



REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
Held at Cascade's Office and Via Zoom Meeting
March 22, 2023
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 February 22, 2023.	<u>14</u>
b. Motion to authorize the Chief Executive Officer to execute an Amendment 1 with Johansen Construction Company to increase the Headgate #1 actuator project budget from \$45,851 to a maximum amount not-to-exceed \$64,280.	<u>17</u>
8. OTHER ACTION ITEMS	
a. Motion to adopt Resolution No. 2023-07 authorizing a 2023 transfer of \$2,483,725 to the Cascade Water Supply Development Fund.	<u>19</u>
9. STAFF PRESENTATIONS	
a. Sumner/BNSF Update.	<u>23</u>
10. COMMITTEE REPORTS	
a. Executive Committee – <i>no meeting held.</i>	
b. Finance and Management Committee – <i>March 21, 2023; committee recap will be in the April Board Meeting Packet.</i>	<u>32</u>
c. Public Affairs Committee – <i>March 1, 2023.</i>	<u>34</u>
d. Resource Management Committee – <i>March 9, 2023.</i>	<u>36</u>
11. NEW BUSINESS	

12. NEXT REGULAR MEETING – April 26, 2023 – *Cascade Office or 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: March 22, 2023

TO: Penny Sweet, Chair
Board of Directors

FROM: Ray Hoffman, Chief Executive Officer

SUBJECT: Chief Executive Officer's Report

Administration, Finance, and Economics

- Jon Shimada recently moved to Las Vegas and will be retiring later this year. We will deeply miss Jon – his high quality of work, institutional knowledge, strong work ethic, teamwork, and great sense of humor. Cascade is fortunate to have Dave Roberts filling Jon's big shoes. Dave currently works for Parametrix, Cascade's civil engineering consulting firm. Dave is very familiar with Cascade's infrastructure and operations and has worked closely with several Cascade staff. Dave will start on May 1.
- Cascade staff toured potential locations for battery storage with BrightNight on February 24th and provided them with an overlay of where the future water treatment facilities are designed to be located. The ball is now in BrightNight's court to produce a proposal for Cascade's review. At the Board's direction, Cascade is always searching for ways to maximize the value of our assets if our ability to produce water in the future is not impacted. Last year, Cascade entered into an agreement with BrightNight where Cascade would receive \$1.18 million upon commencement of construction if their project were to move forward, and there is a better than 50% chance that it will happen in 2024.
- Cascade has earned the 2023 WellCity Award from the Association of Washington Cities Employee Benefits Trust. Cascade has achieved the award for its wellness program since 2018. With the WellCity designation, Cascade saves 2% on health insurance costs. Cascade staff will attend AWC's annual healthy workplace summit in March where ideas on how to improve the plan and participation and Cascade staff will participate in a campaign designed to increase health through walking in April.
- Regional Capital Facilities Charges (RCFCs) connections through February are 171.5. Cascade would not meet budget expectations of 1,300 at this pace but three member reports from the larger members are still missing.
- The field work portion of the annual financial audit will be conducted by Clark Nuber during the week of March 20. The auditors will examine Cascade's financial reports, internal controls, and compliance with policies and procedures. The auditors are tentatively scheduled to present the results of the audit at the June Finance and Management Committee meeting. The State Auditor's Office will conduct a separate audit later this year.
- Cascade contacted South King County Fire Training Consortium to see if they were interested in using our Ford property for training purposes and they expressed an interest. Van Ness is reviewing their forms and will ensure that Cascade's liability is protected. Cascade is still in the process of obtaining bids for the demolition of Cascade's Ford property. As a reminder, Cascade purchased the Ford property in 2009

along with several other properties and easements along a potential future pipeline route. The proposed pipeline route goes through the house. Cascade has been leasing the house, but the septic system has failed, Cascade believes that demolition of the house is the best option. Cascade is working with our attorneys to secure the proper permits and is anticipating demoing the property in the second quarter of 2023.

- The move to Cascade's new office has been delayed a month as more time is needed to complete all the tenant improvements Cascade has requested. Cascade's current landlord has agreed to allow Cascade to remain for April at the March rate. The new office lease will not begin until the tenant improvements are completed. The final office design has been completed and work continues on the improvements and new furniture for the conference room chosen.

Capital Projects and Operations

- The SCADA/Security project has achieved final completion for all work. This includes field installation, commissioning, system testing, startup and software programming, and security integration. The successful completion of this project improves system control and operations, reliability, and enhanced security for White River - Lake Tapps Project.
- Cascade staff is working with WSDOT on BIP impacts due to WSDOT's culvert program. There are two locations where the BIP will require either protection-in-place or relocation.
- On February 16 Cascade began spring refill of the lake to achieve summer recreational level. Lake Tapps water elevation is at 538.39'. Cascade's goal is to complete the refill before April 15.
- Cascade is negotiating maintenance responsibilities with the City of Sumner and Burlington Northern Santa Fe (BNSF) railroad on the future Sumner outflow channel and BNSF Bridge.
- The U.S. Army Corps of Engineers (USACE) updated Cascade that it is still planning to start construction of Phase 3 of the Mud Mountain Dam Fish Passage Project in late summer or early fall of 2023. The start of Phase 3 is largely contingent on successful redesign, fabrication, and installation of equipment by USACE's contractor and tweaking of operations and sediment control for the new fish trap and haul facility. Cascade is working with USACE on specific payment arrangements to fund Cascade's work.
- Seattle Boat, which has a development permit from Pierce County to redevelop a commercial parcel on Lake Tapps, has begun the process of applying for a Cascade license. Cascade staff has met with Seattle Boat for the initial engagement and review of Seattle Boat's latest design.

Water Efficiency

- Cascade participated in the Northwest Flower and Garden Show and distributed rain gauges and other conservation items and saw approximately 1,250 customer engagements.
- Cascade continues its Cascade Gardener winter series to large crowds and positive reviews.
- Cascade delivered 39 water education classroom presentations to 890 students in February.
- Sustainability Ambassadors conducted a Problem-Based Learning Lab called "Cool Math for Climate Solutions – Water Systems Thinking." The lab was the culmination of a series of math lessons developed last year with Cascade's support and included participation from regional experts with companies like Microsoft, WSU Metro Center for Applied Research, 2020 Engineering, and the Miller Hull Partnership.

- Cascade promoted Tilth Alliance’s Soil and Water Stewardship program through its members and its social media platforms. The program provides free training on sustainable gardening, soil science, water conservation, and stormwater management. Cascade usually has several Eastsiders enrolled in the program.
- Cascade continues to build followers and see significant numbers of engagement through its We Need Water social media platforms.
- Cascade’s partner, Tilth Alliance, hosted more than 20 students at McAuliffe Park in Kirkland to study forest restoration, native plants, and water conservation.
- Cascade is preparing for national Fix A Leak Week with several videos and social media posts and distribution of free leak detection dye to businesses, houses of worship, and home owner associations.

Intergovernmental and Communications

- The State Legislature has reached the halfway point of its 105-day session, and over 2,000 bills have been introduced. All bills had to pass out of their chamber of origin by March 8. Cascade continues to closely monitor ESHB 1329 that prohibits utility disconnections during heat emergencies. The bill language was refined due to stakeholder feedback and is much improved from its original version. Other important bills that are still alive include SSB 5094 that adds a climate resilience element to water system plans and SHB 1326 that allows waivers of connection charges for certain low-income and affordable housing properties. Cascade will continue to monitor these bills plus bills on drought, state climate response strategies, water system notification requirements and procurement issues. The next bill cut off is on March 29, when bills must be passed out of the opposite chamber policy committees.
- The Lake Tapps Community Meeting is scheduled to be held in-person on May 10 in the evening at North Tapps Middle School. Mayor Penny Sweet will attend as the Board’s representative. Other Board members and alternates are invited to attend as well. Please let Cascade staff know if you are planning to attend. The Cascade - Four Cities Meeting (Auburn, Buckley, Bonney Lake, and Sumner) is currently being scheduled and will take place in-person, most likely at Cascade’s Lake Tapps office in Sumner. Staff will share more when the meeting details have been finalized.
- On March 14, EPA a proposed a [new rule](#) on per- and polyfluoroalkyl substances (PFAS) which would put in place the first national primary drinking water standards for six PFAS. EPA is providing a 60-day comment period for the proposed rule.

