



REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
Held at Cascade's Bellevue Office and via Zoom Meeting
June 22, 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. CHIEF EXECUTIVE OFFICER'S REPORT	<u>3</u>
7. CONSENT ITEMS	
a. Board Meeting Minutes for May 25, 2022.	<u>14</u>
b. Motion to authorize the Chief Executive Officer to enter into a contract to perform herbicide treatment for control of aquatic vegetation in the Lake Tapps Reservoir in an amount not to exceed \$175,000.	<u>17</u>
c. Motion to authorize the Chief Executive Officer to purchase equipment and fleet that are necessary to operate and maintain the White River – Lake Tapps Reservoir system in an amount not to exceed \$125,000.	<u>19</u>
8. OTHER ACTIONS	
a. Motion to adopt Resolution No. 2022-10 (1) approving the contribution of \$2,975,444 Shared Benefits to the Water Supply Development Fund and (2) amending the 2022 Budget accordingly.	<u>21</u>
b. Motion to authorize the Chief Executive Officer to execute a Consulting Agreement with Aspect Consulting to provide a climate change impacts analysis of the White River - Lake Tapps Reservoir system in an amount not to exceed \$150,000.	<u>30</u>
c. Motion to authorize the Chief Executive Officer to execute a contract with the lowest responsible responsive bidder for the Powerhouse Plunge Pool Retaining Wall Repair Et Al Project in an amount not to exceed \$500,000.	<u>32</u>

9. STAFF PRESENTATIONS
 - a. Budget and Rates Presentation. PowerPoint included in this packet. 34
10. COMMITTEE REPORTS
 - a. Executive Committee – *no meeting held.*
 - b. Finance and Management Committee – *June 21, 2022; recap not included in Board packet.*
 - c. Public Affairs Committee – *June 1, 2022.* 50
 - d. Resource Management Committee – *June 9, 2022.* 52
11. NEW BUSINESS
12. NEXT REGULAR MEETING – *July 27, 2022 – Cascade Office and Via Zoom Meeting – 3:30 p.m.*
13. 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: June 22, 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 staff toured six sites in the search for a new office. The options are close to the current office, about the same size as the current office, have sufficient parking and space for meetings, are better maintained than the current office, and are more expensive per square foot. The office rent cost has been slightly adjusted in the 2023 - 2024 budget to reflect the findings. In the next month, Cascade staff are going to take a second look at the top three choices. Cascade's current lease runs through July 2023 but has a redevelopment clause that requires only nine months.
- There have been 387.5 net RCFC's reported through May 2022, with five member reports missing. At this rate, Cascade should meet 2022 budget expectations.
- Cascade's outside auditing firm, Clark Nuber, toured the powerhouse and Lake Tapps Reservoir facilities on June 13. The tour gave the auditor a greater sense of the work being done, Cascade's assets, how the assets are maintained, and the CIP and O&M expenditures. The last tour of facilities by Clark Nuber was before the pandemic and many changes were noted.
- Cascade has contacted an appraiser to access the value in the transmission easement that the Cascade Board approved last month. The transmission easement with BrightNight has been finalized and per the terms of the agreement, upon commencement of construction, Cascade will be receiving the greater of \$1.18 Million of the appraised value of the ROW appraised within three months after the effective date. Cascade will update the Board upon completion of the appraisal.
- At the end of May, King County invested the Water Supply Development Funds in a Pool Plus investment ladder. The investments included a 2, 4½, 5½, 6½, 8½ ladder of long-term investments with an average maturity of 5.3 years.
- TeamLogicIT, Cascade's IT consultant, is assisting with the integration of the SCADA improvements working to ensure that the IT systems work well with the OT system improvements.
- Clark Nuber performed a review of the first quarter of Cascade's 2021 financial transactions in June. The results of the reviews will be reported to the Finance and Management Committee.

Capital Projects and Operations

- The SCADA and Security project is about 80 percent complete as measured by contractor progress payments. Cascade has scheduled workshops with the SCADA Integrator and Software Programmer on control logic and set points in the next few months to prepare for system-wide acceptance testing when the system-wide hardware is completed.
- Cascade's solar project contractor has completed the installation of solar panels and is coordinating with the City of Sumner and Puget Sound Energy for regulatory inspection and electrical meter hook up.
- Cascade has completed its Independent Supply Audit, and Cascade's auditor is finalizing the final report. All members with independent supply are in regulatory compliance and the tested wells have retained most or all their original specified capacities. The members are generally in good position to meet their production requirements in the future.
- Cascade has scheduled a boat-based milfoil survey on June 15 to prepare for this year's milfoil control program.
- Washington State Dam Safety Office will conduct its five-year dam safety inspection of Cascade's dikes on Lake Tapps Reservoir on June 28 and June 29. Cascade and Veolia are diligently preparing for the pre-inspection activities.
- Cascade advertised the Plunge Pool Retaining Wall project and scheduled an optional pre-bid site visit with potential bidders. This project must be completed by November 1 for the winter drawdown of the reservoir. The engineer's estimate is \$356k. Bid opening is scheduled for June 21.

Water Efficiency

- In May, Cascade provided 53 classroom programs for 1,161 students.
- Following up on the successful water-bottle filling project at Redmond High School, Cascade has reached out to other school districts with the same offer. To date, there has been interest from the Issaquah School District.
- Cascade visited fifteen Issaquah apartment complexes to distribute free toilet leak detection dye.
- Cascade's vendor, Sustainability Ambassadors, is working with Tukwila to develop a plan to support the city's water conservation and climate action plans.
- A remote learning gardening class on Lawn Alternatives is scheduled in June and a garden walk and talk is scheduled for July.
- Cascade participated at the Lake Washington Tech Horticultural Center's annual plant sale distributing conservation items.
- Cascade is currently providing free irrigation evaluations for the Brauerwood Homeowners Association in Sammamish, the Lake Washington School District, and the Tukwila Parks Department.

Intergovernmental and Communications

- The Cascade - Four Cities Meeting (Auburn, Buckley, Bonney Lake, and Sumner) took place in-person on June 1 at Cascade's Lake Tapps Reservoir office in Sumner. Board Chair Penny Sweet and Vice Chair Angela Birney attended as the Board's representatives. The mayors from all four cities attended along with staff from Cascade and the cities. Cascade shared background about Cascade and updates on operations and activities at Lake Tapps Reservoir. The group discussed shared topics of interest such as future lake levels and city projects, illegal irrigation from Lake Tapps Reservoir, and the Corps' fish passage project.

- The Lake Tapps Reservoir Community Meeting was held on June 2 in the evening at North Tapps Middle School. Mayor Penny Sweet attended as the Board's representative and facilitated the meeting with residents. Cascade staff were able to share information and updates, and the residents were able to ask questions and share concerns. Topics addressed at the meeting included milfoil, native vegetation, water quality, lake levels, and future water supply project plans. Cascade's partners in attendance were East Pierce Fire and Rescue, Pierce County Sheriff, Bonney Lake Police, Pierce County Parks, Washington State Department of Fish and Wildlife, and Tacoma-Pierce County Health Department.
- Cascade's 2023 - 2024 budget and rate development is in full swing, with ongoing briefings for the Finance and Management Committee and planned briefings for the Board. Please let Alison Bennett and Linda Moreno know if you would like a briefing for your Council or Commission, and they will help you get that scheduled.

Planning

- On June 3, Cascade, Bellevue, Sammamish Plateau Water, and Issaquah staff held a workshop on emergency response planning for the Bellevue-Issaquah Pipeline (BIP). Andy Tuchscherer from Sammamish Plateau Water facilitated a discussion based on a Level 3 Emergency scenario. The discussion focused on the operational response from the time the emergency was detected to site stabilization. This workshop kicked off the start of developing a BIP emergency response plan (ERP) which Cascade's consultants, Parametrix and Confluence Engineering, will lead. The consultants are also developing a BIP flushing plan to dovetail with the ERP.
- In addition to hiring an engineering firm to conduct a study of climate change impacts on the White River - Lake Tapps Reservoir system, Cascade has also hired Water Value LLC, under a small consultant contract, to advise Cascade on its climate work. The principal for Water Value LLC has more than two decades of experience in global climate change scientific and policy issues, with expertise in drinking water systems.

Attachments

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

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- May 31, 2022
 42% of the year completed

Administration	Budget	Actual	Balance	% Expended
Salaries	\$ 1,015,001	\$ 480,209	534,791	47.3%
Benefits	226,845	165,626	61,219	73.0%
Wellness program	5,000	81	4,919	1.6%
Prof. Fee (Technical)	232,000	29,092	202,908	12.5%
Prof. Fee (Legal)	885,000	413,586	471,414	46.7%
Prof. Fee (Audit)	100,900	49,976	50,924	49.5%
Prof. Fee (Other)	50,000	4,820	45,180	9.6%
Seismic Resiliency	100,000	5,412	94,588	5.4%
Meetings Expense	11,000	1,327	9,673	12.1%
Telephone/Internet	37,000	21,777	15,223	58.9%
Office Rent	241,749	100,252	141,497	41.5%
Office Supplies Admin.	20,000	2,050	17,950	10.2%
Equip. and Furniture	10,000	73	9,927	0.7%
Bank Fees	600	113	487	18.8%
Dues & Subscriptions	55,000	14,529	40,471	26.4%
Taxes/Licenses	16,000	9,628	6,372	60.2%
Travel	12,000	3,865	8,135	32.2%
Professional Dev.	22,000	18,910	3,090	86.0%
Computer Equipment	25,000	9,068	15,932	36.3%
Software Licenses	38,000	4,907	33,093	12.9%
Postage & Delivery	3,000	958	2,042	31.9%
Printing & Repro.	10,000	0	10,000	0.0%
Insurance	132,963	122,088	10,876	91.8%
Contingency	358,398	0	358,398	0.0%
Total	\$ 3,607,456	\$ 1,458,346	\$ 2,149,110	40.4%

Debt Service	Budget	Actual	Balance	% Expended
Bond Debt Service	9,779,981	5,151,171	4,628,811	52.7%
Total	\$ 9,779,981	\$ 5,151,171	\$ 4,628,811	52.7%

Conservation	Budget	Actual	Balance	% Expended
Salaries	\$ 168,466	\$ 49,032	\$ 119,433	29.1%
Benefits	46,908	7,906	39,002	16.9%
Prof. Fee (Technical)	35,000	6,820	28,180	19.5%
Rebate Reimb. Com.	75,000	16,726	58,275	22.3%
Irrigation Audit	25,000	5,669	19,331	22.7%
Comm. and Public I	312,500	179,523	132,977	57.4%
Misc. Serv. and Sup.	82,000	11,012	70,988	13.4%
Total	\$ 744,874	\$ 276,686	\$ 468,187	37.1%

Com. and Intergovern	Budget	Actual	Balance	% Expended
Salaries	\$ 118,571	\$ 56,262	\$ 62,309	47.5%
Benefits	26,410	8,413	17,997	31.9%
Prof. Fee (Technical)	15,000	6,900	8,100	46.0%
Prof. Fee (Other)	165,000	67,545	97,455	40.9%
Sponsorships	30,000	11,500	18,500	38.3%
Comm. and Public I	280,000	38,220	241,780	13.7%
Total	\$ 634,981	\$ 188,840	\$ 446,141	29.7%

