



REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
Held at Cascade's Office and Via Zoom Meeting
September 27, 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 July 26, 2023.	<u>15</u>
b. Motion to authorize the Chief Executive Officer to execute a contract with Herrera Environmental Consultants, Inc. to develop a Water Quality Management Plan in an amount not to exceed \$165,000.	<u>19</u>
8. OTHER ACTION ITEMS	
a. Motion to adopt Resolution No. 2023-12 authorizing Cascade's Acting Chief Executive Officer to continue activation of the Cascade Shortage Management Plan at the Voluntary stage of curtailment, to take additional action, in consultation with the Water Shortage Management Committee, pursuant to the Cascade Shortage Management Plan, and to report on such action at the next Board meeting following such action.	<u>21</u>
9. STAFF PRESENTATIONS	
a. Seattle and Tacoma Contract Negotiations Status Update – <i>no materials in packet.</i>	
10. COMMITTEE REPORTS	
a. Executive Committee – <i>no meeting held.</i>	
b. Finance and Management Committee – <i>September 19, 2023.</i>	<u>25</u>
c. Public Affairs Committee – <i>September 6, 2023.</i>	<u>27</u>
d. Resource Management Committee – <i>September 14, 2023.</i>	<u>29</u>

11. NEW BUSINESS

12. NEXT REGULAR MEETING – *October 25, 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: September 27, 2023

TO: Penny Sweet, Chair
Board of Directors

FROM: Chuck Clarke, Acting Chief Executive Officer

SUBJECT: Chief Executive Officer's Report

Administration, Finance, and Economics

- Regional Capital Facilities Charges (RCFCs) are still off pace from the 2023 budget expectations. There have been 617.5 net RCFCs reported through August, with one member report missing. At this rate, Cascade will not meet the 2023 budget expectation of 1,300.
- In September, Clark Nuber, Cascade's outside auditing firm, is conducting a review of the second quarter of Cascade's 2023 financial transactions. The results of the agreed-upon procedures will be reported to the Finance and Management Committee later this year. Clark Nuber will conduct a review of the third quarter in November.
- Cascade met with BrightNight in August and was given an update on the status of their battery storage project. If their project continues as scheduled, construction could begin in late 2024. Cascade granted BrightNight a transmission easement last year and, per the terms of the agreement, upon commencement of construction, Cascade would receive \$1.18 million. BrightNight has asked Cascade for site access so that their engineers can perform various studies.
- In August, the demolition of Cascade's Ford property was completed, and the garbage piles in Cascade's adjacent Noonan property were picked up. Cascade is exploring ways to prevent future issues in this area. Cascade purchased the Ford property in 2009 along with several other properties (including Noonan) and easements along a potential future pipeline route. The proposed pipeline route goes through the house. Cascade leased the house until the septic system failed.



- TeamLogicIT, Cascade's IT consultant, completed an upgrade of Cascade's servers in September. Fiber and firewall upgrades and a penetration test are in process for later this year.
- In August, Cascade applied and was granted a mini grant by the Association of Washington Cities for its Wellness program and used it to put on a demonstration of how to make healthy salads. Cascade's wellness program has been recognized with a WellCity award since 2018. The WellCity designation saves Cascade 2% on health insurance costs.

Capital Projects and Operations

- Lake Tapps Reservoir level is 542.20' as of September 19. Cascade seeks to maintain an optimal summer recreational level of 542.5' to 542.65', and this is slightly below the optimal range but is above the minimum recreation level of 541.5'. The major contributing factor to the low water level in the river is due to lower-than-usual spring and summer rainfall and early snow melt.
- United States Geological Survey (USGS), United States Army Corp of Engineers (USACE) and Cascade staff met on September 15 to share information on interconnected operations and using USGS's river gauging system. USGS's White River flow measurements, USACE's new Barrier Structure and Fish Haul and Trap Facility Operations, and Cascade's White River Diversion Operations are closely tied together. The outcome of the successful meeting was an agreed-upon list of improvements that can be evaluated further.
- Cascade staff met with the City of Sumner's design consultant and discussed potential design changes as part of BNSF reconsidering the scope of its train track expansion. If BNSF decides to change the scope or pull out of the project entirely, it could impact Sumner's project, the real estate transactions, and the consideration that Cascade expects to receive as part of the agreements to transfer property. The preliminary analysis is that there will be minimal to no impact to Cascade's original requirements resulting from Sumner's redesign.
- Veolia management notified Cascade that it hired Brett Kelly as its new Project Manager to replace the retired Project Manager, Gerald Smart. Cascade is working with Veolia to onboard Brett Kelly.
- Cascade staff commented on a City of Buckley Mitigated Determination of Non-Significance (MDNS) on a major residential and commercial development in the City of Buckley that drains water into a new regional storm water pond located in Pierce County. The proposed pond will then drain into Wickersham Basin and into Cascade's flowline. Cascade's comments are centered around water quality protection. Following the comment period, the City of Buckley withdrew its MDNS and met with Cascade and the developer to resolve issues identified by Cascade. Cascade is working with the developer, the City of Buckley and Pierce County to resolve Cascade's comments as quickly as possible.
- Cascade has experienced an increase in trespassing activities around Cascade-owned parcels along the White River-Lake Tapps Project. Cascade and Veolia are working diligently to resolve these issues.
- Cascade has issued a notice-to-proceed to replace the Valve House Hydraulic Power Unit and final construction is expected to be completed in approximately six months due to a long lead time for the equipment.

- The fish screen has several pieces of mechanical and electrical equipment that demonstrated signs of impending failure or have failed. Cascade is working with its consultant, RH2, to investigate and come up with a repair/replacement plan.

Water Efficiency

- The fall Cascade Gardener class schedule is confirmed and was launched in early September. This fall's lineup will include garden walking tours, workshops, and events at local nurseries in addition to remote learning classes.
- Cascade's partner, Tilth Alliance, has been involved in many drip irrigation and planting projects this summer at Riverton Park (Tukwila), McAuliffe Park (Kirkland), and elsewhere.
- Cascade is engaged in planning for the 2024 Northwest Flower and Garden Show. Cascade is the prime sponsor of next year's show. Cascade's participation will provide a strong emphasis on water efficiency and sustainable landscaping.
- Fifteen classroom presentations are scheduled for fall and more teachers are registering every week.
- Cascade participated in several community events across all member areas in spring and summer. Several more are scheduled for fall.
- The Water Wall is being refurbished and will include additional languages asking why we need water.
- Cascade created and published quite a bit of original content for its social media platforms emphasizing smart watering and sustainable landscaping.
- Cascade's PBL4WS (Sustainability Ambassadors) created and utilized a "Shrink Your Lawn" campaign this summer and is working with several Cascade members to align student and teacher learning objectives with local Climate Action Plans.

Intergovernmental and Communications

- Board members, alternates, and member staff have been asked to provide feedback on Cascade's intergovernmental, communications, and outreach programs and plans for 2024 through a member survey. Results will be incorporated into a draft Intergovernmental, Communications and Outreach Plan that will be reviewed by the Public Affairs Committee in October.
- Cascade staff are preparing for the next legislative session in January 2024, tracking many of the same issues from this year. Issues include PFAS, utility relocation costs, low-income utility assistance and other potential legislation or agency policy work that impact utilities and water rights. Staff are preparing a proposed 2024 Legislative Agenda for Public Affairs Committee review in October.

Planning

- Cascade's consultant, Confluence, completed the Emergency Operations Response Plan for the Bellevue-Issaquah Pipeline, which includes a detailed emergency flushing plan. This document culminates over a year's worth of work by Bellevue, Sammamish Plateau Water, Issaquah, and Cascade staff.

Attachments

1. Budget to Actual Expenditure Report through August 31, 2023.
2. Statement of Revenues and Expenditures through August 31, 2023.
3. Statement of Net Position as of August 31, 2023.
4. Contract Status Summary.
5. Monthly Warrants Listing.
6. Monthly Treasurer's Report as of August 31, 2023.