Planning

- Cascade is preparing for a half-day Board workshop on March 29 to develop a policy framework for future drinking water quality proposals. Board members, Alternates, member staff, and Cascade staff have been invited to the workshop. Since Lake Tapps Reservoir will not be used for municipal supply for many years, a structured approach (policy framework) is needed to guide decisions on which water quality actions should be taken in the near term. Materials will be emailed to participants a week before the workshop.

Attachments

1. Budget to Actual Expenditure Report through *February 28, 2023*.
2. Statement of Revenues and Expenditures through *February 28, 2023*.
3. Statement of Net Position as of *February 28, 2023*.
4. Contract Status Summary.
5. Monthly Warrants Listing.
6. Monthly Treasurer’s Report as of *February 28, 2023*.

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- February 28, 2023
 17% of the year completed

Administration	Budget	Actual	Balance	% Expended
Salaries	\$ 1,237,002	\$ 236,310	1,000,691	19.1%
Benefits	\$ 264,460	110,265	154,195	41.7%
Wellness program	5,000	35	4,965	0.7%
Prof. Fee (Technical)	260,000	4,301	255,700	1.7%
Prof. Fee (Legal)	645,000	67,476	577,524	10.5%
Prof. Fee (Audit)	84,500	0	84,500	0.0%
Prof. Fee (Other)	50,000	495	49,505	1.0%
Seismic Resillency	100,000	0	100,000	0.0%
Meetings Expense	11,000	5,349	5,651	48.6%
Telephone/Internet	45,000	9,132	35,868	20.3%
Office Rent	488,152	41,178	446,975	8.4%
Office Supplies Admin.	15,000	1,157	13,843	7.7%
Equip. and Furniture	25,000	0	25,000	0.0%
Bank Fees	600	0	600	0.0%
Dues & Subscriptions	25,000	13,580	11,420	54.3%
Taxes/Licenses	15,000	10,112	4,888	67.4%
Travel	10,000	2,603	7,397	26.0%
Professional Dev.	10,000	4,273	5,727	42.7%
Computer Equipment	15,000	1,193	13,807	8.0%
Software Licenses	45,000	3,485	41,515	7.7%
Postage & Delivery	3,000	383	2,617	12.8%
Printing & Repro.	5,000	0	5,000	0.0%
Insurance	150,900	134,007	16,893	88.8%
Contingency	269,500	0	269,500	0.0%
Total	\$ 3,779,114	\$ 645,333	\$ 3,133,780	17.1%

Debt Service	Budget	Actual	Balance	% Expended
Bond Debt Service	9,199,941	3,743,150	5,456,791	40.7%
Total	\$ 9,199,941	\$ 3,743,150	\$ 5,456,791	40.7%

Conservation	Budget	Actual	Balance	% Expended
Salaries	\$ 138,910	\$ 14,424	\$ 124,486	10.4%
Benefits	34,705	277	34,427	0.8%
Prof. Fee (Technical)	35,000	3,783	31,218	10.8%
Prof. Fee (Legal)	75,000	0	75,000	0.0%
Dues & Subscriptions	20,000	709	19,291	3.5%
Rebate Reimb. Com.	75,000	1,450	73,550	1.9%
Irrigation Audit	25,000	200	24,800	0.8%
Comm. and Public I	312,500	67,383	245,117	21.6%
Misc. Serv. and Sup.	82,000	4,299	77,701	5.2%
Total	\$ 798,115	\$ 92,525	\$ 705,590	11.6%

Com. and Intergovern	Budget	Actual	Balance	% Expended
Salaries	\$ 140,746	\$ 24,984	\$ 115,762	17.8%
Benefits	\$ 30,509	467	30,042	1.5%
Prof. Fee (Technical)	10,000	4,240	5,760	42.4%
Prof. Fee (Other)	165,000	27,000	138,000	16.4%
Sponsorships	30,000	0	30,000	0.0%
Comm. and Public I	260,000	5,601	254,399	2.2%
Total	\$ 636,255	\$ 62,292	\$ 573,963	9.8%

Operations-General	Budget	Actual	Balance	% Expended
Wholesale Water	\$ 23,969,287	\$ 5,273,242	\$ 18,696,045	22.0%
Salaries	50,542	10,420	40,123	20.6%
Benefits	8,336	202	8,134	2.4%
BIP O&M	60,000	65	59,935	0.1%
Pipeline Prop. O&M	70,000	21,385	48,615	30.5%
PWTF Loan Debt	40,066	0	40,066	0.0%
Total	\$ 24,198,231	\$ 5,305,313	\$ 18,892,918	21.9%

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- February 28, 2023
 17% of the year completed

Operations-Lake Tapps	Budget	Actual	Balance	% Expended
Salaries	\$ 609,233	\$ 65,687	\$ 543,545	10.8%
Benefits	\$ 104,834	1,334	103,500	1.3%
Prof. Fee (Technical)	725,000	24,386	700,614	3.4%
Prof. Fee (Other)	75,000	0	75,000	0.0%
Meetings Expense	6,500	672	5,828	10.3%
Telephone/Internet	1,925	164	1,761	8.5%
Office Supplies	20,000	0	20,000	0.0%
Equipment & Furn.	30,000	4,409	25,591	14.7%
Taxes/Licenses	13,500	13,486	14	99.9%
Travel	18,500	210	18,290	1.1%
Professional Dev.	2,500	0	2,500	0.0%
Software Licenses	35,000	0	35,000	0.0%
Permitting Costs	8,000	3,655	4,345	45.7%
Misc. Serv. and Sup.	85,000	1,416	83,584	1.7%
LT Operator	2,456,840	177,794	2,279,046	7.2%
Unplanned O&M	150,000	1,161	148,839	0.8%
Misc. Facility Repairs	142,000	24,704	117,296	17.4%
USGS Joint Fund	350,292	0	350,292	0.0%
Construction Management	50,000	0	50,000	0.0%
Outage	100,000	0	100,000	0.0%
Milfoil Control	150,000	0	150,000	0.0%
Vendor Services	128,000	2,239	125,761	1.7%
Water Quality Management	100,000	0	100,000	0.0%
Dike and Roads Maintenance	68,000	536	67,464	0.8%
Total	\$ 5,430,124	\$ 321,854	\$ 4,940,806	5.9%
Total Operating Budget	\$ 44,041,780	\$ 10,170,467	\$ 33,703,849	23.1%
Capital Projects (multi-yr bdgt not shown)	Budget	Actual	Balance	% Expended
Upper Conveyance Projects	\$ 3,425,000	39,819	3,385,181	1.2%
Lake Tapps Reservoir	100,000	0	100,000	0.0%
Meters	50,000	0	50,000	0.0%
Equipment	75,000	0	75,000	0.0%
Facilities	200,000	4,736	195,264	2.4%
Security and SCADA	50,000	0	50,000	0.0%
Tacoma Agreement	6,094,972	6,094,972	0	100.0%
Capital Risk	500,000	0	500,000	0.0%
IT Infrastructure	25,000	0	25,000	0.0%
Total CIP Budget	\$ 10,519,972	\$ 6,139,528	\$ 4,380,444	58.4%
Total Overall Budget	\$ 54,561,752	\$ 16,309,995	38,251,757	29.9%

Cascade Water Alliance
Statement of Revenues and Expenditures
From 1/1/2023 Through 2/28/2023

Attachment 2

Operating Revenue		
Water sales	\$	4,797,841
Administrative dues		3,776,170
Conservation program		95,234
Total Operating Revenue		8,669,245
Operating Expenses		
Cost of water sold		2,396,928
Salaries and benefits		466,984
Professional services		131,879
Conservation program		1,450
Depreciation and amortization		583,063
Communication and public information		68,293
Office expenses		161,779
Operations		204,564
Rent		258
Maintenance		22,386
Dues and subscriptions		14,628
Miscellaneous		4,161
Total Operating Expenses		4,056,373
Operating Income		4,612,872
Non-Operating Revenue (Expenses)		
Interest income		132,980
Other income		4,233
Interest expense, net of amount capitalized		(17,324)
Total Non-Operating Revenue (Expenses)		119,888
Increase in Net Assets		4,732,760
Net Assets, Beginning of Year		136,694,238
Net Assets, End of Year	\$	141,426,998

Cascade Water Alliance
Statement of Net Position
As of 2/28/2023

Attachment 3

Assets

Current Assets

Cash and cash equivalents	\$	28,090,582
Accounts receivable		6,446,774
Prepaid expenses		181,636
Total Current Assets		34,718,992

