



REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
Held at Cascade's Bellevue Office and Via Zoom Meeting
November 16, 2022
3:30 PM

	<u>Page</u>
1. CALL TO ORDER	
2. ROLL CALL	
3. PUBLIC COMMENT	
4. EXECUTIVE SESSION	
5. APPROVAL OF AGENDA	
6. STATE AUDITOR'S OFFICE PRESENTATION	
7. CHIEF EXECUTIVE OFFICER'S REPORT	<u>4</u>
8. CONSENT ITEMS	
a. Board Meeting Minutes for September 28, 2022.	<u>15</u>
b. Motion to authorize the Chief Executive Officer to purchase equipment necessary to operate and maintain the White River - Lake Tapps Reservoir system in an amount not-to-exceed \$192,000.	<u>18</u>
c. Motion to authorize the Chief Executive Officer to execute a contract amendment with Long Building Technologies for maintenance of security equipment and related services at the White River – Lake Tapps Reservoir project by extending the contract end date from November 30, 2022, to February 28, 2023, and increasing the budget by \$40,000 from \$55,000 to \$95,000.	<u>21</u>
d. Motion to authorize the Chief Executive Officer to extend Cascade's engagement with auditing firm Clark Number to conduct annual Financial Audits and quarterly Agreed Upon Procedures (AUPs) for fiscal years 2022 through 2026.	<u>23</u>
e. Motion to adopt Resolution No. 2022-19 extending and revising Cascade's water use efficiency goal through 2024.	<u>26</u>
f. Motion to authorize the Chief Executive Officer to execute a three-year contract with the highest-rated firm to provide On-Call Civil, Structural, and Mechanical Engineering Services in an amount not to exceed \$550,000.	<u>30</u>

g.	Motion to authorize the Chief Executive Officer to execute a three-year contract with the highest-rated firm to provide On-Call Land Surveying Services in an amount not to exceed \$160,000.	<u>32</u>
h.	Motion to authorize the Chief Executive Officer to renew contracts for engineering, vendor, and consulting services as shown in the table below totaling \$1,971,275, and in accordance with the adopted 2023 - 2024 Cascade budget.	<u>34</u>
9.	OTHER ACTION ITEMS	
a.	Motion to adopt Resolution No. 2022-18 adopting Cascade’s 2023 Legislative and Public Policy Agenda.	<u>39</u>
b.	(1) Motion to adopt Resolution No. 2022-20 as follows: The CEO is re-appointed as the Designated Representative under Resolution 2020-15 and is re-authorized to take all steps under Resolution 2020-15 to designate the 2024 maturity of the 2012 Refunding Candidates in the principal amount of \$1,540,000 (“Refunded Bonds”) to be redeemed in accordance with the provisions of Resolution 2012-22 and to take all steps to carry out such redemption. The Designated Representative is authorized and directed to provide for or cause to be provided for the payment of the principal of and interest on the Refunded Bonds on any date selected by the Designated Representative on or after January 1, 2023, by causing the deposit of cash or transfer of funds to U.S. Bank Trust Company National Association (“USBTC”) as paying agent for the Refunded Bonds. In addition, the Designated Representative is authorized and directed to give or cause to be given (e.g., by so directing USBTC) notice of redemption, at the times and in the manner provided in Resolution 2012-22, to affect the prepayment and redemption of the Refunded Bonds. The Designated Representative is further authorized and directed to take any action and to execute any document as in the Designated Representative’s judgment may be necessary or desirable to carry out the provisions of this resolution; and (2) Motion to adopt Resolution No. 2022-21 amending the 2022, 2023 and 2024 budgets.	<u>47</u>
10.	STAFF PRESENTATIONS	
a.	Water Quality Policy Framework.	<u>56</u>
b.	Milfoil Treatment Pilot Project - <i>no materials in packet.</i>	
c.	Alternate Membership Options - <i>no materials in packet.</i>	
11.	COMMITTEE REPORTS	
a.	Executive Committee – <i>no meeting held.</i>	
b.	Finance and Management Committee – <i>November 8, 2022.</i>	<u>57</u>

c. Public Affairs Committee – *no meeting held.*

d. Resource Management Committee – *November 3, 2022.*

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12. NEW BUSINESS

13. NEXT REGULAR MEETING –*December 21, 2022 – Cascade Office or Via Zoom Meeting – 3:30 p.m.*

14. ADJOURN

NOTE: AS ALLOWED BY STATE LAW, THE BOARD OF DIRECTORS MAY ADD AND TAKE ACTION ON ITEMS NOT LISTED ON THE AGENDA.



MEMORANDUM

DATE: November 16, 2022

TO: Penny Sweet, Chair
Board of Directors

FROM: Ray Hoffman, Chief Executive Officer

SUBJECT: Chief Executive Officer's Report

Administration, Finance, and Economics

- Cascade can retire the last maturity of its 2012 bonds as of 1/1/2023. Cascade will save 3% interest on this note, while the operating funds are currently yielding less than 1.5%, a net gain of about \$20,000. Cascade can use the operating and bond reserve to fund this without significant risk.
- Regional Capital Facilities Charges (RCFCs) through the first three quarters of the year (882) are still on pace to meet or beat the 2022 budget expectations (1,000).
- The Office of the Washington State Auditor (SAO) is in the process of completing Cascade's accountability audit and will perform a review of our financial statement audit report. The SAO hopes to present the results of the audit to the Board in November.
- Clark Nuber, Cascade's outside auditing firm, will conduct a review of the third quarter of Cascade's 2022 financial transactions in November. The results of the review will be reported to the Finance and Management Committee.
- Cascade purchases health insurance through the Association of Washington Cities (AWC). Cascade had budgeted an 8% increase. In October, the AWC announced their 2023 rate increases of 4.5%.
- As part of the process of planning for tenant improvements to the IT infrastructure and the future move; Cascade's IT consultant, TeamLogicIT, along with Access Telephone, toured Cascade's new office in the Gateway One office building that was approved by the Board in September.
- Cascade's Wellness program participated in the Associations of Washington Cities Roam the Globe Challenge Campaign this October, encouraging employees to increase their steps, and providing them with wellness information. The Campaign is part of the wellness committee's ongoing pursuit to meet the Association of Washington Cities Employee Benefits Trust WellCity Award Standard requirements necessary to win the WellCity Award next year.

Capital Projects and Operations

- The SCADA/Security project is 97% complete overall. Field installation work is 99% complete. The remaining field work to be completed includes removal of obsolete equipment and repair and replacement of batteries. Training of Cascade and Veolia staff and final testing by the system integrator and contractor is underway. This project is currently projected to be completed within the approved budget.
- Construction on the permanent, replacement, plunge-pool retaining wall has been completed. The splash containment portion of the project is under review due to

unforeseen structural elements discovered when contractor excavated the area near the attachment wall. It is recommended by staff to delete this portion of the work from this contract to further evaluate feasibility. Cascade is currently negotiating with its contractor to delete this work. This project is currently projected to be completed within the approved budget.

- On October 14, following completion of the plunge pool retaining wall project, Cascade opened the valves to the lake outlet and charged the penstocks in preparation for the winter lake drawdown.
- Cascade engineering staff is currently reviewing the final hydraulic report from the City of Sumner and BNSF. In addition, Cascade is negotiating with both entities on future maintenance responsibilities for the outflow channel.
- U.S. Army Corps of Engineers updated Cascade that it is still planning to start construction of Phase 3 in late summer or early fall of 2023. The start of Phase 3 is contingent on successful redesign, fabrication, and installation of equipment by its contractor and tweaking of operations for the new fish trap and haul facility.

Water Efficiency

- Cascade provided 35 classroom programs for 859 students in October.
- Cascade held eight fall gardening classes remotely with regional sustainable gardening experts and a garden walking tour. Total attendance for all classes and tour was 1,074.
- Cascade, and its vendor, Nature Vision, provided programs for the Tukwila partners in employment.
- Cascade filmed several videos at the Lake Washington Tech arboretum to promote sustainable landscaping and gardening.
- Cascade is gathering information for another round of toilet leak detection dye distribution to motels.
- The landscape assessments have been extended into the fall due to high demand. Cascade will complete as many assessments as possible until irrigation systems are deactivated for the season.
- Cascade has increased the promotion of its classes and programs, as well as content relating to the value of water, on its social media platforms.

Intergovernmental and Communications

- Cascade continues to track legislative proposals that could impact water utilities. Attorney General Bob Ferguson announced that he and Senator Joe Nguyen, D-White Center, will propose legislation in the 2023 legislative session to ensure a utility company cannot shut off power or water if the temperature is 95 degrees or higher. Nineteen other states have similar protections in place.
- The state Department of Commerce continues to implement its arrearages funding program. It is finalizing data with utilities and expects to distribute contracts and funding formulas soon. Utilities will have to provide information on spending priorities and then funding should be dispersed before the end of the year.

Planning

- Cascade coordinated and hosted a virtual meeting with Seattle Public Utilities (SPU) for a presentation to Cascade and its members on key findings from SPU's recently completed Phase 2 Seismic Study. Phase 2 study includes SPU's transmission line that directly serves Cascade's eastside members. The study has resulted in adjustment and tweaks to SPU's priority list of capital projects for seismically vulnerable transmission segments.

- Cascade's consultant, Confluence, conducted two workshops with Bellevue, Sammamish Plateau, and Issaquah staff regarding emergency response and flushing of the Bellevue-Issaquah Pipeline (BIP). Confluence will have a draft emergency response plan for Cascade's and members' review by the end of the year, focused on coordination and communication.

Attachments

1. Budget to Actual Expenditure Report through October 31, 2022.
2. Statement of Revenues and Expenditures through October 31, 2022.
3. Statement of Net Position as of October 31, 2022.
4. Contract Status Summary.
5. Monthly Warrants Listing.
6. Monthly Treasurer's Report as of October 31, 2022.

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- October 31, 2022
 83% of the year completed

Administration	Budget	Actual	Balance	% Expended
Salaries	\$ 1,015,001	\$ 974,240	40,760	96.0%
Benefits	261,845	252,792	9,053	96.5%
Wellness program	5,000	270	4,730	5.4%
Prof. Fee (Technical)	232,000	61,513	170,487	26.5%
Prof. Fee (Legal)	885,000	596,076	288,925	67.4%
Prof. Fee (Audit)	100,900	83,278	17,622	82.5%
Prof. Fee (Other)	50,000	4,639	45,361	9.3%
Seismic Resiliency	100,000	5,412	94,588	5.4%
Meetings Expense	11,000	2,295	8,705	20.9%
Telephone/Internet	42,000	38,175	3,825	90.9%
Office Rent	241,749	202,119	39,630	83.6%
Office Supplies Admin.	20,000	5,119	14,881	25.6%
Equip. and Furniture	10,000	3,340	6,660	33.4%
Bank Fees	600	257	343	42.8%
Dues & Subscriptions	55,000	14,679	40,321	26.7%
Taxes/Licenses	16,000	10,703	5,297	66.9%
Travel	12,000	5,203	6,797	43.4%
Professional Dev.	25,200	25,136	64	99.7%
Computer Equipment	25,000	11,192	13,808	44.8%
Software Licenses	38,000	9,993	28,007	26.3%
Postage & Delivery	3,000	1,396	1,604	46.5%
Printing & Repro.	5,000	0	5,000	0.0%
Insurance	132,963	122,088	10,876	91.8%
Contingency	228,198	0	228,198	0.0%
Total	\$ 3,515,456	\$ 2,429,913	\$ 1,085,543	69.1%

Debt Service	Budget	Actual	Balance	% Expended
Bond Debt Service	9,779,981	9,774,591	5,390	99.9%
Total	\$ 9,779,981	\$ 9,774,591	\$ 5,390	99.9%

Conservation	Budget	Actual	Balance	% Expended
Salaries	\$ 168,466	\$ 94,729	\$ 73,737	56.2%
Benefits	36,908	22,172	14,736	60.1%
Prof. Fee (Technical)	35,000	19,089	15,911	54.5%
Rebate Reimb. Com.	75,000	31,463	43,537	42.0%
Irrigation Audit	25,000	4,352	20,648	17.4%
Comm. and Public I	322,500	318,844	3,656	98.9%
Misc. Serv. and Sup.	72,000	19,532	52,468	27.1%
Total	\$ 734,874	\$ 510,180	\$ 224,693	69.4%

Com. and Intergovern	Budget	Actual	Balance	% Expended
Salaries	\$ 118,571	\$ 112,827	\$ 5,744	95.2%
Benefits	26,410	24,546	1,864	92.9%
Prof. Fee (Technical)	15,000	11,500	3,500	76.7%
Prof. Fee (Other)	165,000	127,320	37,680	77.2%
Sponsorships	30,000	18,825	11,175	62.8%
Comm. and Public I	280,000	94,894	185,106	33.9%
Total	\$ 634,981	\$ 389,912	\$ 245,069	61.4%

Operations-General	Budget	Actual	Balance	% Expended
Wholesale Water	\$ 22,730,886	\$ 17,937,611	\$ 4,793,275	78.9%
Salaries	26,043	22,837	3,206	87.7%
Benefits	7,765	4,813	2,952	62.0%
BIP O&M	88,000	87,618	382	99.6%
Pipeline Prop. O&M	15,000	683	14,318	4.6%
PWTF Loan Debt	40,461	40,263	197	99.5%
Total	\$ 22,908,154	\$ 18,093,825	\$ 4,814,330	79.0%

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- October 31, 2022
 83% of the year completed