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- August, 2023
 67% of the year completed

Administration	Budget	Actual	Balance	% Expended
Salaries	\$ 1,237,002	\$ 953,214	283,788	77.1%
Benefits	\$ 339,460	321,946	17,514	94.8%
Wellness program	5,000	98	4,902	2.0%
Prof. Fee (Technical)	260,000	94,363	165,637	36.3%
Prof. Fee (Legal)	645,000	359,600	285,400	55.8%
Prof. Fee (Audit)	84,500	68,100	16,400	80.6%
Prof. Fee (Other)	55,000	52,096	2,904	94.7%
Seismic Resiliency	100,000	0	100,000	0.0%
Meetings Expense	11,000	8,294	2,706	75.4%
Telephone/Internet	45,000	26,864	18,136	59.7%
Office Rent	430,152	60,320	369,832	14.0%
Office Supplies Admin.	15,000	9,469	5,531	63.1%
Equip. and Furniture	135,000	133,240	1,760	98.7%
Bank Fees	600	171	429	28.5%
Dues & Subscriptions	25,000	16,010	8,990	64.0%
Taxes/Licenses	15,000	11,422	3,578	76.1%
Travel	10,000	6,874	3,126	68.7%
Professional Dev.	10,000	7,708	2,292	77.1%
Computer Equipment	15,000	11,913	3,087	79.4%
Software Licenses	45,000	35,476	9,524	78.8%
Postage & Delivery	3,000	711	2,289	23.7%
Printing & Repro.	5,000	1,536	3,464	30.7%
Insurance	150,900	134,007	16,893	88.8%
Contingency	146,000	0	146,000	0.0%
Total	\$ 3,787,614	\$ 2,313,433	\$ 1,474,181	61.1%

Debt Service	Budget	Actual	Balance	% Expended
Bond Debt Service	9,199,941	5,138,746	4,061,196	55.9%
Total	\$ 9,199,941	\$ 5,138,746	\$ 4,061,196	55.9%

Conservation	Budget	Actual	Balance	% Expended
Salaries	\$ 138,910	\$ 67,324	\$ 71,586	48.5%
Benefits	34,705	13,311	21,394	38.4%
Prof. Fee (Technical)	35,000	14,221	20,779	40.6%
Prof. Fee (Legal)	75,000	0	75,000	0.0%
Dues & Subscriptions	20,000	709	19,291	3.5%
Rebate Reimb. Com.	75,000	49,760	25,240	66.3%
Irrigation Audit	25,000	1,936	23,064	7.7%
Comm. and Public I	312,500	242,771	69,729	77.7%
Misc. Serv. and Sup.	82,000	27,749	54,251	33.8%
Total	\$ 798,115	\$ 417,782	\$ 380,333	52.3%

Com. and Intergovern	Budget	Actual	Balance	% Expended
Salaries	\$ 140,746	\$ 105,330	\$ 35,416	74.8%
Benefits	\$ 30,509	19,514	10,995	64.0%
Prof. Fee (Technical)	13,500	12,660	840	93.8%
Prof. Fee (Other)	165,000	114,260	50,740	69.2%
Sponsorships	30,000	17,100	12,900	57.0%
Comm. and Public I	260,000	92,707	167,293	35.7%
Total	\$ 639,755	\$ 361,571	\$ 278,184	56.5%

Operations-General	Budget	Actual	Balance	% Expended
Wholesale Water	\$ 23,969,287	\$ 19,415,120	\$ 4,554,167	81.0%
Salaries	50,542	33,278	17,265	65.8%
Benefits	8,336	6,876	1,460	82.5%
BIP O&M	80,000	78,560	1,440	98.2%
Pipeline Prop. O&M	83,000	82,040	960	98.8%

PWTF Loan Debt		40,066		40,066		(0)		100.0%
Total	\$	24,231,231	\$	19,655,940	\$	4,575,291		81.1%

Operations-Lake Tapps		Budget		Actual		Balance		% Expended
Salaries	\$	534,233	\$	333,530	\$	200,702		62.4%
Benefits	\$	104,834		61,909		42,924		59.1%
Prof. Fee (Technical)		700,000		348,415		351,585		49.8%
Prof. Fee (Other)		75,000		532		74,468		0.7%
Meetings Expense		6,500		3,102		3,398		47.7%
Telephone/Internet		1,925		772		1,153		40.1%
Office Supplies		20,000		1,892		18,108		9.5%
Equipment & Furn.		30,000		24,581		5,419		81.9%
Taxes/Licenses		14,500		13,884		616		95.8%
Travel		18,500		2,640		15,860		14.3%
Professional Dev.		2,500		0		2,500		0.0%
Software Licenses		35,000		12,727		22,273		36.4%
Permitting Costs		33,000		7,291		25,709		22.1%
Misc. Serv. and Sup.		85,000		16,905		68,095		19.9%
LT Operator		2,456,840		930,183		1,526,657		37.9%
Unplanned O&M		150,000		17,387		132,613		11.6%
Misc. Facility Repairs		142,000		85,444		56,556		60.2%
USGS Joint Fund		350,292		215,645		134,647		61.6%
Construction Management		50,000		0		50,000		0.0%
Outage		100,000		0		100,000		0.0%
Milfoil Control		179,000		178,387		613		99.7%
Vendor Services		128,000		59,681		68,319		46.6%
Water Quality Management		100,000		0		100,000		0.0%
Dike and Roads Maintenance		68,000		536		67,464		0.8%
Total	\$	5,385,124	\$	2,315,444	\$	2,902,215		43.0%

Total Operating Budget \$ 44,041,780 \$ 30,202,916 \$ 13,671,400 68.6%

Capital Projects (multi-yr bdgt not shown)		Budget		Actual		Balance		% Expended
Upper Conveyance Projects	\$	3,425,000		173,099		3,251,901		5.1%
Lake Tapps Reservoir		100,000		0		100,000		0.0%
Meters		50,000		0		50,000		0.0%
Equipment		185,000		183,479		1,521		99.2%
Facilities		200,000		39,819		160,181		19.9%
Security and SCADA		50,000		4,736		45,264		9.5%
Tacoma Agreement		6,094,972		6,094,972		0		100.0%
Capital Risk		390,000		0		390,000		0.0%
IT Infrastructure		25,000		0		25,000		0.0%
Total CIP Budget	\$	10,519,972	\$	6,496,105	\$	4,023,867		61.8%

Total Overall Budget \$ 54,561,752 \$ 36,699,021 17,862,731 67.3%

Cascade Water Alliance
Statement of Revenues and Expenditures
From 1/1/2023 Through 8/31/2023

Attachment 2

Operating Revenue		
Water sales	\$	27,587,530
Administrative dues		3,776,170
Conservation program		547,593
Total Operating Revenue		<u>31,911,293</u>
Operating Expenses		
Cost of water sold		16,299,113
Salaries and benefits		2,004,068
Professional services		1,066,847
Conservation program		49,887
Depreciation and amortization		2,658,517
Communication and public information		339,907
Office expenses		413,865
Operations		1,300,292
Bank charges		171
Rent		52,192
Maintenance		354,045
Dues and subscriptions		21,633
Miscellaneous		38,194
Total Operating Expenses		<u>24,598,731</u>
Operating Income		7,312,562
Non-Operating Revenue (Expenses)		
Interest income		933,242
Other income		31,046
Interest expense, net of amount capitalized		(1,733,129)
Total Non-Operating Revenue (Expenses)		<u>(768,842)</u>
Capital Contributions		
Regional Capital Facilities Charges		3,649,113
Increase in Net Assets		10,192,833
Net Assets, Beginning of Year		136,694,238
Net Assets, End of Year	\$	146,887,071