Capital Assets

Equipment and furniture		2,102,968
Seattle water contract		22,267,611
Bellevue Issaquah pipeline		22,276,944
Tacoma water contract		119,740,687
Less accumulated depreciation and amortization		(58,037,088)
Total Capital Assets		108,351,122

Projects in process and assets not yet in service

Lake Tapps		105,864,614
Tacoma Cascade pipeline		26,539,385
Total Projects in process and assets not yet in service		132,403,999

Restricted cash and cash equivalents

		18,797,403
Total Assets		294,271,517

Liabilities

Current liabilities

Payables and accrued liabilities		657,462
Accrued interest		1,155,440
Long-term debt current portion		
Bonds Payable-Current Portion		6,500,000
Other		39,474
Total Long-term debt current portion		6,539,474
Total Current liabilities		8,352,376

Long-term Liabilities

Long-term debt		81,998,948
Tacoma contract		53,897,110
Seattle contract		5,000,000
Bond premium, net of amortization		3,931,355
Total Long-term Liabilities		144,827,413
Total Liabilities		153,179,789

Net Assets

Restricted for debt service		103,569,057
Unrestricted		37,522,671
Total Net Assets		141,091,728

Total Liabilities & Net Assets

	\$	294,271,517
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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
A Advanced Septic	1	Relief house septic system services	J. Shimada	1/11/2023	N/A	3/11/2023	90%	\$ 3,739	\$ 2,239	60%	\$ 1,500
Aquatechnex	1	Aquatic Plant Maintenance Program	J. Shimada	3/1/2023	12/31/2023	3/11/2023	0%	\$ 150,000	\$ -	0%	\$ 150,000
Artisan Electric	1	Powerhouse Solar Energy Project	M. Brent	10/1/2021	12/31/2022	3/11/2023	100%	\$ 273,000	\$ 236,184	87%	\$ 36,816
Aspect	1	Water Supply Modeling	R. Hoffman	5/6/2020	N/A	3/11/2023	38%	\$ 24,900	\$ 13,239	53%	\$ 11,661
Aspect	2	Water Resources Services	R. Hoffman	8/17/2018	N/A	3/11/2023	98%	\$ 60,000	\$ 58,251	97%	\$ 1,749
Aspect	3	Climate Change Analysis	R. Hoffman	9/7/2022	12/31/2024	3/11/2023	8%	\$ 150,000	\$ 2,689	2%	\$ 147,311
Ben Bernstein Music	1	Podcast production	M. Brent	12/20/2022	12/31/2023	3/11/2023	5%	\$ 5,000	\$ 200	4%	\$ 4,800
Brilliant Marketing	1	We Need Water Strategy Planning	M. Brent	11/4/2022	12/31/2023	3/11/2023	25%	\$ 49,500	\$ 10,952	22%	\$ 38,548
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	R. Hoffman	1/1/2023	N/A	3/11/2023	20%	\$ 67,300	\$ -	0%	\$ 67,300
Colehour and Cohen	1	Staffing for classes and events	M. Brent	1/1/2023	12/31/2023	3/11/2023	20%	\$ 98,000	\$ 14,982	15%	\$ 83,018
David Evans	1	On-call Land Surveyor	H. Chen	11/18/2022	12/31/2025	3/11/2023	10%	\$ 160,000	\$ 12,536	8%	\$ 147,464
David McGrath	1	Irrigation Efficiency Assistance	M. Brent	12/21/2022	12/31/2023	3/11/2023	0%	\$ 30,000	\$ -	0%	\$ 30,000
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	H. Chen	11/17/2022	12/31/2023	3/11/2023	10%	\$ 35,000	\$ -	0%	\$ 35,000
GeoEngineers Inc.	1	Dam Engineering/Hydrology/Geotech	H. Chen	1/1/2023	12/31/2023	3/11/2023	0%	\$ 170,000	\$ -	0%	\$ 170,000
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2023	12/31/2023	3/11/2023	8%	\$ 84,000	\$ 14,000	17%	\$ 70,000
Herrera	1	On-call limnology services	M. Thung	12/1/2022	12/31/2025	3/11/2023	5%	\$ 45,000	\$ -	0%	\$ -
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	3/11/2023	98%	\$ 1,041,100	\$ 950,972	91%	\$ 90,129
HDR	2	Conservation Plan Potential Assessment	M. Brent	5/21/2021	N/A	3/11/2023	99%	\$ 18,900	\$ 18,870	100%	\$ 30
Jacobs Engineering Group	1	Demand Forecast Model Support Services	M. Thung	8/20/2021	N/A	3/11/2023	5%	\$ 5,000	\$ -	0%	\$ 5,000
Jenenergy	1	Website assistance	A. Bennett	1/1/2023	12/31/2023	3/11/2023	5%	\$ 36,500	\$ 4,240	12%	\$ 32,260
Johansen Excavating	1	Emergency Headgate Repair	H. Chen	5/5/2021	N/A	3/11/2023	98%	\$ 100,947	\$ 92,358	91%	\$ 8,589
Johansen Excavating	2	Flowline Outage Maintenance	J. Shimada	8/12/2021	N/A	3/11/2023	98%	\$ 540,000	\$ 387,899	72%	\$ 152,101
Johansen Excavating	5	Headgate actuator repair	J. Shimada	1/2/2023	3/31/2023	3/11/2023	5%	\$ 42,445	\$ -	0%	\$ 42,445
Johansen Excavating	4	Plunge Pool retaining wall	J. Shimada	7/2/2022	N/A	3/11/2023	98%	\$ 576,750	\$ 558,515	97%	\$ 18,235
Johansen Excavating	5	2022 Powerhouse overhead door	J. Shimada	7/22/2022	N/A	3/11/2023	5%	\$ 13,000	\$ -	0%	\$ 13,000
Langton Spieth	1	Community relations	A. Bennett	1/1/2023	12/31/2023	3/11/2023	17%	\$ 78,000	\$ 13,000	17%	\$ 65,000
Lake Tapps Construction	1	Rodent Odor Mitigation	J. Shimada	5/25/2022	3/31/2023	3/11/2023	100%	\$ 26,843	\$ 26,111	97%	\$ 732
Long Building Tech	1	Security Maintenance	H. Chen	8/12/2019	10/31/2022	3/11/2023	80%	\$ 55,000	\$ 43,047	78%	\$ 11,953
Media for International Development	1	WeNeedWater Video Production	A. Bennett	1/1/2023	12/31/2023	3/11/2023	8%	\$ 35,000	\$ -	0%	\$ 35,000
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2023	12/31/2023	3/11/2023	18%	\$ 100,000	\$ 17,474	17%	\$ 82,526
Pacifica Law	1	Legal Assistance	H. Chen	1/1/2023	12/31/2023	3/11/2023	8%	\$ 25,000	\$ -	0%	\$ 25,000
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2023	12/31/2025	3/11/2023	8%	\$ 550,000	\$ 11,233	2%	\$ 538,768
Performance Dimensions	2	Executive Coaching Services	M. Thung	3/14/2022	12/31/2023	3/11/2023	45%	\$ 15,000	\$ 6,125	41%	\$ 8,875
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2023	12/31/2023	3/11/2023	8%	\$ 50,000	\$ 761	2%	\$ 49,239
RH2	2	On-Call Electrical Engineering Svcs	H. Chen	1/1/2023	12/31/2023	3/11/2023	8%	\$ 125,000	\$ -	0%	\$ 125,000
RH2	1	Security and SCADA	H. Chen	1/16/2020	N/A	3/11/2023	98%	\$ 494,807	\$ 494,795	100%	\$ 12
RH2	3	Wholesale Master Meter Eval	H. Chen	1/21/2020	3/31/2023	3/11/2023	8%	\$ 24,500	\$ 1,342	5%	\$ 23,158
Robinson Noble	1	Water Audits	E. Cebon	10/3/2019	N/A	3/11/2023	85%	\$ 135,060	\$ 112,485	83%	\$ 22,575
Sammamish Plateau Water	1	GIS support services	H. Chen	12/6/2022	N/A	3/11/2023	5%	\$ 50,000	\$ -	0%	\$ 50,000
Sazan	1	On-call value analysis/engineering	J. Shimada	10/23/2023	10/23/2025	3/11/2023	0%	\$ 250,000	\$ -	0%	\$ 250,000
SC Words & Pictures Inc.	1	Design Services	A. Bennett	1/1/2023	12/31/2023	3/11/2023	15%	\$ 24,000	\$ -	0%	\$ 24,000
Seattle Public Utilities	1	Garden Hotline	M. Brent	1/1/2023	12/31/2023	3/11/2023	67%	\$ 15,000	\$ -	0%	\$ 15,000
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2023	12/31/2023	3/11/2023	30%	\$ 24,500	\$ 3,783	15%	\$ 20,718
Source Electric LLC	1	SCADA Improvements Project	H. Chen	5/1/2021	2/1/2022	3/11/2023	100%	\$ 809,122	\$ 809,122	100%	\$ -