Operations-Lake Tapps	Budget		Balance		% Expended
Salaries	\$ 471,830	\$ 317,562	\$ 154,268		67.3%
Benefits	74,167	71,859	2,308		96.9%
Prof. Fee (Technical)	795,600	365,894	429,706		46.0%
Prof. Fee (Other)	15,000	0	15,000		0.0%
Meetings Expense	4,000	3,319	681		83.0%
Telephone/Internet	1,500	683	818		45.5%
Office Supplies	17,700	0	17,700		0.0%
Equipment & Furn.	31,000	30,291	709		97.7%
Taxes/Licenses	14,100	13,925	175		98.8%
Travel	17,000	12,479	4,521		73.4%
Professional Dev.	3,000	2,844	156		94.8%
Software Licenses	29,500	29,269	231		99.2%
Permitting Costs	8,800	8,773	27		99.7%
Misc. Serv. and Sup.	34,000	7,816	26,184		23.0%
LT Operator	2,296,120	1,652,539	643,581		72.0%
Unplanned O&M	321,500	321,317	183		99.9%
Misc. Facility Repairs	102,000	57,022	44,978		55.9%
USGS Joint Fund	337,500	235,199	102,302		69.7%
Construction Management	100,000	36,182	63,818		36.2%
Outage	200,000	17,212	182,788		8.6%
Milfoil Control	225,000	180,717	44,283		80.3%
Vendor Services	36,000	19,971	16,029		55.5%
Water Quality Management	150,000	34,219	115,781		22.8%
Dike and Roads Maintenance	33,000	19,167	13,833		58.1%
Total	\$ 5,318,317	\$ 3,438,256	\$ 1,750,447		64.6%
Total Operating Budget	\$ 42,891,763	\$ 34,636,677	\$ 8,125,472		80.8%
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Capital Projects (multi-yr bdgt not shown)	Budget	Actual	Balance		% Expended
Upper Conveyance Projects	\$ 740,000	31,298	708,702		4.2%
Lower Conveyance Projects	500,000	337,465	162,535		67.5%
Meters	50,000	0	50,000		0.0%
Equipment	350,000	13,593	336,407		3.9%
Facilities	290,000	288,029	1,971		99.3%
Security and SCADA	745,000	680,927	64,073		91.4%
Tacoma Agreement	5,975,463	5,975,463	0		100.0%
Capital Risk	450,000	0	450,000		0.0%
IT Infrastructure	35,000	0	35,000		0.0%
Total CIP Budget	\$ 9,135,463	\$ 7,326,774	\$ 1,808,689		80.2%
Total Overall Budget	\$ 52,027,226	\$ 41,963,452	10,063,774		80.7%

Cascade Water Alliance
Statement of Revenues and Expenditures
From 1/1/2022 Through 10/31/2022

Attachment 2

Operating Revenue		
Water sales	\$	34,413,689
Administrative dues		3,741,337
Conservation program		655,483
Total Operating Revenue		<u>38,810,509</u>
Operating Expenses		
Cost of water sold		17,937,611
Salaries and benefits		2,074,021
Professional services		1,308,902
Conservation program		35,815
Depreciation and amortization		3,440,875
Communication and public information		411,827
Office expenses		347,725
Operations		1,956,121
Bank charges		257
Rent		1,289
Maintenance		677,864
Dues and subscriptions		18,124
Miscellaneous		26,854
Total Operating Expenses		<u>28,237,285</u>
Operating Income		10,573,224
Non-Operating Revenue (Expenses)		
Interest income		526,467
Other income		187,990
Gain/Loss on the sale/re-characterization of an asset		23,668
Interest expense, net of amount capitalized		(4,669,133)
Total Non-Operating Revenue (Expenses)		<u>(3,931,009)</u>
Capital Contributions		
Regional Capital Facilities Charges		6,210,400
Increase in Net Assets		12,852,616
Net Assets, Beginning of Year		122,312,527
Net Assets, End of Year	\$	135,165,143

Cascade Water Alliance
Statement of Net Position
As of 10/31/2022

Attachment 3

Assets	
Current Assets	
Cash and cash equivalents	\$ 19,851,173
Accounts receivable	10,323,704
Prepaid expenses	333,216
Total Current Assets	<u>30,508,093</u>
Capital Assets	
Equipment and furniture	2,045,247
Seattle water contract	22,267,611
Bellevue Issaquah pipeline	22,276,944
Tacoma water contract	119,740,687
Less accumulated depreciation and amortization	(56,303,127)
Total Capital Assets	<u>110,027,362</u>
Projects in process and assets not yet in service	
Lake Tapps	105,191,032
Tacoma Cascade pipeline	26,539,385
Total Projects in process and assets not yet in service	<u>131,730,418</u>
Restricted cash and cash equivalents	26,101,955
Total Assets	<u><u>298,367,827</u></u>
Liabilities	
Current liabilities	
Payables and accrued liabilities	867,518
Accrued interest	647,245
Long-term debt current portion	
Bonds Payable-Current Portion	6,315,000
Other	39,474
Total Long-term debt current portion	<u>6,354,474</u>
Total Current liabilities	<u>7,869,237</u>
Long-term Liabilities	
Long-term debt	85,873,948
Tacoma contract	59,992,082
Seattle contract	5,000,000
Bond premium, net of amortization	4,302,352
Total Long-term Liabilities	<u>155,168,382</u>
Total Liabilities	<u>163,037,620</u>
Net Assets	
Restricted for debt service	103,577,744
Unrestricted	31,752,463
Total Net Assets	<u>135,330,207</u>
Total Liabilities & Net Assets	<u><u>\$ 298,367,827</u></u>

Consultant and Other Vendor Contract Status Summary

Open contracts											
Vendor	Contract number	Contract title	Cascade manager	Effective date	End date	Status date	Percent work completed	Contract amount, including	Amount invoiced	Percent invoiced	Contract balance
Artisan Electric	1	Powerhouse Solar Energy Project	M. Brent	10/1/2021	12/31/2022	11/10/2022	100%	\$ 273,000	\$ 236,184	87%	\$ 36,816
Aquatechnex	1	2022 Aquatic Plant Management	J. Shimada	8/8/2022	8/31/2022	11/10/2022	100%	\$ 175,000	\$ 167,724	96%	\$ 7,276
Aspect	1	Water Supply Modeling	R. Hoffman	5/6/2020	N/A	11/10/2022	35%	\$ 24,900	\$ 9,191	37%	\$ 15,710
Aspect	2	Water Resources Services	R. Hoffman	8/17/2018	N/A	11/10/2022	98%	\$ 60,000	\$ 58,251	97%	\$ 1,749
Aspect	3	Climate Change Analysis	R. Hoffman	9/7/2022	12/31/2024	11/10/2022	3%	\$ 150,000	\$ -	0%	\$ 150,000
Brilliant Marketing	1	We Need Water Strategy Planning	M. Brent	3/16/2022	12/31/2022	11/10/2022	55%	\$ 22,500	\$ 20,850	93%	\$ 1,650
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	R. Hoffman	1/1/2022	N/A	11/10/2022	70%	\$ 70,500	\$ 67,046	95%	\$ 3,454
Colehour and Cohen	1	Staffing for classes and events	M. Brent	1/1/2022	12/31/2022	11/10/2022	90%	\$ 89,990	\$ 82,946	92%	\$ 7,044
David Evans	1	On-call Land Surveyor	H. Chen	1/1/2022	12/31/2022	11/10/2022	8%	\$ 75,000	\$ 3,746	5%	\$ 71,254
David McGrath	1	Irrigation Efficiency Assistance	M. Brent	1/1/2022	12/31/2022	11/10/2022	20%	\$ 20,500	\$ 10,608	52%	\$ 9,892
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	H. Chen	1/1/2022	12/31/2022	11/10/2022	20%	\$ 24,900	\$ 12,993	52%	\$ 11,907
GeoEngineers Inc.	1	Dam Engineering/Hydrology/Geotech	H. Chen	1/1/2022	12/31/2022	11/10/2022	45%	\$ 160,000	\$ 178,746	112%	\$ (18,746)
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2022	12/31/2022	11/10/2022	50%	\$ 84,000	\$ 70,000	83%	\$ 14,000
Herrera Environmental	2	WQ Monitoring Program	H. Chen	8/19/2019	N/A	11/10/2022	100%	\$ 495,000	\$ 495,000	100%	\$ -
Holocene	1	Plunge Pool Timber Wall Drilling	J. Shimada	1/22/2022	N/A	11/10/2022	100%	\$ 6,772	\$ 6,772	100%	\$ 0
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	11/10/2022	98%	\$ 1,041,100	\$ 950,972	91%	\$ 90,129
HDR	2	Conservation Plan Potential Assessment	M. Brent	5/21/2021	N/A	11/10/2022	99%	\$ 18,900	\$ 18,870	100%	\$ 30
Jacobs Engineering Group	1	Demand Forecast Model Support Services	M. Thung	8/20/2021	N/A	11/10/2022	5%	\$ 5,000	\$ -	0%	\$ 5,000
Jennergy	1	Website assistance	A. Bennett	1/1/2022	12/31/2022	11/10/2022	46%	\$ 15,000	\$ 11,500	77%	\$ 3,500
Johansen Excavating	1	Emergency Headgate Repair	H. Chen	5/5/2021	N/A	11/10/2022	98%	\$ 100,947	\$ 92,358	91%	\$ 8,589
Johansen Excavating	2	Flowline Outage Maintenance	J. Shimada	8/12/2021	N/A	11/10/2022	75%	\$ 540,000	\$ 387,899	72%	\$ 152,101
Johansen Excavating	3	Emergency Landslide Remediation	J. Shimada	1/18/2022	3/31/2022	11/10/2022	96%	\$ 216,000	\$ 207,367	96%	\$ 8,633
Johansen Excavating	4	Plunge Pool retaining wall	J. Shimada	7/2/2022	N/A	11/10/2022	5%	\$ 576,750	\$ 186,154	32%	\$ 390,596
Johansen Excavating	5	2022 Powerhouse overhead door	J. Shimada	7/22/2022	N/A	11/10/2022	5%	\$ 13,000	\$ -	0%	\$ 13,000
Langton Spieth	1	Community relations	A. Bennett	1/1/2022	12/31/2022	11/10/2022	75%	\$ 72,000	\$ 60,000	83%	\$ 12,000
Lake Tapps Construction	1	Valve House Improvements	J. Shimada	12/2/2020	N/A	11/10/2022	100%	\$ 30,978	\$ 30,978	100%	\$ -
Long Building Tech	1	Security Maintenance	H. Chen	8/12/2019	10/31/2022	11/10/2022	80%	\$ 55,000	\$ 43,047	78%	\$ 11,953
Media for International Development	1	WeNeedWater Video Production	A. Bennett	1/1/2022	12/31/2022	11/10/2022	45%	\$ 24,500	\$ 20,500	84%	\$ 4,000
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2022	12/31/2022	11/10/2022	65%	\$ 95,000	\$ 67,433	71%	\$ 27,567
Pacifica Law	1	Legal Assistance	H. Chen	1/1/2022	12/31/2022	11/10/2022	8%	\$ 25,000	\$ 2,964	12%	\$ 22,037
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2022	12/31/2022	11/10/2022	45%	\$ 250,000	\$ 193,250	77%	\$ 56,750
Performance Dimensions	2	Executive Coaching Services	M. Thung	3/14/2022	12/31/2022	11/10/2022	35%	\$ 15,000	\$ 2,800	19%	\$ 12,200
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2022	12/31/2022	11/10/2022	25%	\$ 72,000	\$ 31,628	44%	\$ 40,372
RH2	2	On-Call Electrical Engineering Svcs	H. Chen	1/1/2022	12/31/2022	11/10/2022	45%	\$ 100,000	\$ 61,537	62%	\$ 38,463
RH2	1	Security and SCADA	H. Chen	1/16/2020	N/A	11/10/2022	95%	\$ 494,807	\$ 489,821	99%	\$ 4,986
RH2	3	Wholesale Master Meter Eval	H. Chen	1/21/2020	3/31/2023	11/10/2022	8%	\$ 24,500	\$ 1,342	5%	\$ 23,158
Robinson Noble	1	Water Audits	E. Cebtron	10/3/2019	N/A	11/10/2022	80%	\$ 135,060	\$ 112,485	83%	\$ 22,575
Sazan	2	Solor Power Project	M. Brent	5/25/2021	N/A	11/10/2022	100%	\$ 10,000	\$ 10,000	100%	\$ -
SC Words & Pictures Inc.	1	Design Services	A. Bennett	1/1/2022	12/31/2022	11/10/2022	15%	\$ 24,000	\$ 3,620	15%	\$ 20,380
Seattle Public Utilities	1	Garden Hotline	M. Brent	1/1/2022	12/31/2022	11/10/2022	67%	\$ 12,000	\$ 9,000	75%	\$ 3,000
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2022	12/31/2022	11/10/2022	30%	\$ 24,500	\$ 13,420	55%	\$ 11,080

Source Electric LLC	1	SCADA Improvements Project	H. Chen	5/1/2021	2/1/2022	11/10/2022	95%	\$ 774,823	\$ 770,324	99%	\$ 4,499
Sustainable Water	1	Teacher Fellows program	M. Brent	1/1/2022	12/31/2022	11/10/2022	55%	\$ 60,000	\$ 55,986	93%	\$ 4,014
Tacoma-Pierce County	1	LakeWise	A. Bennett	1/1/2022	12/31/2022	11/10/2022	25%	\$ 120,000	\$ 74,365	62%	\$ 45,635
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2022	12/31/2022	11/10/2022	35%	\$ 104,000	\$ 63,908	61%	\$ 40,092
TechniArt	1	Website Orders	M. Brent	1/1/2022	12/31/2022	11/10/2022	25%	\$ 15,900	\$ 5,076	32%	\$ 10,824
Tetra Tech	1	AWIA Risk and Resiliency	M. Thung	11/18/2019	12/31/2022	11/10/2022	75%	\$ 700,000	\$ 503,107	72%	\$ 196,893
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2022	12/31/2022	11/10/2022	45%	\$ 24,500	\$ 19,304	79%	\$ 5,196
Upstream PBC	1	HydroForecast-Glacier Climate Change Analysis	M. Thung	11/1/2022	N/A	11/10/2022	0%	\$ 49,900	\$ -	0%	\$ 49,900
USGS	1	Joint Funding Agre-Streamgaging	H. Chen	1/1/2022	12/31/2022	11/10/2022	75%	\$ 327,380	\$ 235,199	72%	\$ 92,182
Transpo Group	1	GIS Program Technical Support	J. Shimada	2/3/2022	7/31/2023	11/10/2022	45%	\$ 24,000	\$ 13,196	55%	\$ 10,804
Vanir Construction Management, Inc.	1	On-call Construction Management	J. Shimada	5/1/2021	12/31/2022	11/10/2022	15%	\$ 560,000	\$ 136,938	24%	\$ 423,062
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2022	12/31/2022	11/10/2022	50%	\$ 850,000	\$ 590,405	69%	\$ 259,596
Veolia	1	White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement \$2,027,110 Fixed, \$403,926 Var	J. Shimada	1/1/2022	12/31/2022	11/10/2022	50%	\$ 2,431,036	\$ 1,714,159	71%	\$ 716,877
Washington Crane and Hoist Co	1	Fish Screen Gantry Crane Inspection	J. Shimada	2/9/2022	N/A	11/10/2022	10%	\$ 2,122	\$ 2,104	99%	\$ 18
Water Value	1	Climate Study Advisory Services	M. Thung	6/16/2022	12/31/2023	11/10/2022	5%	\$ 22,500	\$ 4,262	19%	\$ 18,238
Winterbauer and Diamond	1	Legal Assistance	R. Hoffman	1/1/2022	12/31/2022	11/10/2022	15%	\$ 20,000	\$ 2,708	14%	\$ 17,293