Cascade Water Alliance
Statement of Net Position
As of 8/31/2023

Attachment 3

Assets	
Current Assets	
Cash and cash equivalents	33,504,454
Accounts receivable	7,807,133
Prepaid expenses	140,600
Total Current Assets	41,452,187
Capital Assets	
Equipment and furniture	2,286,448
Seattle water contract	22,267,611
Bellevue Issaquah pipeline	22,276,944
Tacoma water contract	119,740,687
Less accumulated depreciation and amortization	(60,750,492)
Total Capital Assets	105,821,198
Projects in process and assets not yet in service	
Lake Tapps	105,954,205
Tacoma Cascade pipeline	26,539,385
Total Projects in process and assets not yet in service	132,493,590
Restricted cash and cash equivalents	20,445,773
Total Assets	300,212,748
Liabilities	
Current liabilities	
Payables and accrued liabilities	879,404
Retroactive water credit	533,006
Accrued interest	1,155,094
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	9,106,978
Long-term Liabilities	
Long-term debt	81,959,474
Tacoma contract	53,897,110
Seattle contract	5,000,000
Bond premium, net of amortization	3,373,435
Total Long-term Liabilities	144,230,019
Total Liabilities	153,336,998
Net Assets	
Restricted for debt service	103,879,047
Unrestricted	42,996,703
Total Net Assets	146,875,750
Total Liabilities & Net Assets	300,212,748

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
Aspect	1	Water Supply Modeling	R. Hoffman	5/6/2020	N/A	9/15/2023	60%	\$ 24,900	\$ 14,888	60%	\$ 10,012
Aspect	2	Water Resources Services	R. Hoffman	8/17/2018	N/A	9/15/2023	98%	\$ 60,000	\$ 58,251	97%	\$ 1,749
Aspect	3	Climate Change Analysis	R. Hoffman	9/7/2022	12/31/2024	9/15/2023	8%	\$ 150,000	\$ 5,072	3%	\$ 144,928
Ben Bernstein Music	1	Podcast production	M. Brent	12/20/2022	12/31/2023	9/15/2023	30%	\$ 5,000	\$ 1,450	29%	\$ 3,550
BHC Consulting	1	Planning & Permit Assistance	T. Richmond	4/24/2023	12/31/2023	9/15/2023	10%	\$ 25,000	\$ 2,490	10%	\$ 22,510
Brilliant Marketing	1	We Need Water Strategy Planning	M. Brent	11/4/2022	12/31/2023	9/15/2023	60%	\$ 49,500	\$ 28,749	58%	\$ 20,751
Catalyst Workspace Activation	1	Bellevue Office Audio/Visual Installation	C. Paulucci	5/19/2023	N/A	9/15/2023	100%	\$ 49,901	\$ 49,901	100%	\$ -
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	R. Hoffman	1/1/2023	N/A	9/15/2023	92%	\$ 82,900	\$ 68,100	82%	\$ 14,800
Colehour and Cohen	1	Staffing for classes and events	M. Brent	1/1/2023	12/31/2023	9/15/2023	67%	\$ 98,000	\$ 46,411	47%	\$ 51,589
David Evans	1	On-call Land Surveyor	H. Chen	11/18/2022	12/31/2025	9/15/2023	20%	\$ 160,000	\$ 33,800	21%	\$ 126,200
David McGrath	1	Irrigation Efficiency Assistance	M. Brent	12/21/2022	12/31/2023	9/15/2023	0%	\$ 30,000	\$ 1,936	6%	\$ 28,064
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	H. Chen	11/17/2022	12/31/2023	9/15/2023	10%	\$ 35,000	\$ 22,614	65%	\$ 12,386
GeoEngineers Inc.	1	Dam Engineering/Hydrology/Geotech	H. Chen	1/1/2023	12/31/2023	9/15/2023	25%	\$ 170,000	\$ 56,189	33%	\$ 113,811
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2023	12/31/2023	9/15/2023	33%	\$ 84,000	\$ 56,000	67%	\$ 28,000
Herrera	1	On-call limnology services	M. Thung	12/1/2022	12/31/2025	9/15/2023	5%	\$ 45,000	\$ -	0%	\$ -
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	9/15/2023	99%	\$ 1,041,100	\$ 1,040,562	100%	\$ 538
HDR	2	Conservation Plan Potential Assessment	M. Brent	5/21/2021	N/A	9/15/2023	99%	\$ 18,900	\$ 18,870	100%	\$ 30
Industrial Fab and Repair	1	Valve house control system improvements	D. Roberts	8/28/2023	5/3/2024	9/15/2023	5%	\$ 88,118	\$ -	0%	\$ 88,118
Jacobs Engineering Group	1	Demand Forecast Model Support Services	M. Thung	8/20/2021	N/A	9/15/2023	5%	\$ 5,000	\$ -	0%	\$ 5,000
Jennergy	1	Website assistance	A. Bennett	1/1/2023	12/31/2023	9/15/2023	25%	\$ 36,500	\$ 12,660	35%	\$ 23,840
Johansen Excavating	1	Emergency Headgate Repair	H. Chen	5/5/2021	N/A	9/15/2023	98%	\$ 100,947	\$ 92,358	91%	\$ 8,589
Johansen Excavating	2	Flowline Outage Maintenance	J. Shimada	8/12/2021	N/A	9/15/2023	98%	\$ 540,000	\$ 387,899	72%	\$ 152,101
Johansen Excavating	5	Headgate actuator repair	J. Shimada	1/2/2023	3/31/2023	9/15/2023	100%	\$ 42,455	\$ 42,455	100%	\$ -
Johansen Excavating	4	Plunge Pool retaining wall	J. Shimada	7/2/2022	N/A	9/15/2023	98%	\$ 576,750	\$ 558,515	97%	\$ 18,235
Johansen Excavating	5	2022 Powerhouse overhead door	J. Shimada	7/22/2022	N/A	9/15/2023	100%	\$ 13,610	\$ 13,610	100%	\$ -
Johansen Excavating	6	Rock Bollards Relocation	M. Thung	7/24/2023	8/31/2023	9/15/2023	100%	\$ 3,500	\$ -	0%	\$ 3,500
John Labadie	1	EAP Tabletop Exercise Facilitation	M. Thung	7/23/2023	12/31/2023	9/15/2023	10%	\$ 5,000	\$ 1,500	30%	\$ 3,500
Langton Spieth	1	Community relations	A. Bennett	1/1/2023	12/31/2023	9/15/2023	33%	\$ 78,000	\$ 52,000	67%	\$ 26,000
Long Building Tech	1	Security Maintenance	H. Chen	6/1/2023	12/31/2024	9/15/2023	5%	\$ 120,000	\$ -	0%	\$ 120,000
Media for International Development	1	WeNeedWater Video Production	A. Bennett	1/1/2023	12/31/2023	9/15/2023	30%	\$ 35,000	\$ 9,500	27%	\$ 25,500
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2023	12/31/2023	9/15/2023	75%	\$ 100,000	\$ 77,104	77%	\$ 22,896
Okamoto Strategies, LLC	1	Capital Projects and Strategic Planning	H. Chen	6/21/2023	6/21/2024	9/15/2023	10%	\$ 25,000	\$ 1,856	7%	\$ 23,144
Pacific Law	1	Legal Assistance	H. Chen	1/1/2023	12/31/2023	9/15/2023	8%	\$ 25,000	\$ -	0%	\$ 25,000
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2023	12/31/2025	9/15/2023	15%	\$ 550,000	\$ 80,871	15%	\$ 469,130
Performance Dimensions	2	Executive Coaching Services	M. Thung	3/14/2022	12/31/2023	9/15/2023	70%	\$ 15,000	\$ 7,875	53%	\$ 7,125
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2023	12/31/2023	9/15/2023	91%	\$ 50,000	\$ 47,951	96%	\$ 2,049
RH2	2	On-Call Electrical Engineering Svcs	H. Chen	1/1/2023	12/31/2023	9/15/2023	25%	\$ 125,000	\$ 45,795	37%	\$ 79,205
RH2	1	Security and SCADA	H. Chen	1/16/2020	N/A	9/15/2023	99%	\$ 494,807	\$ 494,795	100%	\$ 12
RH2	3	Wholesale Master Meter Eval	H. Chen	1/21/2020	3/31/2023	9/15/2023	8%	\$ 24,500	\$ 1,342	5%	\$ 23,158
Robinson Noble	1	Water Audits	E. Cebron	10/3/2019	N/A	9/15/2023	85%	\$ 135,060	\$ 112,485	83%	\$ 22,575
Ryatt Construction	1	Ford Property Demolition	C. Paulucci	5/25/2023	8/31/2023	9/15/2023	100%	\$ 70,000	\$ 69,936	100%	\$ 64
Sammamish Plateau Water	1	GIS support services	H. Chen	12/6/2022	N/A	9/15/2023	15%	\$ 50,000	\$ 7,315	15%	\$ 42,685
Sazan	1	On-call value analysis/engineering	J. Shimada	10/23/2023	10/23/2025	9/15/2023	10%	\$ 250,000	\$ 73,371	29%	\$ 176,629

