



REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
520 112th Avenue N.E., Suite 400
HYBRID MEETING: In-Person and via Zoom
May 25, 2022
3:30 PM

	<u>Page</u>
1. CALL TO ORDER	
2. ROLL CALL	
3. PUBLIC COMMENT	
4. EXECUTIVE SESSION	
5. APPROVAL OF AGENDA	
6. CHIEF EXECUTIVE OFFICER'S REPORT	<u>3</u>
7. CONSENT ITEMS	
a. Board Meeting Minutes for April 27, 2022.	<u>17</u>
8. OTHER ACTION ITEMS	
a. Motion to adopt Resolution No. 2022-09 authorizing the Chief Executive Officer to finalize and execute a transmission easement agreement in substantially the form attached with Gree BN, LLC.	<u>20</u>
9. STAFF PRESENTATION	
a. Climate Change Impacts Analysis.	<u>56</u>
10. BOARD DISCUSSION	
a. Water Quality Report	<u>62</u>
11. COMMITTEE REPORTS	
a. Executive Committee – <i>no meeting held.</i>	
b. Finance and Management Committee – <i>May 17, 2022.</i>	<u>68</u>
c. Public Affairs Committee – <i>no meeting held.</i>	
d. Resource Management Committee – <i>May 12, 2022.</i>	<u>69</u>
12. NEW BUSINESS	

13. NEXT REGULAR MEETING – June 22, 2022 – *Cascade Office AND Via Zoom Meeting – 3:30 p.m.*

14. ADJOURN

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



MEMORANDUM

DATE: May 25, 2022

TO: Penny Sweet, Chair
Board of Directors

FROM: Ray Hoffman, Chief Executive Officer

SUBJECT: Chief Executive Officer's Report

Administration, Finance, and Economics

- In the search for a new office, Cascade has selected a broker, and Cascade staff will visit several potential locations this month. Once an office location is identified, negotiation of lease terms, tenant improvements, and moving preparation are expected to take months. Cascade's current lease runs through July 2023, but there is a redevelopment clause that requires only nine months notification.
- There have been 359 net RCFCs reported through April 2022, with one Member report missing. At this rate, Cascade would meet 2022 budget expectations.
- Clark Nuber, Cascade's outside auditing firm, conducted a review of the first quarter of Cascade's 2022 financial transactions in May. The results of the reviews will be reported to the Finance and Management Committee.
- Cascade's Wellness program is participating in the Associations of Washington Cities (AWC) Spring Games Campaign this May, encouraging employees to increase their steps and providing them with wellness information. The Campaign is part of the wellness committee's ongoing pursuit to meet the Association of Washington Cities Employee Benefits Trust WellCity Award Standard requirements necessary to win the WellCity Award next year.
- Earlier this month, TeamLogic, Cascade's IT consultant, added an additional cybersecurity service.
- Cascade received an insurance claim payment of \$138K in May from the Water Sewer and Risk Management Pool for the landslide that occurred in January at the headworks' southwest access roadway in Buckley. The slide deposited material into the flume and was repaired under an emergency contract with Johansen Construction.

Capital Projects and Operations

- The United States Army Corps of Engineers (USACE) has informed Cascade that the decision on the starting date for Phase 3 has been pushed back until May 19. There is no certainty that date won't be changed again. USACE is aware that if a decision on Phase 3 is not made soon, it could delay the start of Phase 3 for at least another year. The starting date is dependent on several factors including: funding, stakeholder concerns about potential premature demolition of the old fish trap, and disputes with its contractor Kiewit on repair vs. replacement of defective assets in the newly constructed fish facility.

- The SCADA and Security Project is about 69 percent complete measured by contractor progress payments. Cascade will be working with the SCADA Integrator and Software Programmer on control logic and set points in the next few months to prepare for system wide acceptance test when the system-wide hardware is completely installed. The project is estimated to be completed by the end of the year.
- Cascade, the Puyallup and Muckelshoot Tribes, and the City of Sumner met on May 16 to brainstorm potential water sources post-municipal water production that will be needed to ensure continued waterflow in the new outflow channel for the proposed Sumner Restoration Project. Several ideas were discussed, and more follow-up discussion is needed.
- The Lake Tapps Reservoir elevation is at 542.85' as of May 17. Cascade raised the reservoir to 543.07' on May 6. This is slightly higher than the 543.0' planned level due to a heavy rain event on that date. Cascade subsequently lowered the reservoir to below 543'. Cascade annually raises the reservoir to 543' as a reminder to lakefront homeowners that Cascade has the right to manage the reservoir to this level. Below are two photos taken when the lake was full.



Allan Yorke Park – Dike 13



Allan Yorke Park – Dike 13

- Cascade received the permit from Sumner for the Plunge Pool Wall Repair project. The project is scheduled to be advertised in June with an anticipated contract award date in July.
- Veolia will perform vegetation management on the dikes to prepare for the State Dam Safety Office five-year inspection that's scheduled for late June.
- The Powerhouse windows on the north side were removed and replaced. After FS&GS removed the lead and asbestos, Tapps Construction LLC installed the new windows. Below are two photos that show the old and new windows.



Old Windows Needing Replacement at the Powerhouse



New Windows at the Powerhouse

Water Efficiency

- In April, Cascade provided 78 classroom programs for 1,906 students.
- On April 29, Cascade completed a water bottle filling station project at Redmond High School. Cascade provided partial funding and 2,300 We Need Water bottles for students who took a pledge to use the station and avoid single-use, plastic, water bottles.
- Working with Skyway staff, Cascade visited nine Skyway apartment complexes to distribute free toilet leak detection dye.
- Working with Kirkland staff, Cascade offered a Watershed Ecology field trip for adults and families at Edith Mouton Park on May 7.
- The final class of the Cascade Gardener Spring Series has been delayed until June 11. The classes have been well attended and have received excellent reviews. More remote classes and Garden Walk and Talks are being scheduled for the summer.
- In May, Cascade provided 45 rebates for high efficiency clothes washers and 118 water saving devices at six apartment complexes in partnership with Puget Sound Energy.
- The Sustainability Ambassadors have completed or initiated program alignment tables to align student action projects with all Cascade member climate action/sustainability plans, which include important elements of water conservation and protection.
- Working with Redmond staff, Cascade offered a Watershed Ecology field trip for adults and families at Farrel-McWhirter Farm Park on April 30.
- Cascade is working with Brilliant Marketing, a social media promotion company, to develop a strategic plan that will better promote Cascade's programs and create additional engagement of Cascade's social media platforms with residents. After the initial discovery phase, Cascade and Brilliant Marketing conducted seven in-depth interviews and solicited 83 surveys that provide valuable information on attitudes of social media programming and the We Need Water program.

Intergovernmental and Communications

- Effective June 1, Governor Inslee is rescinding Proclamation 20-28 that suspended and waived certain provisions of the Open Public Meetings Act. This allowed Cascade and other local governments to hold fully remote meetings during the pandemic. Beginning with the May Board meeting, Cascade's committee and Board meetings will be held in a hybrid fashion, with both in-person and remote participation available.
- Cascade is partnering with Pierce County, Bonney Lake, and East Pierce Fire and Rescue again this summer on the Swimsafe campaign to promote water safety around Lake Tapps.
- The Cascade - Four Cities Meeting (Auburn, Buckley, Bonney Lake and Sumner) will take place in-person on June 1 at Cascade's Lake Tapps office in Sumner. Mayor Angela Birney will attend as the Board's representative.
- The Lake Tapps Community Meeting will be held on June 2, 6-8 PM, also in-person, at North Tapps Middle School. Mayor Penny Sweet will attend as the Board's representative. Other Board members and alternates are invited to attend the meetings as well. Please let Cascade staff know if you are planning to attend.

Planning

- Last December, Cascade submitted a request to the Department of Ecology (Ecology) to extend the Lake Tapps Reservoir development schedule. The initial feedback indicated a reluctance to engage in the extension request at this time. In early February, Cascade provided additional supporting information to Ecology, and later that same month, Ecology approved Cascade's extension request, pending the conclusion of the appeals

period in early May. As there were no third-party appeals, Cascade's development schedule for its water rights has been extended to start construction by December 31, 2065 (formerly 2040). A condition of the extension is a requirement to provide Ecology with progress reports every five years, starting December 31, 2027. The reports need to describe the efforts made on the project in the previous five years and whether the project is progressing on schedule.

- As an important part of the Transmission and Supply Plan and to ensure Cascade can meet members' future supply needs, Cascade is hiring an engineering firm to conduct a climate change impacts analysis on the White River-Lake Tapps Reservoir system. The analysis will identify a variety of impacts, including predicted changes in temperature, precipitation, streamflow characteristics, minimum instream flow reliability, recreational levels reliability, and firm yield. In June, staff will seek Board approval to enter into a contract with the selected firm.

Attachments

1. Budget to Actual Expenditure Report through April 30, 2022.
2. Statement of Revenues and Expenditures through April 30, 2022.
3. Statement of Net Position as of April 30, 2022.
4. Contract Status Summary.
5. Monthly Warrants Listing.
6. Monthly Treasurer's Report as of April 30, 2022.

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- April 30, 2022
 33% of the year completed

Administration	Budget	Actual	Balance	% Expended
Salaries	\$ 1,015,001	\$ 392,723	622,278	38.7%
Benefits	226,845	128,040	98,805	56.4%
Wellness program	5,000	81	4,919	1.6%
Prof. Fee (Technical)	232,000	23,338	208,662	10.1%
Prof. Fee (Legal)	885,000	252,329	632,672	28.5%
Prof. Fee (Audit)	100,900	49,976	50,924	49.5%
Prof. Fee (Other)	50,000	3,320	46,680	6.6%
Seismic Resiliency	100,000	1,287	98,713	1.3%
Meetings Expense	11,000	698	10,302	6.3%
Telephone/Internet	37,000	15,669	21,331	42.3%
Office Rent	241,749	60,538	181,211	25.0%
Office Supplies Admin.	20,000	1,659	18,341	8.3%
Equip. and Furniture	10,000	3,392	6,608	33.9%
Bank Fees	600	84	516	14.0%
Dues & Subscriptions	55,000	14,529	40,471	26.4%
Taxes/Licenses	16,000	9,628	6,372	60.2%
Travel	12,000	2,397	9,603	20.0%
Professional Dev.	22,000	17,360	4,640	78.9%
Computer Equipment	25,000	5,985	19,015	23.9%
Software Licenses	38,000	3,646	34,354	9.6%
Postage & Delivery	3,000	958	2,042	31.9%
Printing & Repro.	10,000	0	10,000	0.0%
Insurance	132,963	122,088	10,876	91.8%
Contingency	391,598	0	391,598	0.0%
Total	\$ 3,640,656	\$ 1,109,721	\$ 2,530,935	30.5%

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

Conservation	Budget	Actual	Balance	% Expended
Salaries	\$ 168,466	\$ 39,115	\$ 129,351	23.2%
Benefits	46,908	7,640	39,268	16.3%
Prof. Fee (Technical)	35,000	10,729	24,271	30.7%
Rebate Reimb. Com.	75,000	14,954	60,047	19.9%
Irrigation Audit	25,000	0	25,000	0.0%
Comm. and Public I	312,500	135,726	176,774	43.4%
Misc. Serv. and Sup.	82,000	9,346	72,654	11.4%
Total	\$ 744,874	\$ 217,509	\$ 527,365	29.2%

Com. and Intergovern	Budget	Actual	Balance	% Expended
Salaries	\$ 118,571	\$ 44,782	\$ 73,789	37.8%
Benefits	26,410	8,226	18,184	31.1%
Prof. Fee (Technical)	15,000	5,750	9,250	38.3%
Prof. Fee (Other)	165,000	54,545	110,455	33.1%
Sponsorships	30,000	6,000	24,000	20.0%
Comm. and Public I	280,000	26,822	253,178	9.6%
Total	\$ 634,981	\$ 146,125	\$ 488,856	23.0%

Operations-General	Budget	Actual	Balance	% Expended
Wholesale Water	\$ 22,730,886	\$ 5,707,421	\$ 17,023,465	25.1%
Salaries	26,043	5,597	20,447	21.5%
Benefits	15,265	927	14,338	6.1%
BIP O&M	30,000	2,185	27,815	7.3%
Pipeline Prop. O&M	15,000	543	14,457	3.6%
PWTF Loan Debt	40,461	40,263	197	99.5%
Total	\$ 22,857,654	\$ 5,756,935	\$ 17,100,719	25.2%

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- April 30, 2022
 33% of the year completed