Closed Contracts											
Vendor	Closed contract number	Contract title	Cascade manager	Effective Date	End date	Status date	Percent work completed	Contract amount, including amendments	Amount invoiced	Percent invoiced	Contract balance
Performance Dimensions	1	Executive Coaching Services	M. Thung	6/21/2021	12/31/2022	10/13/2022	100%	\$ 24,500	\$ 19,250	79%	\$ 5,250

Payment Authorization Warrants and Wire Transfers 11/16/22

WHOLESALE WATER

WIRE	Seattle Contract Payment	10/22	\$1,426,855.00
WIRE	Seattle Contract Payment	11/22	<u>\$1,019,182.00</u>
			\$2,446,037.00

CONSULTANTS

30287	RH2 Engineering, Inc.	\$7,242.26
30298	Herrera	\$948.22
30304	Parametrix	\$3,633.75
30308	Robinson Noble	\$107.50
30310	Tacoma Pierce County Health Department	\$2,884.88
30314	Water Value LLC	\$225.00
30317	Clark Nuber P.S.	\$19,320.80
30322	Gordon Thomas Honeywell Govern. Affair	\$7,000.00
30334	Environmental Science Associates (ESA)	\$1,888.75
30336	Langton/Spieth	\$6,000.00
30341	Transpo Group	\$1,242.50
30344	Van Ness Feldman, LLP	\$51,278.00
30350	Aspect Consulting	\$1,471.75
30356	SC Words & Pictures, Inc.	\$1,075.00
30358	GeoEngineers	\$13,446.80
30360	Jennergy	\$1,150.00
30364	RH2 Engineering, Inc.	\$7,608.68
30365	State Auditor's Office	\$5,456.70
30382	Robinson Noble	\$107.50
30384	Tacoma Pierce County Health Department	\$12,778.37
30385	TeamLogic IT of Bellevue, WA	\$6,990.50
30393	Gordon Thomas Honeywell Govern. Affair	\$7,000.00
30395	Jennergy	\$1,150.00
30401	Pacificca Law Group	\$2,963.50
30402	Parametrix	<u>\$13,655.00</u>
		\$176,625.46

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (September)	\$128,074.79
	Payroll (October)	\$128,069.50
30280	Paula Anderson	\$20.58
30292	Vantagepoint 401 Plan	\$34,597.97
30293	Vantagepoint 457 Plan	\$17,053.61
30294	AWC Employee Benefit Trust	\$20,759.39
30300	HRA VEBA Trust	\$1,176.00
30311	Melina Thung	\$61.97
30313	Michael A. Gagliardo	\$330.00
30321	Joseph Mickelson	\$1,242.80
30369	Vantagepoint 401 Plan	\$31,996.65
30370	Vantagepoint 457 Plan	\$17,053.61
30372	AWC Employee Benefit Trust	\$20,759.39
30376	Michael Brent	\$156.88
30379	HRA VEBA Trust	\$1,176.00
30392	Joseph Mickelson	<u>\$1,070.48</u>
		\$403,599.62

COMPUTER EQUIPMENT AND SOFTWARE

30276	Abila	\$254.36
30327	ProcureIT USA	\$1,159.95
30349	Abila	\$254.36
30367	WIN-911 Software	\$880.80
30397	Kelley Connect	<u>\$19,421.64</u>
		\$21,971.11

GENERAL

30277	AT&T FirstNet	\$407.20
30278	DIRECTV	\$100.24
30281	Greater Issaquah Chamber of Comm	\$350.00
30283	Lakemont Business Services Inc.	\$256.00
30285	Pacific Office Automation	\$265.36
30290	JG 520 Building LLC	\$20,588.76
30295	Beautify Bonney Lake	\$500.00
30297	Comcast	\$525.12
30307	Puget Sound Regional Council	\$719.00
30318	Code Publishing Co.	\$541.95
30319	Covington Water District	\$46.50
30324	King County Treasury	\$3,540.63
30328	Staples Advantage	\$91.76
30331	CIT	\$2,064.00
30332	Comcast	\$539.37
30335	JG 520 Building LLC	\$20,588.76
30338	MOODY'S INVESTORS SERVICE	\$2,000.00
30342	U.S. BANK	\$3,229.96
30343	Utilities Underground Location Center	\$15.48
30345	Verizon Wireless	\$225.05
30351	AT&T FirstNet	\$406.54
30353	City of Seattle	\$87.87
30355	Comcast	\$1,652.40
30357	DIRECTV	\$93.99
30361	Lakemont Business Services Inc.	\$200.00
30363	Pacific Office Automation	\$265.36
30371	AMWA	\$9,000.00
30375	Comcast	\$548.68
30387	Water & Sewer Risk Management Pc	\$160,808.00
30389	Daily Journal of Commerce	\$278.25
30396	JG 520 Building LLC	\$20,588.76
30406	Verizon Wireless	<u>\$225.05</u>
		\$250,750.04

CONSERVATION

30288	Techniart C S D	\$462.42
30296	Christina Pfeiffer	\$400.00
30302	Lisa Taylor	\$900.00
30306	Puget Sound Energy	\$1,600.00
30309	SMC Consulting LLC	\$2,320.00
30320	David F. McGrath	\$4,352.00
30325	Nature Vision, Inc.	\$5,265.88
30339	PromoShop WA, LLC	\$10,586.12
30340	Tilth Alliance	\$4,497.63
30354	Colehour and Cohen	\$5,588.59
30366	Sustainable Seattle dba Sustainability	\$4,597.00
30374	City of Seattle	\$3,000.00
30380	Marianne Binetti	\$500.00
30381	Puget Sound Energy	\$10,037.20
30386	Techniart C S D	\$838.50
30390	David F. McGrath	\$6,256.00
30391	Debra Emily Bishton	\$750.00
30398	Lisa Taylor	\$900.00
30399	Nature Vision, Inc.	\$7,528.51
30400	NW Bloom	\$2,302.50
30403	Puget Sound Energy	\$618.31
30404	SMC Consulting LLC	<u>\$2,280.00</u>
		\$75,580.66

LAKE TAPPS

30279	US Geological Survey (USGS)	\$78,399.50
30282	Johansen Construction Company, In	\$15,732.88
30284	Linde Gas & Equipment Inc.	\$351.42
30286	Pape Machinery Inc.	\$61.24
30289	Vanir Construction Management Inc.	\$22,194.00
30299	Honey Bucket	\$187.15
30301	Leavitt Machinery	\$4,789.35
30303	Pape Machinery Inc.	\$168.45
30305	Puget Sound Energy	\$113.55
30312	Puget Sound Energy	\$741.82
30323	Johansen Construction Company, In	\$1,478.89
30326	Pierce County Budget & Finance	\$5,771.18
30329	Veolia Water North America	\$246,735.01
30333	Department of Ecology	\$682.00
30337	Linde Gas & Equipment Inc.	\$348.39
30352	Certified Hydraulics	\$4,951.91
30359	Honey Bucket	\$171.05
30362	Linde Gas & Equipment Inc.	\$2.93
30373	Certified Hydraulics	\$3,343.48
30377	FloHawks Plumbing & Septic	\$713.09
30378	Honey Bucket	\$187.15
30383	SYBIS LLC	\$2,021.71
30394	In-Situ Inc.	\$6,402.34
30405	Veolia Water North America	<u>\$200,763.98</u>
		\$596,312.47

CONSTRUCTION

30272	Artisan Electric Inc.	\$28,120.64
30273	RH2 Engineering, Inc.	\$12,999.42
30274	Vanir Construction Management Inc.	\$5,265.00
30275	Access Telephone Solutions, Inc.	\$781.28
30315	Access Telephone Solutions, Inc.	\$3,158.77
30316	Artisan Electric Inc.	\$2,185.00
30330	Parametrix	\$30,450.00
30346	Access Telephone Solutions, Inc.	\$3,327.75
30347	GeoEngineers	\$29,205.85
30348	RH2 Engineering, Inc.	\$2,589.42
30368	Sazan Environmental Services	\$2,698.65
30388	Parametrix	<u>\$4,560.00</u>
		\$125,341.78

DESTROYED AND VOIDED CHECKS:

30291

Total Warrants	\$1,650,181.14
Total Wires	\$2,446,037.00
Total warrants/wire transfers authorized for November 2022	\$4,096,218.14

Approved: _____ Date: _____

Edward Cebron, Chief Economist/Treasurer

Approved: _____ Date: _____

Allan Ekberg, Secretary/Treasurer

**Cascade Water Alliance
Monthly Treasurer's Report
October 2022**

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
Beginning Balances, October 1	\$ 11,333,496	\$ 16,219,843	\$ 10,387,137	\$ -	\$ 8,013,349	\$ 2,147,597	\$ -	\$ 48,101,423
Additions:								
Cash received	\$ 2,182,552	\$ 18,096	\$ 5,376	\$ -	\$ 11,392	\$ 2,392	\$ -	\$ 2,219,809
Transfers from other Cascade funds	\$ -	\$ -	\$ 769,546	\$ -	\$ -	\$ -	\$ 129,105	\$ 898,651
Total additions	\$ 2,182,552	\$ 18,096	\$ 774,922	\$ -	\$ 11,392	\$ 2,392	\$ 129,105	\$ 3,118,459
Subtractions:								
Bank fees, payroll, and bond payments	\$ 419	\$ 538	\$ 659	\$ -	\$ 364	\$ 71	\$ 129,105	\$ 131,157
Warrants paid	\$ 612,065	\$ 254,742	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 866,806
Wire and other electronic payments	\$ 1,426,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,426,855
King Co. Investment Pool impairment (realized)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (retained)	\$ (290)	\$ (245)	\$ (134)	\$ -	\$ -	\$ (36)	\$ -	\$ (706)
Transfers to other Cascade funds	\$ 898,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 898,651
Total subtractions	\$ 2,937,699	\$ 255,035	\$ 525	\$ -	\$ 364	\$ 35	\$ 129,105	\$ 3,322,763
Ending Balances, October 31, 2022	\$ 10,578,350	\$ 15,982,904	\$ 11,161,534	\$ -	\$ 8,024,377	\$ 2,149,954	\$ -	\$ 47,897,119



MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA HYBRID MEETING
SEPTEMBER 28, 2022

1. CALL TO ORDER

At 3:31 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), City of Tukwila (Ekberg), Sammamish Plateau Water & Sewer District (Warren), and Skyway Water and Sewer District (Ault)

Board Member Absent: the City of Issaquah (Pauly)

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

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

Motion by Mr. Warren and second by Ms. Birney to approve the meeting agenda as presented. Motion carried unanimously (6-0).

6. CHIEF EXECUTIVE OFFICER'S REPORT

Ray Hoffman, Cascade Chief Executive Officer, 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 July 28, 2022.

B. Motion to authorize the Chief Executive Officer to execute a contract with the highest-rated firm to provide On-Call Value Analysis/Value Engineering Services in an amount not to exceed \$250,000.

Motion by Mr. Ekberg and second by Mr. Warren to approve Consent Action Items A-B as presented. Motion carried unanimously (6-0).

8. OTHER ACTION ITEMS

A. Motion to adopt Resolution No. 2022-15 adopting the 2023-2024 Cascade Budget

Chris Paulucci, Cascade Finance and Administration Manager, said that Resolution No. 2022-15 adopting the 2023-2024 Cascade Budget is substantially in the form that was presented at the July 2022 Board meeting.

Mr. Paulucci responded to various questions from Committee Members.

Motion by Ms. Birney and second by Mr. Warren to adopt Resolution No. 2022-15 adopting the 2023-2024 Cascade Budget. Motion carried unanimously (6-0).

B. Motion to adopt Resolution No. 2022-16 establishing the 2023 and 2024 rates and charges

Mr. Cebron said that Cascade has proposed a recommended 2.2% rate increase per year for 2023 and 2024, which is reflected in the proposed Resolution No. 2022-16.

Motion by Mr. Ault and second by Ms. Birney to adopt Resolution No. 2022-16 establishing the 2023 and 2024 rates and charges. Motion carried unanimously (6-0).

C. Motion to adopt Resolution No. 2022-17 establishing the Regional Capital Facilities Charge for 2023 and 2024, at \$7,201 and \$7,454 per CERU respectively

Mr. Cebron said that Cascade staff recommends an increase in the RCFC charge to \$7,201 per CERU in 2023 and to \$7,454 per CERU in 2024. The RCFC charge is based on existing and future infrastructure divided by the customer base. Future water supply infrastructure is the primary reason RCFC rate increases are recommended. RCFC revenue contributes to Cascade's infrastructure capital funding for existing infrastructure and the proposed increases have been factored into the proposed budget biennium budget for 2023 - 2024.

Motion by Ms. Birney and second by Mr. Warren to adopt Resolution No. 2022-17 establishing the Regional Capital Facilities Charge for 2023 and 2024, at \$7,201 and \$7,454 per CERU respectively. Motion carried unanimously (6-0).

D. Motion to authorize the Chief Executive Officer (CEO), in consultation with legal counsel, to negotiate, finalize, and execute a lease for office space in Gateway One with an estimated commencement date of April 1, 2023

Mr. Paulucci explained Cascade's current office space lease expires on March 31, 2023. In anticipation of notice-of redevelopment from Cascade's current landlord, staff began the search for a new office in earnest earlier this year. Cascade received the notice in July 2022. Staff has been working with an office lease broker to review potential offices that meet its criteria, and the Gateway One office checks all the boxes. Mr. Paulucci discussed the criteria involved with determining the office location as well as terms negotiated.