Operations-General	Budget	Actual	Balance	% Expended
Wholesale Water	\$ 22,730,886	\$ 10,803,334	\$ 11,927,552	47.5%
Salaries	26,043	8,354	17,689	32.1%
Benefits	15,265	973	14,291	6.4%
BIP O&M	35,000	30,524	4,476	87.2%
Pipeline Prop. O&M	15,000	590	14,411	3.9%
PWTF Loan Debt	40,461	40,263	197	99.5%
Total	\$ 22,862,654	\$ 10,884,038	\$ 11,978,616	47.6%

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- May 31, 2022
 42% of the year completed

Operations-Lake Tapps	Budget	Actual	Balance	% Expended
Salaries	\$ 471,830	\$ 161,555	\$ 310,275	34.2%
Benefits	91,667	25,525	66,142	27.8%
Prof. Fee (Technical)	795,600	188,720	606,880	23.7%
Prof. Fee (Other)	15,000	0	15,000	0.0%
Meetings Expense	4,000	1,775	2,225	44.4%
Telephone/Internet	1,500	278	1,223	18.5%
Office Supplies	19,700	4,983	14,717	25.3%
Equipment & Furn.	29,000	13,346	15,654	46.0%
Taxes/Licenses	14,100	13,876	224	98.4%
Travel	17,000	6,147	10,853	36.2%
Professional Dev.	2,500	585	1,915	23.4%
Software Licenses	20,000	17,378	2,622	86.9%
Permitting Costs	8,800	8,773	27	99.7%
Misc. Serv. and Sup.	34,000	4,346	29,654	12.8%
LT Operator	2,296,120	862,196	1,433,924	37.6%
Unplanned O&M	307,500	307,114	386	99.9%
Misc. Facility Repairs	102,000	17,343	84,657	17.0%
USGS Joint Fund	337,500	78,400	259,101	23.2%
Construction Management	100,000	0	100,000	0.0%
Outage	200,000	0	200,000	0.0%
Milfoil Control	175,000	4,083	170,917	2.3%
Vendor Services	36,000	26,176	9,824	72.7%
Water Quality Management	150,000	30,776	119,224	20.5%
Dike and Roads Maintenance	33,000	8,726	24,274	26.4%
Total	\$ 5,261,817	\$ 1,782,099	\$ 3,336,220	33.9%
Total Operating Budget	\$ 42,891,763	\$ 19,741,180	\$ 23,007,084	46.0%
Capital Projects (multi-yr bdgt not shown)	Budget	Actual	Balance	% Expended
Upper Conveyance Projects	\$ 2,075,000	328,709	1,746,291	15.8%
Meters	50,000	0	50,000	0.0%
Equipment	50,000	12,593	37,407	25.2%
Security and SCADA	500,000	447,708	52,292	89.5%
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	\$ 6,764,474	\$ 2,370,989	74.0%
Total Overall Budget	\$ 52,027,226	\$ 26,505,654	25,521,572	50.9%

Cascade Water Alliance
Statement of Revenues and Expenditures
From 1/1/2022 Through 5/31/2022

Attachment 2

Operating Revenue	
Water sales	\$ 12,905,131
Administrative dues	3,741,337
Conservation program	245,808
Total Operating Revenue	16,892,276
Operating Expenses	
Cost of water sold	5,707,421
Salaries and benefits	1,028,412
Professional services	777,390
Conservation program	16,726
Depreciation and amortization	1,616,299
Communication and public information	214,673
Office expenses	236,993
Operations	976,141
Bank charges	113
Rent	645
Maintenance	399,440
Dues and subscriptions	17,974
Miscellaneous	12,437
Total Operating Expenses	11,004,662
Operating Income	5,887,614
Non-Operating Revenue (Expenses)	
Interest income	191,859
Other income	157,872
Interest expense, net of amount capitalized	(2,372,480)
Total Non-Operating Revenue (Expenses)	(2,022,749)
Capital Contributions	
Regional Capital Facilities Charges	2,104,150
Increase in Net Assets	5,969,015
Net Assets, Beginning of Year	122,312,527
Net Assets, End of Year	\$ 128,281,542

Cascade Water Alliance
Statement of Net Position
As of 5/31/2022

Attachment 3

Assets

Current Assets

Cash and cash equivalents	\$	23,251,936
Accounts receivable		6,598,236
Prepaid expenses		296,739
Total Current Assets		30,146,911

Capital Assets

Equipment and furniture		2,044,247
Seattle water contract		22,267,611
Bellevue Issaquah pipeline		22,276,944
Tacoma water contract		119,740,687
Less accumulated depreciation and amortization		(53,977,986)
Total Capital Assets		112,351,503

Projects in process and assets not yet in service

Lake Tapps		104,641,407
Tacoma Cascade pipeline		26,539,385
Total Projects in process and assets not yet in service		131,180,792

Restricted cash and cash equivalents

		22,149,319
Total Assets		295,828,525

Liabilities

Current liabilities

Payables and accrued liabilities		1,280,707
Accrued interest		928,550
Long-term debt current portion		
Bonds Payable-Current Portion		6,760,000
Other		39,474
Total Long-term debt current portion		6,799,474
Total Current liabilities		9,008,731

Long-term Liabilities

Long-term debt		88,498,948
Tacoma contract		59,992,082
Seattle contract		5,000,000
Bond premium, net of amortization		4,795,450
Total Long-term Liabilities		158,286,480
Total Liabilities		167,295,211

Net Assets

Restricted for debt service		102,199,576
Unrestricted		26,333,739
Total Net Assets		128,533,315

Total Liabilities & Net Assets

	\$	295,828,525
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Consultant and Other Vendor Contract Status Summary

Attachment 4

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	6/15/2022	75%	\$ 273,000	\$ 204,284	75%	\$ 68,716
Aspect	1	Water Supply Modeling	R. Hoffman	5/6/2020	N/A	6/15/2022	35%	\$ 24,900	\$ 8,613	35%	\$ 16,288
Aspect	2	Water Resources Services	R. Hoffman	8/17/2018	N/A	6/15/2022	98%	\$ 60,000	\$ 58,251	97%	\$ 1,749
Brilliant Marketing	1	We Need Water Strategy Planning	M. Brent	3/16/2022	12/31/2022	6/15/2022	55%	\$ 22,500	\$ 12,188	54%	\$ 10,313
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	R. Hoffman	1/1/2022	N/A	6/15/2022	70%	\$ 70,500	\$ 48,234	68%	\$ 22,266
Colehour and Cohen	1	Staffing for classes and events	M. Brent	1/1/2022	12/31/2022	6/15/2022	58%	\$ 89,990	\$ 51,508	57%	\$ 38,482
David Evans	1	On-call Land Surveyor	H. Chen	1/1/2022	12/31/2022	6/15/2022	8%	\$ 75,000	\$ 3,746	5%	\$ 71,254
David McGrath	1	Irrigation Efficiency Assistance	M. Brent	1/1/2022	12/31/2022	6/15/2022	20%	\$ 20,500	\$ -	0%	\$ 20,500
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	H. Chen	1/1/2022	12/31/2022	6/15/2022	17%	\$ 24,900	\$ 4,083	16%	\$ 20,817
GeoEngineers Inc.	1	Dam Engineering/Hydrology/Geotech	H. Chen	1/1/2022	12/31/2022	6/15/2022	35%	\$ 160,000	\$ 10,418	7%	\$ 149,582
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2022	12/31/2022	6/15/2022	45%	\$ 84,000	\$ 35,000	42%	\$ 49,000
Herrera Environmental	2	WQ Monitoring Program	H. Chen	8/19/2019	N/A	6/15/2022	98%	\$ 495,000	\$ 493,438	100%	\$ 1,562
Holocene	1	Plunge Pool Timber Wall Drilling	J. Shimada	1/22/2022	N/A	6/15/2022	100%	\$ 6,772	\$ 6,772	100%	\$ 0
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	6/15/2022	98%	\$ 1,041,100	\$ 950,972	91%	\$ 90,129
HDR	2	Conservation Plan Potential Assessment	M. Brent	5/21/2021	N/A	6/15/2022	98%	\$ 18,900	\$ 18,870	100%	\$ 30
Jacobs Engineering Group	1	Demand Forecast Model Support Services	M. Thung	8/20/2021	12/31/2022	6/15/2022	5%	\$ 5,000	\$ -	0%	\$ 5,000
Jennergy	1	Website assistance	A. Bennett	1/1/2022	12/31/2022	6/15/2022	46%	\$ 15,000	\$ 6,900	46%	\$ 8,100
Johansen Excavating	1	Emergency Headgate Repair	H. Chen	5/5/2021	N/A	6/15/2022	98%	\$ 100,947	\$ 92,358	91%	\$ 8,589
Johansen Excavating	2	Flowline Outage Maintenance	J. Shimada	8/12/2021	N/A	6/15/2022	75%	\$ 540,000	\$ 372,166	69%	\$ 167,834
Johansen Excavating	3	Emergency Landslide Remediation	J. Shimada	1/18/2022	3/31/2022	6/15/2022	96%	\$ 216,000	\$ 207,367	96%	\$ 8,633
Langton Spieth	1	Community relations	A. Bennett	1/1/2022	12/31/2022	6/15/2022	75%	\$ 72,000	\$ 30,000	42%	\$ 42,000
Lake Tapps Construction	1	Valve House Improvements	J. Shimada	12/2/2020	N/A	6/15/2022	98%	\$ 30,978	\$ 30,978	100%	\$ (0)
Long Building Tech	1	Security Maintenance	H. Chen	8/12/2019	10/31/2022	6/15/2022	80%	\$ 55,000	\$ 41,843	76%	\$ 13,157
Media for International Development	1	WeNeedWater Video Production	A. Bennett	1/1/2022	12/31/2022	6/15/2022	5%	\$ 24,500	\$ -	0%	\$ 24,500
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2022	12/31/2022	6/15/2022	59%	\$ 95,000	\$ 55,894	59%	\$ 39,106
Pacifica Law	1	Legal Assistance	H. Chen	1/1/2022	12/31/2022	6/15/2022	8%	\$ 25,000	\$ -	0%	\$ 25,000
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2022	12/31/2022	6/15/2022	35%	\$ 250,000	\$ 85,882	34%	\$ 164,118
Performance Dimensions	1	Executive Coaching Services	M. Thung	6/21/2021	12/31/2022	6/15/2022	85%	\$ 24,500	\$ 20,475	84%	\$ 4,025
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2022	12/31/2022	6/15/2022	25%	\$ 72,000	\$ 16,891	23%	\$ 55,110
RH2	2	On-Call Electrical Engineering Svcs	H. Chen	1/1/2022	12/31/2022	6/15/2022	20%	\$ 100,000	\$ 38,730	39%	\$ 61,270
RH2	1	Security and SCADA	H. Chen	1/16/2020	N/A	6/15/2022	95%	\$ 494,807	\$ 437,174	88%	\$ 57,633
RH2	3	Wholesale Master Meter Eval	H. Chen	1/21/2020	3/31/2023	6/15/2022	8%	\$ 24,500	\$ 1,342	5%	\$ 23,158
Robinson Noble	1	Water Audits	E. Cebron	10/3/2019	N/A	6/15/2022	80%	\$ 135,060	\$ 105,368	78%	\$ 29,692
Sazan	2	Solar Power Project	M. Brent	5/25/2021	N/A	6/15/2022	8%	\$ 10,000	\$ -	0%	\$ 10,000
SC Words & Pictures Inc.	1	Design Services	A. Bennett	1/1/2022	12/31/2022	6/15/2022	15%	\$ 24,000	\$ 2,545	11%	\$ 21,455
Seattle Public Utilities	1	Garden Hotline	M. Brent	1/1/2022	12/31/2022	6/15/2022	8%	\$ 12,000	\$ -	0%	\$ 12,000
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2022	12/31/2022	6/15/2022	25%	\$ 24,500	\$ 6,820	28%	\$ 17,680
Source Electric LLC	1	SCADA Improvements Project	H. Chen	5/1/2021	2/1/2022	6/15/2022	88%	\$ 711,892	\$ 619,262	87%	\$ 92,629
Sustainable Water	1	Teacher Fellows program	M. Brent	1/1/2022	12/31/2022	6/15/2022	35%	\$ 60,000	\$ 31,006	52%	\$ 28,994
Tacoma-Pierce County	1	LakeWise	A. Bennett	1/1/2022	12/31/2022	6/15/2022	18%	\$ 120,000	\$ 22,135	18%	\$ 97,865
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2022	12/31/2022	6/15/2022	25%	\$ 104,000	\$ 25,590	25%	\$ 78,410
TechniArt	1	Website Orders	M. Brent	1/1/2022	12/31/2022	6/15/2022	15%	\$ 15,900	\$ 2,883	18%	\$ 13,017
Tetra Tech	1	AWIA Risk and Resiliency	M. Thung	11/18/2019	12/31/2022	6/15/2022	75%	\$ 700,000	\$ 503,107	72%	\$ 196,893
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2022	12/31/2022	6/15/2022	25%	\$ 24,500	\$ 10,269	42%	\$ 14,231