Operations-Lake Tapps	Budget	Actual	Balance	% Expended
Salaries	\$ 471,830	\$ 130,784	\$ 341,046	27.7%
Benefits	91,667	24,796	66,871	27.0%
Prof. Fee (Technical)	795,600	117,351	678,249	14.7%
Prof. Fee (Other)	15,000	0	15,000	0.0%
Meetings Expense	4,000	1,018	2,982	25.4%
Telephone/Internet	1,500	225	1,275	15.0%
Office Supplies	19,700	3,302	16,398	16.8%
Equipment & Furn.	29,000	13,284	15,716	45.8%
Taxes/Licenses	13,600	13,594	6	100.0%
Travel	17,000	4,830	12,170	28.4%
Professional Dev.	2,500	585	1,915	23.4%
Software Licenses	15,000	10,878	4,122	72.5%
Permitting Costs	8,100	8,023	77	99.0%
Misc. Serv. and Sup.	34,000	8,605	25,395	25.3%
LT Operator	2,296,120	520,696	1,775,424	22.7%
Unplanned O&M	285,500	262,543	22,957	92.0%
Misc. Facility Repairs	102,000	3,847	98,153	3.8%
USGS Joint Fund	337,500	78,400	259,101	23.2%
Construction Management	100,000	0	100,000	0.0%
Outage	200,000	0	200,000	0.0%
Milfoil Control	175,000	3,763	171,237	2.2%
Vendor Services	36,000	5,302	30,698	14.7%
Water Quality Management	150,000	29,785	120,215	19.9%
Dike and Roads Maintenance	33,000	26,068	6,932	79.0%
Total	\$ 5,233,617	\$ 1,267,677	\$ 3,838,793	24.2%
Total Operating Budget	\$ 42,891,763	\$ 13,649,138	\$ 29,115,478	31.8%
Capital Projects (multi-yr bdgt not shown)	Budget	Actual	Balance	% Expended
Upper Conveyance Projects	\$ 2,075,000	145,242	1,929,758	7.0%
Meters	50,000	0	50,000	0.0%
Equipment	50,000	12,593	37,407	25.2%
Security and SCADA	400,000	254,196	145,804	63.5%
Tacoma Agreement	5,975,463	5,975,463	0	100.0%
Capital Risk	550,000	0	550,000	0.0%
IT Infrastructure	35,000	0	35,000	0.0%
Total CIP Budget	\$ 9,135,463	\$ 6,387,494	\$ 2,747,969	69.9%
Total Overall Budget	\$ 52,027,226	\$ 20,036,632	31,990,593	38.5%

Cascade Water Alliance
Statement of Revenues and Expenditures
From 1/1/2022 Through 4/30/2022

Attachment 2

Operating Revenue	
Water sales	\$ 10,167,678
Administrative dues	3,741,337
Conservation program	193,667
Total Operating Revenue	<u>14,102,682</u>
Operating Expenses	
Cost of water sold	4,484,402
Salaries and benefits	832,611
Professional services	517,474
Conservation program	14,954
Depreciation and amortization	1,308,209
Communication and public information	159,479
Office expenses	220,378
Operations	615,324
Bank charges	84
Rent	19,921
Maintenance	322,163
Dues and subscriptions	17,974
Miscellaneous	10,550
Total Operating Expenses	<u>8,523,522</u>
Operating Income	5,579,160
Non-Operating Revenue (Expenses)	
Interest income	156,063
Other income	16,625
Interest expense, net of amount capitalized	(1,981,601)
Total Non-Operating Revenue (Expenses)	<u>(1,808,913)</u>
Capital Contributions	
Regional Capital Facilities Charges	2,104,150
Increase in Net Assets	5,874,398
Net Assets, Beginning of Year	122,312,527
Net Assets, End of Year	\$ 128,186,925

Cascade Water Alliance
Statement of Net Position
As of 4/30/2022

Attachment 3

Assets	
Current Assets	
Cash and cash equivalents	\$ 21,466,968
Accounts receivable	8,889,508
Prepaid expenses	336,548
Total Current Assets	<u>30,693,024</u>
Capital Assets	
Equipment and furniture	2,044,247
Seattle water contract	22,267,611
Bellevue Issaquah pipeline	22,276,944
Tacoma water contract	119,740,687
Less accumulated depreciation and amortization	(53,598,558)
Total Capital Assets	<u>112,730,931</u>
Projects in process and assets not yet in service	
Lake Tapps	104,349,923
Tacoma Cascade pipeline	26,539,385
Total Projects in process and assets not yet in service	<u>130,889,308</u>
Restricted cash and cash equivalents	20,843,323
Other long-term assets	20,843,323
Total Assets	<u><u>295,156,586</u></u>
Liabilities	
Current liabilities	
Payables and accrued liabilities	918,459
Accrued interest	669,581
Long-term debt current portion	
Bonds Payable-Current Portion	6,760,000
Other	39,474
Total Long-term debt current portion	<u>6,799,474</u>
Total Current liabilities	<u>8,387,513</u>
Long-term Liabilities	
Long-term debt	88,538,422
Tacoma contract	59,992,082
Seattle contract	5,000,000
Bond premium, net of amortization	4,890,766
Total Long-term Liabilities	<u>158,421,270</u>
Total Liabilities	<u>166,808,783</u>
Net Assets	
Restricted for debt service	102,210,447
Unrestricted	26,137,356
Total Net Assets	<u>128,347,803</u>
Total Liabilities & Net Assets	<u><u>\$ 295,156,586</u></u>

Consultant and Other Vendor Contract Status Summary

Open contracts											
Vendor	Contract number	Contract title	Cascade manager	Effective date	End date	Status date	Percent work completed	Contract amount, including	Amount invoiced	Percent invoiced	Contract balance
Artisan Electric	1	Powerhouse Solar Energy Project	M. Brent	10/1/2021	12/31/2022	5/12/2022	60%	\$ 273,000	\$ 159,691	58%	\$ 113,309
Aspect	1	Water Supply Modeling	R. Hoffman	5/6/2020	N/A	5/12/2022	35%	\$ 24,900	\$ 7,622	31%	\$ 17,278
Aspect	2	Water Resources Services	R. Hoffman	8/17/2018	N/A	5/12/2022	98%	\$ 60,000	\$ 58,251	97%	\$ 1,749
Brilliant Marketing	1	We Need Water Strategy Planning	M. Brent	3/16/2022	12/31/2022	5/12/2022	25%	\$ 22,500	\$ 5,438	24%	\$ 17,063
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	R. Hoffman	1/1/2022	N/A	5/12/2022	70%	\$ 70,500	\$ 48,234	68%	\$ 22,266
Colehour and Cohen	1	Staffing for classes and events	M. Brent	1/1/2022	12/31/2022	5/12/2022	50%	\$ 89,990	\$ 42,567	47%	\$ 47,423
David Evans	1	On-call Land Surveyor	H. Chen	1/1/2022	12/31/2022	5/12/2022	8%	\$ 75,000	\$ 3,746	5%	\$ 71,254
David McGrath	1	Irrigation Efficiency Assistance	M. Brent	1/1/2022	12/31/2022	5/12/2022	20%	\$ 20,500	\$ -	0%	\$ 20,500
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	H. Chen	1/1/2022	12/31/2022	5/12/2022	15%	\$ 24,900	\$ 3,763	15%	\$ 21,137
GeoEngineers Inc.	1	Dam Engineering/Hydrology/Geotech	H. Chen	1/1/2022	12/31/2022	5/12/2022	35%	\$ 160,000	\$ 54,284	34%	\$ 105,716
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2022	12/31/2022	5/12/2022	35%	\$ 84,000	\$ 28,000	33%	\$ 56,000
Herrera Environmental	2	WQ Monitoring Program	H. Chen	8/19/2019	N/A	5/12/2022	98%	\$ 495,000	\$ 493,438	100%	\$ 1,562
Holocene	1	Plunge Pool Timber Wall Drilling	J. Shimada	1/22/2022	N/A	5/12/2022	100%	\$ 6,772	\$ 6,772	100%	\$ 0
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	5/12/2022	98%	\$ 1,041,100	\$ 950,972	91%	\$ 90,129
HDR	2	Conservation Plan Potential Assessment	M. Brent	5/21/2021	N/A	5/12/2022	98%	\$ 18,900	\$ 18,870	100%	\$ 30
Jacobs Engineering Group	1	Demand Forecast Model Support Services	M. Thung	8/20/2021	12/31/2022	5/12/2022	5%	\$ 5,000	\$ -	0%	\$ 5,000
Jennergy	1	Website assistance	A. Bennett	1/1/2022	12/31/2022	5/12/2022	40%	\$ 15,000	\$ 5,750	38%	\$ 9,250
Johansen Excavating	1	Emergency Headgate Repair	H. Chen	5/5/2021	N/A	5/12/2022	98%	\$ 100,947	\$ 92,358	91%	\$ 8,589
Johansen Excavating	2	Flowline Outage Maintenance	J. Shimada	8/12/2021	N/A	5/12/2022	75%	\$ 540,000	\$ 372,166	69%	\$ 167,834
Johansen Excavating	3	Emergency Landslide Remediation	J. Shimada	1/18/2022	3/31/2022	5/12/2022	85%	\$ 200,000	\$ 162,795	81%	\$ 37,205
Langton Spieth	1	Community relations	A. Bennett	1/1/2022	12/31/2022	5/12/2022	75%	\$ 72,000	\$ 24,000	33%	\$ 48,000
Lake Tapps Construction	1	Valve House Improvements	J. Shimada	12/2/2020	N/A	5/12/2022	98%	\$ 30,978	\$ 30,978	100%	\$ (0)
Long Building Tech	1	Security Maintenance	H. Chen	8/12/2019	10/31/2022	5/12/2022	80%	\$ 55,000	\$ 41,843	76%	\$ 13,157
Media for International Development	1	WeNeedWater Video Production	A. Bennett	1/1/2022	12/31/2022	5/12/2022	5%	\$ 24,500	\$ -	0%	\$ 24,500
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2022	12/31/2022	5/12/2022	50%	\$ 95,000	\$ 46,160	49%	\$ 48,840
Pacifica Law	1	Legal Assistance	H. Chen	1/1/2022	12/31/2022	5/12/2022	8%	\$ 25,000	\$ -	0%	\$ 25,000
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2022	12/31/2022	5/12/2022	35%	\$ 250,000	\$ 85,882	34%	\$ 164,118
Performance Dimensions	1	Executive Coaching Services	M. Thung	6/21/2021	12/31/2022	5/12/2022	80%	\$ 24,500	\$ 19,250	79%	\$ 5,250
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2022	12/31/2022	5/12/2022	25%	\$ 72,000	\$ 15,119	21%	\$ 56,882
RH2	2	On-Call Electrical Engineering Svcs	H. Chen	1/1/2022	12/31/2022	5/12/2022	20%	\$ 100,000	\$ 17,421	17%	\$ 82,579
RH2	1	Security and SCADA	H. Chen	1/16/2020	N/A	5/12/2022	95%	\$ 347,000	\$ 323,921	93%	\$ 23,079
RH2	3	Wholesale Master Meter Eval	H. Chen	1/21/2020	3/31/2023	5/12/2022	8%	\$ 24,500	\$ 1,342	5%	\$ 23,158
Robinson Noble	1	Water Audits	E. Cebon	10/3/2019	N/A	5/12/2022	80%	\$ 135,060	\$ 103,163	76%	\$ 31,897
Sazan	2	Solor Power Project	M. Brent	5/25/2021	N/A	5/12/2022	8%	\$ 10,000	\$ -	0%	\$ 10,000
SC Words & Pictures Inc.	1	Design Services	A. Bennett	1/1/2022	12/31/2022	5/12/2022	15%	\$ 24,000	\$ 2,545	11%	\$ 21,455
Seattle Public Utilities	1	Garden Hotline	M. Brent	1/1/2022	12/31/2022	5/12/2022	8%	\$ 12,000	\$ -	0%	\$ 12,000
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2022	12/31/2022	5/12/2022	25%	\$ 24,500	\$ 5,060	21%	\$ 19,440
Source Electric LLC	1	SCADA Improvements Project	H. Chen	5/1/2021	2/1/2022	5/12/2022	80%	\$ 711,892	\$ 549,262	77%	\$ 162,630
Sustainable Water	1	Teacher Fellows program	M. Brent	1/1/2022	12/31/2022	5/12/2022	35%	\$ 60,000	\$ 19,028	32%	\$ 40,972
Tacoma-Pierce County	1	LakeWise	A. Bennett	1/1/2022	12/31/2022	5/12/2022	15%	\$ 120,000	\$ 14,340	12%	\$ 105,660
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2022	12/31/2022	5/12/2022	25%	\$ 104,000	\$ 19,442	19%	\$ 84,558
TechniArt	1	Website Orders	M. Brent	1/1/2022	12/31/2022	5/12/2022	15%	\$ 15,900	\$ 1,765	11%	\$ 14,135
Tetra Tech	1	AWIA Risk and Resiliency	M. Thung	11/18/2019	12/31/2022	5/12/2022	75%	\$ 700,000	\$ 498,982	71%	\$ 201,018
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2022	12/31/2022	5/12/2022	25%	\$ 24,500	\$ 5,226	21%	\$ 19,274