Motion by Ms. Birney and second by Mr. Ault to authorize the Chief Executive Officer (CEO), in consultation with legal counsel, to negotiate, finalize, and execute a lease for office space in Gateway One with an estimated commencement date of April 1, 2023. Motion carried unanimously (6-0).

9. STAFF PRESENTATIONS

A. Solar Power Update

Mike Brent, Water Resource Manager, said that Cascade successfully completed the solar power project in July. The system is operational and currently producing excess power, which goes into the grid. Mr. Brent noted that Cascade receives credit from Puget Sound Energy for the energy it puts on the grid that can be redeemed in the winter. The remaining task for the project is to train the Veolia crew on operation and maintenance of the system. Mr. Brent said that this training will occur in September.

10. COMMITTEE REPORTS

A. Executive Committee – no meeting held.

B. Finance & Management Committee – Meeting held September 20, 2022.

C. Public Affairs Committee – Meeting held September 7, 2022.

D. Resource & Management Committee – Meeting held September 8, 2022.

Mr. Warren noted that the Resource and Management Committee has been evaluating water quality. The findings have been interesting and will focus on making policy decisions. The information will be presented to the Resource & Management Committee at their October Committee meeting with the Board presentation expected in 2023. Chair Sweet suggested that an invitation be extended to the Board for the presentation to the Resource & Management Committee.

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regular Board meeting will be held on October 26, 2022 at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 4:29 p.m.

APPROVED BY:

Penny Sweet, Chair

Angela Birney, Vice-Chair

AGENDA MEMORANDUM

SUBJECT

Motion to authorize the Chief Executive Officer to purchase equipment necessary to operate and maintain the White River - Lake Tapps Reservoir system in an amount not-to-exceed \$192,000.

BACKGROUND

Cascade proposes to purchase two new pieces of equipment – a mini excavator with a brush cutter and a mid-sized tractor with attachments – to enable Cascade’s contractor, Veolia, to more effectively and efficiently maintain the White River - Lake Tapps Reservoir system at various locations. Annually, Veolia is responsible for clearing vegetation on the equivalent of 30 miles of roads (both sides of 15 miles of roads) as well as many other parts of the system. They are also responsible for mowing large areas, repairing dikes, grading and smoothing roads, clearing rocks and debris, and performing other maintenance work to preserve the integrity of the system.

Because Cascade doesn’t have some of the right equipment, the above maintenance work occurs as follows, with the resulting impacts:

1. Veolia sub-contracts out some work resulting in additional variable task order expenses.
2. For work that Veolia performs:
 - They rent equipment, which results in additional rental expenses, or
 - They use Cascade’s existing equipment; however, since the equipment (e.g. backhoe) isn’t well-suited for some jobs, it takes longer for Veolia to perform the work, or
 - They do the work manually, particularly vegetation control, which is time consuming.

Cascade currently owns a tractor and it is stored at the Fish Screen facility. Transporting it to the Headworks, where much of the maintenance work is needed, is very time consuming. Because it is used at multiple locations, it is sometimes unavailable for use at the Headworks or other locations when needed. In addition, it does not have the necessary attachments to perform some of the required maintenance work. The proposed new tractor would be stored at the Headworks, equipped with the necessary attachments, and easily transported by a trailer.

Cascade completed an analysis and determined that both pieces of equipment are cost effective. Both assume a life of eight years¹ before being traded in for newer models. The mini excavator’s break-even point is a little more than three years and the tractor’s is a little beyond six years.

	Mini Excavator	Tractor
Capital Cost	\$105,000	\$70,000
<i>Task Order Savings</i>	<i>-\$34,100</i>	<i>-\$8,300</i>
<i>Rental Savings</i>	<i>-\$2,000</i>	<i>-\$5,200</i>
<i>New Maintenance Costs*</i>	<i>\$1,500</i>	<i>\$1,500</i>
Net Annual Savings	-\$34,600	-\$12,000
Years to Break Even	3.03	6.18

*Starting in Year 5, annual maintenance costs increase to \$5,000.

¹ Cascade has not yet conducted an analysis to determine the optimal lifespans for each piece of equipment in inventory and plans to do so next year. For 2023-2024, \$75,000 is budgeted each year for equipment purchases.

The break-even analysis only considered savings from reduced variable task order and rental expenses. It did not consider labor savings as a result of Veolia staff working more efficiently. Veolia will take on the work that is currently sub-contracted out, which means any Veolia labor savings will be redirected to this new work.

Given that purchasing the mini excavator and tractor are cost effective, Cascade proposes to purchase both pieces of equipment. Cascade also proposes a not-to-exceed amount of \$115,000 for the mini excavator and \$77,000 for the tractor, for a total of \$192,000, inclusive of taxes and shipping. This is a 10 percent increase over the capital costs used (from the manufacturers' quotes) in the break-even analysis. Because equipment prices are routinely increasing (quotes are only good for 30 days), the 10 percent cushion would accommodate potentially higher final bids. If final costs were to be \$115,000 for the mini excavator and \$77,000 for the tractor, the years to break even would be 3.32 and 7.0, respectively, and still less than eight years.

The Resource Management Committee supports these purchases.

PROCUREMENT PROCESS

Cascade is complying with the Chief Executive Officer processes applicable to purchase of equipment, supplies, and materials.

FISCAL IMPACT

Funding for the equipment and fleet purchased is available in the 2022 Capital Budget.

Budget Line*	2022 Capital Budget	Spent and Committed to Date	Available 2022 Budget	This Action	2022 Remaining Balance
307-Equipment	\$350,000	\$139,000	\$211,000	\$192,000	\$19,000

**Budget was transferred from another capital line item which will be underspent this year.*

OPTIONS

1. Authorize the Chief Executive Officer to purchase equipment necessary to operate and maintain the White River - Lake Tapps Reservoir system in an amount not-to-exceed \$192,000.
2. Do not authorize the Chief Executive Officer to purchase equipment and provide alternate direction to staff.

RECOMMENDED ACTION

Authorize the Chief Executive Officer to purchase equipment necessary to operate and maintain the White River - Lake Tapps Reservoir system in an amount not-to-exceed \$192,000.

ATTACHMENTS

- A. Photos of proposed equipment.

**ATTACHMENT A
PHOTOS OF PROPOSED EQUIPMENT**

Mini Excavator



Mid-Sized Tractor



AGENDA MEMORANDUM

SUBJECT

Motion to authorize the Chief Executive Officer to execute a contract amendment with Long Building Technologies for maintenance of security equipment and related services at the White River – Lake Tapps Reservoir project by extending the contract end date from November 30, 2022, to February 28, 2023, and increasing the budget by \$40,000 from \$55,000 to \$95,000.

BACKGROUND

Cascade completed Phase 1 of the Security Improvement Program in the summer of 2018. The newly acquired assets were predominately mechanical and electrical equipment that require annual, scheduled maintenance to ensure proper performance. In 2019, Cascade entered into a maintenance contract with Long Building Technologies (Long) for a one-year contract with potential renewal of up to two additional, one-year periods at Cascade's discretion. Long is in its third year of the contract which ends on November 30, 2022. The scope of this contract is to provide routine, scheduled equipment maintenance (typically every six months) and related services. The related services include unscheduled problem diagnosis and remediation and minor system add-ons.

Cascade is just now completing a new SCADA/Security Improvement Project which has changed the equipment used to perform these functions. Cascade will advertise for a new SCADA/Security maintenance contract, but first needs to have its on-call electrical engineer develop a new list of equipment to be maintained and protocols for that maintenance. This cannot be done before the current Long contract ends, so Cascade is seeking three additional months to develop the maintenance list and to go through the RFP process for the next maintenance contract. During the additional three months, Long will perform one six-month, preventive maintenance service and be on-call for any emergency callouts.

The Resource Management Committee supports this proposed amendment.

PROCUREMENT PROCESS

In 2019, Cascade issued a Request for Proposal (RFP) for ongoing maintenance of newly installed equipment for the Phase 1 Security Improvement Program and selected Long Building Technologies. Long's contract includes annual scheduled maintenance costs of approximately \$39,000 per year and \$16,000 for emergency callouts and related services as requested by Cascade.

FISCAL IMPACT

The requested contract authorization is for a not-to-exceed amount of \$40,000, inclusive of Washington State sales tax and reserve for contingency.

Budget Line	2022 Budget	Spent and Committed to Date	Available 2022 Budget	This Action	2022 Remaining Balance
Security & SCADA Maintenance	\$100,000	\$43,047	\$56,953	\$30,000	\$26,953
Budget Line	2023 Budget	Spent and Committed to Date	Available 2023 Budget	This Action	2022 Remaining Balance
Security & SCADA Maintenance	\$75,000	\$0	\$75,000	\$10,000	\$65,000

OPTIONS

1. Authorize the Chief Executive Officer to approve a contract amendment with Long Building Technologies for maintenance of security equipment and related services at the White River – Lake Tapps Reservoir project by extending the contract end date from November 30, 2022, to February 28, 2023, and increasing the budget by \$40,000 from \$55,000 to \$95,000.
2. Do not authorize the Chief Executive Officer to approve a contract amendment with Long Building Technologies and provide alternate direction to staff.

RECOMMENDED ACTIONS

Authorize the Chief Executive Officer to approve a contract amendment with Long Building Technologies for maintenance of security equipment and related services at the White River – Lake Tapps Reservoir project by extending the contract end date from November 30, 2022, to February 28, 2023, and increasing the budget by \$40,000 from \$55,000 to \$95,000.

ATTACHMENTS

None.

AGENDA MEMORANDUM

SUBJECT

Motion to authorize the Chief Executive Officer to extend Cascade’s engagement with auditing firm Clark Nuber to conduct annual Financial Audits and quarterly Agreed Upon Procedures (AUPs) for fiscal years 2022 through 2026.

BACKGROUND

Clark Nuber has been engaged to perform financial audits for Cascade since 2008 and has reliably done a thorough job. Cascade’s auditors report directly to Cascade’s Board (via the Finance and Management Committee), which provides a separation between the auditors and Cascade’s staff.

Cascade must be audited by an independent outside auditor no less than annually. The audit can be performed by the State Auditor or their agent or by a public accounting firm knowledgeable in Washington municipal accounting practices.

The Finance and Management Committee determines who performs the financial audit of Cascade. This is the last year the board has currently authorized Clark Nuber to perform Cascade’s financial audit.

The board hired Clark Nuber to audit Cascade in 2008 and has since reviewed and renewed their services in 2010, 2013, 2015, and 2017. A typical audit engagement is comprised of four-to-five auditors of which two or three are new to the engagement. This is to create a mix of knowledge and a fresh set of eyes.

Additional to the annual financial audit, Cascade has contracted with Clark Nuber to perform quarterly Agreed Upon Procedures (AUPs). These AUPs help to weed out any potential issues before they become one.

Below are the pros and cons of an Auditor Rotation:

Pros	Cons	Note
The board may worry that having the same auditor for too long would cause the auditor to lose objectivity and not ask tough questions.	An auditor that is familiar with the organization knows what reports to ask for and where to get them.	There were two new associates on the audit engagement this year and the senior auditor had worked on prior Cascade audits but was new to the role for this year’s audit.
If methods of testing are not changed regularly by the auditor, then the company could “beat” the testing.	Less time and money is spent trying to get the auditor up to speed on the organization and terminology.	The methods of testing change annually. Before the audit testing begins every year there are first planning and risk

		assessment phases that determine what will be tested and how.
It may facilitate a fresh look at Cascade’s financial reporting.	Academic research shows that audit quality is more likely to suffer in the early stages of an engagement and that fraud has a higher risk of not being detected	Cascade’s assets and structure are unique and there is a learning curve for new auditors to understand our financials.

Questions for the Finance and Management Committee’s consideration:

- Do you feel that Clark Nuber is giving you a good product?
- Do you believe Clark Nuber has maintained their independence?
- Does the committee feel free to ask questions of Clark Nuber and believe they are answered fully?
- Are the financial audits done in a timely and professional manner?

If the committee believes that all the questions above can be answered in a positive manner, then there is limited reason to switch auditors and a renewal of our engagement with Clark Nuber would be the recommendation. If the committee answers no to any of the above questions, then Cascade could issue an RFQ and solicit bids for auditing services, Alternatively, Cascade could engage the State to perform the financial audit in addition to the accountability audit that they currently perform.

PROCUREMENT PROCESS

The Finance and Management Committee evaluated their options for auditor procurement and recommended a 5-year renewal with Clark Nuber.

FISCAL IMPACT

Clark Nuber provided options for a 1-year, 3-year, and 5-year renewal and their cost are shown below. Clark Nuber’s prior year fee was \$57,000. In addition, to the cost increases facing other sectors there is a shortage of CPAs coming out of college programs, losses to the private sector as part of the great resignation and retiring baby boomers. Those factors have pushed out payroll costs to attract, hire and retain staff. The result is a 4.39% increase in the cost of the financial audit next year on the five-year option and a 9.64% increase on the one-year option.

Audit

	1 Year	3 Year	5 Year
12/31/2022	\$ 62,500	\$ 61,000	\$ 59,500
12/31/2023		\$ 63,500	\$ 61,500
12/31/2024		\$ 66,000	\$ 64,000
12/31/2025			\$ 66,500
12/31/2026			\$ 69,000
Total	\$ 62,500	\$ 190,500	\$ 320,500

AUPs

	1 Year	3 Year	5 Year
12/31/2022	\$ 8,300	\$ 8,000	\$ 7,800
12/31/2023		\$ 8,300	\$ 8,100
12/31/2024		\$ 8,700	\$ 8,400
12/31/2025			\$ 8,800
12/31/2026			\$ 9,100
Total	\$ 8,300	\$ 25,000	\$ 42,200

Budget Line	2023 Operations Budget	Spent and Committed to Date	Available 2023 Budget	This Action (2023 only)	2023 Remaining Balance
Auditor	\$68,500	\$0	\$68,500	\$67,300	\$1,200

OPTIONS

1. Authorize the Chief Executive Officer to extend Cascade’s engagement with auditing firm Clark Nuber to conduct annual Financial Audits and quarterly Agreed Upon Procedures (AUPs) for fiscal years 2022 through 2026.
2. Do not authorize the Chief Executive Officer to extend Cascade’s engagement with auditing firm Clark Nuber, and provide alternate direction to Cascade staff.