Transpo Group	1	GIS Program Technical Support	J. Shimada	2/3/2022	7/31/2023	6/15/2022	35%	\$ 24,000	\$ 7,733	32%	\$ 16,268
USGS	1	Joint Funding Agre-Streamgaging	H. Chen	1/1/2022	12/31/2022	6/15/2022	25%	\$ 327,380	\$ 78,400	24%	\$ 248,981
Vanir Construction Management, Inc.	1	On-call Construction Management	J. Shimada	5/1/2021	12/31/2022	6/15/2022	15%	\$ 560,000	\$ 59,407	11%	\$ 500,593
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2022	12/31/2022	6/15/2022	50%	\$ 850,000	\$ 412,921	49%	\$ 437,079
Veolia	1	White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement \$2,027,110 Fixed, \$253,926 Var	J. Shimada	1/1/2022	12/31/2022	6/15/2022	50%	\$ 2,281,036	\$ 923,816	40%	\$ 1,357,220
Washington Crane and Hoist Co	1	Fish Screen Gantry Crane Inspection	J. Shimada	2/9/2022	N/A	6/15/2022	10%	\$ 1,950	\$ -	0%	\$ 1,950
Winterbauer and Diamond	1	Legal Assistance	R. Hoffman	1/1/2022	12/31/2022	6/15/2022	10%	\$ 20,000	\$ 665	3%	\$ 19,335

Payment Authorization Warrants and Wire Transfers 6/22/22

Attachment 5

WHOLESALE WATER

WIRE	Seattle Contract Payment 6/22	\$2,446,039.00
		<u>\$2,446,039.00</u>

CONSULTANTS

29982	Financial Advocates Advisory Services	\$1,500.00
29983	GeoEngineers	\$26,025.75
29987	Parametrix	\$6,770.00
29990	Van Ness Feldman, LLP	\$73,175.50
30006	GeoEngineers	\$13,251.65
30012	Robinson Noble	\$2,205.00
30014	Tacoma Pierce County Health Department	\$7,794.41
30015	TeamLogic IT of Bellevue, WA	\$6,148.81
30019	Environmental Science Associates (ESA)	\$320.00
30021	Gordon Thomas Honeywell Govern. Affair	\$7,000.00
30033	Aspect Consulting	\$990.50
30035	BRILLIANT MARKETING LLC	\$6,750.00
30049	Jennergy	\$1,150.00
30052	Langton/Spieth	\$6,000.00
30056	Perfomance Dimensions Group	\$1,225.00
30058	RH2 Engineering, Inc.	\$21,309.61
30059	Sammamish Plateau Water & Sewer Distri	\$190.00
30063	Tetra Tech	\$4,125.00
30064	Transpo Group	\$1,412.50
30067	Van Ness Feldman, LLP	\$87,417.00
30070	Winterbauer & Diamond PLLC	\$665.00
		<u>\$275,425.73</u>

GENERAL

29977	AT&T FirstNet	\$405.94
29978	CIT	\$2,466.30
29979	City of Seattle	\$18,981.88
29980	Comcast	\$538.89
29981	Comcast	\$1,652.40
29984	JR Mailing Services, Inc.	\$2,503.27
29986	Pacific Office Automation	\$262.85
30004	Comcast	\$545.23
30009	Kirkland Downtown Association	\$2,500.00
30010	Lakemont Business Services Inc.	\$200.00
30017	City of Bellevue	\$1,423.29
30026	Verizon Wireless	\$225.05
30034	Bellevue Downtown Association	\$3,000.00
30036	CIT	\$2,064.00
30037	City of Seattle	\$7,725.73
30039	Comcast	\$538.89
30040	Comcast	\$1,652.40
30041	Covington Water District	\$46.50
30043	DIRECTV	\$93.99
30050	JG 520 Building LLC	\$20,050.35
30051	Lakemont Business Services Inc.	\$200.00
30060	Sound Publishing Inc.	\$1,100.00
30065	U.S. BANK	\$6,957.80
30066	Utilities Underground Location Cente	\$18.06
30069	Verizon Wireless	\$225.05
		<u>\$75,377.87</u>

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (May)	\$120,148.47
29999	Vantagepoint 401 Plan	\$34,514.00
30000	Vantagepoint 457 Plan	\$21,053.61
30002	AWC Employee Benefit Trust	\$18,943.13
30005	Linda Moreno	\$11.88
30007	HRA VEBA Trust	\$1,078.00
30018	Joseph Mickelson	\$1,300.00
30044	Joseph Mickelson	\$363.23
30045	Paula Anderson	\$51.01
30046	Christopher N. Paulucci	\$1,416.84
		<u>\$198,880.17</u>

CONSERVATION

29985	Lisa Taylor	\$350.00
29989	Techniart C S D	\$627.01
29995	Puget Sound Energy	\$1,772.00
29996	Tilth Alliance	\$5,043.13
30003	Colehour and Cohen	\$4,596.38
30013	Sustainable Seattle	\$12,530.50
30023	Marianne Binetti	\$1,000.00
30024	SMC Consulting LLC	\$1,760.00
30038	Colehour and Cohen	\$4,344.76
30055	Nature Vision, Inc.	\$9,734.06
30057	Puget Sound Energy	\$1,073.20
30061	Sustainable Seattle	\$6,778.00
30062	Techniart C S D	\$490.08
		<u>\$50,099.12</u>

LAKE TAPPS

29991	Veolia Water North America	\$168,925.83
29993	Honey Bucket	\$163.85
29994	Linde Gas & Equipment Inc.	\$309.80
30008	Johansen Construction Company, Inc.	\$44,571.21
30011	Petersen Brothers, Inc.	\$6,049.03
30020	FloHawks Plumbing & Septic	\$484.26
30022	Honey Bucket	\$171.05
30025	Veolia Water North America	\$3,648.15
30042	Curtis G. Filleau	\$350.00
30048	Honey Bucket	\$163.85
30053	Linde Gas & Equipment Inc.	\$297.91
30054	National Construction Rentals, Inc.	\$2,500.02
30068	Veolia Water North America	\$168,925.83
		<u>\$396,560.79</u>

CONSTRUCTION

29974	GeoEngineers	\$8,471.88
29975	Parametrix	\$19,205.00
29976	RH2 Engineering, Inc.	\$45,018.14
29992	Lake Tapps Construction Unlimited	\$6,692.00
29997	GeoEngineers	\$3,385.25
29998	Vanir Construction Management Inc.	\$5,978.25
30027	Artisan Electric Inc.	\$42,362.88
30028	Daily Journal of Commerce	\$254.40
30029	McClatchy Company LLC	\$477.49
30030	RH2 Engineering, Inc.	\$68,234.28
30031	Source Electric	\$74,666.25
30032	Vanir Construction Management Inc.	\$4,500.12
		<u>\$279,245.94</u>

COMPUTER EQUIPMENT AND SOFTWARE

29988	ProcureIT USA	\$3,083.35
30001	Abila	\$254.38
30047	Environmental Systems Research Inst.	\$6,500.00
		<u>\$9,837.73</u>

DESTROYED AND VOIDED CHECKS:

30016

Total Warrants	\$1,285,427.35
Total Wires	\$2,446,039.00
Total warrants/wire transfers authorized for June 2022	\$3,731,466.35

Approved: _____ Date: _____
Edward Cebon, Chief Economist/Treasurer

Approved: _____ Date: _____
Allan Ekberg, Secretary/Treasurer

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

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
Beginning Balances, May 1	\$ 15,202,077	\$ 11,000,225	\$ 10,129,185	\$ -	\$ 5,006,016	\$ 2,139,265	\$ -	\$ 43,476,768
Additions:								
Cash received	\$ 5,245,163	\$ 5,530	\$ 45,286	\$ -	\$ 4,867	\$ 1,072	\$ -	\$ 5,301,918
Transfers from other Cascade funds	\$ -	\$ 4,404,298	\$ 1,364,061	\$ -	\$ -	\$ -	\$ 120,865	\$ 5,889,224
Total additions	\$ 5,245,163	\$ 4,409,828	\$ 1,409,347	\$ -	\$ 4,867	\$ 1,072	\$ 120,865	\$ 11,191,143
Subtractions:								
Bank fees, payroll, and bond payments	\$ 388	\$ 264	\$ 581	\$ -	\$ 165	\$ 51	\$ 120,865	\$ 122,314
Warrants paid	\$ 499,316	\$ 237,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 737,193
Wire and other electronic payments	\$ 1,223,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,223,019
King Co. Investment Pool impairment (realized)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (retained)	\$ (100)	\$ (84)	\$ (46)	\$ -	\$ -	\$ (12)	\$ -	\$ (242)
Transfers to other Cascade funds	\$ 5,889,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,889,224
Total subtractions	\$ 7,611,847	\$ 238,058	\$ 535	\$ -	\$ 165	\$ 39	\$ 120,865	\$ 7,971,509
Ending Balances, May 31, 2022	\$ 12,835,393	\$ 15,171,996	\$ 11,537,997	\$ -	\$ 5,010,719	\$ 2,140,298	\$ -	\$ 46,696,402



MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA HYBRID MEETING
MAY 25, 2022

1. CALL TO ORDER

At 3:34 p.m. Chair Sweet called the meeting to order. Board Members confirmed that they received the meeting materials and could hear the speakers clearly.