Sustainable Water	1	Teacher Fellows program	M. Brent	1/1/2023	12/31/2023	3/11/2023	8%	\$ 60,000	\$ 4,625	8%	\$ 55,375
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2023	12/31/2023	3/11/2023	8%	\$ 136,275	\$ 6,991	5%	\$ 129,285
TechniArt	1	Website Orders	M. Brent	1/1/2023	12/31/2023	3/11/2023	8%	\$ 15,900	\$ 536	3%	\$ 15,364
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2023	12/31/2023	3/11/2023	8%	\$ 24,500	\$ -	0%	\$ 24,500
Upstream PBC	1	HydroForecast-Glacier Climate Change Analysis	M. Thung	11/1/2022	N/A	3/11/2023	0%	\$ 49,900	\$ -	0%	\$ 49,900
Transpo Group	1	GIS Program Technical Support	J. Shimada	2/3/2022	7/31/2023	3/11/2023	95%	\$ 24,000	\$ 21,846	91%	\$ 2,154
Vanir Construction Management	1	On-call Construction Management	J. Shimada	5/1/2021	12/31/2024	3/11/2023	50%	\$ 560,000	\$ 170,109	30%	\$ 389,891
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2023	12/31/2023	3/11/2023	17%	\$ 600,000	\$ 146,209	24%	\$ 453,791
Veolia	1	White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement \$2,133,533 Fixed, \$214,632 Var	J. Shimada	1/1/2023	12/31/2023	3/11/2023	17%	\$ 2,348,165	\$ 177,794	8%	\$ 2,170,371
Water Value	1	Climate Study Advisory Services	M. Thung	6/16/2022	12/31/2023	3/11/2023	20%	\$ 22,500	\$ 5,612	25%	\$ 16,888
Winterbauer and Diamond	1	Legal Assistance	R. Hoffman	1/1/2023	12/31/2023	3/11/2023	17%	\$ 20,000	\$ 2,139	11%	\$ 17,861

Payment Authorization Warrants and Wire Transfers 3/22/23

WHOLESALE WATER

WIRE	Seattle Contract Payment 3/23	\$1,438,157.00
		<u>\$1,438,157.00</u>

CONSULTANTS

30619	Van Ness Feldman, LLP	\$65,336.76
30627	Aspect Consulting	\$1,991.25
30635	David Evans and Associates Inc.	\$12,536.10
30636	Gordon Thomas Honeywell Govern. Affair	\$7,000.00
30638	Jennergy	\$2,970.00
30641	Michael A. Gagliardo	\$495.00
30643	Parametrix	\$11,232.50
30648	Tacoma Pierce County Health Department	\$549.11
30649	TeamLogic IT of Bellevue, WA	\$6,990.50
30652	Winterbauer & Diamond PLLC	\$2,139.00
30658	Langton/Spieth	\$6,500.00
30661	Performance Dimensions Group	\$1,050.00
30662	SMC Consulting LLC	\$1,870.00
30664	Transpo Group	\$3,807.50
		<u>\$124,467.72</u>

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (February)	
30624	MissionSquare-107080	\$41,097.67
30625	MissionSquare-304525	\$25,123.51
30628	AWC Employee Benefit Trust	\$21,586.57
30637	HRA VEBA Trust	\$1,176.00
30657	Paula Anderson	\$7.60
		<u>\$88,991.35</u>

LAKE TAPPS

30608	A Advanced Services	\$1,075.00
30613	US Geological Survey (USGS)	\$78,399.50
30615	Lake Tapps Construction Unlimited	\$18,319.01
30616	Linde Gas & Equipment Inc.	\$400.35
30618	Veolia Water North America	\$247,372.30
30634	Corliss Resources	\$536.27
30645	Puget Sound Energy	\$365.01
30651	Veolia Water North America	\$214,327.99
30653	A Advanced Services	\$1,163.70
		<u>\$561,959.13</u>

CONSTRUCTION

30607	Source Electric	\$42,042.72
30620	Artisan Electric Inc.	\$11,809.21
30621	Hydra-Power Systems, Inc.	\$39,819.41
30622	RH2 Engineering, Inc.	\$1,041.14
30623	Vanir Construction Management Inc.	\$2,632.50
		<u>\$97,344.98</u>

GENERAL

30609	Alliance for Water Efficiency	\$708.75
30610	CIT	\$2,064.00
30612	DIRECTV	\$102.24
30614	Lakemont Business Services Inc.	\$200.00
30617	Litho Craft	\$332.50
30629	AT&T FirstNet	\$407.98
30631	City of Seattle	\$21,384.96
30632	Comcast	\$561.29
30633	Comcast	\$560.84
30639	JG 520 Building LLC	\$682.32
30642	Pacific Office Automation	\$278.63
30656	Comcast	\$1,652.40
30660	Pacific Office Automation	\$27.36
30663	Staples Advantage	\$365.99
30665	U.S. BANK	\$9,627.82
30666	Utilities Underground Location Cente	\$9.03
30667	Verizon Wireless	\$135.03
30668	Water Value LLC	\$225.00
		<u>\$39,326.14</u>

CONSERVATION

30611	Colehour and Cohen	\$5,033.35
30630	Ben Bernstein Music	\$200.00
30640	Makarios Communications	\$500.00
30644	PromoShop WA, LLC	\$18,249.23
30646	Puget Sound Energy	\$1,450.00
30647	Sustainable Seattle dba Sustainability	\$4,625.00
30650	Techniart C S D	\$535.90
30654	BRILLIANT MARKETING LLC	\$4,257.50
30655	Colehour and Cohen	\$9,948.37
30659	Nature Vision, Inc.	\$7,946.75
		<u>\$52,746.10</u>

COMPUTER EQUIPMENT AND SOFTWARE

30626	Abila	\$254.36
		<u>\$254.36</u>

DESTROYED AND VOIDED CHECKS:

Total Warrants	\$965,089.78
Total Wires	\$1,438,157.00
Total warrants/wire transfers authorized for March 2023	\$2,403,246.78

Approved: _____ Date: _____

Edward Cebron, Chief Economist/Treasurer

Approved: _____ Date: _____

Allan Ekberg, Secretary/Treasurer

**Cascade Water Alliance
Monthly Treasurer's Report
February 2023**

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
Beginning Balances, JFebruary 1	\$ 13,878,374	\$ 11,137,930	\$ 8,883,427	\$ -	\$ 8,104,598	\$ 2,160,155	\$ -	\$ 44,164,486
Additions:								
Cash received	\$ 6,751,038	\$ 22,390	\$ 4,689	\$ -	\$ 18,785	\$ 3,583	\$ -	\$ 6,800,485
Transfers from other Cascade funds	\$ -	\$ -	\$ 729,902	\$ -	\$ -	\$ -	\$ 133,827	\$ 863,729
Total additions	\$ 6,751,038	\$ 22,390	\$ 734,591	\$ -	\$ 18,785	\$ 3,583	\$ 133,827	\$ 7,664,214
Subtractions:								
Bank fees, payroll, and bond payments	\$ 595	\$ 565	\$ 834	\$ -	\$ 428	\$ 90	\$ 133,827	\$ 136,339
Warrants paid	\$ 664,585	\$ 42,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 706,628
Wire and other electronic payments	\$ 1,198,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,198,464
King Co. Investment Pool impairment (realized)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (retained)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to other Cascade funds	\$ 863,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 863,729
Total subtractions	\$ 2,727,372	\$ 42,608	\$ 834	\$ -	\$ 428	\$ 90	\$ 133,827	\$ 2,905,159
Ending Balances, February 28, 2023	\$ 17,902,040	\$ 11,117,713	\$ 9,617,185	\$ -	\$ 8,122,955	\$ 2,163,648	\$ -	\$ 48,923,541



MEETING MINUTES OF THE
BOARD OF DIRECTORS ANNUAL MEETING
VIA HYBRID MEETING
FEBRUARY 22, 2023

1. CALL TO ORDER

At 3:30 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 (Barksdale¹), the City of Kirkland (Sweet), the City of Redmond (Birney), City of Tukwila (Ekberg²), Sammamish Plateau Water & Sewer District (Warren), and Skyway Water and Sewer District (Ault)

Board Member Absent: the City of Issaquah (Pauly)

Board Alternate Present: the City of Bellevue (Stokes), the City of Kirkland (Rae), City of Redmond (Anderson), Sammamish Plateau Water & Sewer District (Hooshangi)

3. PUBLIC COMMENT

None.