RECOMMENDED ACTION

Authorize the Chief Executive Officer to extend Cascade’s engagement with auditing firm Clark Nuber to conduct annual Financial Audits and quarterly Agreed Upon Procedures (AUPs) for fiscal years 2022 through 2026.

AGENDA MEMORANDUM

SUBJECT

Motion to adopt Resolution No. 2022-19 extending and revising Cascade's water use efficiency goal through 2024.

BACKGROUND

The Washington Water Use Efficiency Goal Setting Rule, WAC 246-290-830 ("rule") requires municipal water suppliers to demonstrate efficient water use by setting a water use efficiency savings goal at least every six years. The rule includes provisions for soliciting public input into the goal setting process: WAC 246-290-830(4)(a) states, "Goals shall be set in a public forum that provides opportunity for consumers and the public to participate and comment on the water use efficiency goals."

Cascade's current water use efficiency goal was originally established through Resolution No. 2013-11 to achieve "a cumulative savings of 0.6 million gallons per day on an annual basis and 1.0 million gallons per day on a peak season (June-September) basis by 2020."

It was amended in the 2019 Transmission Supply Plan Extension through Resolution No. 2018-19 to achieve "a cumulative savings of 0.4 million gallons per day of drinking water from January 1, 2019, to December 31, 2022 (100,000 gallons per day each year, on average)."

Cascade proposes to extend the current end date of the savings goal to December 31, 2024, to remain consistent with Cascade's Transmission and Supply Plan timeframe, which was recently extended from 2022 to 2024 by the Washington State Department of Health. Cascade further proposes to increase the total cumulative water savings from 0.4 million gallons per day to 0.5 million gallons per day to be achieved by December 31, 2024.

FISCAL IMPACT

The 2023 - 2024 water efficiency program budget has been adopted; no additional fiscal impact is anticipated.

OPTIONS

1. Adopt Resolution No. 2022-19 extending and revising Cascade's water use efficiency savings goal through 2024.
2. Do not adopt Resolution No. 2022-19 and provide alternate direction to staff.

RECOMMENDED ACTION

Adopt Resolution No. 2022-19 extending and revising Cascade's water use efficiency savings goal through 2024.

ATTACHMENTS

1. Proposed Resolution No. 2022-19.



CASCADE WATER ALLIANCE
RESOLUTION No. 2022-19

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION,
CONCERNING WATER USE EFFICIENCY RULE GOAL SETTING

WHEREAS, the Cascade Water Alliance (“Cascade”) is a Washington municipal corporation formed under authority of the Joint Municipal Utilities Authority Act (Chapter 39.106 RCW) to provide water supply to its Members;

WHEREAS, Cascade is committed to responsible and proactive management of the region’s natural resources through water efficiency efforts;

WHEREAS, Cascade is obligated to meet the requirements of the Washington water use efficiency rule (which include goal-setting) on behalf of its Members;

WHEREAS, it is in Cascade’s and its Members’ financial, resource management, and environmental interests to utilize existing water resources and pursue water efficiency activities that will help delay the development of new drinking water supplies until all current available water supplies are put to maximal use;

WHEREAS, by Resolution No. 2013-11, the Cascade Board of Directors (“Board”) established water efficiency goals through 2020 and by Resolution No 2018-19, adopted the 2019 Transmission Supply Plan Extension, with amended water efficiency goals through 2022; and

WHEREAS, the Board now desires to extend and revise the water efficiency goals through 2024.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, as follows:

Section 1.

Cascade will dedicate outreach, education, and programmatic resources necessary to achieve a cumulative drinking water savings of 0.5 million gallons per day for the time period 2019 – 2024.

Section 2.

Cascade will review its water efficiency program annually and during the budget process to determine the program budget necessary to effectively optimize its efforts.

Section 3.

Cascade will maintain a water efficiency program that ensures its members are in compliance with the Washington Department of Health water use efficiency rule.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 16th day of November 2022.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Ray Hoffman, Chief Executive Officer

Angela Birney, Vice Chair

Allan Ekberg, Secretary/Treasurer

Members

Yes _____

No _____

Demand Share

Yes _____%

No _____%

Include in CWAC?

Yes

No

AGENDA MEMORANDUM

SUBJECT

Motion to authorize the Chief Executive Officer to execute a three-year contract with the highest-rated firm to provide On-Call Civil, Structural, and Mechanical Engineering Services in an amount not-to-exceed \$550,000.

BACKGROUND

Cascade relies on the services of consultants to supplement its limited staff. There are a variety of miscellaneous civil, structural, and mechanical engineering services that Cascade requires on an ongoing basis, often with quick turn-around times, to assess asset failures and provide on-going support with asset maintenance and operations, replacement, rehabilitation, and project delivery.

Cascade intends to select one firm based on a Request for Qualifications (RFQ) process to perform a variety of on-call civil, structural, or mechanical engineering tasks as may be assigned by Cascade at Cascade's White River-Lake Tapps Reservoir facilities, on Cascade-owned drinking water transmission main(s), and Cascade-owned wholesale master meters.

This contract benefits Cascade by issuing task orders for both planned and emergent engineering services. Having a contract in place with set rates saves administrative costs by avoiding going through a procurement process for each planned project and every time an unknown issue or need comes up.

The term of the contract is for three years, with an option for two, additional, one-year contracts, for a total of five years. If Cascade chooses to extend the contract beyond the initial three years, it will seek Board approval.

PROCUREMENT PROCESS

An RFQ was issued on October 19, in the Daily Journal of Commerce and Tacoma News Tribune. Proposals are due on November 8. Proposals will be rated shortly thereafter. If interviews are necessary, they will be held on November 14 to 16. The highest rated firm will be selected from this process and brought to the Board for approval.

The proposals will be rated on the following criteria: cover letter, background of the firm, firm experience, and staff experience and availability.

FISCAL IMPACT

Budget Line	2023-2024 Budget	Spent and Committed to Date	Available Budget	This Action	Remaining Balance
82 – On-Call Civil Structural and Mechanical Engineering	\$360K	\$0	\$360K	\$360K	\$0K

\$180,000 has been approved each year in the 2023 and 2024 budgets. Although the 2025 budget has not been approved by the Board, Cascade plans to propose \$190,000 for the On-Call Civil, Structural and Mechanical Engineering budget line item.

OPTIONS

1. Authorize the Chief Executive Officer to execute a three-year On-Call Civil, Structural and Mechanical and Engineering Services contract with the highest rated firm to provide On-Call Civil, Structural Mechanical Engineering Services in an amount not-to-exceed \$550,000.
2. Do not authorize the Chief Executive Officer to take such action and provide direction to staff accordingly.

RECOMMENDED ACTIONS

Authorize the Chief Executive Officer to execute a three-year On-Call Civil, Structural and Mechanical and Engineering Services contract with the highest rated firm to provide On-Call Civil, Structural and Mechanical Engineering Services in an amount not-to-exceed \$550,000.

ATTACHMENTS

None.

AGENDA MEMORANDUM

SUBJECT

Motion to authorize the Chief Executive Officer to execute a three-year contract with the highest-rated firm to provide On-Call Land Surveying Services in an amount not-to-exceed \$160,000.

BACKGROUND

There are a variety of miscellaneous land surveying services that Cascade requires on an ongoing basis, often with quick turn-around times. These services include, but are not limited to: boundary surveying services, including property lines, boundary line adjustments, and easement descriptions; topographic surveying services, including dike elevations; bathymetric surveying services; utility locates; preparation of drawings and/or maps to support Cascade projects and to fulfill State and local government real estate filing and recording requirements.

Cascade intends to select one firm based on a request for qualifications (RFQ) process to perform a variety of on-call land surveying tasks as assigned by Cascade at Cascade's White River-Lake Tapps Reservoir facilities, on Cascade-owned drinking water transmission main(s), and Cascade-owned wholesale master meters.

This contract benefits Cascade by issuing task orders for both planned and emergent land surveying services. Having a contract in place with set rates saves administrative costs by avoiding going through a procurement process for each planned project and every time an unknown issue or need comes up.

The term of the contract is for three years, with an option for two additional one-year contracts, for a total of five years. If Cascade chooses to extend the contract beyond the initial three years, it will seek Board approval.

PROCUREMENT PROCESS

An RFQ was issued on October 19, 2022, in the Daily Journal of Commerce and Tacoma News Tribune. Proposals are due on November 8, 2022. Proposals will be rated shortly thereafter. If interviews are necessary, they will be held on November 14 - 16, 2022. The highest rated firm will be selected from this process and brought to the Board for approval.

The proposals will be rated on the following criteria: cover letter, background of the firm, firm experience, and staff experience and availability.

FISCAL IMPACT

Budget Line	2023-2024 Budget	Spent and Committed to Date	Available Budget	This Action	Remaining Balance
49 – On-Call Surveyor	\$103.5K	\$0	\$103.5K	\$103.5K	\$0K

\$50,000 and \$53,500 has been approved in the 2023 and 2024 budgets, respectively. Although the 2025 budget has not been approved by the Board, Cascade plans to propose \$56,500 for the On-Call Surveyor budget line item.

OPTIONS

1. Authorize the Chief Executive Officer to execute a three-year On-Call Land Surveying Services contract with the highest rated firm to provide On-Call Land Surveying Services in an amount not-to-exceed \$160,000.
2. Do not authorize the Chief Executive Officer to take such action and provide direction to staff accordingly.

RECOMMENDED ACTIONS

Authorize the Chief Executive Officer to execute a three-year On-Call Land Surveying Services contract with the highest rated firm to provide On-Call Land Surveying Services in an amount not-to-exceed \$160,000.

ATTACHMENTS

None.

AGENDA MEMORANDUM

SUBJECT

Motion to authorize the Chief Executive Officer to renew contracts for engineering, vendor, and consulting services as shown in the table below totaling \$1,971,275, and in accordance with the adopted 2023 - 2024 Cascade budget.

BACKGROUND

The following table shows vendors and consultants with which Cascade is contracting for services during 2022 whose current contracts expire on Dec. 31, 2022, and for which staff recommends renewal for 2023. 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 below have been evaluated positively in 2022. Prior year expenditures for each vendor and consultant are also shown below.

More detailed information about the contracts and the changes in compensation can be found in attachment 1, contract summaries.

Vendor/Consultant	Work	2023 proposed	2022 contracts	2021 exp.	2020 exp.	2019 exp.
Colehour + Cohen	Conservation class & event staffing	\$98,000	\$89,990	\$50,673	\$52,976	\$76,245
GeoEngineers	Dam Engineering/Hydrology/Geotech	\$170,000	\$160,000	\$122,012	\$141,855	\$149,912
Gordon Thomas Honeywell	State legislative outreach	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000
Langton Spieth	Community relations	\$78,000	\$72,000	\$72,000	\$72,000	\$72,000
Nature Vision	Classroom education programs	\$100,000	\$95,000	\$73,557	\$94,903	\$71,798
Puget Sound Energy	Water efficiency rebates	\$50,000	\$72,000	\$64,613	\$23,958	\$45,563
RH2	On-Call Electrical Engineering	\$125,000	\$100,000	\$67,025	\$84,849	\$60,693
Sustainable Seattle	Problem-Based Learning for Water Systems	\$60,000	\$60,000	\$59,972	\$53,887	\$86,729
Tacoma-Pierce County	LakeWise Program at Lake Tapps	\$120,000	\$120,000	\$116,627	\$110,120	\$91,653
TeamLogicIT	IT Consultant	\$136,275	\$104,000	\$85,745	\$69,201	\$53,147
USGS	Joint funding agreement	\$350,000	\$327,380	\$312,872	\$307,626	\$300,216
Van Ness Feldman	General counsel/w ater right/real estate/franchises	\$600,000	\$850,000	\$799,136	\$784,799	\$883,733
TOTAL		\$1,971,275	\$2,134,370	\$1,908,231	\$1,880,174	\$1,975,689

PROCUREMENT PROCESS

Each of the contracts listed above for renewal was individually procured using approved processes that lead to prior Board authorization for each.

FISCAL IMPACT

The total maximum compensation for the contracts listed above is \$1,971,275. These are anticipated costs for which funding has been included in the 2023 - 2024 operating program budget.

Budget Line	2023 Operating Budget	Spent and Committed to Date	Available 2023 Budget	This Action	2023 Remaining Balance
Conservation professional services	\$302,500	\$0	\$302,500	\$258,000	\$44,500
TappsWise Program	\$120,000	\$0	\$120,000	\$120,000	\$0
On-Call Electrical Engineering	\$125,000		\$125,000	\$125,000	\$0
Dam/geotechnical/hydrogeological engineering	\$170,000		\$170,000	\$170,000	\$0
Legislative Strategy	\$85,000	\$0	\$85,000	\$84,000	\$1,000
Members Communications and Outreach	\$140,000	\$0	\$140,000	\$78,000	\$62,000
Conservation rebates	\$75,000	\$0	\$75,000	\$50,000	\$25,000
Professional Fees (Technical)	\$110,000	\$0	\$110,000	\$108,300	\$1,700
Computer Equipment	\$45,000	\$0	\$45,000	\$27,975	\$17,025
USGS joint funding agreements	\$350,292	\$0	\$350,292	\$350,000	\$292
Legal services, general counsel	\$600,000	\$0	\$600,000	\$600,000	\$0
Total	\$2,122,792	\$0	\$2,122,792	\$1,971,275	\$151,517

OPTIONS

1. Authorize the Chief Executive Officer to renew contracts for vendor and consulting services as listed in the table above totaling \$1,971,275, and in accordance with the adopted 2023 - 2024 Cascade budget.
2. Do not authorize the Chief Executive Officer to renew contracts for vendor and consulting services as listed in the table above and provide alternate direction.

RECOMMENDED ACTION

Authorize the Chief Executive Officer to renew contracts for vendor and consulting services as listed in the table above totaling \$1,971,275, and in accordance with the adopted 2023 - 2024 Cascade budget.

