plateau W&S District

Jim Haggerton, City of Tukwila

Staff Present:

Michael Gagliardo, General Manager
Steven Call, Director of Finance
Dennis Fields, Engineering Projects Manager
Mike Brent, Water Resources Manager
Pamela Higbee, Office Manager

Others Present:

Alison Bennett
Pat Brodin
Joel Gordon
Sarah Langton
Erin Leonhart
Ron Little
Sheldon Lynne
Dan Olson
Mike Ruark
Betty Spieth
Scott Thomasson

APPROVED BY:

Grant Degginger, Chair

Lloyd Warren, Vice Chair