Transpo Group	1	GIS Program Technical Support	J. Shimada	2/3/2022	7/31/2023	5/12/2022	35%	\$ 24,000	\$ 6,320	26%	\$ 17,680
USGS	1	Joint Funding Agre-Streamgaging	H. Chen	1/1/2022	12/31/2022	5/12/2022	25%	\$ 327,380	\$ 78,400	24%	\$ 248,981
Vanir Construction Management, Inc.	1	On-call Construction Management	J. Shimada	5/1/2021	12/31/2022	5/12/2022	10%	\$ 560,000	\$ 48,929	9%	\$ 511,071
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2022	12/31/2022	5/12/2022	45%	\$ 850,000	\$ 325,504	38%	\$ 524,496
Veolia	1	White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement \$2,027,110 Fixed, \$253,926 Var	J. Shimada	1/1/2022	12/31/2022	5/12/2022	35%	\$ 2,281,036	\$ 582,316	26%	\$ 1,698,720
Washington Crane and Hoist Co	1	Fish Screen Gantry Crane Inspection	J. Shimada	2/9/2022	N/A	5/12/2022	10%	\$ 1,950	\$ -	0%	\$ 1,950
Winterbauer and Diamond	1	Legal Assistance	R. Hoffman	1/1/2022	12/31/2022	5/12/2022	10%	\$ 20,000	\$ -	0%	\$ 20,000

Payment Authorization Warrants and Wire Transfers 5/25/22

Attachment 5

WHOLESALE WATER

WIRE	Seattle Contract Payment 5/22	<u>\$1,223,019.00</u>
		\$1,223,019.00

CONSULTANTS

29929	Clark Nuber P.S.	\$39,200.00
29931	US Geological Survey (USGS)	\$78,399.50
29934	Parametrix	\$11,685.16
29935	Robinson Noble	\$3,744.50
29939	TeamLogic IT of Bellevue, WA	\$6,781.27
29944	Environmental Science Associates (ESA)	\$640.00
29948	Michael A. Gagliardo	\$990.00
29956	Aspect Consulting	\$1,196.75
29964	Gordon Thomas Honeywell Govern. Affair	\$7,000.00
29965	Jennergy	\$1,150.00
29966	Langton/Spieth	\$6,000.00
29971	Transpo Group	<u>\$2,900.00</u>
		\$159,687.18

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (April)	\$120,251.93
29925	Vantagepoint 401 Plan	\$34,514.00
29926	Vantagepoint 457 Plan	\$21,053.61
29927	AWC Employee Benefit Trust	\$18,943.13
29932	HRA VEBA Trust	\$1,078.00
29943	Paula Anderson	\$12.10
29962	Joseph Mickelson	<u>\$1,064.83</u>
		\$196,917.60

LAKE TAPPS

29933	Linde Gas & Equipment Inc.	\$3.03
29938	SYBIS LLC	\$467.82
29940	United Rentals Northwest, Inc.	\$2,023.24
29941	Veolia Water North America	\$182,247.76
29945	Honey Bucket	\$271.05
29959	City of Sumner	\$4,781.29
29963	FloHawks Plumbing & Septic	\$1,667.06
29968	Puget Sound Energy	\$937.36
29969	Sammamish Plateau Water & Sewer Distri	<u>\$1,496.35</u>
		\$193,894.96

GENERAL

29928	AT&T FirstNet	\$405.94
29930	Department of Health	\$510.00
29937	Sound Publishing Inc.	\$4,500.00
29942	Comcast	\$545.23
29946	JG 520 Building LLC	\$20,050.35
29949	Staples Advantage	\$202.10
29951	Verizon Wireless	\$225.05
29960	DEPARTMENT OF COMMERCE	\$40,263.15
29961	DIRECTV	\$93.99
29970	Sound Publishing Inc.	\$4,500.00
29972	U.S. BANK	\$8,353.81
29973	Utilities Underground Location Center	<u>\$14.19</u>
		\$79,663.81

COMPUTER EQUIPMENT AND SOFTWARE

29953	Axxonsoft US Inc.	<u>\$5,950.00</u>
		\$5,950.00

CONSERVATION

29936	Seattle Printworks	\$402.83
29947	Lisa Taylor	\$800.00
29950	Techniart C S D	\$538.38
29957	BRILLIANT MARKETING LLC	\$4,162.50
29958	Christina Pfeiffer	\$400.00
29967	Nature Vision, Inc.	<u>\$11,948.75</u>
		\$18,252.46

CONSTRUCTION

29924	Parametrix	\$30,230.00
29952	Artisan Electric Inc.	\$83,207.77
29954	U.S. BANK	\$1,181.46
29955	Vanir Construction Management Inc.	<u>\$1,305.00</u>
		\$115,924.23

DESTROYED AND VOIDED CHECKS:

Total Warrants	\$770,290.24
Total Wires	\$1,223,019.00
Total warrants/wire transfers authorized for May 2022	<u>\$1,993,309.24</u>

Approved: _____ Date: _____

Edward Cebron, Chief Economist/Treasurer

Approved: _____ Date: _____

Allan Ekberg, Secretary/Treasurer

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

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
Beginning Balances, April 1	\$ 14,436,585	\$ 11,055,700	\$ 10,126,281	\$ -	\$ 5,003,954	\$ 2,138,365	\$ -	\$ 42,760,885
Additions:								
Cash received	\$ 2,800,349	\$ 4,818	\$ 3,384	\$ -	\$ 2,180	\$ 932	\$ -	\$ 2,811,663
Transfers from other Cascade funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,486	\$ 122,486
Total additions	\$ 2,800,349	\$ 4,818	\$ 3,384	\$ -	\$ 2,180	\$ 932	\$ 122,486	\$ 2,934,149
Subtractions:								
Bank fees, payroll, and bond payments	\$ 375	\$ 260	\$ 547	\$ -	\$ 118	\$ 50	\$ 122,486	\$ 123,836
Warrants paid	\$ 689,121	\$ 60,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,277
Wire and other electronic payments	\$ 1,223,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,223,019
King Co. Investment Pool impairment (realized)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (retained)	\$ (145)	\$ (123)	\$ (67)	\$ -	\$ -	\$ (18)	\$ -	\$ (352)
Transfers to other Cascade funds	\$ 122,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,486
Total subtractions	\$ 2,034,856	\$ 60,293	\$ 480	\$ -	\$ 118	\$ 32	\$ 122,486	\$ 2,218,266
Ending Balances, April 30, 2022	\$ 15,202,077	\$ 11,000,225	\$ 10,129,185	\$ -	\$ 5,006,016	\$ 2,139,265	\$ -	\$ 43,476,768



MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA ZOOM
APRIL 27, 2022

1. CALL TO ORDER

At 3:31 p.m. Chair Sweet called the meeting to order. Board Members confirmed that they received the meeting materials and could hear the speakers clearly.

2. ROLL CALL

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

Board Member Absent: the City of Bellevue (Barksdale)

Board Alternates Present: the City of Bellevue (Stokes), City of Kirkland (Pascal), City of Redmond (Anderson)

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

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

6. CHIEF EXECUTIVE OFFICER'S REPORT

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

7. CONSENT ITEM

A. Board Meeting Minutes for March 23, 2022

Motion by Ms. Pauly and second by Ms. Birney to approve Consent Action Item A as presented in the Board Packet. Motion carried unanimously (6-0).

8. BOARD DISCUSSION ITEM

- A. Motion to approve a permanent General Counsel position and amend Cascade's Amended 2021-2022 Budget to add the new General Counsel position

Mr. Hoffman said that Cascade is proposing to move some legal services in-house by adding a new General Counsel position. Resolution 2020-10 adopted Cascade's 2021 - 2022 Budget and established its staffing level at 11 positions. This requested action would increase Cascade's staffing level to 12 positions for the 2022 Budget. Mr. Hoffman noted that Cascade plans to hire a General Counsel between half-time and 60 percent, rather than fulltime. In the future, the Board will have opportunities to determine if the General Counsel position should be full-time, or conversely, to return to contracting out all legal services.

Mr. Hoffman said that TC Richmond, currently Counsel contracted with VanNess, will be retiring in the near future. He proposed that Ms. Richmond be hired to assist with legal issues to retain the institutional knowledge of the organization. Then, Ms. Richmond would assist with transferring the organizational knowledge for succession planning purposes.

Motion by Ms. Birney and second by Ms. Pauly to amend the agenda to allow action to be taken on Item 8A. Motion carried unanimously (6-0).

Motion by Ms. Birney and second by Ms. Pauly to approve the recommendation to add a permanent General Counsel position and amend Cascade's Amended 2021-2022 Budget to add the new General Counsel position to the budget. Motion carried unanimously (6-0).

9. STAFF PRESENTATIONS

None.

10. COMMITTEE REPORTS

- A. Executive Committee – no meetings held
- B. Finance & Management Committee – Meeting held April 19, 2022
- C. Public Affairs Committee – Meeting held April 6, 2022
- D. Resource & Management Committee – no meetings held

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regular Board meeting will be held on May 25, 2022 at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 4:07 p.m.

APPROVED BY:

Penny Sweet, Chair

Angela Birney, Vice-Chair

AGENDA MEMORANDUM

SUBJECT

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

BACKGROUND

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

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

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

The Resource Management and Finance and Management Committees discussed the easement and were supportive. Since the Finance and Management Committee meeting Cascade and BrighNight have continued to work on access issues.

PROCUREMENT PROCESS

None.

FISCAL IMPACT

Cascade will receive compensation of \$25,000 upon execution of the agreement and within fifteen (15) days after Commencement of Construction, Cascade will receive a one-time payment of the greater of \$1.18 Million Dollars (NPV of \$64,000/year over 51 years, with a 5.0%



CASCADE WATER ALLIANCE
RESOLUTION NO. 2022-09

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION
AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO FINALIZE AND EXECUTE
A TRANSMISSION EASEMENT AGREEMENT GRANTED TO GREE BN, LLC

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, Cascade owns real property that is part of the Cascade-owned Lake Tapps Reservoir Project and that Cascade is willing to make available for certain energy transmission uses by Gree BN, LLC’s under a non-exclusive transmission easement agreement for full and adequate compensation and under conditions set forth in a transmission easement agreement adequate to fully protect Cascade’s utility purposes; and.

WHEREAS, the Cascade Board of Directors (“Board”) now desires to authorize the Chief Executive Officer (“CEO”) to finalize and execute a transmission easement agreement with Gree BN LLC.

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

Section 1. Authorization of CEO to finalize and execute a stormwater easement.

The Board adopts this Resolution authorizing the CEO, in consultation with legal counsel, to finalize and execute a stormwater easement to be granted by Cascade Water Alliance to Gree BN, LLC, in substantially the form of Attachment 1.

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

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 25th day of May, 2022.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Ray Hoffman, Chief Executive Officer

Angela Birney, Vice Chair

Allan Ekberg, Secretary/Treasurer

Members

Yes _____

No _____

Demand Share

Yes _____%

No _____%

Include in CWAC?

____ Yes

X No

Attachment 1: Easement

RECORDING REQUESTED BY,
AND AFTER RECORDING,
RETURN TO:

<p>Document Title(s):</p> <p>TRANSMISSION EASEMENT AGREEMENT</p>
<p>Reference Number(s) of Documents assigned or released:</p> <p>N/A</p>
<p>Grantor(s):</p> <p>CASCADE WATER ALLIANCE, a municipal corporation of the State of Washington</p>
<p>Grantee(s):</p> <p>GREE bn, LLC, a Delaware limited liability company</p>
<p>Legal Description:</p> <p>7-20N-5E</p> <p>Additional legal is on Exhibit A of document.</p>
<p>Assessor's Property Tax Parcel/ Account Number Assessor Tax # not yet assigned</p> <p>APN: 0520071007, 0520072004, 9520000071, and 0520072002</p>
<p>The Auditor/Recorder will rely on the information provided on this form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.</p>

TRANSMISSION EASEMENT AGREEMENT

This TRANSMISSION EASEMENT AGREEMENT (this “*Agreement*”) is made, dated, and effective _____, 2022 (“*Effective Date*”) by and between **Cascade Water Alliance**, a municipal corporation of the State of Washington, whose address is 520 112th Ave. NE, Suite 400, Bellevue, WA 98004 (“*Grantor*”), and **GREE bn, LLC**, a Delaware limited liability company, whose address is 13123 E Emerald Coast Pkwy, Ste B#158, Inlet Beach, FL 32461 (“*Grantee*”). Grantor and Grantee may be referred to herein individually as a “*Party*” or collectively as the “*Parties*”.