2. ROLL CALL

Board Members Present: the City of Bellevue (Barksdale), the City of Kirkland (Sweet), the City of Redmond (Birney), Sammamish Plateau Water & Sewer District (Warren), Skyway Water and Sewer District (Ault), and the City of Tukwila (Ekberg)

Board Member Absent: the City of Issaquah (Pauly)

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

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

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

6. CHIEF EXECUTIVE OFFICER'S REPORT

Ray Hoffman, Cascade Chief 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 April 27, 2022

Motion by Mr. Warren and second by Mr. Joe to approve Consent Action Item A as presented in the Board packet. Motion carried unanimously (6-0).

8. OTHER ACTION ITEMS

- A. Motion to adopt Resolution No. 2022-09 authorizing the Chief Executive Officer to finalize and execute a transmission easement agreement in substantially the form included in the Board packet with Gree BN, LLC

Ray Hoffman explained that Puget Sound Energy (PSE) issued an All-Sources RFP for renewable power generation in June 2021 and shortly afterwards Cascade was contacted by several companies interested in using Cascade-owned parcels for their distributed energy battery storage projects. Cascade issued a Request for Information (RFI) to the companies interested in the parcels in January 2022. Mr. Hoffman said that after reviewing the RFIs with the engineers, Cascade determined that installation of the batteries on Cascade's parcels was not feasible due to the uncertainty of the final footprint of Cascade's future water treatment facilities. Therefore, one of the parties, BrightNight, submitted a proposal that installed their batteries on a parcel adjacent to Cascade and requested a transmission easement through a Cascade-owned parcel to PSE's nearby substation.

Mr. Hoffman explained that the proposed project, under a joint venture between BrightNight and Cordelio Power named Gree BN, LLC., is a 200MWac battery storage system to be sited on a tract west of Cascade's land. The project has been advanced to Phase 2 of PSE's RFP shortlisting process and is currently working through environmental studies and permitting with Pierce County. Mr. Hoffman added that the proposed transmission easement runs parallel to current PSE transmission lines that are already located on the Cascade-owned parcels by easement between PSE and Cascade. Cascade does not believe that the proposed project will hamper future use of the parcel for utility purposes.

Mr. Hoffman said that the 56-year, non-exclusive transmission easement agreement is substantially completed with a few provisions to be negotiated and finalized. The agreement is protective of Cascade's current and planned future uses of its parcels and the rights of other easement holders such as PSE. As described in the Board Packet, the agreement provides a process for Cascade to assure receipt of fair market value for use of its property.

Mr. Hoffman noted that the Resource Management, and Finance and Management Committees discussed the easement and were supportive.

Cascade staff responded to various questions from Board Members.

Motion by Mr. Warren and second by Ms. Anderson to adopt Resolution No. 2022-09 authorizing the Chief Executive Officer to finalize and execute a transmission easement agreement in substantially the form included in the Board packet with Gree BN, LLC. Motion carried unanimously (6-0).

9. STAFF PRESENTATIONS

- A. Climate Change Impacts Analysis

Ray Hoffman provided an overview of Cascade's proposal to move forward with issuing a Request for Proposals to hire an engineering firm to conduct a climate change impacts analysis on the White River - Lake Tapps Reservoir system to ensure it can sufficiently meet members' future water resource needs. He added that studies indicate that the region has been and will continue to be impacted by climate change. In addition, Seattle, Tacoma, and Everett's water system plans include climate change impacts on supply and demand. Mr. Hoffman said that the Department of Health granted a two-year Transmission and Supply Plan (TSP) extension for sufficient time to include climate analysis in TSP for supply along with demand.

10. BOARD DISCUSSION ITEM

A. Water Quality Report

Mr. Hoffman said that Cascade’s consultant recently presented the results and technical recommendations from the two-year water quality monitoring program. The results were generally positive and demonstrate that the Lake Tapps Reservoir is in good condition. The consultant presented a series of recommendations that Cascade might want to consider ensuring that the reservoir’s water quality is maintained. The suggestions include development of a lake management plan, nutrient source tracking, reduction of nutrient inputs, and stormwater management measures. Mr. Hoffman clarified that not all of the water quality management recommendations are Cascade’s sole responsibility, so next steps will include development of a suite of potential actions, timeframes, and responsible parties.

11. COMMITTEE REPORTS

- A. Executive Committee – no meeting held
- B. Finance & Management Committee – Meeting held May 17, 2022
- C. Public Affairs Committee – no meeting held
- D. Resource & Management Committee – Meeting held May 12, 2022

12. NEW BUSINESS

None.

13. NEXT REGULAR MEETING

The next regular Board meeting will be held on June 22, 2022 at 3:30 p.m.

14. ADJOURN

The meeting adjourned at 4:43 p.m.

APPROVED BY:

Penny Sweet, Chair

Angela Birney, Vice-Chair

AGENDA MEMORANDUM

SUBJECT

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

BACKGROUND

Cascade performs aquatic vegetation control as part of its ordinary maintenance of the Lake Tapps Reservoir. Each year, Cascade's limnology consultant (currently Environmental Science Associates, or "ESA") recommends proposed areas and methods of control based on observations from the prior year and boat survey of milfoil growth in the spring of the current year. For 2022, Cascade has decided to use chemical treatment to control milfoil in the reservoir.

Cascade would like to apply herbicide treatment early in the summer season. Cascade and ESA conducted boat surveys on September 23, 2021, and June 15, 2022, which allows ESA to make recommendations for herbicide treatment this summer, including: (1) areas of treatment, (2) treatment product(s), and (3) application methods. All three criteria inform the scope of work necessary to determine a cost estimate and enter into a contract with a firm to perform herbicide treatment.

In order to begin herbicide treatment in July 2022, Cascade would like to begin contract negotiations with Aquatechnex as soon as the scope of work has been finalized. If contract negotiations are successful, Cascade would enter into a contract with Aquatechnex to perform herbicide treatment for 2022. The total requested contract authorization is a not-to-exceed amount of \$175,000 (inclusive of Washington State sales tax and reserve for contingency).

PROCUREMENT PROCESS

Aquatic vegetation control of the Lake Tapps Reservoir is Ordinary Maintenance, and Cascade may use the Chief Executive Officer (CEO) process to select a firm to conduct this work. In 2017 Cascade requested competitive bids for the work and determined that Aquatechnex was the most qualified and lowest bidder. Cascade has been consistently satisfied with Aquatechnex's application of herbicide treatment on the Lake Tapps Reservoir.

If contract negotiations with Aquatechnex are not successful, Cascade would request bids from at least two additional qualified firms and enter into a contract to perform herbicide treatment for control of aquatic vegetation in the Lake Tapps Reservoir based on the requested contract authorization of a not-to-exceed amount of \$175,000 (inclusive of tax and reserve for contingency).

FISCAL IMPACT

The requested contract authorization is for a not-to-exceed amount of \$175,000, 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
Milfoil Control	\$175,000	\$0	\$175,000	\$175,000	\$0

OPTIONS

1. Authorize the Chief Executive Officer to enter into a contract to perform herbicide treatment for control of aquatic vegetation in the Lake Tapps Reservoir in an amount not to exceed \$175,000.
2. Do not authorize the Chief Executive Officer to enter a contract to perform herbicide treatment for control of aquatic vegetation in the Lake Tapps Reservoir and provide alternate direction to staff.

RECOMMENDED ACTION

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

ATTACHMENTS

None.

AGENDA MEMORANDUM

SUBJECT

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

BACKGROUND

Cascade is proposing to purchase a new industrial-grade generator and a new vehicle for the Operations Manager. The not-to-exceed amounts for both these items are inclusive of taxes and shipping and are conservative estimates to reflect the current high inflationary environment.

A new three-phase generator will serve as a back-up source of power in the event power is lost in the following critical facilities: pipeline intake, administration building, headworks' pole building and electric gate, and the six-foot valve at Wolslegal Basin. The power in the administration building runs the SCADA and security system, and the SCADA/Security project will be completed by the end of the year. The existing generator for the Administration Building is beyond repair and requires replacement. In addition, none of the other facilities has a generator, and this new three-phase generator can be used for those facilities. The not-to-exceed amount is \$65,000.

The Operations Manager currently drives a Toyota Highlander Hybrid. This vehicle has proven to be extremely reliable and fits Cascade's functional needs: all-wheel drive to traverse the unpaved and rugged terrain of much of the White River - Lake Tapps Reservoir system; good storage space to regularly transport hundreds of pounds of gear; seating to transport people on visits to Lake Tapps Reservoir, including member staff, Board members, other elected officials, and auditors. Consistent with the U.S. General Services Administration's vehicle replacement standard of five years and 60,000 miles for hybrid passenger vehicles, Cascade would like to purchase a new vehicle of the same make and model as the current vehicle. The not-to-exceed amount is \$60,000.

PROCUREMENT PROCESS

Cascade is complying with the CEO 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	\$300,000	\$0	\$300,000	\$125,000	\$175,000

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

OPTIONS

1. Authorize the Chief Executive Officer to purchase equipment and fleet that are necessary to operate and maintain the White River - Lake Tapps Reservoir system in an amount not to exceed \$125,000.
2. Do not authorize the Chief Executive Officer to purchase equipment and fleet and provide alternate direction to staff.

RECOMMENDED ACTION

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

ATTACHMENTS

None.

AGENDA MEMORANDUM

SUBJECT

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

BACKGROUND

In November 2022, by Resolutions No. 2021-10, the Cascade Board of Directors ("Board") approved the formation of the Water Supply Development Fund ("WSDF"), which is now codified in Cascade Water Alliance Code 5.70. CWAC 5.70.020 details both planned and unanticipated contributions to the fund. CWAC 5.70.020.C provides (excerpts):

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

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

Several events have triggered a potential transfer of Shared Benefits to the WSDF in 2022, including:

1. 2021 financial results (RCFC revenues in excess of budget)
2. 2021 temporary water sales revenues from Issaquah (RCFC surcharge)
3. 2022 bond refund savings (from 2020 refunding)
4. 2022 SPU true-up

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

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

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

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

By this Resolution No. 2022-10, the Board would approve the contribution of \$2,975,444 into the WSDF and amend the 2022 Budget accordingly.

PROCUREMENT PROCESS

Not applicable.

FISCAL IMPACT

The resolution increases the funding of the WSDF by \$2,975,444.

OPTIONS

1. Adopt Resolution No. 2022-10 (1) approving the contribution of \$2,975,444 Shared Benefits to the Water Supply Development Fund and (2) amending the 2022 Budget accordingly.
2. Do not adopt Resolution No. 2022-10 and provide further instruction to Cascade.