SC Words & Pictures Inc.	1	Design Services	A. Bennett	1/1/2023	12/31/2023	9/15/2023	15%	\$ 24,000	\$ 7,000	29%	\$ 17,000
Seattle Public Utilities	1	Garden Hotline	M. Brent	1/1/2023	12/31/2023	9/15/2023	67%	\$ 15,000	\$ 7,500	50%	\$ 7,500
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2023	12/31/2023	9/15/2023	30%	\$ 24,500	\$ 12,771	52%	\$ 11,729
Sustainable Water	1	Teacher Fellows program	M. Brent	1/1/2023	12/31/2023	9/15/2023	33%	\$ 60,000	\$ 26,764	45%	\$ 33,236
Tacoma Pierce County HD	1	Tappswise monitoring at Lake Tapps	A. Bennett	1/1/2023	12/31/2023	9/15/2023	33%	\$ 120,000	\$ 68,961	57%	\$ 51,039
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2023	12/31/2023	9/15/2023	20%	\$ 136,275	\$ 80,199	59%	\$ 56,076
TechniArt	1	Website Orders	M. Brent	1/1/2023	12/31/2023	9/15/2023	20%	\$ 15,900	\$ 9,351	59%	\$ 6,549
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2023	12/31/2023	9/15/2023	20%	\$ 24,500	\$ 8,899	36%	\$ 15,601
Upstream PBC	1	HydroForecast-Glacier Climate Change Analysis	M. Thung	11/1/2022	N/A	9/15/2023	5%	\$ 49,900	\$ 40,000	80%	\$ 9,900
Upstream PBC	2	HydroForecast Subscription Service	M. Thung	8/9/2023	10/31/2024	9/15/2023	5%	\$ 24,000	\$ -	0%	\$ 24,000
USGS	1	Joint Funding Agre-Streamgaging	H. Chen	1/1/2023	12/31/2023	9/15/2023	67%	\$ 323,468	\$ 215,645	67%	\$ 107,823
Transpo Group	1	GIS Program Technical Support	J. Shimada	2/3/2022	7/31/2023	9/15/2023	95%	\$ 49,000	\$ 34,991	71%	\$ 14,009
Vanir Construction Management, Inc.	1	On-call Construction Management	J. Shimada	5/1/2021	12/31/2024	9/15/2023	50%	\$ 560,000	\$ 170,433	30%	\$ 389,567
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2023	12/31/2023	9/15/2023	67%	\$ 600,000	\$ 356,850	59%	\$ 243,150
Veolia	1	White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement \$2,133,533 Fixed, \$364,632 Var	J. Shimada	1/1/2023	12/31/2023	9/15/2023	67%	\$ 2,508,165	\$ 966,717	39%	\$ 1,541,448
Water Value	1	Climate Study Advisory Services	M. Thung	6/16/2022	12/31/2023	9/15/2023	35%	\$ 22,500	\$ 7,340	33%	\$ 15,161
Winterbauer and Diamond	1	Legal Assistance	R. Hoffman	1/1/2023	12/31/2023	9/15/2023	17%	\$ 20,000	\$ 2,139	11%	\$ 17,861

Closed Contracts

Vendor	Closed contract number	Contract title	Cascade manager	Effective Date	End date	Status date	Percent work completed	Contract amount, including amendments	Amount invoiced	Percent invoiced	Contract balance
A Advanced Septic	1	Relief house septic system services	J. Shimada	1/11/2023	N/A	9/15/2023	100%	\$ 3,739	\$ 3,739	60%	\$ 1,500
Aquatechnex	1	Aquatic Plant Maintenance Program	J. Shimada	3/1/2023	12/31/2023	9/15/2023	80%	\$ 150,000	\$ 149,973	100%	\$ 27
Artisan Electric	1	Powerhouse Solar Energy Project	M. Brent	10/1/2021	12/31/2022	9/15/2023	100%	\$ 273,000	\$ 236,184	87%	\$ 36,816
Lake Tapps Construction	1	Rodent Odor Mitigation	J. Shimada	5/25/2022	3/31/2023	9/15/2023	100%	\$ 26,843	\$ 26,111	97%	\$ 732
Long Building Tech	1	Security Maintenance	H. Chen	8/12/2019	10/31/2022	9/15/2023	90%	\$ 55,000	\$ 46,509	85%	\$ 8,491
Source Electric LLC	1	SCADA Improvements Project	H. Chen	5/1/2021	2/1/2022	9/15/2023	100%	\$ 809,122	\$ 809,122	100%	\$ -

Payment Authorization Warrants and Wire Transfers 9/27/23

Attachment 5

WHOLESALE WATER

WIRE	Seattle Contract Payment 8/23	\$3,595,393.00
WIRE	Seattle Contract Payment 9/23	\$3,116,007.00
		<u>\$6,711,400.00</u>

CONSULTANTS

30956	Aspect Consulting	\$824.75
30962	Environmental Science Associates (ESA)	\$4,046.50
30963	GeoEngineers	\$20,448.91
30969	Parametrix	\$5,983.75
30971	RH2 Engineering, Inc.	\$2,082.29
30972	Ryatt Construction, LLC	\$15,154.74
30973	Sazan Environmental Services	\$73,371.42
30975	Structured Cabling Solutions	\$644.09
30976	Tacoma Pierce County Health Department	\$20,796.93
30977	TeamLogic IT of Bellevue, WA	\$14,031.65
30979	Vanir Construction Management Inc.	\$324.00
30983	bhc Consultants	\$1,528.00
30985	Clark Nuber P.S.	\$2,000.00
30992	Gordon Thomas Honeywell Govern. Affair	\$7,000.00
31016	Parametrix	\$5,327.50
31017	Performance Dimensions Group	\$350.00
31019	RH2 Engineering, Inc.	\$7,319.40
31021	Robinson Noble	\$376.25
31023	TeamLogic IT of Bellevue, WA	\$7,107.77
31024	Transpo Group	\$1,662.50
31026	Van Ness Feldman, LLP	\$21,270.00
31027	Water Value LLC	\$377.50
31030	AquaTechnex	\$60,772.50
31036	GeoEngineers	\$2,321.75
31038	John R. Labadie	\$1,500.00
31039	Langton/Spieth	\$6,500.00
31043	Tacoma Pierce County Health Department	\$8,037.79
31049	David Evans and Associates Inc.	\$2,764.81
31053	Environmental Science Associates (ESA)	\$2,115.00
31054	Gordon Thomas Honeywell Govern. Affair	\$7,000.00
31055	Inslae, Best, Doezie & Ryder	\$611.00
31056	Langton/Spieth	\$6,500.00
31065	BRILLIANT MARKETING LLC	\$2,552.50
31074	TeamLogic IT of Bellevue, WA	\$14,490.50
31075	Transpo Group	\$1,007.50
		<u>\$328,201.30</u>