RECITALS

A. Grantor owns certain real property located in Pierce County, State of Washington, more particularly described on Exhibit A, attached to and incorporated into this Agreement (the “*Property*”).

B. Grantee desires to obtain certain easements and rights over, on, under, and across the Property, and Grantor desires to grant such easement and rights, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations and covenants of the Parties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereto agree as follows:

1. **Grant of Easements.**

(a) **Transmission Easement.** Subject to the terms of this Agreement and the site rules set out in Schedule 1 attached to and incorporated into this Agreement (“*Site Rules*”), Grantor hereby grants to Grantee a non-exclusive easement on, over, under and across a portion of the Property (the “*Transmission Easement*”) for the permitting (including conducting tests, studies and inspections as may be required by law or for financing purposes), design, development, siting, installation, construction, use, operation, maintenance, repair, replacement, relocation, reinstatement, improvement, enlargement (including increase of circuits or voltage), utilization, removal and inspection of overhead and/or underground electrical distribution and/or transmission facilities, including, without limitation cables, poles, conduits, towers, footings, foundations, multiple circuits, circuit breakers, transformers and appurtenances thereto, meters, guys, wires, cross-arms, communication lines and related antennae, receptors, transmitters and dishes, interconnection, distribution, communications and/or switching facilities, and other related or associated facilities and fixtures, equipment and improvements (collectively, “*Transmission Facilities*”) and for no other purpose. The area encompassed by the Transmission Easement is generally depicted and described on Exhibit B attached hereto and incorporated into this Agreement (the “*Transmission Facilities Easement Area*”), which Transmission Facilities Easement Area will be refined and agreed upon by the Parties during the Quarterly Meetings defined and described in Section 2(b) below and the attached Schedule 2, and finalized pursuant to the survey requirements of Paragraph 1(f) below. In connection with all uses of the Property and activities permitted under this Agreement, Grantee shall comply with the Site Rules set out on the attached Schedule 1.

(b) **Access and Road Easement.** Subject to the terms of this Agreement, Grantor hereby grants to Grantee and its employees, agents, contractors, licensees, and invitees, subject to the coordination provisions of Paragraph 2(b) below, a non-exclusive easement on, over, under and across the Property using the existing roads and lanes on the Property (the “*Access and Road Easement*”) including that road depicted as “Cottage Road E” on Exhibit B attached hereto and incorporated into this Agreement for vehicular and pedestrian access, at such locations as Grantee shall reasonably determine and coordinate with Grantor in accordance with Paragraph 2(b) below, to access the Transmission Easement Area and use the Transmission Easement and other rights granted in this Agreement. The areas used by Grantee for

maintenance, and repair of the Transmission Facilities for a temporary laydown area and/or construction staging area on the Property in a location to be mutually agreed upon in writing by the Parties (the “**Laydown Area**”); on the condition that (i) this License shall be effective only during construction, maintenance, and repair of the Transmission Facilities; (ii) Grantee’s temporary use of the Property pursuant to this License shall be confined to (A) the Laydown Area during initial construction of the Transmission Facilities and (B) the Easement Areas during any repair or maintenance of such Transmission Facilities; and (iii) Grantee’s use of the Easement Areas and Laydown Area for staging purposes shall be limited to the staging of equipment and other materials constituting the Transmission Facilities located or being constructed or installed within the Transmission Facilities Easement Area. Following the temporary use of the Laydown Area by Grantee for construction laydown and staging, Grantee shall promptly remove all equipment and materials and restore the Property to a condition reasonably similar to the condition of the Property as of the Effective Date.

(f) Survey; Amendment of Exhibit B. Upon completion of construction of the Transmission Facilities, Grantee shall deliver to Grantor an as-built survey and legal description of the Easement Areas, which as-built survey and legal description shall replace the attached Exhibit B. The Parties agree to record in the records of Pierce County, Washington (the “**Official Records**”), at Grantee’s sole cost and expense, an amendment to this Agreement evidencing such as-built survey and legal description of such Easement Areas. Notwithstanding the foregoing, any proposed material change to the legal description and depiction in the attached Exhibit B must be approved by Grantor in writing prior to implementation of any such change or replacement of the attached Exhibit B. Grantee shall submit any such proposed change to Grantor in a writing that clearly identifies the nature and reason for the change and Grantor will have 20 days to review and comment on such changes. Should Grantor fail to respond within 20 days after receipt of the proposed change, Grantor shall be deemed to have approved the same.

(g) Matters of Record. Prior to the Effective Date, Grantee shall have obtained a title report in connection with the Property. Grantee shall at all times comply with the terms, covenants, conditions and restrictions of any and all easements, declarations, restrictive covenants, and all other matters in the Official Records as of the Effective Date (“**Matters of Record**”). Grantor represents and warrants to Grantee that to the best of Grantor’s actual knowledge, there are no unrecorded covenants, easements, leases, declarations, or other encumbrances on or affecting the Property that are not Matters of Record except those listed in Exhibit D attached to this Agreement. Grantee covenants all of its actions under this Agreement shall comply with the terms and conditions of the Matters of Record and acknowledges that this Agreement shall at all times be subject and subordinate to the Matters of Record. Grantor agrees that, throughout the Term (as defined in Paragraph 2 below), Grantor shall not agree to amend any Matter of Record in a manner that would materially conflict with the rights or obligations of Grantee under this Agreement without Grantee’s consent, not to be unreasonably withheld, conditioned or delayed. Grantee hereby acknowledges that Grantee has received and reviewed the Matters of Record prior to Grantee’s execution of this Agreement.

2. Term; Coordination.

(a) Term. The term of this Agreement and the Easements shall commence on the Effective Date and continue for a period of fifty-six (56) years unless earlier terminated in accordance with the terms of this Agreement (the “**Term**”).

(b) Coordination Meetings. Commencing on the Effective Date and continuing through the first anniversary of completion of construction of the Transmission Facilities, Grantor and Grantee shall conduct quarterly coordination and status meetings, which meetings may be conducted electronically, telephonically, or in person (“**Quarterly Meetings**”) for the purpose of reviewing Grantee’s site and construction plans, preliminary surveys of the Easement Areas, engineering drawings, results of due

diligence studies, applications for governmental approvals, the location of Access Easement Areas, and other matters necessary or desirable to the orderly and coordinated planning, installation, construction, and operation of the Transmission Facilities and use of the Easements, as further described on the attached Schedule 2, which is incorporated herein by this reference. Grantee shall facilitate the timing, agenda, and location of each Quarterly Meeting, and shall maintain and timely distribute to Grantor written agenda, summary, and action items in coordination with Grantor. Grantor and Grantee may mutually agree in writing (which writing may be by email) to forego any Quarterly Meeting.

3. Termination; Effect of Termination.

(a) Grantee Termination. At any time prior to Commencement of Construction, Grantee shall have the right to terminate this Agreement effective upon thirty (30) days' prior written notice given by Grantee to Grantor. Following Commencement of Construction, Grantee shall have the right to terminate this Agreement effective upon 180 days' prior written notice given by Grantee to Grantor. If this Agreement is terminated by Grantee in accordance with this Paragraph 3(a), Grantee shall promptly (i) execute and record in the Official Records a notice of termination and/or quitclaim deed evidencing such termination, (ii) remove any encumbrance recorded against the Easement Area attributable to Grantee or this Agreement, including such encumbrances relating to Grantee's financing or construction of the Transmission Facilities, and (iii) remove from the Property all Transmission Facilities and equipment and restore the Easement Areas in accordance with Paragraph 3(b) of this Agreement.

(b) Removal and Restoration Upon Termination. Prior to any early termination or the expiration of this Agreement, Grantee shall (i) remove the Transmission Facilities that are then located within the Transmission Facilities Easement Area and (ii) restore the Easement Areas to a condition reasonably similar to its condition as of the Effective Date. Restoration shall include, as reasonably required, leveling, terracing, mulching and other reasonably necessary steps to prevent soil erosion.

4. Payment. In consideration of the Easements, License, and other rights granted by Grantor to Grantee in this Agreement, Grantee shall pay to Grantor the Consideration, as defined and set forth in Exhibit C attached hereto. The Parties hereby agree that Grantee shall redact or remove Exhibit C from the original of this Agreement that is submitted for recordation in the Official Records. Grantor shall treat the information contained in Exhibit C as the confidential, proprietary information of Grantee, which may not be disclosed by Grantor to any other person or entity (except as Grantor deems reasonably necessary to Grantor's employees, agents, consultants, attorneys, accountants, and contractors, and as may be required by the Public Disclosure Act or any other law or regulations) at any time without the prior written consent of Grantee, which may be given or withheld in Grantee's sole and absolute discretion. Grantor shall notify Grantee in writing of any payment not received when due, and all payments not paid by Grantee to Grantor when due shall bear interest from the date such late notice is delivered until fully paid at the Interest Rate (as defined in Paragraph 12(1) below). Grantor may collect the interest in addition to all other remedies available for Grantee's default, and collection of interest or a late charge shall not waive the breach caused by the late payment. All sums collected from Grantor shall be applied first to any outstanding interest and late charges, and then to the payment of amounts due from Grantee to Grantor under this Agreement.

5. Grantor's Representations and Warranties. Grantor hereby represents and warrants to Grantee as follows:

(a) Grantor's Authority. Subject to the Matters of Record, Grantor is the sole owner of the Property, has good and marketable title to the Property, and has the unrestricted right and authority to execute this Agreement and to perform its obligations hereunder. Subject to the Matters of Record, Grantee shall have the right to quietly and peaceably hold, possess and enjoy the Transmission Easement, the Access Easement, the Clearance Easement and the Grading Easement (collectively referred to herein as

the “*Easements*”), without hindrance or molestation, and Grantor shall defend Grantee’s right of use and occupancy to the Easements against the claims of all persons. When executed by Grantor, this Agreement constitutes a valid and binding agreement enforceable against Grantor in accordance with its terms.

(b) Hazardous Material. As of the Effective Date, to Grantor’s actual knowledge, neither the Property nor Grantor is or has been in violation of any Environmental Laws (as defined in Schedule 1 attached hereto), and Grantor has not received any notice or other communication from any governmental authorities alleging that the Property is in violation of any Environmental Laws. For purposes of this Agreement, “*Hazardous Materials*” shall mean any asbestos containing materials, petroleum, explosives, toxic materials, or substances regulated as hazardous wastes, hazardous materials, hazardous substances, or toxic substances under any federal, state, or local law or regulation. Grantor warrants further that to Grantor’s actual knowledge, no underground storage tanks and no Hazardous Materials are or were located on the Property. For the purposes of this Agreement, whenever the phrase “to Grantor’s actual knowledge” “to Grantor’s knowledge” or similar language is used, then it shall be deemed to refer to the actual current knowledge of Ray Hoffman, without such person undertaking any investigation. Grantee acknowledges that such person is named solely for the purpose of defining the scope of Grantor’s knowledge and not for the purpose of imposing any liability on or creating any duties running from such individual to Grantee.

6. Grantee’s Representations, Warranties and Covenants. Grantee hereby represents warrants and covenants as follows:

(a) Grantee’s Authority. Grantee has the unrestricted right and authority to execute this Agreement and to perform its obligations hereunder. When executed by Grantee, this Agreement constitutes a valid and binding agreement enforceable against Grantee in accordance with its terms.

(b) Taxes and Assessments. To the extent that Easements are subject to leasehold excise tax under Washington State law, Grantee covenants and agrees to reimburse Grantor for any such leasehold excise tax within 30 days after delivery to Grantee by Grantor of written documentation of the payment by Grantor of such tax. Grantee further covenants and agrees to pay prior to delinquency all real and personal property and other taxes, general and special assessments, and other charges of every description levied or assessed against Grantee, Grantor or the Property due to this Agreement or against the Transmission Facilities. Grantee shall not be liable for payment of any Grantor’s Taxes.

(c) Construction Liens. Grantee shall keep the Property free and clear of all liens and claims of liens for labor and services performed on, and materials, supplies or equipment furnished to, the Property in connection with Grantee’s exercise of the Easements and License; provided, however, that if Grantee wishes to contest any such lien, Grantee shall, within sixty (60) days after it receives notice of the filing of such a lien, remove or bond around such lien pursuant to applicable law.