RECOMMENDED ACTION

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

ATTACHMENTS

1. Proposed Resolution Number 2022-10.
2. Proposed 2022 WSDF Transfers.



A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION, APPROVAL OF TRANSFER TO THE WATER SUPPLY
DEVELOPMENT FUND AND AMENDMENT TO THE ADOPTED 2022 BUDGET

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 fiscal 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. 2020-10 the Board approved the 2021-2021 Budget and 2021-2026 Capital Improvement Program; and

WHEREAS, Resolution No. 2021-09 and Resolution No. 2021-13 the Board amended the Budget; and

WHEREAS, by Resolution No. 2021-10, the Board established the Water Supply Development Fund and the Board now desires to transfer funds from the Operating to the Water Supply Development Fund and amend the 2022 Budget accordingly.

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

Section 1. Board Approval of Transfer and 2021 Budget

The Board approves the contribution of \$2,975,444 and amends the Adopted 2022 Budget as follows:

<i>Fund</i>	<i>2022 appropriation authority as adopted 11-30-21</i>	<i>2022 appropriation authority as amended 6-22-22</i>
Operating	\$58,273,969	\$55,298,525
Water Supply Development Fund	\$6,668,363	\$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	\$21,688,503
Total	\$111,451,418	\$111,451,418

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 22nd day of June 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 Proposed 2022 WSDF Transfers

May 25, 2022

WSDF Funding Background

Consistent with the adopted WSDF policy structure:

- 1. Both Planned and Unanticipated contributions into the WSDF are anticipated each year**
- 2. Planned contributions include budgeted transfers from demand shares and budgeted transfers from the Construction Fund (funded primarily via RCFCs).**
- 3. Unanticipated contributions include various Shared Benefit contributions based on a number of outcomes including:**
 - a) Underspent budgets (operating and capital)**
 - b) RCFC revenues in excess of budget**
 - c) Bond refund savings**
 - d) SPU water purchase savings**
 - e) Temporary water sales revenues**
 - f) Asset sales**
- 4. “Shared Benefits” means that the net “windfall” is divided equally between current use and transfer to the WSDF.**

Current WSDF Status

[Note: This is not the biennial summary provided in code. That will occur in July or September as part of the budget process.]

- 1. The WSDF was not anticipated or budgeted for in 2022. It will be incorporated into 2023/24 budgeting and financial planning. Current activities require budget amendment to support directed transfers.**
- 2. The initial \$5m contribution was made in late 2021 as directed. It has recently been invested into the Pool Plus program to enhance longer term yields.**
- 3. Several events now trigger transfers to the WSDF in 2022, including:**
 - a) 2021 financial results (RCFC revenues in excess of budget)**
 - b) 2021 temporary water sales revenues from Issaquah (RCFC surcharge)**
 - c) 2022 bond refund savings (from 2020 refunding)**
 - d) 2022 SPU true-up credit**

Proposed 2022 WSDF Transfer

Financial Benefit	Revenue/Savings Realized	WSDF Share of Benefit	Current Share of Benefit
Construction Fund surplus balance: <i>projected funds exceed projected 6 year CIP needs</i>		\$500,000	<i>n/a</i>
RCFCs in excess of budget: <i>Actual growth of 1408.5 CERUs exceeded budget of 1000 CERUs</i>	\$2,780,660	\$1,390,330	\$1,390,330
Temporary Water Sale RCFC surcharges: <i>Issaquah began temporary water purchases on 10/1/22</i>	\$68,500	\$34,250	\$34,250
Bond refunding savings	\$4,490	\$2,245	\$2,245
SPU True-up credit: <i>Actual credit of \$2.6m exceeded budget of \$0.5m</i>	\$2,097,238	\$1,048,619	\$1,048,619
TOTAL	\$4,950,888	\$2,975,444	\$2,475,444

More to Come Regarding WSDF

- 1. Current proposed transfer of \$2,975,444 upon Board approval of 2022 budget amendment.**

-Staff recommends Board approval to implement adopted policy

- 2. Savings or Benefits that will likely lead to a 2023 transfer:**

- a) 2022 temporary water sales revenues from Issaquah (RCFC surcharge)**
- b) 2022 bond refund savings (from 2020 refunding)**
- c) Construction Fund surplus transfer**
- d) Possible asset sales or leases**
- e) Possible additional financial performance windfalls**
- f) *Initial estimate for 2023: transfer of \$1.2m to WSDF based on known items***

AGENDA MEMORANDUM

SUBJECT

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

BACKGROUND

Studies indicate that the Puget Sound region (King, Pierce and Snohomish counties) – with its reliance on snowpack and high utilization of its rivers and streams for water supply and fish habitat – has been and will continue to be impacted by climate change. At the macro level, climate models are predicting a variety of impacts to water supplies in the region, including:

- Warmer weather year-round with drier summers and wetter winters
- Reduced snowpack and flows from snowmelt due to warmer winters
- Increases in winter flows and decreases in summer flows
- Higher summer peak demands
- More frequent extreme weather events

Analysis is required to determine the potential impacts to individual river basins and watersheds because, at the micro level, they are affected by mountain ranges, land elevation, proximity to water bodies, vegetation, and other variables. Seattle, Tacoma, and Everett have all included climate change impacts analyses of their respective water supplies in their most recent water system plans. Cascade also plans to include such an analysis in its Transmission and Supply Plan and needs the assistance of a consultant for this work.

An analysis of the impacts of climate change to the White River-Lake Tapps Reservoir system will help ensure Cascade can sufficiently meet members' future water supply needs. The analysis will identify a variety of possible climate change impacts, including changes in temperature, precipitation, streamflow characteristics, minimum instream flow reliability, recreational levels reliability, and firm yield.

Cascade presented this proposed contract to the Resource Management Committee (RMC) at its June meeting, and the Committee expressed its support of the work. At that time, Cascade had not yet selected a firm or determined a contract budget.

PROCUREMENT PROCESS

Cascade emailed a Request for Qualifications (RFQ) to three engineering firms from the MRSC Water System Planning and Design roster, which, consistent with state law, did not request a cost estimate. All three firms have expertise in climate change analysis and familiarity with the White River-Lake Tapps system. Two firms submitted their Statement of Qualifications (SOQs), and the evaluation committee unanimously agreed that Aspect Consulting was the most qualified firm. The University of Washington's Climate Impacts Group (CIG) will serve as a sub-consultant on the contract.

FISCAL IMPACT

Funding for Climate Change Impacts Analysis is available in the Adopted 2022 Operating Budget and the Proposed 2023 Operating Budget.

Budget Line	2022 Operating Budget	Spent and Committed to Date	Available 2022 Budget	This Action	2022 Remaining Balance
Transmission and Supply Plan	\$100,000	\$35,000*	\$100,000	\$50,000	\$15,000
Budget Line	2023 Proposed Operating Budget	Spent and Committed to Date	Available 2023 Proposed Budget	This Action	2023 Remaining Balance
Transmission and Supply Plan	\$150,000	\$50,000*	\$150,000	\$100,000	\$0

**Estimated amount to be spent on engineering analysis.*

OPTIONS

1. Authorize the Chief Executive Officer to execute a Consulting Agreement with Aspect Consulting to provide a climate change impacts analysis of the White River-Lake Tapps Reservoir system in an amount not to exceed \$150,000.
2. Do not authorize the Chief Executive Officer to execute a Consulting Agreement with Aspect Consulting and provide alternate direction to staff.

RECOMMENDED ACTION

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

ATTACHMENTS

None.

AGENDA MEMORANDUM

SUBJECT

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

BACKGROUND

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

PROCUREMENT PROCESS

On June 1, Cascade posted the project on the Builder's Exchange and advertised the project in the Daily Journal of Commerce and Tacoma News Tribune. An on-site optional pre-bid meeting with potential bidders was conducted on June 8, and bids will be due June 21. Cascade intends to award the contract to the lowest responsible responsive bidder consistent with CWAC 5.60.060.

The Engineer's Estimate for this project is \$356,100. Cascade is requesting from the Board an amount of \$500,000, which includes Washington State sales tax and a 25% contingency (due to potential higher supply-chain costs).

FISCAL IMPACT

Budget Line	2022 Budget	Spent and Committed to Date	Available 2022 Budget	This Action	2022 Remaining Balance
Upper Conveyance (CIP)	\$550,000	\$0	\$550,000	\$500,000	\$50,000

OPTIONS

1. Authorize the Chief Executive Officer to execute a contract with the lowest responsible responsive bidder for the Powerhouse Plunge Pool Retaining Wall Repair Et Al Project in an amount not to exceed \$500,000.

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

ATTACHMENTS

None.



2023-2024 Proposed Budget and Rates

June 22, 2022

2023-2024 Revised Budget Process



January	February	March	April	May	June	July	August	September	
Internal review of strategic plan and update to work plans.		Staff identification of budget drivers and preparation of the draft budget			Presentation to Board of policies, forecast, and high-level budget and rate proposals		Final review at Board meeting and member agency presentations		Anticipated Board adoption of budget and rates
		Member data due March 15	Finance & Management Committee and member staff budget and rates reviews			Finance & Management Committee review and Board update			

Main Changes to the 2023-2024 O&M Budget

Administration:

- Salaries and benefits are higher due to COLA, addition of General Counsel position, and some staff time shifting from Conservation.
- VanNess contract is lower due to moving General Counsel in-house.
- Contingency is higher in 2022 and 2023 due to office space uncertainty.

Debt Service: 2024 is higher than 2023 largely because the bonds issued in 2020 start making more significant principal payments.

Operations-Lake Tapps:

- Salaries and benefits are higher due to COLA and filling the Contract Administrator position at full-time.
- Lake Tapps Operator budget increases 7% per year.

Operations-General: Seattle Water costs increased \$1,238,401 in 2023 with an unfavorable true-up.