ATTACHMENTS

1. Contract Summaries.

Colehour + Cohen – Conservation Class and Event Staffing

Colehour + Cohen provides staffing and support services for Cascade’s community events, Water Wall, water audits, inventory management, and workshops. This support allows Cascade to provide programs and services that represent all members and serve thousands of residents, businesses, and schools. Colehour + Cohen helps to establish Cascade as an active community member and achieve its water efficiency program goals.

GeoEngineers - Dam Engineering/Hydrology/Geotechnical

GeoEngineers provides geotechnical engineering and dam safety engineering and consulting services to Cascade for all of Cascade’s Dikes around Lake Tapps Reservoir and upper flowline. GeoEngineers has in-depth knowledge of Cascade’s earthen infrastructures because their numerous involvements in the past. In 2021, Cascade advertised a Request for Qualification and Request for Proposal for this work. GeoEngineers was the highest rated firm. Cascade entered into a one-year contract with two optional years. 2022 is the first optional year. Cascade is very satisfied with Geoengineer’s service and professionalism. The scope of work in 2022 include assistance with implementation of annual dam safety inspection action items from 2021 and perform 2022 dam safety inspections. Other items include implementation of action items from the 2021 dike seismic hazard analysis.

Gordon Thomas Honeywell – State Legislative Outreach

Cascade will continue with this full-service, governmental affairs agency that provides lobbying and legislative presence for Cascade and its members in relation to water supply and related issues at the Legislature, with state agencies and the industry. This includes but is not limited to creating legislation, amending legislation, working with lawmakers and key committee staff, as well as Cascade, its members and their lobbyists, and industry associations. With this contract, Cascade obtains the services of Diana Carlson, as well as other staff from Gordon Thomas Honeywell as needed to assist on Cascade work.

Langton Spieth – Community Relations

Betty Spieth and Sarah Langton provide community relations and outreach efforts with Cascade both in member service areas and in the Lake Tapps community. This includes, but is not limited to, work with each member, community and civic groups, the business community and key stakeholders and organizations. Their knowledge and connections within these sectors help Cascade reach critical decision makers and keep them informed as to Cascade’s work and potential future needs. At Lake Tapps, they work with the chambers, the community groups and help host public meetings, as well as provide written materials pertaining to critical needs or upcoming initiatives and measures residents need to know about.

There are two reasons for the proposed contract increase this year. First, there has been no increase in the contract cost for Langton Spieth since 2019. And second, they provide detailed documentation on hours worked each month, and they have consistently worked more hours than they are being compensated for under the current contract. The new contract will bring their compensation more in line with the services provided to Cascade.

Nature Vision – Classroom Education Programs

Nature Vision provides excellent classroom education programs for Cascade-member schools. Prior to Covid, Cascade’s programs reached approximately 11,000 students annually. Programs are tailored to meet STEM requirements and were specifically developed to address Puget Sound water issues.

Puget Sound Energy – Water Efficiency Rebates

Puget Sound Energy (PSE) invited Cascade to cost-share on a variety of residential rebate and direct installation programs including clothes washer and showerhead rebates, showerhead and aerator installation at apartment complexes and fixture replacements at commercial properties. The partnership with PSE allows Cascade to leverage its program budget and resources to help more residents and achieve its water efficiency savings goals.

RH2 – On-Call Electrical Engineering

RH2 provides on-call electrical engineering services. Cascade has several facilities within the White River Lake Tapps Reservoir Project with electrical components, such as the SCADA system, communications system, fiber optic network, etc. For the past 8 years, Cascade has retained an On-Call Electrical Engineer to provide support as needed for these electrical facilities. In 2022, Cascade advertised Request for Qualification and Request for Proposal for this work. RH2 was the highest rated firm. Cascade entered into a one-year contract with two optional years. 2023 is the first optional year. Cascade is very satisfied with RH2's work. The scope of work for 2023 includes on-going support for electrical engineering issues including Valve House and Fish Screen. The main reason for the on-call electrical engineering cost increase is due to our recent experience and discovery that a lot of our existing electrical systems and controls were designed for high voltage operations from PSE. After Cascade took over the project, we now operate the control systems primarily on low voltage. In addition, we continue to discover outdated electrical assets that need to be repaired or replaced and require electrical engineering expertise.

Sustainable Seattle

Cascade's partnership with Sustainable Seattle (Sustainability Ambassadors) allows Cascade to develop and provide water-related curricula and programming into middle and high schools. The Teacher Fellows program is well-established in all four school districts Cascade serves.

Tacoma-Pierce County Health Department - TappsWise

Through this critical partnership, Tacoma-Pierce County Health engages in natural yard care and septic maintenance service education and workshops for the community to help residents prevent water quality challenges, as well as disseminates critical water quality information year-round. In addition the contract ensures water quality at Lake Tapps is tested, monitored and reported on at least a weekly basis over the summer months, which helps Cascade's water quality efforts on its future water supply.

TeamLogicIT-IT Consultant

TeamLogicIT has provided IT support for Cascade for the last five years and their support has been excellent. Monthly services are billed at a flat rate of \$4,750/month (\$57,000/year) for IT managed services and \$1,450/month (\$17,400) for cloud backup. Services are provided for both the Bellevue office and the Lake Tapps facilities and include:

1. Remote Monitoring and Proactive Maintenance
2. Unlimited Remote and Telephone Support
3. 2 onsite visits per location per month (1 hour per visit)
4. IT Procurement
5. Strategic IT Planning, Training
6. Cloud backup storage

Additionally, TeamLogicIT has recommended several IT projects that will improve the overall IT infrastructure (including work necessary because of the office move) and this contract

incorporates them as well. These additional projects (\$33,900) include additional hardware and licenses (\$27,975) as well, the additional services include:

1. Network security assessments \$2.5K
2. Penetration testing (audit recommendation) \$15K
3. Office move labor \$6.3K, hardware \$825
4. Windows server upgrade \$3.2K
5. Firewall (3) labor \$2.4K, \$10.35K (3*\$3.45K)
6. Lake Tapps network switch replacement (6) labor \$4.5K, hardware \$16.8K (6*\$2.8K)

USGS Joint Funding Agreement - White River Hydrologic Data Collection

Cascade is required, by the terms and conditions of the Lake Tapps Water Rights and White River Management Agreement, to maintain a system of stream flow gages on the White River and Lake Tapps Reservoir. The USGS operates and maintains a system of ten, gaging stations on the White River and Lake Tapps Reservoir, which monitor stream flow, water quality, and Lake water surface elevation. Data from these gaging stations is available to the public on the USGS web site and real-time data from key gaging stations is provided directly to Cascade (and Veolia). Refurbishing an existing stream gaging station to provide additional data is planned for a future date. The service provided by the USGS has been very good over the years and Cascade anticipates continuing to receive hydrologic data collection services from the USGS in 2019 and beyond.

Van Ness Feldman – General Counsel/Water Right/Real Estate/Franchises

Van Ness Feldman continues to provide excellent legal counsel services to Cascade. As of July 2022, their services are in support of Cascade's in-house general counsel. Their legal staff is competent, professional, proactive, and engaging. They understand Cascade's operational and organizational environment and work very well with staff to anticipate and address legal issues that Cascade encounters or may encounter. Van Ness Feldman communicates its own contract issues (scope, budget, etc.) well with Cascade management to manage its work and to prevent contract budget overruns.

AGENDA MEMORANDUM

SUBJECT

Motion to adopt Resolution No. 2022-18 adopting Cascade's 2023 Legislative and Public Policy Agenda.

BACKGROUND

Each year, Cascade develops a legislative and public policy agenda to guide its activities at the federal, state, and municipal levels of government in order to further Cascade's and its members' interests. This agenda builds on Cascade's existing relationships with legislators, agency staff, state and national water industry organizations, and other partners in order to advance key interests as well as track and respond to issues as they arise during the year.

The 2023 Legislative and Public Policy Agenda (attached) is similar to Cascade's 2022 agenda and continues to focus on affordability, PFAS (per- and polyfluoroalkyl substances) measures at both the state and federal levels, resiliency and continued monitoring of funding opportunities. New this year are provisions opposing cost shifting by the Washington State Department of Transportation and support for a water utility exemption from the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The agenda also contains a list of issues that Cascade monitors generally, and support for new legislative initiatives not specifically addressed by the legislative agenda would be brought back to the Public Affairs Committee and the Board for further direction.

The agenda is presented in track changes so the Board can easily see the changes from last year. The Public Affairs Committee has reviewed and supports the 2023 Legislative and Public Policy Agenda.

PROCUREMENT PROCESS

N/A

FISCAL IMPACT

N/A

OPTIONS

1. Motion to adopt Resolution No. 2022-18 adopting Cascade's 2023 Legislative and Public Policy Agenda.
2. Do not adopt Resolution No. 2022-18 adopting Cascade's 2023 Legislative and Public Policy Agenda and provide alternate direction to staff.

RECOMMENDED ACTION

Motion to adopt Resolution No. 2022-18 adopting Cascade's 2023 Legislative and Public Policy Agenda.

ATTACHMENTS

1. Resolution No. 2022-18.
2. Cascade's 2023 Legislative and Public Policy Agenda.



CASCADE WATER ALLIANCE
RESOLUTION NO. 2022-18

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION, ADOPTING THE 2023 LEGISLATIVE AND PUBLIC POLICY
AGENDA

WHEREAS, the Cascade Water Alliance (“Cascade”) is a Washington municipal corporation formed under authority of the Joint Municipal Utilities Authority Act (Chapter 39.106 RCW) to provide water supply to its Members;

WHEREAS, the Cascade staff in consultation with the Public Affairs Committee has drafted a 2023 Legislative and Public Policy Agenda to guide Cascade’s activities and legislative efforts in the federal, state and municipal levels of government to advance Cascade’s and its members’ interests.

WHEREAS, the Cascade Board of Directors now desires to adopt the 2023 Legislative and Public Policy Agenda.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CASCADE WATER ALLIANCE as follows:

Section 1. Adoption of Cascade’s 2023 Legislative and Public Policy Agenda. The Board hereby adopts the 2023 Legislative and Public Policy Agenda (Attachment 2).

Section 2. Effect. This Resolution shall be in full force and effect on the date of its adoption.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a meeting thereof, held on the 16th day of November 2022.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Ray Hoffman, Chief Executive Officer

Angela Birney, Vice Chair

Allan Ekberg, Secretary/Treasurer

Members

Yes _____

No _____

Demand Share

Yes _____%

No _____%

Include in CWAC?

Yes

No



2023 Legislative and Public Policy Agenda

Cascade supports measures at all levels of government that enhance Cascade’s ability to provide safe, clean, reliable water in a cost-effective, environmentally sensitive manner. Cascade’s strategy is to develop and implement an overall legislative and public policy plan that will continue already established positive relationships at all governmental levels to further Cascade and its members’ interests.

FEDERAL

The plan includes outreach as appropriate to Cascade’s Congressional delegation, as well as key committees, agencies such as the Departments of the Interior and Energy, the Environmental Protection Agency and the Corps of Engineers. Cascade will seek opportunities to have a presence at key industry and/or policy meetings and events by staff and/or members.

2023 Federal Agenda:

- **Mud Mountain Dam operations:**
 - **Fish Passage and Barrier Structure:** Ensure necessary funding is available to keep this project on track to meet federal biological opinion requirements and monitor project testing progress.
 - **Multi-Purpose Study:** Study the possibility of expanding the flood control purpose of the Corps of Engineers’ Mud Mountain Dam to include storage of water for later use supporting in-stream flows, recreation and water supply with other key stakeholders in the Lake Tapps community.
 - **Gauging/Ongoing Monitoring on the White River:** Continue Cascade’s commitment to accurate gauging and monitoring on the White River.
- **Infrastructure and Study Funding:** Continue Cascade’s commitment to resilience (seismic, water quality, climate) and monitor water utility infrastructure-funding opportunities for infrastructure, studies, analyses, and forecasting.
- **Water Affordability Programs and Funding:** Monitor and support water affordability programs and funding, including COVID-19 relief funding opportunities for water utilities.
- **PFAS: Support a Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) exemption for water utilities engaged in PFAS (per- and polyfluoroalkyl substances) clean-up.** Track proposed legislation and/or rulemaking for PFAS (per- and polyfluoroalkyl-substances) that will require monitoring, recordkeeping, reporting, treatment, removal, mitigation, and/or other follow-up actions by water utilities and work with members on advocacy as needed. Support measures that ensure PFAS removal, treatment costs, and responsibility are assigned to the parties responsible for PFAS releases

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so impacted water utilities are not responsible for other parties' releases and contamination. Support federal funding for water utilities to remove PFAS from drinking water supplies.

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- **Lead and Copper Rule:** Track the implementation of EPA's Lead and Copper Rule and compliance requirements for members.
- **High Efficiency Water Standards:** Support legislation and rulemaking that promote high efficiency water standards for fixtures, appliances or products.

STATE

Cascade will continue to grow its strong existing relationships at both the legislative, executive and staff levels as well as with key water industry associations.

2023 State Agenda:

Legislative Priorities:

- **COVID-19 Relief:**
 - **Funding** – Support funding to offset losses by cities and districts related to forgiving late fees and delinquent accounts for customers impacted by the COVID-19 emergency.
 - **Collections** – Protect existing authority and provide flexibility and new tools to allow utilities to work with impacted customers on payment plans in order to preserve the financial viability of the utility and avoid raising rates on other customers, including an extension of the ability to collect outstanding debt related to waiver of late fees and shut offs.
- **Remote Meetings** – Support legislation that allows open public meetings to be held in-person, in a hybrid format, or fully remote, at an organization's discretion. Support additional tools and flexibility for hybrid and remote meetings; oppose additional record-keeping requirements or mandates.
- **Cost Responsibility for Utility Relocations:** Oppose the Washington State Department of Transportation (WSDOT) proposal that would prohibit WSDOT from funding utility relocations, effectively shifting cost responsibility for state project utility relocations from taxpayers to ratepayers.
- **PFAS Measures:** Work with affected utilities on legislation and/or rulemaking for PFAS (per- and polyfluoroalkyl substances) that will require monitoring, recordkeeping, reporting, treatment, removal, mitigation, or other and follow-up actions by water utilities and work with members on advocacy as needed. Support measures that ensure PFAS removal, treatment costs, and responsibility are assigned to the parties responsible for PFAS releases so impacted water utilities are not responsible for other parties' releases and contamination. Support state funding for water utilities to remove PFAS from drinking water supplies. Track legislation and/or rulemaking proposals for PFAS in wastewater and/or reclaimed water that could impact water utilities.
- **Resiliency Funding:** Work as a member of the Water Supply Forum to develop and implement a multi-year seismic resiliency funding strategy.
- **Affordability Measures:** Support continued funding of the Department of Commerce Connecting Housing to Infrastructure Program (CHIP) that reimburses utility connection

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charges. Support streamlining the program to reduce the administrative burden on utilities. Consider actions and/or legislation to allow utilities to address affordability issues, as directed by the board.