(d) Indemnity by Grantee. Grantee shall defend, indemnify, and hold Grantor and its agents, contractors, employees, guests, licensees or permittees, harmless from and against any and all liabilities, claims of liability, costs, expenses, obligations, losses, damages, claims for damage to property of whatsoever kind or character, or for physical injury or death of a person or persons, caused by the breach by Grantee of any of its obligations under this Agreement, or by the operation of the Transmission Facilities or by causing Grantor to incur any liability under the Limited Easement, or other activities of Grantee, its agents, contractors, employees, licensees and permittees on or about the Easement Areas, Cottage Road and the Property, except to the extent that such liability or loss is due to the actions or omissions of Grantor, its agents, contractors, employees, guests, licensees or permittees, or a breach by Grantor of its obligations hereunder; and provided further that the indemnity provided in this Paragraph 6(d) shall not extend to or include damages consisting of either (i) losses of rent, business opportunities, profits and the like that may

result from Grantor's loss of use of the portion of the Easement Areas occupied pursuant to this Agreement except in the event that any holdover by Grantee following the termination or expiration of this Agreement results in a material adverse impact to Grantor's proposed use of the Easement Areas for the transmission and treatment of water or (ii) property damage or personal injuries or death attributable to risks of commonly known dangers associated with electrical generating facilities, such as electromagnetic fields, unless caused by the negligence or willful misconduct of Grantee. Grantee specifically and expressly waives any immunity it may have under Washington State Industrial Act, Title 51 RCW, and acknowledges that this waiver was mutually negotiated by the parties; *provided, however*, that Grantee's waiver of immunity pursuant to this Paragraph 6(d) extends only to claims against Grantee by Grantor indemnitees under this article and does not include, or extend to, any claims by Grantee's employees (if any) directly against Grantee. In no event shall Grantee's obligations hereunder be limited to the extent of any insurance available to or provided by Grantee. If Grantor incurs any fees, expenses, and costs including attorneys' fees to enforce the provisions of this Paragraph 6(d), all such fees, expenses, and costs shall be recoverable from Grantee. The provisions of this Paragraph 6(d) shall survive any termination or expiration of this Agreement. Grantee shall promptly notify Grantor of casualties or accidents occurring in or about the Easement Areas of which Grantee has notice.

(e) Environmental Release by Grantee. Grantee hereby releases Grantor and its elected or appointed officials, officers, directors, shareholders, members, employees, servants, agents, contractors, volunteers, licensees or invitees from any and all claims, demands, or damages of any kind, type or nature whatsoever, including but not limited to claims pursuant to 70.105D RCW et seq.-Model Toxics Control Act ("*MTCA*") or 42 USC 9601 et seq.- Comprehensive Environmental Response, Compensation, and Liability Act ("*CERCLA*"), arising out of or relating in any way to: (a) the use, storage, generation, processing, transportation, handling or disposal of any Hazardous Materials by Grantee or its elected or appointed officials, servants, agents, employees, contractors, licensees or invitees in, on, under or about the Easement Areas, any adjoining property, or any other property subject to use by Grantee in conjunction with its use and occupancy of the Easement Areas; or (b) the release or threatened release of any Hazardous Materials, or the exacerbation of any Hazardous Materials in, on, under or about the Easement Areas, any adjoining property, or any other property subject to use by Grantee in conjunction with its use and occupancy of the Easement Areas as a result of any act or omission of Grantee or of its elected or appointed officials, servants, agents, employees, contractors, licensees or invitees.

(f) Environmental Indemnity by Grantee. Grantee shall not violate or permit others acting under its authority to violate any Environmental Laws relating to the Property. Grantee shall, to the maximum extent allowed by law, indemnify, defend and hold Grantor and its elected or appointed officials, officers, directors, shareholders, members, employees, servants, agents, contractors, volunteers, licensees and invitees harmless from and against any and all claims, demands, damages, natural resource damages, response costs, remedial cost, cleanup costs, personal injury, losses, liens, liabilities, penalties, fines, lawsuits, other proceedings, costs and expenses (including costs and attorney fees) of any kind, type or nature whatsoever, including but not limited to, claims pursuant to MTCA or CERCLA, arising out of or relating in any way to: (a) the use, storage, generation, processing, transportation, handling or disposal of any Hazardous Materials by Grantee or its agents, employees, contractors, licensees or invitees in, on, under or about the Easement Areas, any adjoining property, or any other property subject to use by either Grantee or Grantor in conjunction with its their use and occupancy of the Easement Areas; or (b) the release or threatened release of any Hazardous Materials contamination, or the exacerbation of any Hazardous Materials contamination in, on, under or about the Easement Areas, any adjoining property, or any other property subject to use by Grantee in conjunction with its use and occupancy of the Easement Areas as a result of any act or omission of Grantee or of agents, employees, contractors, licensees or invitees, except to the extent that such liability or loss is due to any fraud, negligence, or willful misconduct by Grantor, its agents, contractors, employees, guests, licensees or permittees. Grantee specifically and expressly waives any immunity it may have under Washington State Industrial Act, Title 51 RCW, and acknowledges that

this waiver was mutually negotiated by the parties. In no event shall Grantee's obligations hereunder be limited to the extent of any insurance available to or provided by Grantee. In the event Grantor incurs any fees, expenses, and costs including attorneys' fees to enforce the provisions of this Paragraph 6(f), all such fees, expenses, and costs shall be recoverable from Grantee. The provisions of this Paragraph 6(f) shall survive any termination or expiration of this Agreement.

(g) Insurance. Grantee shall, at its expense, maintain: a broad form comprehensive coverage policy of public liability insurance insuring against loss or liability caused by Grantee's occupation and use of the Easement Areas, in an amount not less than Two Million Dollars (\$2,000,000) per occurrence, Four Million Dollars (\$4,000,000) aggregate liability coverage per occurrence, accident or incident; a pollution liability coverage with not less than One Million Dollars (\$1,000,000) per claim for property damage and bodily injury to third parties arising out of "sudden and accidental" pollution conditions as a result of work performed upon or adjacent to the Easement Areas which shall remain for three (3) years after the completion of any work performed in the Easement Areas; a worker's compensation policy (to the extent exposure exists) that meets the statutory requirements in Washington, to include all areas covered under this Agreement; and Employer's Liability insurance, with not less than One Million Dollars (\$1,000,000) limit. All insurance required under this section shall be in a form and with insurers acceptable to Grantor, acting reasonably. If licensed vehicles will be used in connection with this Agreement, Grantee shall carry and maintain, and shall ensure that any party who uses licensed vehicles in connection with this Agreement carries and maintains, Automobile Liability insurance covering all vehicles, whether owned (if any), hired, rented, borrowed or otherwise, with limits of liability of not less than One Million Dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage. Grantee may satisfy limits above through any combination of primary, excess or umbrella insurance. Grantee shall require all contractors performing work on the Property on behalf of Grantee to obtain and maintain insurance coverage in accordance with standard industry practice for similar work and operations. Grantor shall be named as an additional insured ("**Additional Insureds**") with respect to all policies of insurance described in this Paragraph 6(g) (except for workers' compensation / employer's liability). Prior to Grantee or any party acting under Grantee entering the Property, Grantee shall first provide to Grantor a certificate of insurance reflecting full compliance with the requirements set forth herein. Further, Grantee shall, within ten (10) days of Grantor's written request to Grantee, provide Grantor with a certificate of insurance reflecting full compliance with the requirements set forth herein. Each policy described in this Paragraph shall be endorsed to be primary to any insurance maintained by the Additional Insureds. Grantor shall review the insurance requirements identified in this Paragraph no more than once during any five-year period, and, upon such review, may provide commercially reasonable updated insurance requirements to Grantee, which Grantee shall promptly implement and provide proof of such implementation.

(h) Removal Bond. Within one hundred eighty (180) days after the commencement of construction of the Transmission Facilities on the Transmission Facilities Easement Area, but not including survey work, the installation of fencing, temporary storage buildings or trailers, placement of equipment or construction materials on the Property, or the construction of roads ("**Commencement of Construction**"), Grantee shall obtain and deliver to Grantor a surety bond or letter of credit issued by a surety listed on the U.S. Department of Treasury Circular 570, be reasonably satisfactory to Grantor, be licensed to do business in Washington and securing performance of Grantee's obligation to remove the Transmission Facilities and restore the Easement Areas in accordance with Paragraph 3(b) above (the "**Removal Bond**"). The amount of the Removal Bond shall be equal to Grantee's reasonable estimate to remove the Transmission Facilities from the Easement Areas net of assumed salvage value (with any necessary labor and transportation costs shall be subtracted by such salvage value amount), and to restore the Easement Areas to their original condition. If Grantee fails to complete the removal of the Transmission Facilities and restoration of the Easement Areas within the time period required under Paragraph 3(b), then within one hundred eighty (180) days after delivery by Grantor to Grantee of notice of such failure, Grantor shall have the right (but not the

obligation), at its option and in its sole discretion, to cause the removal of the Transmission Facilities and complete restoration of the Easement Areas by drawing on the Removal Bond.

(i) Compliance with Laws. In exercising its rights under this Agreement, Grantee shall comply with all applicable laws and regulations now or hereafter enacted pertaining to the Property. Further, Grantee is responsible for meeting all applicable federal, state and local safety and other codes, and for obtaining all applicable federal, state and local permits, licenses, or other authorizations required for such activities by Grantee or its employees, agents, contractors, licensees and invitees (including, but not limited to, such laws or permits as may pertain to building, zoning, shoreline regulation, environmental protection or other matters pertaining to the general public health, safety and welfare. Grantor makes no representation or warranty as to whether Grantee will need any other permits, licenses or other authorizations that may be required for such activities. It is Grantee's responsibility to confirm the applicable law and requirements of all governing jurisdictions and regulatory agencies.

(j) Site Security. At its sole cost and expense, Grantee shall install and maintain any security measures necessary or desirable, as determined by Grantee in its sole discretion, to protect the Transmission Facilities, which may include warning signs and other measures appropriate to reasonably protect the Transmission Facilities from damage or destruction and Grantor shall have no responsibility relating to the same. Nothing in the foregoing shall be deemed to waive or limit the Parties' respective obligations under Sections 6(d) and 11(f).

(k) Restoration. To the extent that the Grantor's real property or personal property (or the access easement used to access Grantor's real property) is disturbed and/or damaged at any time by Grantee's exercise of its rights hereunder, Grantee shall restore the condition of Grantor's real property as nearly as reasonably possible to an equal or better condition than it was in immediately prior to said exercise of Grantee's rights. Grantee shall remove all of its equipment, trash and debris from the Property (and Cottage Road E used to access the Property) upon completion of any work within the Easement Areas and shall be solely responsible at its sole cost to keep the Easement Areas neat and clean from any trash and debris left by third parties.

(l)

7. Default and Remedies. If either Party (the "**Defaulting Party**") should fail to perform any of its obligations under this Agreement within sixty (60) days after the other Party (the "**Notice Party**") gives the Defaulting Party written notice of such failure, then the Notice Party shall have the right at its option and without further notice, to exercise any remedy available at law or equity, including, without limitation, a suit for specific performance of any obligations set forth in this Agreement or any appropriate injunctive or other equitable relief, or for damages resulting from such default (including, without limitation, the cost of obtaining alternative easements and removing and reinstalling the Transmission Facilities); provided, however, that notwithstanding any rights or remedies which Grantor may otherwise have hereunder, at law or in equity, Grantor shall not (and hereby waives the right to) at any time during the term of this Agreement, commence, prosecute or participate in any action or proceeding in which termination, cancellation, rescission or reformation of this Agreement is sought or could be awarded as a remedy, and Grantor shall be limited to seeking and obtaining damages, injunctive relief or specific performance in the event of any failure by Grantee to perform its obligations hereunder. Nothing in the foregoing sentence shall be deemed to prevent Grantor from taking any action to clear title to the Property and enforce Grantor's rights following the expiration or earlier termination of this Agreement. Both Parties agree that remedies at law may be inadequate to protect against any actual or threatened breach of this Agreement. In the event of any breach or threatened breach, either Party shall have the right to apply for the entry of an immediate order to restrain or enjoin the breach and otherwise specifically to enforce the provisions of this Agreement.

8. Assignment and Project Lenders.

(a) Assignment. Other than as set forth below pursuant to clause (b) of this Paragraph 8, Grantee shall have the right, without Grantor's consent, to assign or transfer to one or more Affiliates (as defined below) or Qualified Assignees this Agreement, any right or interest in this Agreement, or all or any portion of Grantee's right or interest in the Easement Area or in the Transmission Facilities. Any other assignment by Grantee shall require the prior written consent of Grantor, which consent shall not be unreasonably withheld, conditioned, or delayed. If Grantee seeks assignment of this Agreement to an entity which is not a Qualified Assignee or Affiliate, Grantee shall provide Grantor with written notice of the request for assignment that includes the proposed assignee's name and address, performance record, and evidence of technical, professional, and financial ability to perform Grantee's obligations under this Agreement, which Grantee shall take into consideration, along with any other information reasonably requested by Grantee, when determining whether to grant approval to such assignment. For purposes of this Section, a "Qualified Assignee" is an assignee that, together with its Affiliates, owns, manages or controls at least 200MW of operating energy generating assets, excluding the assets associated with the Transmission Facilities. For purposes of this Paragraph 8(a), a "Affiliate" means (i) any corporation, limited liability company, partnership or other entity now existing or hereafter organized which (directly or indirectly) is under common control with Grantee, where control requires ownership of at least fifty-one percent (51%) of all outstanding shares of voting stock or ownership interests of such entity; or (ii) a corporation, limited liability company, partnership or other entity that acquires all or substantially all of Grantee's or Grantee's business, assets or capital stock, directly or indirectly, by purchase, merger, consolidation or other means. Grantee may not grant a sub-easement or apportion the Easements or any portion thereof without Grantor's express written approval, such approval not to be unreasonable withheld.