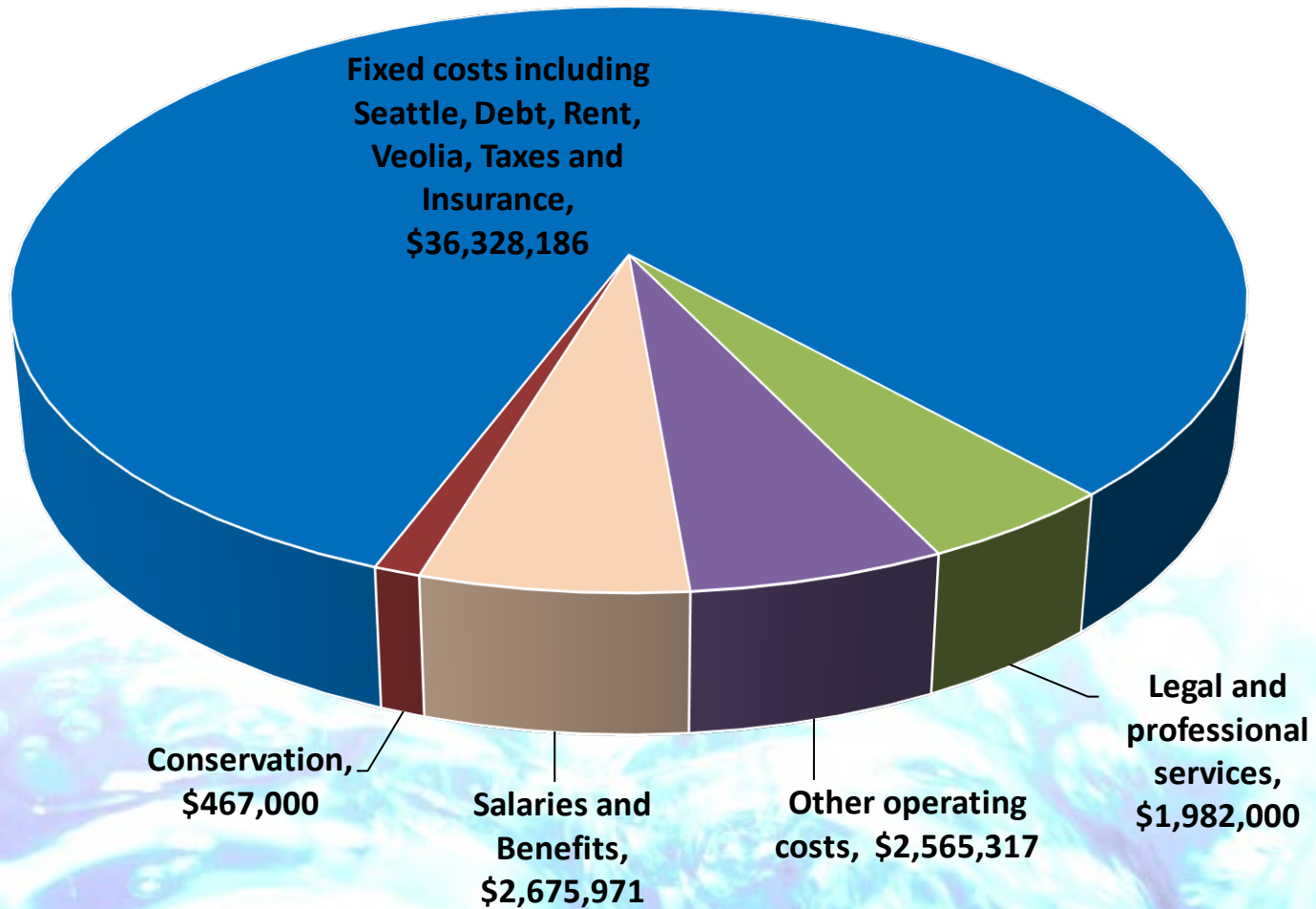
Net changes to the 2023-2024 over the 2022 Budget

2023	2024		
\$1,238,401	\$1,671,612	Water costs-the big unknown	2022 Base plus 2% inflation each year.
\$353,217	\$417,811	Wages	Includes a new general counsel position, a fulltime contract manager, 8.37% est. COLA in 2023 and 3% in 2024
\$160,720	\$332,699	Lake Tapps Operator	7% increase from 2022 budget.
\$100,000	\$100,000	Condition Assessments	Necessary to ensure infrastructure is maintained and to inform future CIP.
\$73,644	\$73,644	Office Rent	based on a similar sized new office at current market rates.
\$6,461	(\$166,298)	Office Lease Contingency	
(\$70,000)	(\$70,000)	On-call Civil, Mechanical and Structural Engineering	
(\$100,000)	(\$120,000)	Outage	
(\$111,000)	(\$161,000)	Unplanned O&M by Cascade	
(\$300,000)	(\$300,000)	VanNess, legal support	Actual reduction TBD-anticipated reduction as a result of adding a general counsel
(\$580,040)	\$1,015,685	Bond debt service	includes \$1.5k in anticipated bond admin fees
\$355,308	(\$591,838)	Misc.	
\$771,403	\$2,794,153	Net increase in Operating budget over 2022	

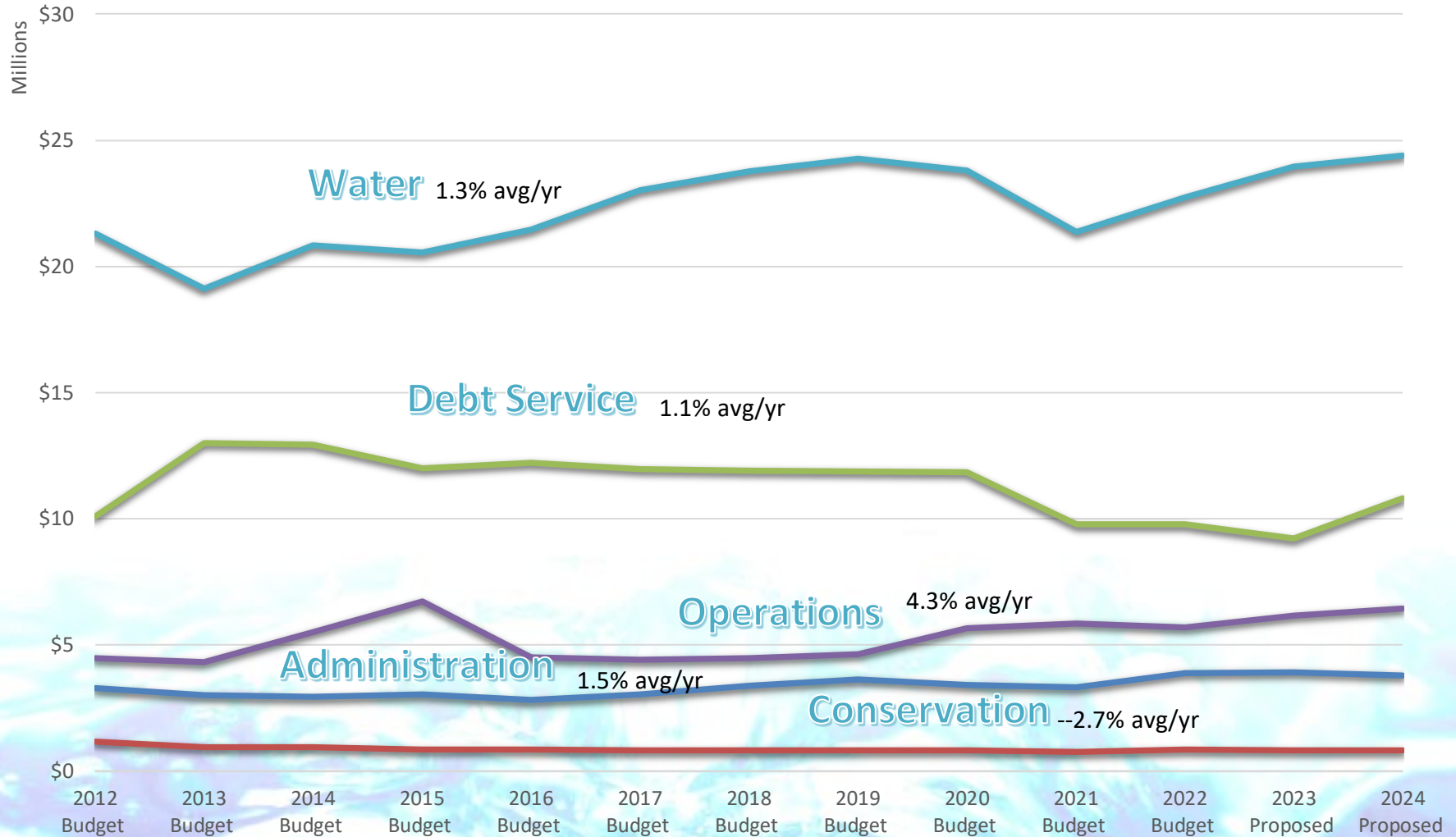
Operating Budget 2022 to 2024

	2022 Budget	2023 Budget	2024 Budget
Administration	\$ 3,858,337	\$ 3,901,116	\$ 3,792,256
Conservation	\$ 839,874	\$ 796,627	\$ 804,019
Debt Service	\$ 9,779,981	\$ 9,199,941	\$ 10,795,666
Operations	\$ 5,682,685	\$ 6,151,503	\$ 6,426,349
Water	\$ 22,730,886	\$ 23,969,287	\$ 24,402,498
Grand Total	\$ 42,891,763	\$ 44,018,474	\$ 46,220,788
Change		\$ 1,126,711	\$ 2,202,314

2023 Fixed vs. Variable Operating Budget Breakdown



Operating Budget Trends 2012-2024



Cascade Staffing

- | | |
|------------------------------|--|
| 1. Chief Executive Officer | 7. Intergovernmental & Communications Director |
| 2. Land Use Administrator | 8. Management Assistant |
| 3. Operations Manager | 9. Finance and Administration Manager |
| 4. Chief of Staff | 10. Water Resources Manager |
| 5. Contracts Administrator | 11. Engineering & Capital Projects Director |
| 6. Chief Economist/Treasurer | 12. General Counsel |

Staffing level from 2017-2024 (FTE)							
2017	2018	2019	2020	2021	2022	2023	2024
10.35	9.65	9.65	9.85	9.85	10.35	10.35	10.35

Capital Improvement Program (CIP)

Project	2022 Budget	2022 projected	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
301-Upper Conveyance	\$2,075,000	\$200,041	\$3,425,000	\$275,000	\$50,000	\$50,000	\$500,000	\$2,000,000
303-Lower Conveyance	\$0	\$807,331	\$0	\$1,000,000	\$2,500,000	\$3,000,000	\$1,500,000	\$100,000
304-Lake Tapps Reservoir	\$0	\$0	\$100,000	\$0	\$0	\$1,200,000	\$600,000	\$0
305-SCADA and Security	\$400,000	\$936,949	\$50,000	\$0	\$0	\$0	\$0	\$0
306-Facilities			\$200,000	\$200,000	\$0	\$0	\$100,000	\$100,000
307-Equipment	\$250,000	\$204,593	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
310-Bellevue-Issaquah Pipeline(BIP)	\$50,000	\$0	\$50,000	\$130,000	\$550,000	\$550,000	\$0	\$0
324-IT Infrastructure	\$35,000	\$18,000	\$25,000	\$35,000	\$25,000	\$35,000	\$25,000	\$35,000
Subtotal - Projects	\$2,810,000	\$2,166,914	\$3,925,000	\$1,715,000	\$3,200,000	\$4,910,000	\$2,800,000	\$2,310,000
315-Capital Risk	\$350,000	\$0	\$500,000	\$500,000	\$500,000	\$600,000	\$600,000	\$600,000
309-Tacoma Agreement	\$5,975,463	\$5,975,463	\$6,094,972	\$6,216,872	\$6,341,209	\$6,468,033	\$6,597,394	\$6,729,342
322-Seattle Agreement			\$0	\$5,000,000	\$0	\$0	\$0	\$0
Grand Total	\$9,135,463	\$8,142,377	\$10,519,972	\$13,431,872	\$10,041,209	\$11,978,033	\$9,997,394	\$9,639,342