- Collection Flexibility: Protect existing authority and provide flexibility and new tools to allow utilities to work with impacted customers on payment plans to preserve the financial viability of the utility and avoid raising rates on other customers, including an extension of the ability to collect outstanding debt related to waiver of late fees and shut offs.
- Milfoil Prevention: Support state action to follow the example of California and Oregon and restrict boater access to state waters without a boat inspection.

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Legislation Cascade is monitoring and/or supporting as appropriate:

- Promote Cascade and Members' Presence at Legislature as Industry Leader/Problem Solver:
 - Review, and, if appropriate, support members' 202²³ legislative agendas.
 - Work with other agencies of which Cascade is a member – support and promote approved issues on agendas of groups like the Water Supply Forum, Washington Water Utilities Council (WWUC), and Washington Association of Sewer and Water Districts (WASWD).
 - Support existing industry organizations – Continue to further common water-policy interests, legislative goals, technical fixes as needed, conservation, etc.
- Climate Change: Monitor climate change proposals that have implications for water supply planning and resiliency.
- Resiliency Planning: Continue to lead resiliency planning for members on issues as needed.
- Water Efficiency Measures: Review and support legislation that promotes high efficiency water standards for fixtures, appliances or products.
- State funding options for infrastructure and investments: Cascade will continue to monitor proposals regarding water infrastructure investments.
- ~~Department of Commerce Green Economy Report – Monitor the report to the Legislature, specifically the water sector recommendations and potential task force opportunities for Cascade and members.~~
- Initiate and Participate in Legislative Workshops and Committees: Cascade will promote responsible, environmental water use/regional governance at workshops/committee hearings.
- Monitor Other Key Industry Issues: Watch progress on pending or emerging issues.
- Tours: Offer legislators/staff tours of the Lake Tapps Reservoir to educate them on critical issues there.

MUNICIPAL

Cascade works with all cities and counties in our service area and the Lake Tapps/Pierce County area and will continue to hold regular meetings with the Four Cities (Bonney Lake, Buckley, Sumner and Auburn), Lake Tapps communities, Pierce County and other related agencies. Cascade will continue to identify and address issues as they arise.

202²³ Municipal Agenda:

- Support Cascade members' legislative agendas as appropriate.
- On-going monitoring of King County legislation, regulations or permits that may have an impact on Cascade members, including the Clean Water Plan's elements that involve reclaimed water.

- Ongoing monitoring and engagement in (Pierce County, Bonney Lake, Buckley, Sumner) local land use (comprehensive plans, shoreline management plans), stormwater, water quality and other issues that may impact Cascade's operations in the White River and Lake Tapps area.

AGENDA MEMORANDUM

SUBJECT

- (1) Motion to adopt Resolution No. 2022-20 as follows: The CEO is re-appointed as the Designated Representative under Resolution 2020-15 and is re-authorized to take all steps under Resolution 2020-15 to designate the 2024 maturity of the 2012 Refunding Candidates in the principal amount of \$1,540,000 (“Refunded Bonds”) to be redeemed in accordance with the provisions of Resolution 2012-22 and to take all steps to carry out such redemption. The Designated Representative is authorized and directed to provide for or cause to be provided for the payment of the principal of and interest on the Refunded Bonds on any date selected by the Designated Representative on or after January 1, 2023, by causing the deposit of cash or transfer of funds to U.S. Bank Trust Company National Association (“USBTC”) as paying agent for the Refunded Bonds. In addition, the Designated Representative is authorized and directed to give or cause to be given (e.g., by so directing USBTC) notice of redemption, at the times and in the manner provided in Resolution 2012-22, to affect the prepayment and redemption of the Refunded Bonds. The Designated Representative is further authorized and directed to take any action and to execute any document as in the Designated Representative’s judgment may be necessary or desirable to carry out the provisions of this resolution;
and
- (2) Motion to adopt Resolution No. 2022-21 amending the 2022, 2023 and 2024 budgets.

BACKGROUND

By Resolution No. 2012-22, the Cascade Board authorized the issuance of bonds. The advance refunding of the 2012 bonds occurred in 2020 as authorized under Resolution Nos. 2020-15. At that time, several near-term maturities were not economic for advance refunding, were excluded from the refunding and remained in effect. The 2023 maturity is payable January 1, 2023, as scheduled. The 2024 maturity, in the amount of \$1,540,000, is payable January 1, 2024. It may be recalled that the 2024 debt service was much higher than in other years; this is the consequence of that final maturity.

As of January 1, 2023, all of the 2012 bonds are callable at par. Cascade is thus free to retire the final maturity a year early by providing notice and placing funding in the bond repayment account.

Under the proposed action, the Board will authorize the CEO to proceed with steps for early retirement of the 2012 bonds including execution of necessary forms. The attached form provides the notice to our fiduciary and ultimately to bondholders that with this action, no further interest is paid until redeemed.

The 2024 maturity carries a coupon rate of 3%, or a total of \$46,200 in interest payable in 2023. By retiring this maturity as of January 1, this interest cost is saved. Current fund balances are earning a little over 1%, although rising interest rates are likely to push this to 2% or higher in coming months. It is certainly possible that by the end of 2023 earnings rates could meet or exceed 3%. However, it is likely that the average earnings for 2023 would not reach 3%.

The early retirement “locks in” a return of 3% for the funds used to retire the 2024 maturity. Staff estimates that taking this action could save \$10,000-\$20,000 in net interest (payments minus lost investments) and is therefore worthwhile.

The funds used would be transferred from the Operating Fund to the Bond Fund late this year. The amount involved is less than the available funds in the target range for the Operating Fund, and thus would not pose a significant risk. Further, the funds would be regained over the course of 2023 as scheduled transfers to the bond fund would be reduced based on the lower future debt service.

Under the proposed action, in association with the 2012 bond retirement, the Board will also amend the 2022, 2023 and 2024 budgets as follows:

- 1) Increase allowed transfers from Operating to Bond fund in 2022 to fund the early pay-off.
- 2) Increase the 2023 debt service by \$1,516,900 to reflect the January 1 payment of the additional \$1,540,000 less the avoided July 1 interest payment of \$23,100.
- 3) Reduce the 2024 debt service by \$1,563,100 to reflect the avoided January 1 principal and interest payment.

FISCAL IMPACT

The recommended action would increase the 2022 transfers for debt repayment in the amount of \$1,540,000 and would likewise reduce the 2023 transfers by \$1,586,200 (with interest). Related adjustments to actual debt service payments (as opposed to accruals) would occur in 2023 and 2024. The action would also reduce interest earnings in 2023 by an estimated amount of \$30,800 (assumed 2% average earnings). The net gain for Cascade is estimated at \$15,400, subject to actual interest earnings results in 2023.

The changes to expenditures and transfers that facilitate this action are summarized in the following table:

2022	Bond	Proposed Change	Operating	Proposed Change
Expenditures	9,779,081		33,111,782	
Transfers out	0		12,098,291	1,540,000
Ending balance December 31, 2022	11,909,422	1,540,000	10,088,452	-1,540,000
Total uses	\$ 21,688,503	\$ 1,540,000	\$ 55,298,525	\$ -
2023	Bond	Proposed Change	Operating	Proposed Change
Expenditures	9,198,441	1,516,900		
Transfers out	0			
Ending balance December 31, 2023	13,303,729			
Total uses	\$ 22,502,171	\$ 1,516,900		
2024	Bond	Proposed Change	Operating	Proposed Change
Expenditures	10,794,166	-1,563,100		
Transfers out	0			
Ending balance December 31, 2024	12,376,775			
Total uses	\$23,170,942	(\$1,563,100)	\$0	\$0

2022	Bond	Proposed Change	Operating	Proposed Change
Expenditures	9,779,081		33,111,782	
Transfers out	0		12,098,291	1,540,000
Ending balance December 31, 2022	11,909,422	1,540,000	10,088,452	-1,540,000
Total uses	\$ 21,688,503	\$ 1,540,000	\$ 55,298,525	\$ -
2023	Bond	Proposed Change	Operating	Proposed Change
Expenditures	9,198,441	1,516,900		
Transfers out	0			
Ending balance December 31, 2023	13,303,729			
Total uses	\$ 22,502,171	\$ 1,516,900		
2024	Bond	Proposed Change	Operating	Proposed Change
Expenditures	10,794,166	-1,563,100		
Transfers out	0			
Ending balance December 31, 2024	12,376,775			
Total uses	\$23,170,942	(\$1,563,100)	\$0	\$0

Resolution No. 2022-21 provides the changes to appropriation authority that reflect these adjustments.

OPTIONS

1. Adopt
 - (1) Resolution No. 202220 as provided above; and
 - (2) Resolution No. 2022-21 amending the 2022, 2023 and 2024 budgets.

2. Do not adopt Resolutions No. 2022-20 and 2022-21 and maintain the existing debt repayment schedule.

RECOMMENDED ACTION

Adopt

- (1) Resolution No. 2022-20 as provided above; and
- (2) Resolution No. 2022-21 amending the 2022, 2023 and 2024 budgets.

ATTACHMENTS

Resolution 2022-20.
 Resolution 2022-21.
 Bond Redemption Form.



CASCADE WATER ALLIANCE
RESOLUTION No. 2022-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, A WASHINGTON MUNICIPAL CORPORATION, PROVIDING FOR THE REDEMPTION OF CASCADE'S OUTSTANDING WATER SYSTEM REVENUE BONDS, 2012; AUTHORIZING THE CHIEF EXECUTIVE OFFICER AS THE DESIGNATED REPRESENTATIVE OF CASCADE TO CARRY OUT THE REDEMPTION; AND PROVIDING FOR RELATED MATTERS

WHEREAS, the Cascade Water Alliance ("Cascade") is a Washington municipal corporation formed under authority of the Joint Municipal Utilities Authority Act (Chapter 39.106 RCW) to provide water supply to its Members; and

WHEREAS, by Resolution 2012-22, the Cascade Board of Directors ("Board"), authorized Cascade to issue and sell its Water System Revenue Bonds, 2012 ("2012 Bonds"); and

WHEREAS, by Resolution 2020-15, the Board: authorized Cascade to issue and sell its Water System Refunding Revenue Bonds, 2020 (Taxable) ("2020 Bonds") for the purpose of redeeming any or all of the outstanding 2012 Bonds maturing in the years 2024 through 2038 ("2012 Refunding Candidates"); appointed the Cascade Chief Executive Officer ("CEO") as the Designated Representative for such sale; and authorized the Designated Representative to select the 2012 Refunding Candidates to be refunded; and

WHEREAS, the 2024 maturity of the 2012 Refunding Candidates remains outstanding in the principal amount of \$1,540,000 and is subject to redemption on any date on or after January 1, 2023; and

WHEREAS, the Board now desires to re-authorize the CEO as the Designated Representative to act in accordance with Resolution 2020-15 for the purpose of designating any or all of the 2012 Refunding Candidates that remain outstanding for early redemption and to carry out such redemption;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, as follows:

Section 1. Authorization.

The CEO is re-appointed as the Designated Representative under Resolution 2020-15 and is re-authorized to take all steps under Resolution 2020-15 to designate the 2024 maturity of the 2012 Refunding Candidates in the principal amount of \$1,540,000 ("Refunded Bonds") to be redeemed in accordance with the provisions of Resolution 2012-22 and to take all steps to carry out such redemption. The Designated Representative is authorized and directed to provide for or cause to be provided for the payment of the principal of and interest on the Refunded Bonds on any date selected by the Designated Representative on or after January 1, 2023, by causing the deposit of cash or transfer of funds to U.S. Bank Trust Company National Association

("USBTC") as paying agent for the Refunded Bonds. In addition, the Designated Representative is authorized and directed to give or cause to be given (e.g., by so directing USBTC) notice of redemption, at the times and in the manner provided in Resolution 2012-22, to affect the prepayment and redemption of the Refunded Bonds. The Designated Representative is further authorized and directed to take any action and to execute any document as in the Designated Representative's judgment may be necessary or desirable to carry out the provisions of this resolution.

Section 2. Effect.

This Resolution shall be in full force and effect on the date of its adoption.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 16th day of November 2022.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Ray Hoffman, Chief Executive Officer

Angela Birney, Vice Chair

Allan Ekberg, Secretary/Treasurer

Members

Yes _____

No _____

Demand Share

Yes _____%

No _____%

Include in CWAC?

