



SPECIAL MEETING OF THE BOARD OF DIRECTORS
MINUTES
CASCADE WATER ALLIANCE OFFICES
SEPTEMBER 23, 2009

1. CALL TO ORDER

At 11:30 a.m. Chair Lloyd Warren called the meeting to order.

2. ROLL CALL

Board Members or Alternate Board Members from the City of Bellevue (Degginger¹), Covington Water District (Knight²), the City of Issaquah (Kappler³), the City of Kirkland (Burleigh⁴), the City of Redmond (McCormick⁵), the City of Tukwila (Haggerton⁶), and Sammamish Plateau Water and Sewer District (Warren) were present, constituting a quorum.

Chair Warren confirmed all members participating via conference call received the Special Meeting packet and that they could hear Board Members present at the meeting. In addition, Board Members confirmed that they could hear all conference call participants.

3. EXECUTIVE SESSION

No Executive Session was held.

4. PUBLIC COMMENT

No members of the audience in attendance commented.

5. CHIEF EXECUTIVE OFFICER'S REPORT

No report.

6. APPROVAL OF AGENDA

There was general consensus to approve the meeting agenda.

7. CONSENT ACTION ITEMS

None.

¹ Via conference call.

² Via conference call.

³ Via conference call.

⁴ Via conference call.

⁵ Via conference call.

⁶ Via conference call.

8. OTHER ACTION ITEMS

- A. Motion to approve Resolution No. 2009-12 providing for certain terms, provisions and covenants relating to the Water System Revenue Bonds authorized by Resolution No. 2009-11 for the purposes of paying part of the cost of carrying out a portion of the Cascade Water Alliance Capital Program Coordination, Management and Finance Plan, providing for a debt service reserve and paying the costs of issuing and selling those bonds; and ratifying, confirming and approving certain actions taken in connection with the issuance and sale of those bonds.

Mr. Hardin explained the bond authorization for the sale of bonds. He noted that the bonds will fund Cascade's Capital Improvement Program, including \$44 million for Lake Tapps, \$20 million for tribal settlement costs, \$2 million for Tacoma Cascade Pipeline follow-up work, \$7 million for pipeline at SR 900, and \$2 million for capital contingencies.

Mr. Hardin clarified that Cascade has been able to secure remarkably good terms thanks to aggressive pursuit of newly available federal financing tools (taxable BABs), as well as a two-step ratings upgrade from Standard & Poor's. The ratings upgrade enabled Cascade bonds to generate interest from new classes of investors like insurance companies.

The total all-inclusive interest cost on Cascade's bonds is 3.609% over a 25-year term, in taxable and tax-exempt series. Mr. Hardin expressed satisfaction with the favorable interest rate and explained that the annual savings to Cascade, from the projection of 5.25% a year ago to the actual 3.61% today, is approximately \$900,000 (per year). Mr. Hardin expressed his appreciation to the member staff for preparing documents and assisting with the task.

Members of the bond team discussed the events that took place to allow for the lower pricing structure.

Motion by Mr. Haggerton and second by Ms. McCormick to approve Resolution No. 2009-12 providing for certain terms, provisions and covenants relating to the Water System Revenue Bonds authorized by Resolution No. 2009-11 for the purposes of paying part of the cost of carrying out a portion of the Cascade Water Alliance Capital Program Coordination, Management and Finance Plan, providing for a debt service reserve and paying the costs of issuing and selling those bonds; and ratifying, confirming and approving certain actions taken in connection with the issuance and sale of those bonds. Motion carried unanimously (7-0).

9. STAFF PRESENTATION

None.

10. COMMITTEE REPORTS

None.

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regular Board meeting will be held September 23, 2009 at 3:30 p.m.

13. ADJOURN

The meeting was adjourned at 11:41 a.m.

APPROVED BY:

Lloyd Warren, Chair

Mary-Alyce Burleigh, Vice Chair