4. APPROVAL OF AGENDA

Motion by Ms. Birney and second by Mr. Stokes to approve the meeting agenda as presented. Motion carried unanimously (4-0).

5. CHIEF EXECUTIVE OFFICER'S REPORT

Ray Hoffman, Cascade CEO, reviewed the Chief Executive Officer's Report that was included in the Board Packet. He also responded to questions from Board Members.

6. CONSENT ITEM

A. Board Meeting Minutes from January 25, 2023.

B. Motion to adopt Resolution No. 2023-05 to amend Cascade Water Alliance Code 3.050.030 to further authorize the Chief Executive Officer to make "housekeeping" amendments to Cascade's Human Resources Policy and Procedures Manual.

Motion by Ms. Birney and second by Mr. Stokes to approve Consent Action Items A-B as presented. Motion carried unanimously (5-0).

¹ Joined the meeting at 3:49 p.m.

² Joined the meeting at 4:01 p.m.

7. STAFF PRESENTATIONS

A. Annual Milfoil Treatment Program

Mr. Hoffman reminded Board Members that Cascade performs aquatic vegetation control as part of its ordinary maintenance of the Lake Tapps Reservoir. Over the past four years, Cascade has determined that herbicide treatment to control milfoil in the reservoir through use of the product ProcellaCOR-A is a cost-effective approach. Each year, Cascade's limnology consultant (currently Environmental Science Associates, or "ESA") recommends proposed areas for treatment based on observations from the prior year, a boat survey of milfoil growth in the spring of the current year, and budgeted amounts by Cascade. Cascade and ESA have observed sustained results in areas treated with ProcelleCOR-A.

While Cascade has typically applied multiple herbicide treatments in the summer season each year, Cascade intends to apply chemical for a different invasive species (curlyleaf pondweed) with Sonar One (fluridone) in March of 2023. Then, ProcellaCOR will be utilized for milfoil control during the summer months.

For many years, Cascade has contracted with Aquatechnex, LLC annually to perform aquatic vegetation control through herbicide application. Cascade previously selected Aquatechnex through a competitive solicitation process when Cascade used other products to chemically treat aquatic vegetation in the Lake Tapps Reservoir. Aquatechnex is currently the only company licensed to use ProcellaCOR-A in Washington. Cascade has been consistently satisfied with Aquatechnex's services.

Cascade anticipates continued aquatic vegetation control of the Lake Tapps Reservoir with the use of ProcellaCOR-A for at least the next five years. Sufficient funding for continued aquatic vegetation control has been included in the adopted 2023-2024 budget and included in the five-year rates projections. Given that Aquatechnex has remained the only company licensed to apply ProcellaCOR-A to the Lake Tapps Reservoir for the past four years, Cascade desires to obtain authorization from the Board to enter into successive contracts with Aquatechnex, likely for successive one-year terms, for a total period of five years. The total requested contract authorization for this five-year period is a not-to-exceed amount of \$800,000 (inclusive of Washington State sales tax and reserve for contingency).

8. OTHER ACTION ITEMS

- A. Motion to authorize the Chief Executive Officer to execute annual contracts with Aquatechnex for up to five (5) years to perform herbicide treatment for control of aquatic vegetation in the Lake Tapps Reservoir in a total amount not-to-exceed \$800,000.

Motion by Mr. Warren and second by Mr. Stokes to authorize the Chief Executive Officer to execute annual contracts with Aquatechnex for up to five (5) years to perform herbicide treatment for control of aquatic vegetation in the Lake Tapps Reservoir in a total amount not-to-exceed \$800,000. Motion carried unanimously (6-0).

9. COMMITTEE REPORTS

- A. Executive Committee – no meeting held.
- B. Finance & Management Committee – Meeting held February 21, 2023.
- C. Special Public Affairs Committee – Meeting held February 1, 2023.
- D. Resource & Management Committee – Meeting held February 9, 2023.

10. EXECUTIVE SESSION

A. To review the performance of an employee

At 4:15 p.m., Chair Sweet announced that there would be an executive session to review the performance of a public employee. The executive session was expected to take 20 minutes.

At 4:39 p.m., the executive session was extended 10 minutes.

At 4:47 p.m., the executive session adjourned.

Motion by Mr. Birney and second by Mr. Ekberg to approve Resolution No. 2023-06, authorizing the Board Chair to take such actions as are necessary to increase the CEO's annual salary by 9.54% to reflect the cost-of-living adjustment, effective with back pay from January 1, 2023. Motion carried unanimously (6-0).

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regular Board meeting will be held on March 22, 2023, at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 4:50 p.m.

APPROVED BY:

Penny Sweet, Chair

Angela Birney, Vice-Chair

AGENDA MEMORANDUM

SUBJECT

Motion to authorize the Chief Executive Officer to execute an Amendment 1 with Johansen Construction Company to increase the Headgate #1 actuator project budget from \$45,851 to a maximum amount not-to-exceed \$64,280.

BACKGROUND

In late 2022, it was determined that Cascade's Headgate #1 actuator was non-functioning. The actuator is the mechanism that opens the headgate and was manufactured by Rotork. Cascade hired Johansen Construction Company at the beginning of 2023 to replace the actuator with the following scope:

1. Ship and deliver the new actuator including all associated wiring and hardware on-site.
2. Provide all work and equipment necessary to lift or support the gate movement or fix the headgate in a fixed location without a working actuator.
3. Remove existing actuator and all non-functioning components.
4. Remove existing rubber torque couplers.
5. Install new rubber torque couplers.
6. Install the new actuator and all associated wiring.
7. Set appropriate limits for the new actuator for both up and down direction and over torque settings.
8. Configure the new actuator analog and discrete inputs and outputs, and test the new actuator, motor, gearbox system and its ability to interface with the SCADA system for both local and remote operations.

In performing this work, unexpected conditions arose necessitating change orders. Specifically, it took more work to remove the actuator and additional wiring work was required. This Amendment 1 increases the maximum contract amount from \$45,851 to \$64,280 to pay the contractor for this additional work incurred.

PROCUREMENT PROCESS

Field visits were made to problem shoot opening problems with Headgate #1. It was determined by the group (Cascade staff, Veolia, and consultants) that the problem was with the actuator. The group determined that the actuator needed to be replaced with the same manufactured brand and that Beaver Equipment was the sole source provider of the Rotork actuator.

With Beaver Equipment as the sole source provider, their preferred contractor to install the equipment is Johansen Construction Company. Johansen has done many successful projects for Cascade, is a local firm (based in Sumner), and has been highly rated in reviews by Cascade. Cascade selected Johansen for this project, with Beaver Equipment as their sub-contractor based on the above.

FISCAL IMPACT

Budget Line	2023 Budget	Spent and Committed to Date	Available 2023 Budget	This Action	2023 Remaining Balance
77-Repair/ Refurbishment Projects	\$100,000	\$0	\$100,000	\$64,280	\$35,720

OPTIONS

1. Authorize the Chief Executive Officer to execute an Amendment 1 with Johansen Construction Company to increase the Headgate #1 actuator project budget from \$45,851 to a maximum amount not-to-exceed \$64,280.
2. Do not authorize the Chief Executive Officer to take such action and provide alternate direction to staff.

RECOMMENDED ACTIONS

Authorize the Chief Executive Officer the Chief Executive Officer to execute an Amendment 1 with Johansen Construction Company to increase the Headgate #1 actuator project budget from \$45,851 to a maximum amount not to exceed \$64,280.

ATTACHMENTS

None.

AGENDA MEMORANDUM

SUBJECT

Motion to adopt Resolution No. 2023-07 authorizing a 2023 transfer of \$2,483,725 to the Cascade Water Supply Development Fund.