(b) Project Lenders. Grantee shall have the right at any time and from time to time to assign, pledge, mortgage or otherwise encumber to any party or parties providing financing for any of Grantee's, its affiliates', or any Co-tenant's (as such term is defined below) projects (such party or parties, together with any agent acting on behalf of such party or parties, collectively "Project Lender"), without the consent of Grantor, all or any part of Grantee's rights and interests under this Agreement, in the Easements and/or in any Transmission Facilities. Any such assignment, pledge, mortgage or encumbrance shall burden only the easement estate in the Property. Provided Grantee gives Grantor written notice of any such assignment, pledge, mortgage or encumbrance that details exactly what rights and interests are being transferred, together with the name and address of the Project Lender, such Project Lender shall be entitled to the rights, and Grantor shall have the obligations, set forth in this Paragraph 8 until receipt of written notice from such Project Lender (i) that such rights have been assigned to a successor Project Lender, and setting forth the name and address of the successor Project Lender, who thereafter shall be entitled to such rights, or (ii) that the obligations secured by the assignment, pledge, mortgage or encumbrance have been satisfied in full. At the request of Grantee or Project Lender, Grantor shall execute and deliver an acknowledgement, in a form agreeable to Project Lender and Grantee, that Grantee has assigned, pledged, mortgaged or otherwise encumbered all or any portion of Grantee's right, title or interest in, to and under this Agreement, the Easements and/or any Transmission Facilities to Project Lender and that Project Lender is entitled to all of the rights, benefits, and protections as Project Lender under this Paragraph 8.

(c) Grantor Consent. Grantor hereby (i) irrevocably consents to the assignment, pledge, mortgage or encumbrance specified in clause (a) of this Paragraph 8 above and to any subsequent assignments by Project Lender (after following the same notice requirements as required for a transfer from Grantee to a Project Lender described in clause (b) of this Paragraph 8 above upon and after Project Lender's exercise of its rights and remedies against Grantee, and (ii) agrees that following receipt of written notice from Project Lender or its nominee, designee or assignee, all relevant representations, warranties, indemnities and agreements (other than those representations and warranties expressly made only as of an earlier date) made by Grantor under this Agreement shall inure to the benefit of such party and shall be

enforceable by such party to the same extent as if such party were originally named as Grantee in this Agreement.

(d) Notice and Cure Rights. Any Project Lender shall have the right, but not the obligation, to do any act or thing required to be performed by Grantee under this Agreement, and any such act or thing performed by Project Lender shall be as effective to prevent or cure a default under this Agreement as if done by Grantee. If Grantee defaults under this Agreement and such default continues beyond the expiration of any applicable notice and cure period, Grantor shall, before exercising any remedy, give written notice to Project Lender specifying the default and the steps necessary to cure the same and Project Lender shall have ninety (90) days after receipt of such notice (or such longer period of time for a non-payment default as may be reasonably necessary under the circumstances, provided that Project Lender is diligently pursuing such cure) to cure such default or to cause it to be cured. If Project Lender fails to cure or cause to be cured any such default within the appropriate period set forth above, Grantor shall have all of its rights and remedies with respect to such default as set forth in this Agreement and at law or in equity.

(e) Project Lender Enforcement. Project Lender shall have the right to exercise foreclosure proceedings or a power of sale or other remedy afforded in law or equity or by the security documents securing the financing provided by Project Lender, and Grantee's interest in the easement estate in the Property may be transferred, conveyed or assigned to any purchaser, including Project Lender, at any such foreclosure sale or other exercise of remedies. Project Lender shall assume all obligations and liabilities of Grantee under or pursuant to this Agreement, upon exercise by Project Lender of its rights and remedies under the documents secured by such assignment, pledge, mortgage or encumbrance.

(f) Project Lender Consent. Grantor covenants and agrees for the benefit of Project Lender that without the prior written consent of Project Lender, Grantor will not amend, modify, cancel, terminate, suspend, or cause, consent to or accept the cancellation, termination or suspension of (prior to the expiration of the applicable cure periods benefiting Project Lender in clause (d) of this Paragraph 8) this Agreement.

9. Grantor's Property Use. Subject to all above-stated conditions and restrictions, Grantor reserves the right to continue to use the area within the Easement Areas for those purposes and in such scope as such area is being used as of the Effective Date; provided, however, that Grantor's purpose and scope of use shall not, at any time, violate any of the other obligations of Grantor set forth herein or endanger, interfere with, or damage the Transmission Facilities. Grantee acknowledges that Grantor's water transmission lines (including penstock pipelines) and related infrastructure and appurtenances that are part of the lower water conveyance system for Lake Tapps Reservoir currently exist within the Transmission Facilities Easement Area and Grantor anticipates that additional water transmission lines may be installed abutting or within the Transmission Facilities Easement Area. Grantee consents to such current water transmission lines and related infrastructure and appurtenances. Grantee also consents to such additional water transmission lines provided that such additional water transmission lines do not damage, endanger, or interfere with the Transmission Facilities or the geotechnical integrity of the Transmission Facilities. Grantor shall abide by all reasonable safety measures instituted by Grantee as to which Grantor has received notice. During the construction and installation of the Transmission Facilities, Grantee may request that Grantor and any other users of the Property refrain from activities that interfere with the construction and/or installation of the Transmission Facilities, and Grantor shall honor any such request. This Paragraph 9 is expressly subject to all rights held by parties under the Matters of Record, and any actions taken pursuant to the terms of the Matters of Record shall not be deemed to violate the terms of this provision.

10. Grantor's Covenants. Grantor hereby covenants for the benefit of Grantee as follows:

(a) Sub-Surface Rights. Grantor hereby covenants that to the extent Grantor possesses

sub-surface rights with respect to the Property, Grantor, and any persons acting on behalf of Grantor shall conduct all prospecting for or development of geothermal substances, water, minerals, oils, gas, petroleum, or other substances on the Property from locations outside the Easement Areas and in such manner and by methods that will not penetrate a 500-foot deep zone directly beneath the surface of the ground in the Easement Areas, nor interfere with the exercise of the rights granted herein. Without limiting the generality of the foregoing, the Parties acknowledge that Grantor may desire to construct and operate water pipelines on the Property during the Term, and the Parties will use the Quarterly Meetings described in Paragraph 2(b) to coordinate and cooperate to facilitate the installation of such facilities subject to Grantor's covenant of non-interference set out in Paragraph 10(b) below.

(b) Covenant of Noninterference. Throughout the Term, Grantor shall not interfere with, or take or support any action adverse to, and shall not directly or indirectly authorize any other party to interfere with or take or support any action adverse to, Grantee's exercise of the Easements or use of the Easement Areas for the purposes described in this Agreement. Without limiting the foregoing, subject to the rights of parties set out in the Matters of Record and Grantor's reserved rights described in Paragraph 9 above, Grantor shall not, and shall not allow any third-party to, within the Easement Areas: (i) drill, excavate, erect or install any buildings, structures, antennas, footings, pilings or other improvements; (ii) place or store flammable materials; (iii) plant trees; (iv) place water, sewer or drainage facilities; (v) move any heavy equipment over any underground Transmission Facilities without Grantee's prior consent; or (vi) alter the elevation of the existing ground surface by more than one (1) foot.

(c) Cooperation. Subject to the terms of this Agreement, Grantor shall fully cooperate with Grantee, at Grantee's sole cost and expense, in applying for, complying with and/or obtaining any land use permits and approvals, building permits, environmental reviews, land use designations, or any other permits, licenses, approvals, or consents required for the financing, construction, installation, replacement, relocation, enlargement, maintenance, repair, operation or removal of the Transmission Facilities and any other improvements made by Grantee and permitted pursuant to this Agreement, including, but not limited to, executing any application for (or affidavits required in connection with) permits, entitlements or land-use designation changes as may be requested by Grantee; provided, however, that nothing in this paragraph shall be deemed to require Grantor to act as agent for Grantee, or to submit any application or request for governmental approval on behalf of Grantee. Subject to the terms of this Agreement, Grantor shall cooperate, as reasonably requested by Grantee with Grantee's inspections and other due diligence investigations of the Easement Areas, including, without limitation, coordinating with Grantee and its employees, representatives, agents, consultants and other experts to (i) enter onto the Property and conduct tests and investigations relating to the physical condition of the Easement Areas, including, without limitation, environmental investigations and any other tests as may be deemed necessary by Grantee following consultation and coordination with Grantor pursuant to Paragraph 2(b) above and Schedule 2 attached to and incorporated into this Agreement, (ii) review and analyze the Property Documents (as defined in Paragraph 10(j) below), (iii) meet with all governmental agencies, and with other persons or entities with whom Grantor or others have contractual arrangements, in connection with or relating to the Easement Areas, (iv) discuss the terms of this Agreement or any contractual arrangements impacting the Easement Areas, (v) conduct surveys of the Property, and (vi) review and analyze any other matters Grantee deems relevant, in Grantee's sole and absolute discretion. Notwithstanding the foregoing, Grantee shall not take any action that would bind or encumber the Property or Grantor without consulting and coordinating with Grantor in accordance with Schedule 2 and Paragraph 2(b) above and obtaining Grantor's prior written consent not to be unreasonably withheld, delayed, or conditioned. Grantee covenants that upon the expiration or earlier termination of this Agreement, Grantee shall promptly cooperate with Grantor at Grantee's sole cost and expense to remove any binding or encumbering actions taken by Grantee that affect the Property.

(d) Liens; Title Cooperation. Grantor shall cooperate with and assist Grantee at Grantee's

sole cost and expense in requesting a subordination agreement, non-disturbance agreement or other appropriate agreement from each person having an interest in any Matter of Record that, in Grantee's reasonable opinion, might adversely affect Grantee's rights under this Agreement, in form and substance reasonably satisfactory to Grantee.

(e) Grading of Property. During the Term, Grantor shall not increase or decrease the ground surface elevation within the boundaries of the Easement Areas without the prior written consent of Grantee in its reasonable discretion, which consent shall not be unreasonably withheld, delayed, or conditioned.

(f) Indemnity by Grantor. Grantor shall defend, indemnify and hold Grantee harmless from and against any and all liabilities, claims of liability, costs, expenses, obligations, losses, damages, claims for damage to property of whatsoever kind or character, or for physical injury or death of a person or persons, caused by (i) fraud, negligence or willful misconduct of Grantor, its agents, officers, directors, employees or contractors; (ii) the material breach by Grantor of any of its obligations under this Agreement (including, without limitation, with respect to Hazardous Materials); or (iii) the material inaccuracy of any of its representations or warranties under this Agreement (including, without limitation, with respect to Hazardous Materials), in each instance except to the extent such liability or loss is due to the negligence or willful misconduct of Grantee, its agents, contractors, employees, guests, licensees or permittees, or from the breach by Grantee of its obligations hereunder. In no event shall Grantor's obligations hereunder be limited to the extent of any insurance available to or provided by Grantor. In the event Grantee incurs any fees, expenses, and costs including attorneys' fees to enforce the provisions of this Paragraph 10(f), all such fees, expenses, and costs shall be recoverable from Grantor. The provisions of this Paragraph 10(f) shall survive any termination or expiration of this Agreement. Grantor shall promptly notify Grantee of casualties or accidents occurring in or about the Easement Areas of which Grantor has notice.

(g) Taxes and Assessments. To the extent Grantor is subject to real or personal property taxes, Grantor shall pay or cause to be paid prior to delinquency (i) all real and personal property and other taxes, general and special assessments, and other charges of every description levied or assessed against or imposed upon the Property, and (ii) all taxes attributable to facilities or improvements installed by Grantor or other third parties on any portion of the Property and any personal property of Grantor or other third parties on any portion of the Property (collectively, "**Grantor's Taxes**"). If Grantor fails to pay Grantor's Taxes, Grantee may take any lawful steps to protect its interest in the Easement Areas and the Easements, including but not limited to, direct payments of Grantor's Taxes to the taxing authority. If Grantee has paid such amounts on behalf of Grantor, Grantee shall be entitled to collect same from Grantor, at Grantee's option, together with interest on such amounts paid, at the Interest Rate (as defined in Paragraph 12(l) below), from the date of payment by Grantee until the date of collection.