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (July)	\$165,236.19
	Payroll (August)	\$156,717.88
30953	MissionSquare-107080	\$49,669.18
30954	MissionSquare-304525	\$24,274.75
30957	AWC Employee Benefit Trust	\$25,531.31
30961	Christopher N. Paulucci	\$71.26
30964	HRA VEBA Trust	\$1,470.00
30999	LPL Financial	\$1,500.00
31002	Association of Washington Cities	\$26,278.67
31009	Paula Anderson	\$158.51
31028	MissionSquare-107080	\$48,070.83
31029	MissionSquare-304525	\$26,524.75
31035	Paula Anderson	\$131.83
31037	HRA VEBA Trust	\$18,327.24
31052	Christopher N. Paulucci	\$38.78
31067	Paula Anderson	\$55.41
		<u>\$544,056.59</u>

GENERAL

30960	Department of Labor & Industries	\$25.00
30965	Greater Kirkland Chamber of Comme	\$425.00
30968	Pacific Office Automation	\$265.60
30974	Sound Publishing Inc.	\$3,400.00
30980	Washington Association of Sewer & v	\$600.00
30986	CLEARFLY	\$540.11
30987	Comcast	\$536.64
30988	Comcast	\$1,693.34
30989	Covington Water District	\$93.00
30993	Hansen Bros. Moving & Storage	\$412.24
30994	King County Fire District 20	\$500.00
30996	Pacific Office Automation Inc.	\$175.79
30997	Sammamish Plateau Water & Sewer	\$2,128.00
31003	City of Bellevue	\$27,284.90
31006	City of Tukwila	\$1,000.00
31013	Pacific Office Automation Inc.	\$377.37
31014	Pacific Office Automation	\$2,469.36
31018	Republic Services	\$6,203.21
31022	Staples Advantage	\$628.06
31025	U.S. BANK	\$12,580.86
31031	Bellevue Gateway One Equities, LLC	\$8,127.48
31033	City of Sammamish	\$500.00
31034	Comcast	\$536.64
31045	Beautifully Bonney Lake	\$500.00
31047	Cintas Corporation	\$137.97
31048	CLEARFLY	\$540.04
31051	Department of Ecology	\$500.00
31057	Pacific Office Automation Inc.	\$100.79
31059	Sammamish Plateau Water & Sewer	\$532.00
31060	spot-on print & design	\$399.83
31061	Staples Advantage	\$683.73
31064	Verizon Wireless	\$135.03
31066	CIT	\$2,187.84
31071	Republic Services	\$1,467.09
31072	Sammamish Plateau Water & Sewer	\$9,473.80
31076	U.S. BANK	\$4,345.70
		<u>\$91,506.42</u>

EQUIPMENT, COMPUTER, AND SOFTWARE

30955	Abila	\$272.67
31000	Abila	\$272.67
31001	Access Telephone Solutions, Inc.	\$970.81
31046	Catalyst Workplace Activation	\$33,207.97
31068	Kelley Connect	\$19,421.64
31073	SmartSights	\$1,200.00
		<u>\$55,345.76</u>

CONSTRUCTION

31042	Ryatt Construction, LLC	\$44,601.78
		<u>\$44,601.78</u>

CONSERVATION

30958	City of Seattle	\$3,750.00
30959	Colehour and Cohen	\$4,356.74
30970	Puget Sound Energy	\$2,512.50
30978	Techniart C S D	\$648.48
30982	Ben Bernstein Music	\$50.00
30995	Nature Vision, Inc.	\$398.50
30998	Sustainable Seattle dba Sustainabili	\$7,334.80
31004	BRILLIANT MARKETING LLC	\$3,460.00
31007	Colehour and Cohen	\$10,359.65
31010	Jennergy	\$1,270.00
31032	Ben Bernstein Music	\$150.00
31040	Nature Vision, Inc.	\$321.23
31044	Techniart C S D	\$406.27
31050	David F. McGrath	\$1,936.00
31058	PromoShop WA, LLC	\$4,452.56
31070	New Resources Group, Inc.	\$1,211.86
		<u>\$42,618.59</u>

LAKE TAPPS

30966	Linde Gas & Equipment Inc.	\$403.14
30967	New Resources Group, Inc.	\$251.76
30981	Watson Security	\$1,966.94
30984	Cintas Corporation	\$137.97
30990	Department of Ecology	\$831.14
31005	Cintas Corporation	\$7.83
31008	US Geological Survey (USGS)	\$107,822.67
31011	Linde Gas & Equipment Inc.	\$388.63
31012	National Barricade Company, LLC	\$265.58
31015	Pape Machinery Inc.	\$590.10
31020	Robblee's Total Security, Inc.	\$229.98
31041	Pape Machinery Inc.	\$538.71
31062	Tracy Farman	\$1,000.00
31063	Veolia Water North America	\$189,400.81
31069	Linde Gas & Equipment Inc.	\$400.58
		<u>\$304,235.84</u>

DESTROYED AND VOIDED CHECKS:

Total Warrants	\$1,410,566.28
Total Wires	\$6,711,400.00
Total warrants/wire transfers authorized for September 2023	<u>\$8,121,966.28</u>

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

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

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

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
Beginning Balances, August 1	\$ 21,821,146	\$ 9,306,110	\$ 12,114,130	\$ -	\$ 10,736,058	\$ 2,187,376	\$ -	\$ 56,164,821
Additions:								
Cash received	\$ 3,623,424	\$ 25,587	\$ 13,509	\$ -	\$ 32,118	\$ 5,947	\$ -	\$ 3,700,585
Transfers from other Cascade funds	\$ -	\$ -	\$ 738,024	\$ -	\$ -	\$ -	\$ 158,154	\$ 896,178
Total additions	\$ 3,623,424	\$ 25,587	\$ 751,533	\$ -	\$ 32,118	\$ 5,947	\$ 158,154	\$ 4,596,763
Subtractions:								
Bank fees, payroll, and bond payments	\$ 1,375	\$ 544	\$ 1,168	\$ -	\$ 754	\$ 126	\$ 158,154	\$ 162,120
Warrants paid	\$ 455,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,348
Wire and other electronic payments	\$ 3,595,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,595,393
King Co. Investment Pool impairment (realized)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (retained)	\$ (71)	\$ (60)	\$ (33)	\$ -	\$ -	\$ (9)	\$ -	\$ (172)
Transfers to other Cascade funds	\$ 896,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 896,178
Total subtractions	\$ 4,948,223	\$ 484	\$ 1,135	\$ -	\$ 754	\$ 118	\$ 158,154	\$ 5,108,867
Ending Balances, August 31, 2023	\$ 20,496,347	\$ 9,331,214	\$ 12,864,529	\$ -	\$ 10,767,422	\$ 2,193,205	\$ -	\$ 55,652,717



MEETING MINUTES OF THE
BOARD OF DIRECTORS SPECIAL MEETING
VIA HYBRID
JULY 26, 2023

1. CALL TO ORDER

At 3:01 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: City of Bellevue (Barksdale), City of Kirkland (Sweet), City of Redmond (Birney), City of Tukwila (Ekberg), Sammamish Plateau Water & Sewer District (Warren), and Skyway Water and Sewer District (Ault)

Board Member Absent: City of Issaquah (Joe)

Board Alternates Present: City of Bellevue (Stokes), City of Issaquah (Reh), Sammamish Plateau Water & Sewer District (Hooshangi)

3. PUBLIC COMMENT

Lake Tapps community member Jeff Lincoln expressed his appreciation with Cascade's management of the lake. In particular, he recognized Ray Hoffman, and Joe Mickelson for their professionalism in preserving the precious resource of the lake.

Lake Tapps community member Nancy Lien expressed her appreciation to Joe Mickelson for the recent tour of the complex operating system at Lake Tapps. On behalf of the community, she thanked Cascade for all that is done to preserve the lake.