BACKGROUND

In November 2021, by Resolution No. 2021-10, the Board authorized creation and implementation of the Water Supply Development Fund (WSDF), including new code section 5.70. CWAC 5.70.020 provides for annual transfers to the fund based on both planned transfers and for unplanned opportunities under the “Shared Benefit” concept. For 2023, there are budgeted 2023 transfers based on the adopted 2023 budget and Shared Benefit transfers based on 2022 financial performance.

The following table summarizes the basis for the proposed 2023 transfer:

Financial Benefit	Revenue/Savings Realized	WSDF Share of Benefit	Current Share of Benefit
Construction Fund surplus balance <i>(scheduled transfer of 6 year excess)</i>		\$800,000	
Bond refunding savings in 2023	\$574,390	\$287,195	\$287,195
2022 RCFCs in excess of budget: <i>(Growth of 1121 CERUs exceeds 1000 CERU budget)</i>	\$840,950	\$420,475	\$420,475
2022 Temporary Water Sale RCFC surcharges <i>(ssaquah)</i> :	\$86,000	\$43,000	\$43,000
2022 CIP underspending: <i>(excludes projects rolled into 2023)</i>	\$439,349	\$219,674	\$219,675
2022 Operating Fund underspending: <i>(excludes SPU and bond savings and expenses deferred rather than avoided)</i>	\$1,426,761	\$713,381	\$713,381
TOTAL	\$3,667,450	\$2,483,725	\$1,683,726

The transfers derive from the operating and construction funds as follows:

Operating Fund \$ 1,000,576
 Construction Fund \$ 1,483,149

PROCUREMENT PROCESS

Not applicable.

FISCAL IMPACT

The action is consistent with the CWAC and represents a combination of budgeted transfers and “shared benefit” of unbudgeted windfalls. Relative to adopted budgets and financial plans, there is a net beneficial fiscal impact from the current portion of shared benefits net of the transfer, and a long-term beneficial impact from providing funds for major supply project construction.

OPTIONS

1. Adopt Resolution No. 2023-07 authorizing a 2023 transfer of \$2,483,725 to the Cascade Water Supply Development Fund.
2. Do not adopt Resolution No. 2023-07 authorizing a 2023 transfer of \$2,483,725 to the Cascade Water Supply Development Fund and provide alternate directions to staff.

RECOMMENDED ACTIONS

Adopt Resolution No. 2023-07 authorizing a 2023 transfer of \$2,483,725 to the Cascade Water Supply Development Fund.

ATTACHMENTS

1. Resolution 2023-07.
2. Presentation on the WSDF transfer.



A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION
AUTHORIZING TRANSFER OF \$2,483,7251 TO THE WATER SUPPLY DEVELOPMENT FUND

WHEREAS, the Cascade Water Alliance (“Cascade”) is a Washington Municipal Corporation composed of seven Members, which are municipal corporations and special purpose districts that are party to the Joint Municipal Utilities Services Agreement under the authority of Chapter 39.106 RCW for the purpose of providing water supply to meet the growing demands of its Members;

WHEREAS, Cascade Water Alliance Code (CWAC) 5.70.020 provides for planned and unplanned transfers to the Water Supply Development Fund (WSDF); and

WHEREAS, the Board now desires to authorize a transfer for 2023 consistent with CWAC 5.70.020.

NOW THEREFORE BE IT RESOLVED BY THE BOARD as follows:

Section 1. Authorization of Fund Transfer to the Water Supply Development Fund

The Board authorizes the following 2023 transfers totaling \$2,483,725 to the WSDF consistent with CWAC 5.70.020:

- A. Transfer of \$1,000,576 from the Operating Fund to the WSDF.
- B. Transfer of \$1,483,149 from the Construction Fund to the WSDF.

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 the 22nd day of March 2023.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Ray Hoffman, Chief Executive Officer

Angela Birney, Vice Chair

Allan Eckberg, Secretary/Treasurer

Members

Yes _____


No _____

Demand Share

Yes _____ %

No _____ %

Include in CWAC?	
<input type="checkbox"/>	Yes
<input checked="" type="checkbox"/>	No



Cascade Water Alliance Proposed 2023 WSDF Transfers

March, 2023

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 outcomes such as:**
 - 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. In all cases, current ratepayers benefit from these windfalls while also contributing toward ultimate replacement of their current supply.**

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 is now incorporated into budgeting and financial planning, including 2023/2024.**
- 2. Several 2022 unplanned events and 2023 budget items now lead to transfers to the WSDF in 2023, including:**
 - a) 2022 financial results (RCFC revenues in excess of budget)**
 - b) 2022 temporary water sales revenues from Issaquah (RCFC surcharge)**
 - c) 2023 bond refund savings from 2020 refunding (budgeted)**
 - d) 2023 transfer from Construction Fund (budgeted)**

Proposed 2023 WSDF Transfer

Financial Benefit	Revenue/Savings Realized	WSDF Share of Benefit	Current Share of Benefit
Construction Fund surplus balance <i>(scheduled transfer of 6- year excess)</i>		\$800,000	
Bond refunding savings in 2023	\$574,390	\$287,195	\$287,195
2022 RCFCs in excess of budget: <i>(Growth of 1121 CERUs exceeds 1000 CERU budget)</i>	\$840,950	\$420,475	\$420,475
2022 Temporary Water Sale RCFC surcharges <i>(Issaquah):</i>	\$86,000	\$43,000	\$43,000
2022 CIP underspending: <i>(excludes projects rolled into 2023)</i>	\$439,349	\$219,674	\$219,675
2022 Operating Fund underspending: <i>(excludes SPU and bond savings and expenses deferred rather than avoided)</i>	\$1,426,761	\$713,381	\$713,381
TOTAL	\$3,667,450	\$2,483,725	\$1,683,726

More to Come Regarding WSDF

1. Current proposed transfer of \$2,633,725

-Staff recommends Board approval to implement adopted policy

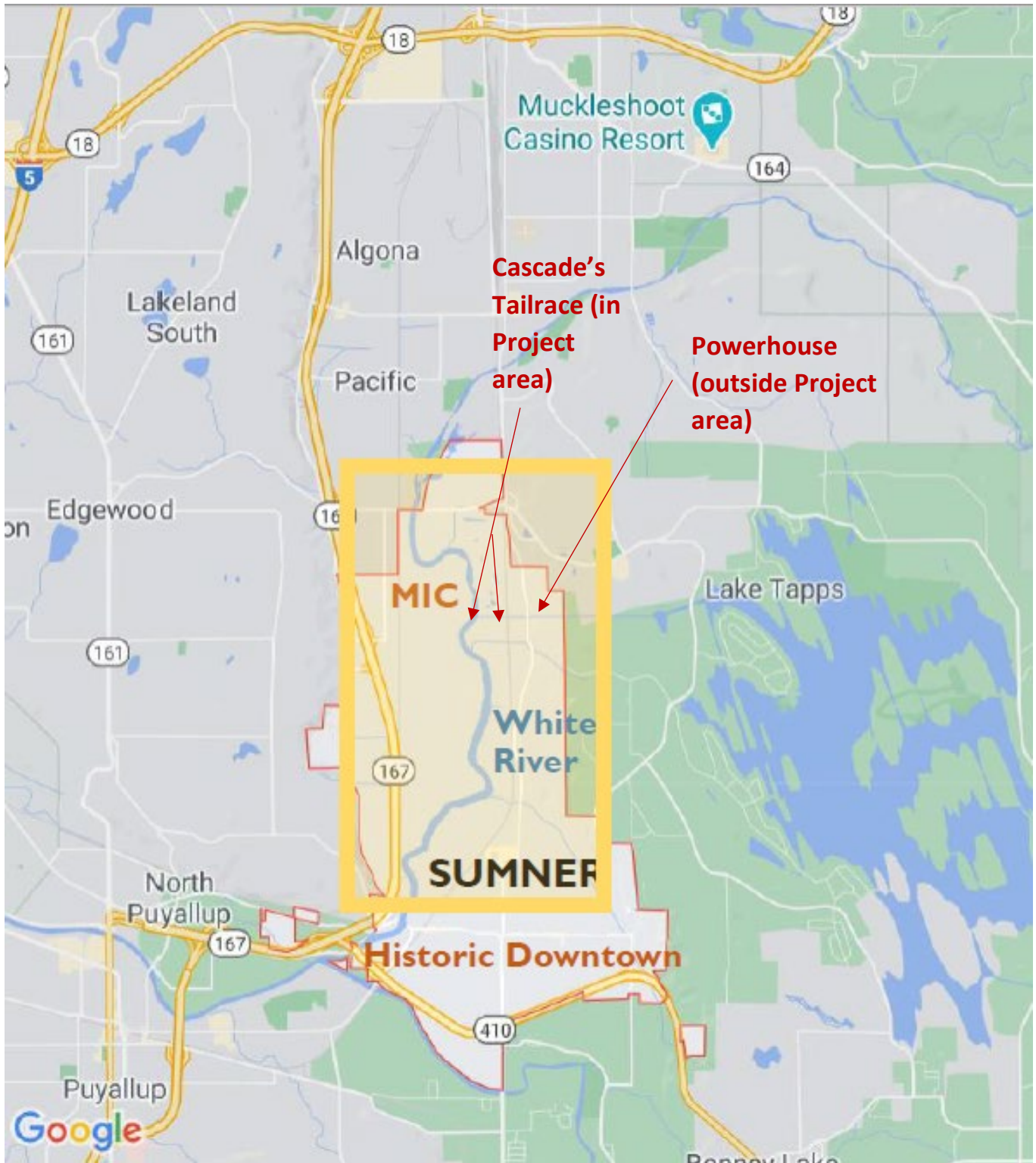
2. Savings or Benefits that will likely lead to a 2024 transfer:

- a) 2024 budgeted transfer from operations/rates (1%)
- b) 2024 temporary water sales revenues from Issaquah (2023 RCFC surcharges and 2024 temporary block payments)
- c) 2024 bond refund savings (from 2020 refunding)
- d) Construction Fund surplus transfer
- e) Possible asset sales or leases (e.g. battery site lease)
- f) Possible additional financial performance windfalls
- g) *Initial estimate for 2024: transfer of \$1.8m to WSDF based on known items (a-d), may increase based on additional “shared benefit” opportunities*

3. Next WSDF Status Report is Summer 2024

- a) Would the Committee prefer annual rather than budget-cycle updates?

**General Area of
Sumner's White River Habitat Restoration Project and BNSF's Track Expansion Project**



**Board Approvals and Schedule
for Sumner Mitigation and BNSF Expansion Projects
Prepared by Cascade Water Alliance -- Updated 2/15/2023**

Board actions necessary to convey or acquire property interests

The Cascade Water Alliance Board of Directors will be asked to consider resolutions to authorize the entry into the agreements with the City of Sumner and BNSF Railway for the conveyance or acquisition of Cascade's assets associated with Cascade's Lake Tapps Reservoir Project. Prior to granting such authorization, the Board must also conduct a public hearing and, by resolution, determine that the property is not required for providing continued public utility service and state the fair market value and such other terms and conditions for such disposition as the Board deems to be in the best public interest.

Timeline for Board Consideration

This timeline is created based on the outcome of Board approvals by the end of May 2023.

- 3/1/2023: Public Affairs Committee briefing
- 3/9/2023: Resource Management Committee briefing
- 3/21/2023: Financial Management Committee briefing
- 3/23/2023: **Mailing of complete package of real estate transaction documents** and analysis regarding surplus property and release of bonds to committee members one week before committee meeting.

- 4/5/2023: Public Affairs Committee meeting discussion of real estate transactions
- 4/13/2023: Resource Management Committee discussion of real estate transactions
- 4/18/2023: Financial Management Committee discussion of transactions
- 4/26/2023: Board of Directors briefing and discussion of real estate transactions
- 4/27/2023: **Mailing to Board** proposed resolution authorizing execution of real estate documents, **including final versions of real estate documents**, and proposed surplus property and release of bond resolutions.

- 5/3/2023: Public Affairs Committee consideration of proposed resolutions
- 5/11/2023: Resource Management Committee consideration of proposed resolutions
- 5/16/2023: Financial Management Committee consideration of proposed resolutions
- 5/24/2023 or before: Surplus Hearing
- 5/24/2023: Board of Directors meeting to adopt Resolution of surplus property declaration; Resolution for release of bond; and to **adopt Resolution to authorize execution of final real estate documents** (resolution can be effective on date of adoption.)

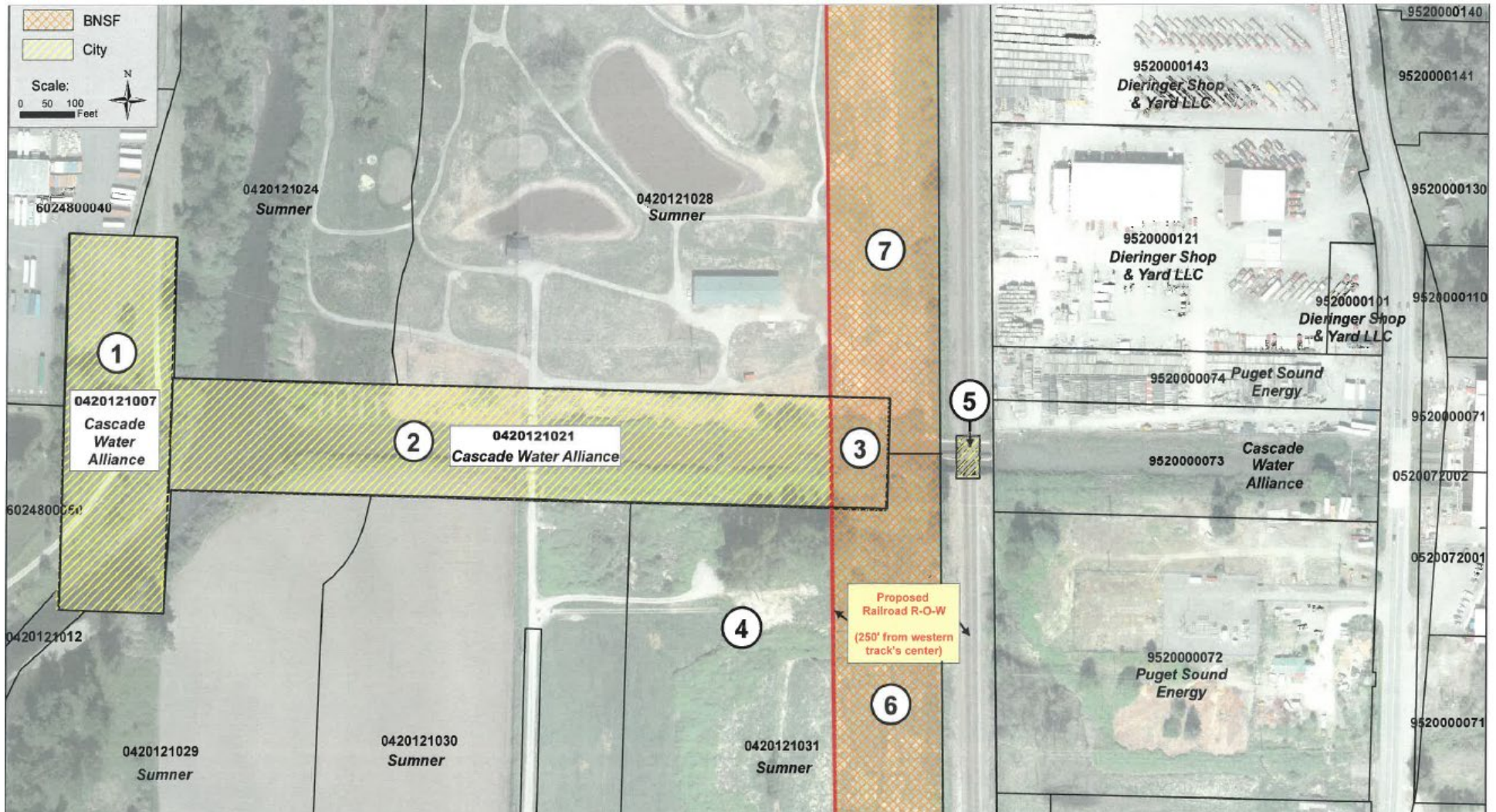
Board resolution* will be needed to authorize the CEO to execute the following:

Parties involved

Approx. location on map (p. 2)

Three Party Agreement addresses overall transactions and rights and obligations.	Cascade, Sumner, and BNSF	All
Boundary Lot Adjustment to make the portion of Cascade’s tailrace “T” parcel, which is to be conveyed to Sumner, into one parcel.	Sumner and Cascade	1/2
Termination of Cascade’s existing easement , which is for the current tailrace over Sumner property.	Cascade and Sumner	2
Deed to convey a portion of the tailrace “T” parcel to Sumner, with a reservation by Cascade for future pipeline.	Cascade to Sumner	1/2
Temporary Tailrace Access Easements for existing tailrace to remain prior to and during construction of Sumner’s Mitigation Project.	Sumner to Cascade	2
Permanent Outflow Channel Easement for tailrace flow to run through Sumner’s Mitigation Project after it flows under the BNSF 10 tracks.	Sumner to Cascade	4
Termination of existing 1911 Agreement which is for the current tailrace under existing BNSF 2 tracks.	Cascade and BNSF	5
Deed to convey a portion of the existing tailrace “T” parcel to BNSF, with a reservation by Cascade for future pipeline.	Cascade to BNSF	3/5
Permanent Tailrace Easement for the portion of the existing tailrace to remain under the BNSF 10 tracks.	BNSF to Cascade	3/5/6/7

*In addition, the Board will be asked to approve a surplus property resolution and a release of bond resolution.