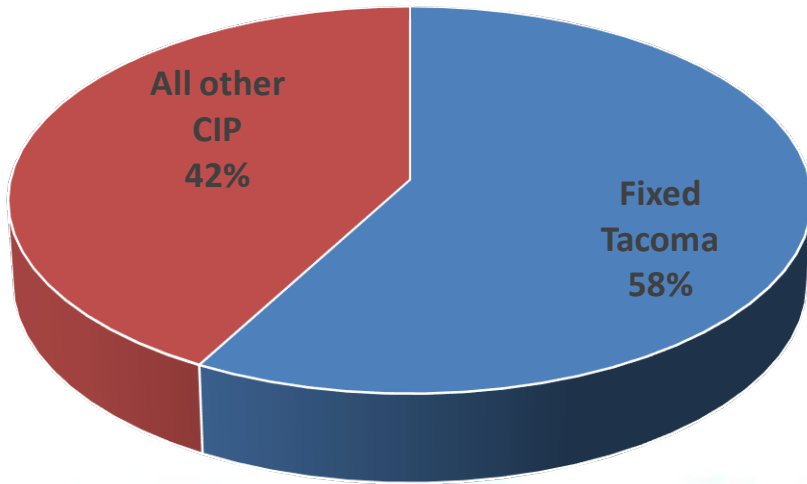
2021-2026 Adopted Grand Total	\$9,135,463		\$9,394,972	\$14,271,872	\$10,016,209	\$10,753,033
Change from 2021-2026 Adopted	\$0		\$1,125,000	-\$840,000	\$25,000	\$1,225,000

Notes on the 2023-2026 CIP Budget

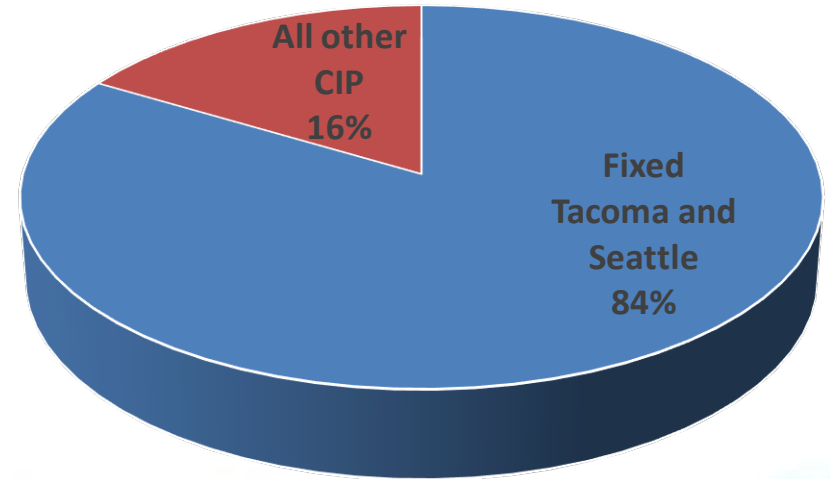
- Upper Conveyance: This includes the Headworks Intake Modifications Project which was budgeted for 2021-2022 and is now expected to occur 2023-2024. The project schedule is driven by the US Army Corps of Engineers.
- Bellevue-Issaquah Pipeline (BIP): Placeholder amounts are included in 2024-2026 for relocation and/or protect-in-place of the BIP due to WSDOT's project.

CIP Fixed vs. Variable Budget Breakdown

2023



2024





Components of Proposed 2023-2024 2.2% Rate Increase

Cascade Water Alliance					
Breakdown of Cascade Rate Increase					
Budget Year:	2023			2024	
	<u>Dollars</u>	<u>Percent</u>		<u>Dollars</u>	<u>Percent</u>
Total Rate Increase	\$ 959,038	2.20%		\$ 980,138	2.20%
Seattle Water	\$ 988,400	2.27%		\$ 909,263	2.04%
<i>Increase</i>	\$ 512,349	1.18%		\$ 909,263	2.04%
<i>True-up</i>	\$ 476,051	1.09%		\$ -	0.00%
Increased Debt Service from Rates	\$ (576,347)	-1.32%		\$ 1,595,528	3.58%
Operating Expenses*	\$ 682,937	1.57%		\$ 273,587	0.61%
Change in Misc. Revenues	\$ (32,129)	-0.07%		\$ (28,620)	-0.06%
Admin *	\$ 34,835	0.08%		\$ (69,620)	-0.16%
Misc. (conservation, R&R)	\$ 108,973	0.25%		\$ 73,928	0.17%
Reduced Growth/RCFCs	\$ -	0.00%		\$ -	0.00%
Contribution to WSDF	\$ -	0.00%		\$ 445,517	1.00%
Rate Smoothing	\$ (247,631)	-0.57%		\$ (2,219,445)	-4.98%
Total	\$ 959,038	2.20%		\$ 980,138	2.20%

* - Expenses are adjusted to exclude irregular expenses funded through reserve accumulation and related use of reserves.



2.2% Summary of Proposed Member Charges

2022 Member Charges (Per 2022 Budget)	Administrative Dues	Conservation Charges	Demand Share Charges	Total
Bellevue	\$ 1,483,288	\$ 295,312	\$ 20,580,180	\$ 22,358,780
Issaquah	\$ 330,018	\$ 65,704	\$ 1,738,960	\$ 2,134,682
Issaquah - Temporary Water	\$ -	\$ -	\$ -	\$ -
Kirkland	\$ 433,427	\$ 86,292	\$ 5,478,039	\$ 5,997,758
Redmond - City	\$ 709,707	\$ 141,298	\$ 6,932,311	\$ 7,783,316
Redmond - Novelty Hill	\$ -	\$ -	\$ -	\$ -
Sammamish Plateau Water	\$ 521,316	\$ 103,790	\$ 1,362,345	\$ 1,987,451
Skyway Water & Sewer District	\$ 83,438	\$ 16,612	\$ 425,914	\$ 525,964
Tukwila	\$ 180,143	\$ 35,865	\$ 2,588,718	\$ 2,804,726
Total	\$ 3,741,337	\$ 744,873	\$ 39,106,467	\$ 43,592,677

2023 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	2022 True-up	Total	Increase Over 2022 Charges With 2020 True-up
Bellevue	\$ 1,499,443	\$ 315,132	\$ 21,245,713	\$ 101,097	\$ 23,161,385	3.59%
Issaquah	\$ 336,325	\$ 70,684	\$ 1,793,939	\$ (26,263)	\$ 2,174,685	1.87%
Issaquah - Temporary Water	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Kirkland	\$ 435,995	\$ 91,631	\$ 5,897,824	\$ 133,982	\$ 6,559,432	9.36%
Redmond - City	\$ 621,148	\$ 130,544	\$ 5,384,478	\$ (257,030)	\$ 5,879,140	-6.79%
Redmond - Novelty Hill	\$ 95,563	\$ 20,084	\$ 1,260,275	\$ -	\$ 1,375,922	0.00%
Sammamish Plateau Water	\$ 523,569	\$ 110,036	\$ 1,389,768	\$ 96,236	\$ 2,119,609	6.65%
Skyway Water & Sewer District	\$ 83,392	\$ 17,526	\$ 439,289	\$ 4,206	\$ 544,413	3.51%
Tukwila	\$ 180,735	\$ 37,984	\$ 2,570,637	\$ (52,227)	\$ 2,737,129	-2.41%
Total	\$ 3,776,170	\$ 793,621	\$ 39,981,923	\$ 1	\$ 44,551,715	2.20%

2024 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total	Increase Over 2023 Charges
Bellevue	\$ 1,468,720	\$ 317,204	\$ 21,813,702	\$ 23,599,626	1.89%
Issaquah	\$ 331,609	\$ 71,619	\$ 1,882,159	\$ 2,285,387	5.09%
Issaquah - Temporary Water	\$ -	\$ -	\$ 52,232	\$ 52,232	0.00%
Kirkland	\$ 428,889	\$ 92,628	\$ 6,047,052	\$ 6,568,569	0.14%
Redmond - City	\$ 610,021	\$ 131,748	\$ 5,435,113	\$ 6,176,882	5.06%
Redmond - Novelty Hill	\$ 93,481	\$ 20,189	\$ 1,295,065	\$ 1,408,735	n/a
Sammamish Plateau Water	\$ 515,619	\$ 111,360	\$ 1,477,987	\$ 2,104,966	-0.69%
Skyway Water & Sewer District	\$ 81,497	\$ 17,601	\$ 441,952	\$ 541,050	-0.62%
Tukwila	\$ 176,715	\$ 38,166	\$ 2,579,525	\$ 2,794,406	2.09%
Total	\$ 3,706,551	\$ 800,515	\$ 41,024,787	\$ 45,531,853	2.20%

Member Rates

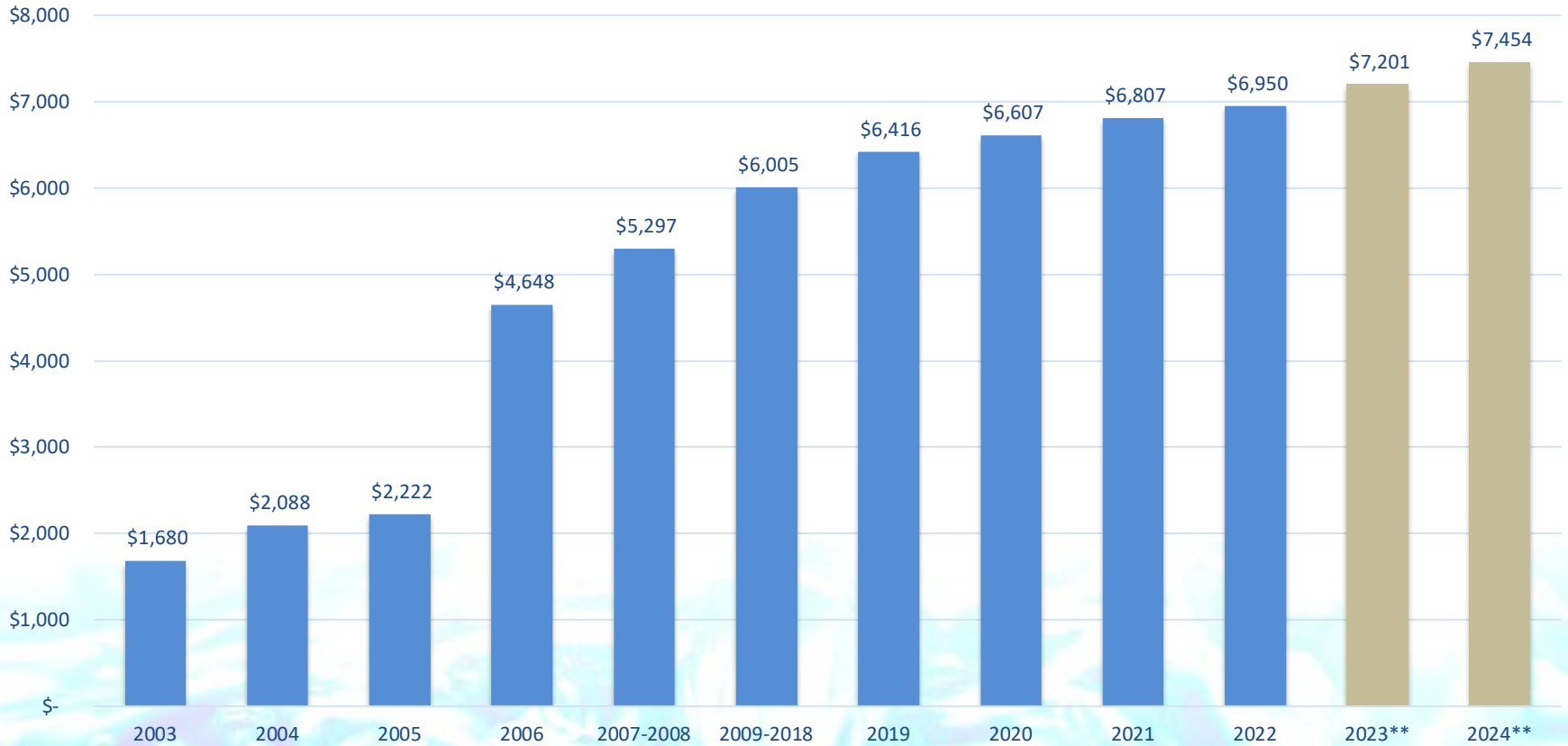
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021-2022	2023-2024	2025-2028
Actual	7.50%	7.50%	6.00%	6.00%	3.75%	3.00%	2.75%	2.75%	3.00%	3.00%	4.50%	3.00%	2.20%		
Projected														2.20%	3.00%