4. APPROVAL OF AGENDA

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

5. CHIEF EXECUTIVE OFFICER'S REPORT

Chuck Clarke, Cascade Acting CEO, reviewed the Chief Executive Officer's Report that was included in the Board Packet. He also expressed his appreciation to the Lake Tapps community members that provided Public Comments.

6. CONSENT ITEM

A. Board Meeting Minutes for May 24, 2023.

Motion by Mr. Ekberg and second by Ms. Birney to approve Consent Action Item A as presented. Motion carried unanimously (6-0).

7. OTHER ACTION ITEMS

- A. Motion to authorize the Chief Executive Officer to issue a Request for Proposal (RFP) for a consultant to develop a water quality management plan that identifies specific strategies and actions to protect the Lake Tapps Reservoir's water quality for future municipal use.

Melina Thung, Cascade Chief of Staff, said that results of the recently completed two-year water quality sampling and monitoring study by Cascade's consultant, Herrera, indicate that the Lake Tapps Reservoir is currently healthy with low levels of pollutants. Maintaining the Reservoir's water quality is critical to protect its resiliency and reliability as a future source of drinking water for Cascade's Members. Water quality is key to reducing the risks of shortening the life of the Reservoir, experiencing higher capital and operating costs for the future treatment plant, and experiencing operational problems at the treatment plant and supply disruptions.

Since the Reservoir will not be developed for municipal supply for many years, Ms. Thung reminded Board Members that on May 24, 2023 the Board approved Cascade's Drinking Water Quality Policy Framework. The Policy Framework provides Cascade staff with guidance on what potential water quality programs, projects, policies, and other activities should be considered prior to building out the Reservoir. This includes the timing of and investment amounts for water quality activities.

As its first proposed activity, Cascade staff recommends hiring a consultant to develop a water quality management plan that will identify the highest priority, most impactful, and most cost-effective strategies and actions to protect the Lake Tapps Reservoir's water quality for future municipal use – "Water Quality Management Plan" (WQMP). The WQMP is not intended to address non-water quality issues in the Reservoir such as strategies to improve recreational uses, boat management, fisheries and wildlife, or habitat.

Cascade staff evaluated the proposed WQMP via the Policy Framework and determined that it meets all Threshold Criteria and most of the Additional Criteria. One of the benefits of the WQMP is that it will take a holistic approach by prioritizing and sequencing a menu of potential actions to optimize water quality benefits in a cost-effective manner. This includes exploring Herrera's recommendations in their 2022 report. This approach is expected to result in better outcomes than the alternative of taking a piecemeal approach (e.g., presenting individual proposed actions over time for Board consideration and approval).

Ms. Thung said that if the Motion is adopted, Cascade staff will issue the RFP, negotiate the terms of a contract, and seek Board approval to contract with the selected firm. During the WQMP's development, Cascade staff will regularly check in with the consultant to ensure the Plan is meeting the scope, schedule, and budget. Staff will also provide updates on the WQMP's progress to the Resource Management Committee and the Board. If any of the consultant's recommendations involve parties external to Cascade, partnering with these entities will be important to successful implementation. Staff will consult with the Board prior to engaging with external parties. The completed WQMP will be presented to the Board for consideration and approval as a planning document. At that time, the Board may direct Cascade to seek future Board approval for any of the proposed actions before they are implemented.

Ms. Thung responded to questions from Board Members.

Motion by Mr. Warren and second by Ms. Birney to authorize the Chief Executive Officer to issue a Request for Proposal for a consultant to develop a water quality management plan that identifies specific strategies and actions to protect the Lake Tapps Reservoir's water quality for future municipal use. Motion carried unanimously (6-0)

8. STAFF PRESENTATIONS

A. Sumner White River Restoration Project Update.

T.C. Richmond, Cascade General Counsel, shared recent information indicating that BNSF may be reconsidering the scope of its train track expansion project. If BNSF decides to change the scope or pull out of the project entirely, it could impact Sumner's Mitigation project, the real estate transactions, and the consideration that Cascade expects to receive as part of the agreements to transfer property. Staff will keep the Board and committees updated on the status of this issue.

B. Seattle and Tacoma Contract Negotiations Status Update.

Ed Cebron, Cascade Chief Economist/Treasurer, provided a status update on the Seattle and Tacoma contract negotiations. This is a complex issue. Staff will meet with Member staff to discuss the negotiations and impact in further detail.

Ms. Cebron responded to questions from Board Members.

9. EXECUTIVE SESSION

At 4:12 p.m., Chair Sweet announced that there would be an Executive Session to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. The Executive Session was expected to take 45 minutes.

At 5:00 p.m., the Executive Session adjourned.

10. COMMITTEE REPORTS

A. Executive Committee – No Meetings Held.

B. Finance & Management Committee – Meeting held June 20, 2023 and July 18, 2023. Meeting recap included in the Board Packet.

C. Public Affairs Committee – No Meetings Held.

D. Resource & Management Committee – Meeting held July 13, 2023. Meeting recap included in the Board Packet.

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

Chair Sweet announced that the August Board and Committee meetings are canceled. The next regular Board meeting will be held on September 27, 2023 at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 5:00 p.m.

APPROVED BY:

Penny Sweet, Chair

Angela Birney, Vice-Chair

AGENDA MEMORANDUM

SUBJECT

Motion to authorize the Chief Executive Officer to execute a contract with Herrera Environmental Consultants, Inc. to develop a Water Quality Management Plan in an amount not-to-exceed \$165,000.

BACKGROUND

Results of the recently completed two-year water quality sampling and monitoring study indicate that the Lake Tapps Reservoir is currently healthy with low levels of pollutants. Maintaining the Reservoir's water quality is critical to protect its resiliency and reliability as a future source of drinking water for Cascade's Members. Water quality is key to reducing the risks of shortening the life of the Reservoir, experiencing higher capital and operating costs for the future treatment plant, and experiencing operational problems at the treatment plant and supply disruptions.

Since the Reservoir will not be developed for municipal supply for many years, on May 24, 2023 the Board approved Cascade's *Drinking Water Quality Policy Framework*. The *Policy Framework* provides Cascade staff with guidance on what potential water quality programs, projects, policies, and other activities should be considered prior to building out the Reservoir. This includes the timing of and investment amounts for water quality activities.

For its first proposed activity, Cascade staff recommended hiring a consultant to develop a water quality management plan that will identify the highest priority, most impactful, and most cost-effective strategies and actions to protect the Lake Tapps Reservoir's water quality for future municipal use – "*Water Quality Management Plan*" (WQMP). The WQMP is not intended to address non-water quality issues in the Reservoir such as strategies to improve recreational uses, boat management, fisheries and wildlife, or habitat.

At its July meeting, the Board approved Cascade issuing a request for proposals (RFP) to hire a consultant to develop the WQMP. Cascade has since completed the solicitation process and is ready to execute a contract with Herrera Environmental Consultants, Inc. (Herrera).

Once the contract is signed and the WQMP is under development, Cascade staff will regularly check in with the consultant to ensure the Plan is meeting scope, schedule, and budget. Staff will also provide updates on the WQMP's progress to the Resource Management Committee and the Board. If any of the consultant's recommendations involve parties external to Cascade, partnering with these entities will be important to successful implementation. Staff will consult with the Board prior to engaging with external parties. In addition, the Board-approved *Policy Framework* will be applied to each of the consultant's recommendations to ensure they meet Cascade's criteria. The completed WQMP will be presented to the Board for consideration and approval as a planning document. At that time, the Board may direct Cascade to seek future Board approval for any of the proposed actions before they are implemented.

PROCUREMENT PROCESS

An RFP was issued on July 31, 2023 to five firms from the MRSC roster. The deadline for proposals was August 18, and Cascade received two proposals. Based on the criteria outlined in the RFP, the evaluation committee determined that Herrera was the highest rated firm.