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, February 21, 2023
1:30 PM – 3:00 PM
Held at Cascade's office and via Zoom

Call to Order

1. Chair Comments.
2. Executive Session.
3. Discussion Item

- A. WSDOT Culvert Replacement – Issaquah/Cascade Franchise Agreement.** The Washington State Department of Transportation (WSDOT) is replacing culverts within Issaquah's city limits under its fish barrier and culvert replacement program. Two of the crossings along Newport Way will impact the Bellevue-Issaquah Pipeline (BIP), requiring either a relocation of the BIP or a need to protect in place. Cascade received a letter from Issaquah in late December stating that it was Issaquah's determination under its franchise with Cascade that Cascade is responsible for the relocation or protect in place obligations, not WSDOT. A copy of the letter is attached to this agenda. Issaquah staff have been invited to update the committee on the project.

Recap: The committee received an overview of the WSDOT culvert replacement project in Issaquah that will impact the BIP. Issaquah Mayor Pauly and Councilmember Joe provided additional context for Issaquah's decision under its franchise. The committee discussed financial risk, cost allocation, and how to approach the issue with while considering equity and setting a precedent. Next steps include a discussion with the Resource Management Committee and the Board in March in preparation for a written response to Issaquah.

4. Items Recommended for Action at the February 22, 2023, Board Meeting

- A. HR Manual – Minor Revisions.** Motion to adopt Resolution No. 2023-05 to amend Cascade Water Alliance Code 3.050.030 to further authorize the Chief Executive Officer to make "housekeeping" amendments to Cascade's Human Resources Policy and Procedures Manual.

Recap: The committee recommended Board adoption of the resolution amending the Cascade code authorizing housekeeping amendments.

5. Discussion Item

- A. **2023 Economic and Rate Update.** There are various reasons for an economic review such as changing economic conditions and updated forecasts. Cascade staff will discuss those conditions and forecasts in more detail.

***Recap:** The committee was briefed on economic trends impacting rates and financial forecasts, including higher inflation, construction cost escalation, and higher interest rates. The forecast indicates that the period of sub-inflation increases may be ending, and that the next biennium is projected to require rate increases at or above the 3% inflation assumption. Staff was requested to provide a written agenda memo in support of the presentation topic, which was subsequently provided.*

6. Next Meeting Date and Location.

The next meeting will be held Tuesday, March 21, 2023, 1:30 p.m. at Cascade's office and via Zoom meeting.



PUBLIC AFFAIRS COMMITTEE
Angela Birney, Chair, City of Redmond
Penny Sweet, City of Kirkland
Ryika Hooshangi, Sammamish Plateau Water

Recap
Wednesday, March 1, 2023
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 March 22, 2023, Board Meeting.**
4. **Discussion Items.**

A. State Legislative Update. Staff will provide an update on bills and activities in the state legislative session.

Recap: Diana Carlen, Gordon Thomas Honeywell Government Affairs, updated the committee on relevant bills that are still alive after the recent policy and fiscal cut-offs. Utility stakeholders are working to refine the language in HB 1329 that prohibits utility shut offs during extreme heat events. Other important bills that are still alive include SB 5094 that adds a climate resilience element to water system plans and HB 1326 that allows waivers of connection charges for certain low-income and affordable housing properties. Cascade will continue to monitor these bills plus bills on drought, state climate response strategies, water system notification requirements and procurement issues. The next cut off is March 8 when bills must be voted out of their house of origin.

B. Sumner/BNSF White River Restoration Project. Cascade staff will update the committee on the status of Cascade's negotiations with the City of Sumner and BNSF Railway Company regarding those parties' proposed projects that would alter ownership and operation of Cascade's tailrace property between the Powerhouse and the White River. The briefing will also include an update on the schedule for additional briefings and Board decisions.

Recap: Staff provided an overview of the Sumner/BNSF projects, the 2018 Board interests that staff are using to guide negotiations, the Board briefing and decision-making schedule, and the types of agreements/resolutions that will be before the Board for approval. Staff also shared the current status of some of the critical negotiation points, including consideration, liability protections and protection of future operational flexibility.

C. Water Efficiency Program Update. Cascade staff will update the committee on water efficiency program plans for 2023.

Recap: Staff provided an overview of planned events for the remainder of 2023, which included community events, a sustainable landscape management program for homeowner associations, irrigation training for King County Housing Authority staff, and content for We Need Water from Cascade's partners, including the Sustainability Ambassadors, Tilth Alliance, and members.

5. Other Issues.

6. Next Meeting Date and Location.

The next meeting will be Wednesday, April 5, 2023, from 9:00 a.m. – 10:00 a.m. at Cascade's office and via Zoom meeting.



RESOURCE MANAGEMENT COMMITTEE
Lloyd Warren, Chair, Sammamish Plateau Water
Penny Sweet, City of Kirkland
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, March 9, 2023
2:00 PM – 3:30 PM
Held at Cascade’s office and via Zoom

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

A. WSDOT Culvert Replacement – Issaquah/Cascade Franchise Agreement. The Washington State Department of Transportation (WSDOT) is replacing culverts within Issaquah’s city limits under its fish barrier and culvert replacement program. Two of the crossings along Newport Way will impact the Bellevue-Issaquah Pipeline (BIP), requiring either a relocation of the BIP or a need to protect in place. Cascade received a letter from Issaquah in late December stating that it was Issaquah’s determination under its franchise with Cascade that Cascade is responsible for the relocation or protect in place obligations, not WSDOT. A copy of the letter is attached to this agenda. Issaquah staff have been invited to update the committee on the project.

Recap: Cascade staff presented more detailed information about the WSDOT project, and the letter Cascade received from Issaquah in December. Committee members had several questions, and Cascade committed to providing the Committee with responses. Cascade also plans to formally respond to Issaquah’s letter.

B. Drinking Water Quality Background. Staff will present information in preparation for the March 29 Board workshop on drinking water quality. The information provides background on implementing source control measures in the years before the Lake Tapps Reservoir is developed and used for municipal supply.

Recap: Staff presented information that was developed by its team of limnology and engineering consultants on the merits of implementing water quality and source control measures years ahead of needing the Lake Tapps Reservoir for municipal supply. Specific water quality proposals will be explored after the Board workshop on March 29. The goal of the workshop is to establish a policy framework for make decisions on future water quality proposed actions.

C. Sumner/BNSF White River Restoration Project. Cascade staff will update the committee on the status of Cascade’s negotiations with the City of Sumner and BNSF Railway Company

regarding those parties' proposed projects that would alter ownership and operation of Cascade's tailrace property between the Powerhouse and the White River. The briefing will also include an update on the schedule for additional briefings and Board decisions.

***Recap:** The Committee had a good discussion on the Sumner/BNSF White River Restoration Project. According to the current schedule, staff will begin presenting real estate documents to all the committees starting next month, and in May the Board would adopt a Resolution to authorize execution of final real estate documents. However, it's likely that the schedule will slip.*

4. Items Recommended for Action at the March 22, 2023, Board Meeting.

A. Headgate Actuator – Johansen Amendment. Motion to authorize the Chief Executive Officer to execute an Amendment 1 with Johansen Construction Company to increase the Headgate #1 actuator project budget from \$45,851 to a maximum amount not-to-exceed \$64,280.

***Recap:** The Committee supported moving this forward for Board approval under consent.*

5. Other issues.

6. Next Meeting Date and Location.

The next meeting will be Thursday, April 13, 2023, from 2:00 p.m. – 3:30 p.m. at Cascade's office and via Zoom meeting.