Yes

No



CASCADE WATER ALLIANCE
RESOLUTION NO. 2022-21

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION,
AMENDING THE 2022, 2023, AND 2024 BUDGETS

WHEREAS, the Cascade Water Alliance (“Cascade”) is a Washington municipal corporation formed under authority of the Joint Municipal Utilities Authority Act (Chapter 39.106 RCW) to provide water supply to its Members;

WHEREAS, by Resolution 2010-08, the Cascade Board of Directors (“Board”) established a two-year biennium budget that will consist of the adopted two consecutive annual budgets, which together shall be referred to as “the biennial budget” which will appropriate funds for two consecutive but non-transferrable years;

WHEREAS, by Resolution No. 2022-10 the Board amended the 2022 Budget and, by Resolution No. 2022-15, adopted the 2023 - 2024 Budget;

WHEREAS, by Resolution No. 2022-20 the Board authorized the Cascade Chief Executive Officer (“CEO”) as the Designated Representative to carry out redemption of bonds; and

WHEREAS, the Board now desires to amend the 2022, 2023, and 2024 Budget contingent on the CEO implementing Resolution No. 20.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, as follows:

Section 1. Resolution 2022-10 is amended as follows:

2022 Budget. Estimated Resources and Expenditures. The 2022 budget estimated resources and expenditure authority of the Cascade Water alliance is hereby amended as follows:

Fund	2022 appropriation authority (6-22-22)	Amended
Operating	\$55,298,535	\$55,298,525
Water Supply Development Fund	\$9,643,807	\$9,643,807
Regional Capital Facilities Charge	\$0	\$0
Rate Stabilization	\$2,185,033	\$2,185,033
Construction	\$22,635,550	\$22,635,550
Bond	\$21,688,503	\$23,228,503
Total	\$111,451,418	\$112,991,418

Section 2. Resolution 2022-15 is amended as follows:

2023 Budget. Estimated Resources and Expenditures. The 2023 budget estimated resources and expenditure authority of the Cascade Water alliance is hereby amended as follows:

Fund	2023 appropriation authority (9-28-2022)	Amended
Operating	\$52,431,642	\$52,431,642
Water Supply Development Fund	\$9,398,647	\$9,398,647
Rate Stabilization	\$2,181,498	2,181,498
Construction	\$26,125,333	\$26,125,333
Bond	\$22,502,171	\$22,479,071
Total	\$112,639,291	\$112,616,191

2024 Budget. Estimated Resources and Expenditures. The 2024 budget estimated resources and expenditure authority of the Cascade Water alliance is hereby amended as follows:

Fund	2024 appropriation authority (9-28-2022)	Amended
Operating	\$54,246,578	\$54,246,578
Water Supply Development Fund	\$11,370,104	\$11,370,104
Rate Stabilization	\$2,290,715	\$2,290,715
Construction	\$24,298,926	\$24,298,926
Bond	\$23,170,942	\$21,607,842
Total	\$115,377,265	\$113,814,165

Section 3. This Resolution shall be in full force and effect on the date of its adoption.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 16th day of November 2022.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Ray Hoffman, Chief Executive Officer

Angela Birney, Vice Chair

Allan Ekberg, Secretary/Treasurer

Members

Yes _____

No _____

Demand Share

Yes _____%

No _____%

Include in CWAC?

Yes

No

**Notice of Redemption*
Cascade Water Alliance
(King County, Washington)**

NOTICE IS HEREBY GIVEN that Cascade Water Alliance (King County, Washington), has called for redemption on January 1, 2023 its then-outstanding Water System Revenue Bonds, 2012 (as detailed in the table below).

The Bonds will be redeemed at a price of one hundred percent of their principal amount, plus accrued interest to January 1, 2023. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

**U.S. Bank
Global Corporate Trust Services**

111 Fillmore Ave E
St. Paul, MN 55107

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on January 1, 2023.

The following Bonds are being redeemed:

<u>Maturity</u>	<u>Principal Amounts</u>	<u>Rate</u>	<u>CUSIP Nos.</u>
1/1/2024	\$1,540,000	3.00%	14739HCC3

*IF BONDS ARE TO BE SELECTED BY LOT. PLEASE INDICATE SO IN THE AREA DESIGNATED BY BOND NUMBER. (ATTACH ADDITIONAL PAGES IF REQUIRED).

Special Instructions _____.

TOTAL AMOUNT TO BE CALLED: **\$1,540,000**

IF PUBLISHED, WHEN? _____.

APPROVED BY _____ DATE _____.

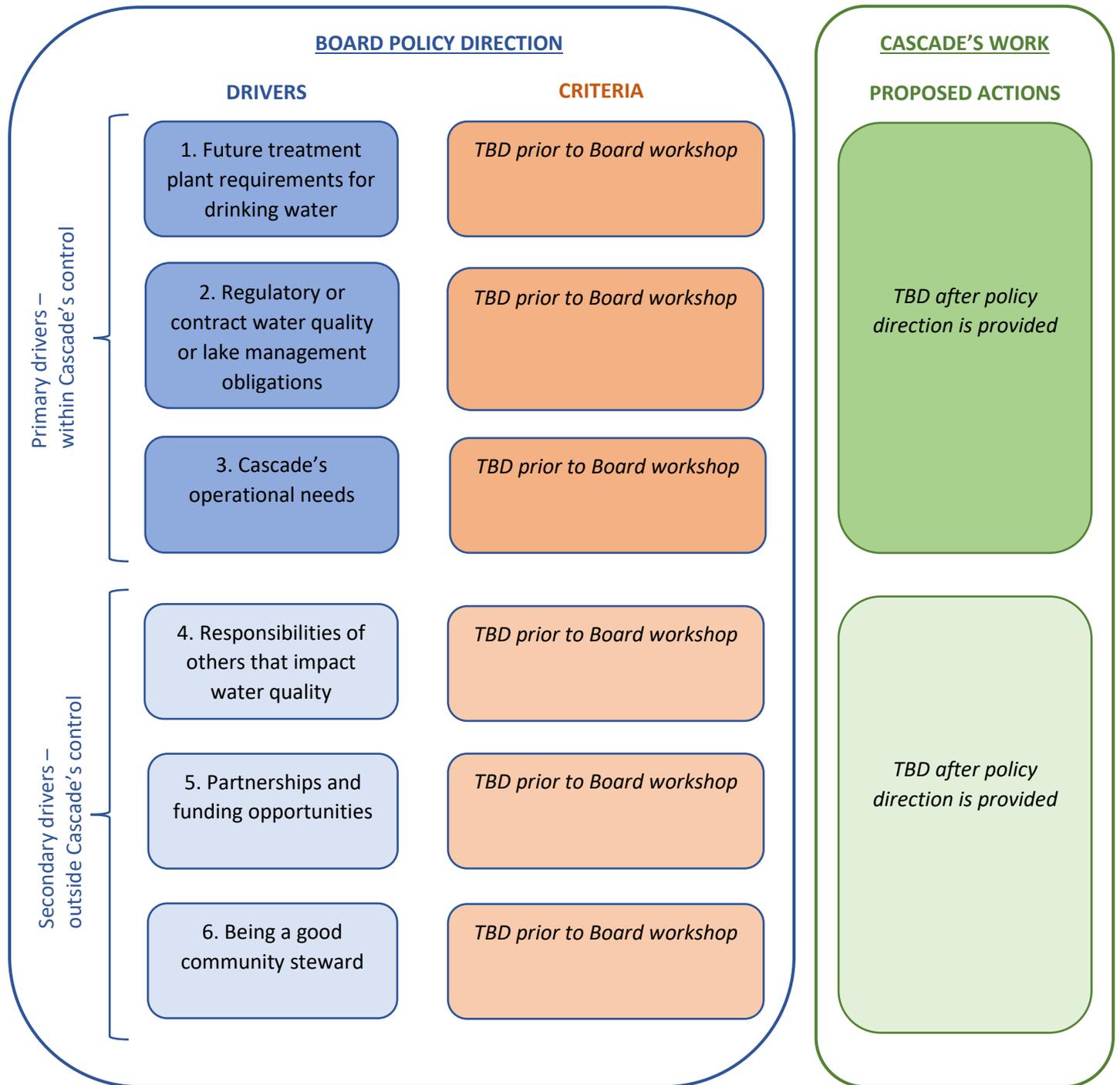
SENDER'S: TELEPHONE # () - FAX#: () -

COMPLETED FORMS CAN BE EMAILED TO U.S. BANK TO THE PARTIES BELOW:

Carolyn Morrison, Phone: 206-344-4678 carolyn.morrison@usbank.com
Aaron Fong, Phone: 206-344-4609 aaron.fong@usbank.com
Van Cac, Phone: 651-466-6120 van.cac@usbank.com

WATER QUALITY - POLICY DEVELOPMENT FRAMEWORK

Cascade staff needs policy direction from the Board regarding future investments in water quality activities. The diagram below proposes an approach to establish this policy framework. Over the next few months, staff will define the drivers and criteria for presentation to the Board at a workshop that will be scheduled for early 2023. Once the Board approves the policy framework (drivers and criteria), staff can explore and present specific water quality programs, improvements, policies, and other actions for Board approval.





FINANCE & MANAGEMENT COMMITTEE

Jeralee Anderson, Chair, City of Redmond
Jeremy Barksdale, City of Bellevue
Penny Sweet, City of Kirkland
John Stokes, City of Bellevue
Russell Joe, City of Issaquah

Meeting Recap
Tuesday, November 8, 2022
1:30 PM – 3:00 PM
Held at Cascade's office and via Zoom

Call to Order

1. Chair Comments.
2. Executive Session.
3. **Items Recommended for Action at the November 16, 2022, Board Meeting**

A. Contract Renewals. Cascade staff will present a list of contracts that expire on December 31, 2022, and for which staff recommend renewal for 2023. It is recommended that the Board authorize the CEO to execute the professional service agreements proposed for renewal in 2023 at its November 16 meeting.

*Recap: The committee discussed the list of contracts recommended for renewal in 2023. It was recommended that additional information concerning the changes in contract (RH2, Langton Spieth) compensation be added. Cascade staff added that information to the contract summaries attached to the agenda memo. The committee recommended that the Board authorize the CEO to execute the professional service agreements proposed for renewal in 2023 on the **Consent Agenda** at its November 16 meeting.*

B. Bond Refunding. Cascade can retire the last maturity of its 2012 bonds as of 1/1/2023. Cascade will save 3% interest on this note, while operating funds are currently yielding less than 1.5%, a net gain of about \$20,000. Cascade can use operating and bond reserves to fund this without significant risk. Staff discussed this with the committee in October and are now bringing two resolutions to the Board in November for Board consideration. One resolution authorizes calling the Bonds and one resolution adjusts the Budget accordingly.

*Recap: After a brief discussion the committee recommended the resolution for the **Other Action Agenda** at the November 16 Board meeting.*

4. Next Meeting Date and Location.

The next meeting will be held Tuesday, December 13, 2022, 1:30 p.m. at Cascade's office or via Zoom meeting.



RESOURCE MANAGEMENT COMMITTEE
Lloyd Warren, Chair, Sammamish Plateau Water
Penny Sweet, City of Kirkland
Mary Lou Pauly, City of Issaquah
Jon Ault, Skyway Water & Sewer District
Allan Ekberg, City of Tukwila
John Stokes, City of Bellevue
Jon Pascal, City of Kirkland
Ryika Hooshangi, Sammamish Plateau Water

Meeting Agenda
Thursday, November 3, 2022
2:00 PM – 3:30 PM
Held at Cascade's office and via Zoom

1. **Chair Comments.**
2. **Executive Session.**
3. **Discussion Items.**

A. Water Quality Framework Update. In October staff presented the committee with a proposed approach for a workshop that will support the Board in establishing policies to guide Cascade's water quality activities. Staff will provide an update on its progress and next steps.

Recap: Staff presented a brief update on progress made on the water quality policy framework. The next step is to present the concept of the framework to the Board at its November meeting. In the new year, staff will return to the committee with draft policy criteria for discussion.

B. Milfoil Pilot Project. Cascade annually treats the most heavily concentrated areas of the Lake Tapps Reservoir for milfoil, but it does not treat all impacted areas. Lakefront homeowners are aware of Cascade's budget constraints and have offered to pay for expanded treatment. Staff will present the concept of a pilot project to leverage homeowners' offer to help fund enhanced milfoil control within the confines of Cascade's permit with Ecology, and in such a way that minimizes legal risk and administrative costs. At this time, Cascade is only seeking the committee's support to explore the pilot project with the community. (Attachment)

Recap: Staff presented the concept of a pilot project to allow homeowners to pay for additional milfoil treatment. The committee generally supports this concept and asked staff to consider equity issues, costs, specific benefits to Cascade, and other factors as it designs the pilot. The committee also directed staff to manage homeowners' expectations so that Cascade does not become obligated to continue the project in the future if it determines otherwise. Next steps are for staff to develop a detailed implementation plan for committee and Board review in the new year. At that time staff would also seek Board approval to implement the pilot.

4. Items Recommended for Action at the November 16, 2022, Board Meeting.

A. Water Use Efficiency Goal Extension. Cascade proposes to extend the current end date of the state-mandated water efficiency savings goal to December 31, 2024, to remain consistent with Cascade's Transmission and Supply Plan. Cascade further proposes to increase the total

cumulative water savings from 0.4 million gallons per day to 0.5 million gallons per day to be achieved by December 31, 2024. (Attachments)

***Recap:** Staff explained the process of the water use efficiency rule goal-setting process. Staff have published a meeting notice for the public to comment on the goal and Cascade's water efficiency program. The committee supports placing this item under consent.*

- B On-Call Civil, Mechanical, and Engineering Services.** Motion to authorize the Chief Executive Officer to execute a three-year contract with the highest-rated firm to provide On-Call Civil, Structural, and Mechanical Engineering Services in an amount not to exceed \$550,000. (Attachment)

***Recap:** Consultant selection for on-call civil, mechanical, and engineering services should be completed by the November Board meeting. The committee supports hiring the highest-rated firm and placing this item under consent.*

- C. On-Call Land Surveying Services.** Motion to authorize the Chief Executive Officer to execute a three-year contract with the highest-rated firm to provide On-Call Land Surveying Services in an amount not to exceed \$160,000. (Attachment)

***Recap:** Consultant selection for on-call land surveying services should be completed by the November Board meeting. The committee supports hiring the highest-rated firm and placing this item under consent.*

- D. Sumner Schedule Update (if time permits).** Cascade continues to meet with the City of Sumner and BNSF Railway Company to address all the issues raised by those parties' proposed projects which would alter Cascade's tailrace between the powerhouse and the White River. The desired schedule, set by Sumner and BNSF, is to complete the necessary real estate agreements by the end of March 2023. These agreements require Cascade Board approval. Cascade staff has informed the parties that to meet this schedule, briefing of the three committees and the Board must begin in January, with discussion and consideration of final proposed documents in February and March.

***Recap:** Staff updated the committee on the Sumner and BNSF negotiations. If the schedule holds, committee and Board briefings will begin in January.*

- E. Projects Update (if time permits).**

5. Next Meeting Date and Location.

The next meeting will be Thursday, December 1, 2022, from 2:00 p.m. – 3:30 p.m. at Cascade's office or via Zoom meeting.

Attachments:

Milfoil Pilot Project Issue Paper.

Water Use Efficiency Goal Extension Agenda Memo.

Water Use Efficiency Goal Extension Resolution.

On-Call Civil, Mechanical and Engineering Services Agenda Memo.

On-Call Land Surveying Services Agenda Memo.