FISCAL IMPACT

The estimated cost of the WQMP is \$150,000, plus a contingency of \$15,000 for a total amount of \$165,000, spread between 2023 and 2024.

Budget Line	2023 Operations Budget	Spent and Committed to Date	Available 2023 Budget	This Action	2023 Remaining Balance
WQ Management Plan	\$100,000	\$0	\$100,000	\$50,000	\$50,000
Budget Line	2024 Operations Budget	Spent and Committed to Date	Available 2024 Budget	This Action	2024 Remaining Balance
WQ Management Plan	\$150,000	\$0	\$150,000	\$115,000	\$35,000

OPTIONS

1. Authorize the Chief Executive Officer to execute a contract with Herrera Environmental Consultants, Inc. to develop a Water Quality Management Plan in an amount not-to-exceed \$165,000.
2. Do not authorize the Chief Executive Officer to execute a contract with Herrera Environmental Consultants, Inc. and provide alternate direction to staff.

RECOMMENDATION

Authorize the Chief Executive Officer to execute a contract with Herrera Environmental Consultants, Inc. to develop a Water Quality Management Plan in an amount not-to-exceed \$165,000.

ATTACHMENTS

None

AGENDA MEMORANDUM

SUBJECT

Motion to adopt Resolution No. 2023-12 authorizing Cascade's Acting Chief Executive Officer to continue activation of the Cascade Shortage Management Plan at the Voluntary stage of curtailment, to take additional action, in consultation with the Water Shortage Management Committee, pursuant to the Cascade Shortage Management Plan, and to report on such action at the next Board meeting following such action.

BACKGROUND

In Resolution 2016-18, the Cascade Board adopted the revised Cascade Water Alliance Shortage Management Plan ("Cascade SMP") which is now Appendix A of the 2019 Transmission and Supply Plan ("TSP") Extension.

Seattle Public Utilities ("SPU") supplies Cascade with water supply under the 2013 *2nd Amended and Restated Declining Block Water Supply Agreement Between the City of Seattle and The Cascade Water Alliance ("Block Contract")*. Both the TSP and the Cascade SMP address coordination with SPU during water shortages. The Cascade SMP provides in part: *"When SPU activates its Water Shortage Contingency Plan, the Cascade CEO may activate the SMP and determine the appropriate stage of curtailment, and at its next meeting, the Cascade Board will take action to end or continue activation at the appropriate stage of curtailment."*

The four water shortage stages of the Cascade SMP are:

1. **Advisory Stage:** In this stage, Cascade would not require curtailment actions by water users; rather the public is informed as early as meaningful data are available that a water shortage may occur.
2. **Voluntary Stage:** In this stage, Cascade would rely on voluntary cooperation and support of customers to meet suggested target consumption goals.
3. **Mandatory Stage:** In this stage, Cascade would prohibit or limit certain water actions and Cascade would rely upon members to enforce.
4. **Emergency Stage:** This stage would occur in severe drought in recognition that a critical water situation exists and that without additional significant curtailment actions a shortage of water for public health and safety is imminent.

On September 8, SPU activated the Advisory (planning only) stage of its Water Shortage Contingency Plan. On September 21, 2023, SPU moved to the second level, or Voluntary stage, of curtailment. Neither the Block Contract nor the Cascade SMP requires Cascade to activate the Cascade SMP or to take action based on SPU's actions. However, declining to take similar action may promote confusion within the region and erode Cascade's and SPU's partnership.

On September 21, 2023, Cascade's Acting Chief Executive Officer ("CEO") activated the Cascade SMP at the Voluntary stage of curtailment. Pursuant to the SMP, the Acting CEO also designated a Water Shortage Management Committee consisting of Cascade staff and Member

staff to advise the Acting Cascade CEO on implementation of the SMP for the duration of the water shortage.

FISCAL IMPACT

SPU will credit or otherwise reduce Cascade’s payments under the Block Contract based on actual savings achieved during the water shortage.

OPTIONS

1. Adopt Resolution No. 2023-12 authorizing Cascade’s Acting Chief Executive Officer to continue activation of the Cascade Shortage Management Plan at the Voluntary stage of curtailment, to take additional action, in consultation with the Water Shortage Management Committee, pursuant to the Cascade Shortage Management Plan, and to report on such action at the next Board meeting following such action.
2. Do not adopt Resolution No. 2023-12, and provide alternate direction to staff.

RECOMMENDED ACTIONS

Adopt Resolution No. 2023-12 authorizing Cascade’s Acting Chief Executive Officer to continue activation of the Cascade Shortage Management Plan at the Voluntary stage of curtailment, to take additional action, in consultation with the Water Shortage Management Committee, pursuant to the Cascade Shortage Management Plan, and to report on such action at the next Board meeting following such action.

ATTACHMENT

1. Proposed Resolution No. 2023-12.



CASCADE WATER ALLIANCE
RESOLUTION NO. 2023-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION
AUTHORIZING CONTINUED ACTIVATION OF CASCADE'S SHORTAGE MANAGEMENT PLAN
AND ACTION BY THE ACTING CHIEF EXECUTIVE OFFICER

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

WHEREAS, by Resolution 2016-18, the Cascade Board of Directors ("Board") adopted the revised Cascade Water Alliance Shortage Management Plan ("Cascade SMP"), now Appendix A of the 2019 Transmission Supply Plan, which provides in part: "When SPU activates its Water Shortage Contingency Plan, the Cascade CEO may activate the SMP and determine the appropriate stage of curtailment, and at its next meeting, the Cascade Board will take action to end or continue activation at the appropriate stage of curtailment"; and

WHEREAS, Seattle Public Utilities (SPU) supplies Cascade with water supply under the 2013 *2nd Amended and Restated Declining Block Water Supply Agreement Between The City of Seattle and The Cascade Water Alliance ("Block Contract")*. On September 8, 2023 SPU activated the first stage ("Advisory") of its Water Shortage Contingency Plan, and on September 21, 2023 SPU moved to the second stage ("Voluntary") of curtailment; and

WHEREAS, on September 21, 2023 Cascade's Acting Chief Executive Officer ("CEO") activated the Cascade SMP at the Voluntary stage of curtailment and designated a Water Shortage Management Committee consisting of Cascade staff and Member staff to advise the Acting Cascade CEO on implementation of the SMP; and

WHEREAS, the Board wishes to continue activation of the Cascade SMP at the Voluntary stage of curtailment and to authorize the Acting Cascade CEO to take additional action as needed, pursuant to the Cascade SMP.

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

Section 1. Continued Activation of the SMP

Pursuant to the Cascade SMP, the Board authorizes the Acting Cascade CEO to continue activation of the Cascade SMP at the Voluntary stage of curtailment and to take additional action, in consultation with the Water Shortage Management Committee, pursuant to the Cascade SMP. Unless otherwise directed by the Cascade Board, the Acting Cascade CEO, in consultation with the Water Shortage Management Committee, may elevate or diminish the stage of curtailment from one stage or another as appropriate. The Acting Cascade CEO will report on any additional actions taken pursuant to the Cascade SMP at the next Board meeting following such actions.

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 the 27th day of September, 2023.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Chuck Clarke,
Acting Chief Executive Officer

Angela Birney, Vice Chair

Allan Ekberg, Secretary/Treasurer

Members

Yes _____

No _____

Demand Share

Yes _____ %

No _____ %

Include in CWAC?

Yes

No



FINANCE & MANAGEMENT COMMITTEE

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

Meeting RECAP
Tuesday, September 19, 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. Items Recommended for Action at the September 27, 2023, Board Meeting.
4. Discussion Items.

A. Contract Negotiations Update. Cascade held two “deep-dive” sessions for member staff and Board members/alternates interested in learning more about the Seattle and Tacoma contract options. Staff will update the committee on the sessions and the status of the contract discussions.