Administrative Charges as Percent of All Charges (except RCFC)

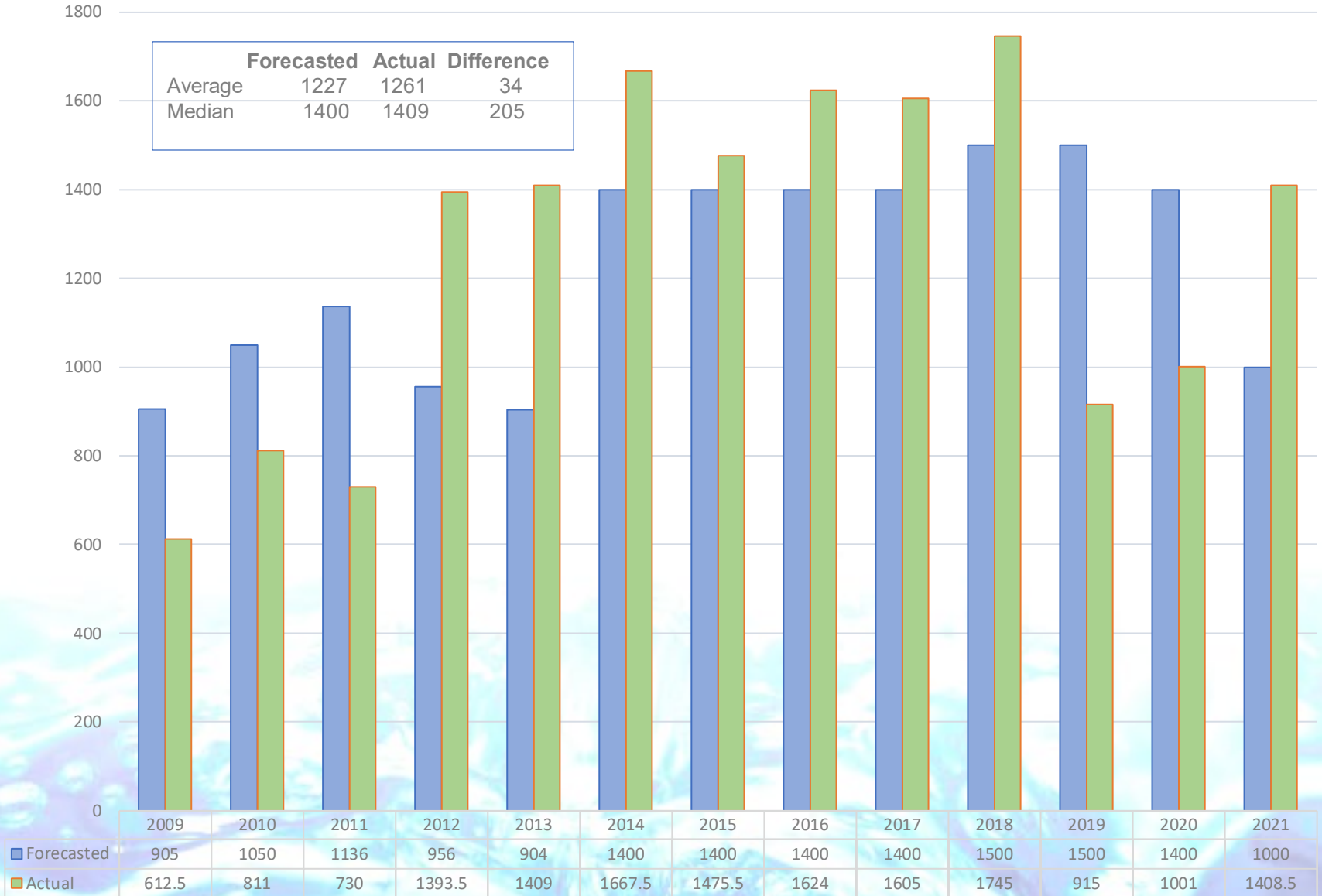
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
8.20%	8.70%	8.50%	8.30%	8.80%	8.70%	7.90%	8.00%	7.87%	8.45%	8.48%	8.14%

Note: Policy limit is 9.0%.

Regional Capital Facilities Charge



Forecasted vs. Actual RCFC Connections 2009-2021





PUBLIC AFFAIRS COMMITTEE

Angela Birney, Chair, City of Redmond
Penny Sweet, City of Kirkland
John Stokes, City of Bellevue
Ryika Hooshangi, Sammamish Plateau Water

Meeting Recap
Wednesday, June 1, 2022
9:00 AM – 10:00 AM
Held at Cascade's Office and via Zoom

1. **Chair Comments.**
2. **Executive Session.**
3. **Items Recommended for Action at the June 22, 2022, Board Meeting.**
4. **Discussion Items.**

A. **Legislative Update.** Staff will provide an update on state legislative activities in the interim.

Recap: Diana Carlen, Gordon Thomas Honeywell, updated the committee on a few state items. The deadline to apply for ratepayer assistance from the Department of Commerce was May 27. Commerce is currently working on timing and what additional steps water utilities will have to take to access funding for impacted customers.

B. **Clarification of Roles in Cascade's Code/By-Laws.** At the request of the committee, Cascade will review proposed code changes that will clarify the roles of Board members, alternates and other participants in Cascade's committee and Board meetings.

Recap: The committee reviewed and discussed the proposed changes to the Cascade code to clarify the roles of Board members, alternates and other participants in committee and Board meetings. The committee requested additional changes regarding committee chairs and the Treasurer. Staff will update the draft based on the feedback from the committee, share the draft with the Board and alternates and bring the draft back for additional committee review in July.

C. **Social Media Strategy Development and Planning.** Cascade will provide an update on the development of a strategic plan for the We Need Water social media platform(s). We Need Water supports Cascade's water efficiency program and events and promotes the value of water.

Recap: Staff updated the committee on the work with Brilliant Marketing to develop a strategic plan with the objective of increasing the numbers of people who engage with Cascade via its social media platforms. Once a draft plan has been developed, staff will return to the committee to share the draft plan and take feedback.

5. Next Meeting Date and Location.

The next meeting will be Wednesday, July 6, 2022, from 9:00 a.m. – 10:00 a.m. at Cascade's office and via Zoom meeting.

Attachments:

Bylaws – proposed changes for discussion.



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 Recap
Thursday, June 9, 2022
2:00 PM – 3:30 PM
Held at Cascade's office and via Zoom

1. Chair Comments.

2. Executive Session.

3. Items Recommended for Action at the June 22, 2022, Board Meeting.

- A. **Milfoil Control Contract.** Motion to authorize the Chief Executive Officer to enter into a contract to perform herbicide treatment for control of aquatic vegetation in the Lake Tapps Reservoir in an amount not to exceed \$150,000.

Recap: Staff corrected the amount to \$175,000 and updated the committee on this year's milfoil control program and responded to questions from committee members on milfoil control as a topic at the annual Lake Tapps community meeting. In general, the chemical (Procelcor) used to treat milfoil is working effectively, the community continues to demonstrate interest in milfoil control and Cascade plan to use the same approach as in the near past years for milfoil control. The committee approved this request and placed this item on the consent agenda.

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

Recap: Cascade advertised the Powerhouse Plunge Pool project with bid opening on June 21. The engineer's estimate is \$356k. Cascade is requesting approval for this amount plus Washington State Sales Tax and 25% contingency as a maximum not-to-exceed amount due to uncertainty in supply chains. Bid opening is scheduled for June 21, so information on the lowest responsive bidder and bid amount can be given to the Board on June 22. The committee is supportive of this project and recommend forwarding this action for Board's approval after the bid opening.

- C. **Climate Change Impacts Analysis Contract.** Motion to authorize the Chief Executive Officer to execute a Consulting Agreement to provide a climate change impacts analysis of the White River - Lake Tapps Reservoir system in an amount not to exceed \$100,000.

Recap: Cascade emailed a Request for Qualifications to three firms from the MRSC roster and received two responses. Staff is close to deciding and will then define the scope of work with the selected firm. Based on the two responses, Cascade believes it underestimated the time and effort needed to include a glacial module in the analysis. Therefore, the not-to-exceed amount is likely to increase. The committee supported forwarding this equipment purchase request for the Board's approval at their June meeting under Other Action Items. Cascade will provide a revised not-to-exceed amount in the final Board agenda memo.

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

Recap: The committee supported forwarding this equipment purchase request for the Board's approval at their June meeting under Consent Items. The committee also requested Cascade staff return with information on how it applies asset management principles to equipment purchases, such as use of an asset registry and the application of cost-benefit analysis. The committee also requested Cascade staff discuss equipment funding with the Finance Committee.

4. Discussion Items.

- A. **Independent Supply Audit.** Cascade has undertaken an independent supply audit for each of our four members with independent water supply. The purpose is to verify Cascade's ability to rely on member independent supplies consistent with contractual obligations, validate the Transmission and Supply Plan, and to alert both Cascade and its members to potential issues related to those supplies. Cascade will summarize the results of the audit at the committee meeting. Cascade anticipates no near-term actions resulting from this review.

Recap: Staff updated the committee on the results of the audit. All Members are in regulatory compliance and the tested wells have retained most or all their original specified capacities. The Members are generally in good position to meet their production requirements in the future.

- B. **Water Quality – Next Steps.** Last month the committee received a presentation regarding the methods, results, and recommendations from the two-year Lake Tapps Water Quality Monitoring Program. This month the committee will begin discussion of next steps, including Cascade's water quality goals and potential development of a suite of potential actions, timeframes, and responsible parties.

Recap: The committee discussed the need for Board discussion of a set of policies to guide Cascade's water quality work program in the short, medium, and long-term timeframes. Issues to be addressed include roles and responsibilities, the regulatory environment for drinking water treatment, requirements v. expectations, and costs. Cascade staff will develop a preliminary scope of work for a consultant to provide drinking water quality expertise to staff and the Board in working through the policy issues. Staff will return next month with a draft scope for committee review.

5. Next Meeting Date and Location.

The next meeting will be Thursday, July 14, 2022, from 2:00 p.m. – 3:30 p.m. at Cascade's office and via Zoom meeting.