(h) Locks and Keys. Grantor shall provide Grantee with keys and combinations to all locks on any gates within the Access Easement Area.

(i) No Overburdening. Subject to the terms and conditions of any Matters of Record, Grantor hereby acknowledges and agrees that: (i) no use of or improvement to the Easement Areas or any portion thereof permitted under this Agreement, (ii) no assignment of Grantee's interest in all or any portion of the Easements Areas, and (iii) no use or improvement of the Easement Areas or any portion thereof as permitted under this Agreement resulting from any such assignment of Grantee's interest, shall, separately or in the aggregate, constitute an overburdening of the Easement Areas.

(j) Property Documents. Within ten (10) business days after written request by Grantee, Grantor shall deliver to Grantee copies of non-privileged information that is to Grantor's actual knowledge readily accessible and in Grantor's immediate possession or control relating to the environmental condition

and title status of the Property, including any surveys of the Property (collectively, the “Property Documents”). The Property Documents are delivered in an “As Is, Where Is” basis without liability or recourse to Grantor and subject to any ownership rights, restrictions, disclaimers or limitations on reliance or use imposed or asserted by third parties. Grantor expressly disclaims and makes no representations or warranties (whether express or implied) regarding the quality, accuracy, correctness, completeness, usability or any other matter whatsoever regarding the Property Documents provided to Grantee.

(k) Environmental Covenant and Release by Grantor. Grantor shall not violate or permit others acting under its authority to violate any Environmental Laws relating to the Property. Grantor hereby releases Grantee and its elected or appointed officials, officers, directors, shareholders, members, employees, servants, agents, contractors, volunteers, licensees or invitees from any and all claims, demands, or damages of any kind, type or nature whatsoever, including but not limited to claims pursuant to 70.105D RCW et seq.-MTCA or 42 USC 9601 et seq.- CERCLA, arising out of or relating in any way to: (a) the use, storage, generation, processing, transportation, handling or disposal of any Hazardous Materials by Grantor or its elected or appointed officials, servants, agents, employees, contractors, licensees or invitees in, on, under or about the Easement Areas, or any contiguous property owned or operated by Grantor; or (b) the release or threatened release of any Hazardous Materials, or the exacerbation of any Hazardous Materials in, on, under or about the Easement Areas, any adjoining property, or any other property subject to use by Grantor in conjunction with its use and occupancy of the Easement Areas as a result of any act or omission of Grantor or of its elected or appointed officials, servants, agents, employees, contractors, licensees or invitees.

(l) Environmental Indemnity by Grantor. Grantor shall, to the maximum extent allowed by law, indemnify, defend and hold Grantee harmless from and against any and all claims, demands, damages, natural resource damages, response costs, remedial cost, cleanup costs, personal injury, losses, liens, liabilities, penalties, fines, lawsuits, other proceedings, costs and expenses (including costs and attorney fees) of any kind, type or nature whatsoever, including but not limited to, claims pursuant to MTCA or CERCLA, arising out of or relating in any way to: (a) the use, storage, generation, processing, transportation, handling or disposal of any Hazardous Materials by Grantor or its agents, employees, contractors, licensees or invitees in, on, under or about the Property; or (b) the release or threatened release of any Hazardous Materials contamination, or the exacerbation of any Hazardous Materials contamination in, on, under or about the Property as a result of any act or omission of Grantor or of agents, employees, contractors, licensees or invitees, except to the extent that such liability or loss is due to any fraud, negligence, or willful misconduct by Grantee, its agents, contractors, employees, guests, licensees or permittees. Grantor specifically and expressly waives any immunity it may have under Washington State Industrial Act, Title 51 RCW, and acknowledges that this waiver was mutually negotiated by the parties. In no event shall Grantor’s obligations hereunder be limited to the extent of any insurance available to Grantor. In the event Grantee incurs any fees, expenses, and costs including attorneys’ fees to enforce the provisions of this Section 10(l), all such fees, expenses, and costs shall be recoverable from Grantee. The provisions of this Section 10(l) shall survive any termination or expiration of this Agreement.

11. Further Assurances. Upon the receipt of a written request from the other Party, each Party shall execute such additional documents, instruments and assurances and take such additional actions as are reasonably necessary and desirable to carry out the terms and intent hereof (including, without limitation, executing and delivering to Grantee any owner’s affidavit or similar instrument reasonably requested by any title company or attorney reviewing title to the Property). Neither Party shall unreasonably withhold, condition or delay its compliance with any reasonable request made pursuant to this Paragraph 11. Grantee shall be responsible for reasonable costs that Grantor incurs as a result of Grantor’s obligations under this Paragraph 11.

12. Miscellaneous.

(a) Confidentiality. Both parties acknowledge that Grantor is subject to the Washington State Public Disclosure Act, which mandates public access to certain records, as defined therein. Certain information to be provided by Grantee to Grantor pursuant to this Agreement may contain technical, financial or other data the public disclosure of which could cause substantial injury to the Grantee's competitive position or constitute a trade secret. In order to protect such data from public disclosure under applicable laws, Grantee shall submit such information under separate cover and clearly marked "Confidential – Not Subject to Public Disclosure."(ii) In the event that such properly marked data is requested by the public or pursuant to applicable law, Grantor shall endeavor to notify Grantee of any such request. If so notified, Grantee at its option may seek a protective order in a court of competent jurisdiction. In the event that data marked "Confidential – Not Subject to Public Disclosure" (1) is requested pursuant to any applicable law other than the Public Disclosure Act, or (2) Grantor deems disclosure of such data is necessary to show compliance by Grantor with any Applicable Law, then Grantor shall endeavor, where reasonably possible, to notify Grantee of the request and refer the individual or entity requesting the information to Grantor for disclosure purposes. The burden to obtain any desired temporary restraining order or injunctive relief to prevent disclosure is with Grantor. No information shall be considered to be confidential or proprietary hereunder, notwithstanding any confidential or proprietary designation thereof, which (1) is known to Grantor without any restriction as to disclosure or use at the time it is furnished, (2) is or becomes generally available to the public without breach of any agreement, (3) is received from a third party without limitation or restriction on such third party or Grantor at the time of disclosure, or (4) is required to be or may be disclosed under or pursuant to the Public Disclosure Act or any other applicable law or regulations governing such disclosure, an order of a court of competent jurisdiction or a lawful subpoena.

(b) Condemnation. All payments made on account of any taking or threatened taking of the Transmission Facilities or the Easements, or any part thereof, by a governmental authority shall be made to Grantee. Grantee shall have the right to participate in any condemnation proceedings affecting the Property and Grantor shall not enter into any settlement agreement relating thereto without the prior written consent of Grantee, which consent shall not be unreasonably withheld.

(c) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Grantor and Grantee and their respective successors and assigns, and all persons claiming under them, and shall be deemed covenants running with the land and be binding upon the Property.

(d) Recording of Agreement. Grantee may record an original or memorandum of this Agreement in the Official Records at any time after execution of this Agreement. Grantee and its successors and assigns may record assignments or other transfers of this Agreement in the Official Records at any time after recordation of this Agreement.

(e) Notices. All notices or other communications required or permitted by this Agreement shall be in writing and shall be deemed given when personally delivered to Grantor or Grantee, or in lieu of such personal delivery services, five (5) days after deposit in the United States mail, first class, postage prepaid, certified, or one (1) business day after deposit for delivery with a reputable overnight courier, addressed as follows:

If to Grantor:

Cascade Water Alliance
520 112th Ave. NE, Suite 400
Bellevue, WA 98004
Tel. 425.453.0930

If to Grantee:

GREE bn, LLC
Attn: Legal
13123 E Emerald Coast Pkwy, Ste B#158
Inlet Beach, FL 32461
greer@brightnightpower.com

(f) Change of Address. Any Party may change its address by giving written notice of such change to the other Party at the address provided herein.

(g) Entire Agreement; Amendments. This Agreement constitutes the entire agreement between Grantor and Grantee respecting its subject matter. This Agreement shall not be modified or amended except in a writing signed by both Parties.

(h) Legal Matters; Attorney Fees. This Agreement shall be governed by and interpreted in accordance with the laws of the state in which the Property is located. If the Parties are unable to resolve amicably any dispute arising out of or in connection with this Agreement, they agree that such dispute shall be resolved in the state or federal courts located in Pierce County, Washington. The Parties agree that any rule of construction to the effect that ambiguities are to be resolved in favor of either Party shall not be employed in the interpretation of this Agreement and is hereby waived. To the extent permitted by applicable law, the prevailing party in any action or proceeding for the enforcement, protection or establishment of any right or remedy under this Agreement shall be entitled to recover its reasonable attorneys' fees and costs in connection with such action or proceeding from the non-prevailing party.

(i) **WAIVER OF CONSEQUENTIAL DAMAGES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE ENTITLED TO, AND EACH OF GRANTOR AND GRANTEE HEREBY WAIVES ANY AND ALL RIGHTS TO RECOVER, CONSEQUENTIAL, INCIDENTAL, AND PUNITIVE OR EXEMPLARY DAMAGES, HOWEVER ARISING, WHETHER IN CONTRACT, IN TORT, OR OTHERWISE, UNDER OR WITH RESPECT TO ANY ACTION TAKEN IN CONNECTION WITH THIS AGREEMENT.**

NOTWITHSTANDING THE FOREGOING, IF UPON EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT, GRANTEE FAILS TO REMOVE ITS TRANSMISSION FACILITIES WITHIN THE TIME OR MANNER REQUIRED PURSUANT TO PARAGRAPH 3(B) ABOVE, OR OTHER THAN GRANTEE'S PERMITTED USES HEREUNDER TAKES ANY DIRECT, WILLFUL ACTION TO IMPAIR THE ABILITY OF GRANTOR TO DEVELOP AND CONSTRUCT A WATER TRANSMISSION AND TREATMENT PLANT AND ACCOMPANYING INFRASTRUCTURE, INCLUDING WITHOUT LIMITATION, WATER TRANSMISSION LINES WITHIN THE EASEMENT AREA OR ON OR ABUTTING THE PROPERTY, GRANTOR SHALL HAVE THE RIGHT TO SEEK CONSEQUENTIAL OR INCIDENTAL DAMAGES IN CONNECTION WITH SUCH ACTION OR DEFAULT.

(j) Partial Invalidity. In the event that any of the terms of this Agreement are in conflict with a rule of law or statutory provision or otherwise unenforceable, such terms will be deemed stricken from this Agreement, but such invalidity or unenforceability will not invalidate any of the other terms of this Agreement, and this Agreement will continue in force, unless the invalidity or unenforceability of any such provisions hereof does substantial violence to, or where the invalid or unenforceable provisions comprise an integral part of, or are otherwise inseparable from, the remainder of this Agreement. Notwithstanding any other provision of this Agreement, the Parties agree that in no event shall the term of this Agreement be longer than the longest period permitted by applicable law.

(k) Tax and Renewable Energy Credits. If under applicable law, Grantee is able to

obtain the benefit of any tax credit, renewable energy credit, environmental credit or any other benefit or incentive for renewable energy established by any local, state or federal government, then, at Grantee's option, Grantor and Grantee shall exercise good faith and negotiate an amendment to this Agreement or replace it with a different instrument so as to convert Grantee's interest in the Property to a substantially similar interest that makes Grantee eligible for such credit, benefit or incentive; provided, however, that in no event may any such amendment or instrument convey fee title in the Easement Area or Property from Grantor to Grantee.

(l) Interest Rate. Interest Rate shall be ten percent (10%) per year or the maximum interest rate permitted by applicable law, whichever is lower.

(m) Estoppels and Assignee Protection. Upon written request of Grantee, Project Lender, or any proposed successor or assign of Grantee, Grantor shall execute and deliver an estoppel, within ten (10) business days of such request therefor, addressed to Grantee and to any person requesting the same, certifying under penalty of perjury as of the date of delivery thereof, whether this Agreement has been amended or modified in any manner (and if so, identifying such amendment or modification), whether this Agreement is then in full force and effect, and whether there then exist any known breaches or defaults by either Party under this Agreement, or any known facts or circumstances which with the giving of notice or lapse of an applicable cure period, or both, would constitute a breach or default under this Agreement. Such estoppel shall also include certifications by Grantor as to such other factual matters as Grantee or the person requesting same shall reasonably request and as are reasonably acceptable to Grantor. In addition, upon request of Grantee, Project Lender, or any proposed successor or assign of Grantee, Grantor shall execute and deliver a recognition or nondisturbance and attornment agreement in favor of such proposed successor or assign, in form and substance reasonably satisfactory to Grantee and Grantor and such proposed successor or assign. Without limiting the generality of the foregoing, for the purposes of this Paragraph, a proposed assignee of Grantee shall include without limitation an institutional or non-institutional lender of any kind which is then considering making a loan to Grantee or an equity investment in Grantee. Any such estoppel, certificate or agreement may be conclusively relied upon by any actual or prospective purchaser, encumbrancer or transferee of the Easements named in such document.