Recap: Staff updated the committee on the three-hour “deep dive” sessions regarding the details of the current proposals. The sessions explored three options: 1) Seattle’s proposal for a 10-year extension; 2) Cascade’s counterproposal to Seattle for a 20-year extension; and 3) Tacoma’s proposal for a 20-year contract.

In between the two deep-dive sessions, the WestRock pulp mill in Tacoma announced it would be closing on September 30, 2023. Cascade and Tacoma met to discuss whether the mill closure could further improve Tacoma’s proposal. As a result, Tacoma is developing another proposal for Cascade to consider, which may be a 25 to 30 year contract.

Meanwhile, Seattle responded to Cascade’s counteroffer of a 20-year extension by offering to gradually ramp up payments (which generates less than \$3M worth of additional savings) but sticking with a 10-year extension. In Cascade and Seattle’s most recent meeting, Seattle showed interest in a markedly different option -- having Cascade return as a wholesale customer with a 40-year contract. Cascade is awaiting a formal written communication from Seattle to see the terms and economics of the new proposal.

B. 2024 Member Charge Reconciliation. With Board adoption of two years of member charges concurrent with the biennial budget, the second year of charges is based on estimates. It is subject to reconciliation and true-up once all necessary data are available. The attached memorandum provides a draft reconciliation for review and comment. In

addition, this year's process has also reflected modification to past year demands based on revised allocations of demands between Redmond and Bellevue. The attached worksheet summarizes the demand revisions and resulting revisions in current and prior rate calculations. Only Redmond and Bellevue are affected by these additional revisions. At the request of Bellevue and Redmond, Cascade has agreed to integrate the results into this year's reconciliation process and corresponding true-ups to be applicable in 2025. Cascade staff will review and discuss the results and how this is taken forward as part of next year's budget process.

Recap: *Cascade staff walked the committee through the reconciliation memo and tables. This year's process was more complicated than is typical, and member staff were extremely helpful throughout. The committee requested that page numbers be added to the tables document and the document resent.*

- C. Seattle Public Utilities' (SPU) Water Supply Conditions.** SPU has informed Cascade that despite warmer temperatures and drier-than-normal conditions, Seattle's regional water supply was sufficient for people and fish this summer. However, as fall approaches, there's concern over supply conditions because of forecasts for continuing dry weather and a possible delay in the return of fall rains. Staff will provide the committee with its discussions with SPU.

Recap: *Staff shared with the committee that, on September 8, SPU activated its Advisory, or planning only, stage of its [Water Shortage Contingency Plan](#) (WSCP). SPU very recently informed Cascade that it will move to the Voluntary Curtailment stage on September 21. This decision was made because updated forecasts continue to show significant concern for the supply situation. If Cascade's Acting CEO activates its [Shortage Management Plan](#) (SMP) at the Voluntary stage, members must also activate their plans. For members, this means they will be encouraged to take supply-side actions and communicate curtailment messages to their customers. SPU has developed communication materials for members' use. Activation of Cascade's SMP also requires Board action at its next meeting.*

5. Other Issues.

6. Next Meeting Date and Location. The next meeting will be held Tuesday, October 17, 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
Russell Joe, City of Issaquah

Meeting RECAP
Wednesday, September 6, 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 September 27, 2023 Board Meeting.**
4. **Discussion Items.**

A. Legislative Update and Priorities. Staff will provide an update on legislative activities and preparation for the 2024 legislative session. This item is an opportunity for the committee to discuss legislative priorities for 2024. Cascade’s 2023 Legislative and Public Policy Agenda is attached for reference.

Recap: Diana Carlen, Gordon Thomas Honeywell, updated the committee on state activities, and the committee discussed several legislative priorities to consider including in the 2024 Legislative Agenda. High priority issues for 2024 include PFAS, low-income household utility assistance programs and utility relocation costs due to transportation projects. A draft 2024 legislative agenda will be provided to the committee in October.

B. Annual Member Survey. Each year Cascade surveys Board members and alternates seeking input on the evaluation of Cascade’s intergovernmental, communications and outreach programs and planning for the next year.

Recap: Staff updated the committee on the draft 2023 - 2024 survey. The survey will be sent out to Board members, alternates and one staff person from each member. Results will inform the development of the communications and outreach plan for 2024.

C. Contract Negotiations Update. Cascade held two “deep-dive” sessions for member staff and Board members/alternates interested in learning more about the Seattle and Tacoma contract options. Staff will update the committee on the sessions and the status of the contract discussions.

Recap: Staff updated the committee on the three-hour “deep dive” sessions to delve into the details of the current proposals. The sessions explored three options: 1) Seattle’s proposal for a 10-year extension; 2) Cascade’s counterproposal to Seattle for a 20-year extension; and 3) Tacoma’s proposal for a 20-year contract.

In between the two deep-dive sessions, the WestRock pulp mill in Tacoma announced it would be closing on September 30, 2023. Cascade and Tacoma are meeting in mid-

September to discuss whether the mill closure could further improve Tacoma's proposal. Meanwhile, Seattle responded to Cascade's counteroffer of a 20-year extension by offering to gradually ramp up payments (which generates less than \$3M worth of additional savings) but sticking with a 10-year extension. In Cascade and Seattle's most recent meeting, Seattle showed interest in a markedly different option -- having Cascade return as a wholesale customer with a 40-year contract. Cascade is awaiting a formal written communication from Seattle to see the terms and economics of the new proposal.

- D. Water Efficiency Savings Goal Update.** Cascade's water efficiency goal was incorporated into Cascade's Transmission and Supply Plan (TSP) in 2018. Cascade's current state-mandated water efficiency savings goal will expire at the end of 2024 (along with the current TSP), thus Cascade needs to develop a new savings goal. Cascade will be engaging with member staff in the coming months to develop options for inclusion in the TSP.

***Recap:** Staff updated the committee on the plans to begin working with member staff to develop potential water efficiency savings goal options for committee and board members. Cascade staff will engage with member staff next month with a target of having savings options for review next spring.*

5. Other Issues.

- 6. Next Meeting Date and Location.** The next meeting will be Wednesday, October 4, 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 RECAP
Thursday, September 14, 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. Contract Negotiations Update.** Cascade held two “deep-dive” sessions for member staff and Board members/alternates interested in learning more about the Seattle and Tacoma contract options. Staff will update the committee on the sessions and the status of the contract discussions.

Recap: Staff updated the committee on the three-hour “deep dive” sessions regarding the details of the current proposals. The sessions explored three options: 1) Seattle’s proposal for a 10-year extension; 2) Cascade’s counterproposal to Seattle for a 20-year extension; and 3) Tacoma’s proposal for a 20-year contract.

In between the two deep-dive sessions, the WestRock pulp mill in Tacoma announced it would be closing on September 30, 2023. Cascade and Tacoma met to discuss whether the mill closure could further improve Tacoma’s proposal. As a result, Tacoma is developing another proposal for Cascade to consider which may be a 25 to 30 year contract. Meanwhile, Seattle responded to Cascade’s counteroffer of a 20-year extension by offering to gradually ramp up payments (which generates less than \$3M worth of additional savings) but sticking with a 10-year extension. In Cascade and Seattle’s most recent meeting, Seattle showed interest in a markedly different option -- having Cascade return as a wholesale customer with a 40-year contract. Cascade is awaiting a formal written communication from Seattle to see the terms and economics of the new proposal.

4. **Items Recommended for Action at the September 27, 2023 Board Meeting.**

- A. Water Quality Management Plan.** Motion to authorize the Chief Executive Officer to execute a contract with Herrera Environmental Consultants, Inc. to develop a Water Quality Management Plan in an amount not to exceed \$165,000.

Recap: The committee recommended that this item be placed on the Board's consent agenda for action.

5. Other issues.

6. Next Meeting Date and Location. The next meeting will be Thursday, October 12, 2023, from 2:00 p.m. – 3:30 p.m. at Cascade's office and via Zoom meeting.