(n) No Merger. There shall be no merger of the Easements with the fee estate in the Property by reason of the fact that the Easements may be held, directly or indirectly, by or for the account of any person or persons who also own the fee estate or any interest therein, and no such merger shall occur unless and until all persons at the time having an interest in the fee estate in the Property and all persons (including, without limitation, any mortgagee of Grantee) having an interest in the Easements shall execute a written instrument effecting such merger and shall duly record the same in the Official Records.

(o) Joint Grantors. If one or more persons, partnerships, corporations, trusts or other entities execute this Agreement as Grantor or have an ownership interest in the Property from time to time, the obligations of Grantor under this Agreement shall be the joint and several obligations of each such person, partnership, corporation, trust or other entity. All such persons, partnerships, corporations, trusts or other entities agree that they shall be solely responsible for allocating any payments made under this Agreement between or among themselves and that Grantee shall have no obligation to make any such allocation.

(p) No Partnership. Nothing contained in this Agreement shall be deemed or construed by the Parties or by any third person to create the relationship of principal and agent, partnership, joint venture or any other association between Grantor and Grantee.

(q) Headings. The Paragraph headings used herein are inserted only for convenience of reference and shall in no way define, limit or describe the scope or intent of any provision of this

Agreement.

(r) Counterparts. This Agreement may be executed in any number of counterparts, and by each Party on separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same instrument. Each party shall be entitled to rely upon executed copies of this Agreement transmitted by facsimile or email to the same and full extent as the originals, provided that the parties agree to provide original, ink signatures as required for the purposes of assembling an original, ink signature counterpart for recording purposes.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first set forth above, to be effective as of the Effective Date.

GRANTOR:

Cascade Water Alliance,
a Washington municipal corporation

By: _____
Name:
Title:

GRANTEE:

GREE bn, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

STATE OF WASHINGTON)
)
COUNTY OF _____)

On _____, 2022, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of Washington that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public
My Commission Expires:_____

STATE OF WASHINGTON)
)
COUNTY OF _____)

On _____, 2022, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of Washington that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public
My Commission Expires:_____

EXHIBIT A

DESCRIPTION OF THE PROPERTY

All that certain real property located in Pierce County, Washington, more particularly described as follows:

The North ½ Section 7, Township 20 North, Range 5 East of the Willamette Meridian

CASCADE WATER ALLIANCE 0520071007
38.47 ACRES

Section 7-20N-5E, all that part of the NE/4 of Parcel C of Lot 4 of Pierce County Large Lot Subdivision No. 2000009015003, according to survey 2000009015003 of record and revised survey 200512145001, in Pierce County, Washington, lying westerly of a line described as commencing at the north quarter corner for said Section 7; thence south 01°39'27" west along the easterly line of said parcel c, 330.00 feet; thence south 88°03'38" east along the northerly line of said parcel c, 602.74 feet to the point of beginning; thence south 01°56'22" west 657.13 feet; thence south 77°34'46" east 416.78 feet; thence south 66°15'03" east 499.22 feet; thence south 01°25'49" west 621.02 feet to the southerly line of said parcel c and the end of said line description from which the most westerly angle point in the southerly line of said parcel c lies north 88°34'11" west along said southerly line, 977.09 feet distant.

CASCADE WATER ALLIANCE 0520072004
60.99 ACRES

Section 7-20N-5E, all that part of the NW/4 of Parcel C of Lot 4 of Pierce County Large Lot Subdivision No. 2000009015003, according to survey 2000009015003 of record and revised survey 200512145001, in Pierce County, Washington, lying westerly of a line described as commencing at the north quarter corner for said Section 7; thence south 01°39'27" west along the easterly line of said parcel c, 330.00 feet; thence south 88°03'38" east along the northerly line of said parcel c, 602.74 feet to the point of beginning; thence south 01°56'22" west 657.13 feet; thence south 77°34'46" east 416.78 feet; thence south 66°15'03" east 499.22 feet; thence south 01°25'49" west 621.02 feet to the southerly line of said parcel c and the end of said line description from which the most westerly angle point in the southerly line of said parcel c lies north 88°34'11" west along said southerly line, 977.09 feet distant.

CASCADE WATER ALLIANCE 9520000071
2.59 ACRES

Section 7-20N-5E, all that portion of lots 3 through 6, inclusive, White River Garden tracts, according to the plat thereof recorded in volume 7 of plats, page 100, in Pierce County, Washington, lying east of the Northern Pacific Company right of way; except that portion within lots 4 and 5 of said plat, described as beginning at a point 1009.20 feet east and 701.10 feet north of the quarter Section corner on the west line of Section 7, Township 20 north, Range 5 east, W.M., in Pierce County, Washington; thence east 200 feet; thence north 296.54 feet; thence west 184 feet; thence southerly to the point of beginning;

Also, except that portion conveyed to Pierce County by deed recorded under recording number 9804170312.

CASCADE WATER ALLIANCE 0520072002
.61 ACRES

EXHIBIT A

Section 7-20N-5E, that portion of East Valley Highway East shown as County Road on the plat of White River Garden tracts, according to the plat thereof recorded in volume 7 of plats, page 100, in Pierce County, Washington as vacated by Pierce County ordinance number 97-98, recorded under recording number 9805270773, abutting lots 3 through 7, inclusive, of said plat, and that portion of said vacated East Valley Highway East abutting a portion of Section 7, Township 20 north, Range 5 east, W.M., in Pierce County, Washington, described as beginning at a point 1009.20 feet east and 701.10 feet north of the quarter Section corner on the west line of said Section; thence east 200 feet; thence north 296.54 feet; thence west 184 feet; thence southerly to the point of beginning.

CASCADE WATER ALLIANCE 0520072001
1.30 ACRES

That portion of the Northwest Quarter of Section 7, Township 20 north, Range 5 east, W.M., in Pierce County, Washington described as beginning at a point 1009.20 feet east and 701.10 feet north of the quarter Section corner on the west line of said Section; thence east 200 feet; thence north 296.54 feet; thence west 184 feet; thence southerly to the point of beginning.

CASCADE WATER ALLIANCE 9520000110
1.06 ACRES

Section 07 Township 20 Range 05 Quarter 23 White River Garden Tracts: L 7 E of Co Road
1.06 AC (DCJEAEMS11-20-81) Formerly TCO 27-169

EXHIBIT B

DESCRIPTION AND DEPICTION OF THE TRANSMISSION EASEMENT

An easement one hundred fifty (150-) feet wide located on that portion of the Property generally depicted below.

This 150-foot easement will run across the following parcels (each parcel identified by their tax parcel number, moving from east to west) 0520071007, 0520072004, 9520000071, and 0520072002. On parcels 0520071007 and 0520072004 the easement is located on the southern end, just south of Cottage Road E. On parcel 0520071007, the easement will begin roughly 167 feet north of the parcel's southern boundary and will head west, roughly remaining in the middle of two transmission lines (further described below).

Parcels 0520071007 and 0520072004 contain nine transmission lines (transmission lines throughout this description are counted from the northern parcel boundary to the southern parcel boundary). This easement is located between the sixth transmission line (Puget Sound Energy, 115kV line) and seventh transmission line (Puget Sound Energy, 115kV line) and will run east to west between these two transmission lines across parcels 0520071007 and 0520072004, until reaching the southwest corner of parcel 0520072004 where the easement crosses the seventh transmission line and heads diagonally across the remaining parcels, 9520000071 and 0520072002. The easement is located on the south end of parcel 9520000071 and is also south of parcel 0520072001's southern boundary. Parcel 9520000071 has six transmission lines and this easement enters parcel 9520000071 crossing the fifth transmission line (Puget sound Energy, 69kV line) and runs diagonal across the parcel also crossing 9520000071 parcel's sixth transmission line (transmission line details unknown).

Lastly, on parcel 0520072002 the easement is located near the southern end of the parcel and is also south of parcel 0520072002's fifth transmission line. Please see the map below, depicting the location of the easement via the bold dotted line.

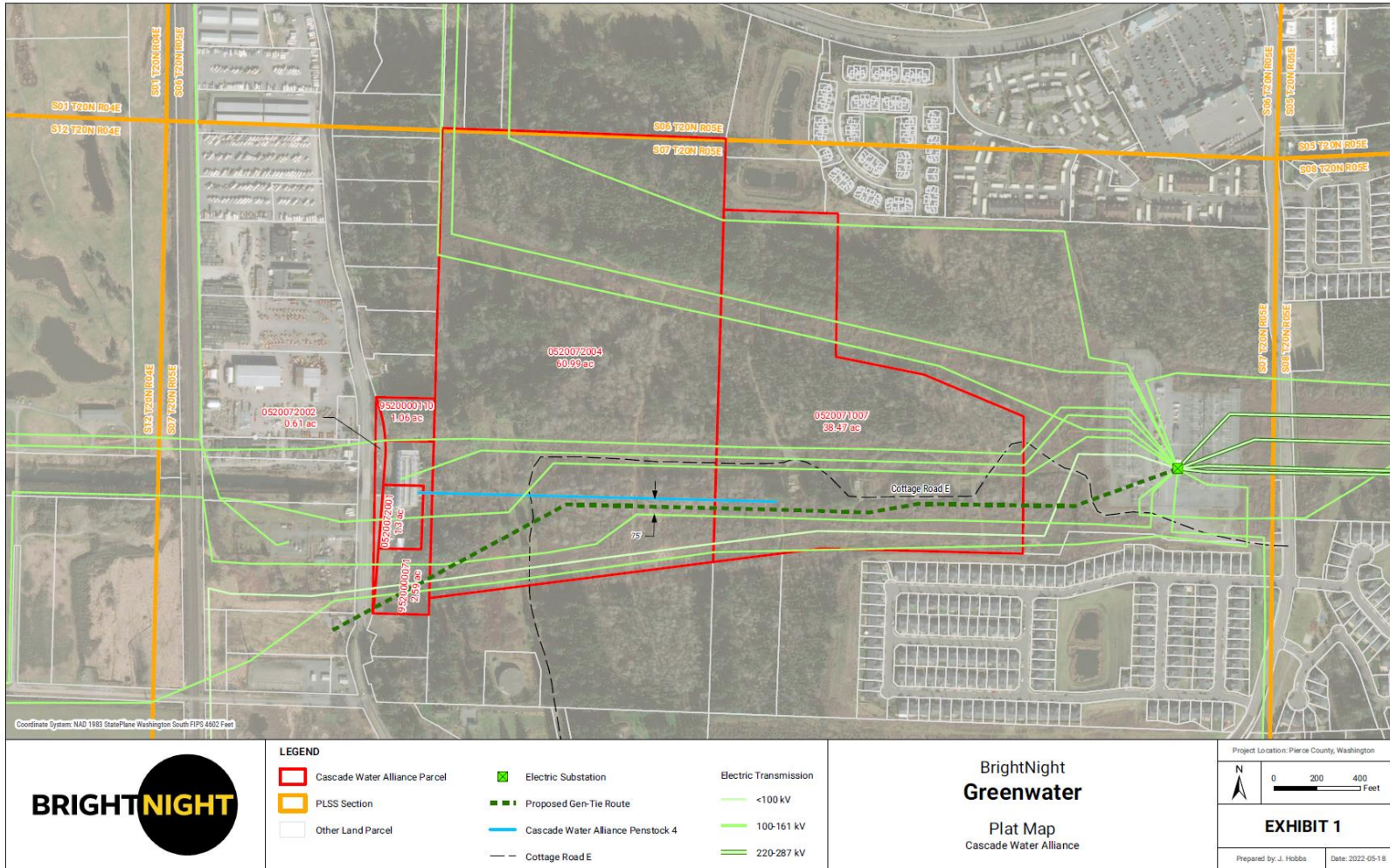


EXHIBIT B

EXHIBIT C

TERMS OF PAYMENT

The aggregate consideration for the Easements and all rights granted by Grantor to Grantee in the Agreement shall consist of a Signing Payment and Easement Payment, each as more particularly described below (collectively, the “*Consideration*”).

The Consideration shall be paid in the following manner:

Signing Payment. Upon execution of this Agreement, Grantee shall pay to Grantor an initial payment of Twenty-Five Thousand Dollars (**\$25,000.00**) (the “*Signing Payment*”).

Easement Payment. Within fifteen (15) days after Commencement of Construction, Grantee shall pay to Grantor a one-time payment of the greater of (a) \$1.18 Million Dollars (NPV of \$64,000/year over 51 years, with a 5.0% discount factor) or (b) the appraised value of the ROW land grant easement based on an appraisal conducted by an appraiser selected by Grantor within three months after the Effective Date. Grantee shall reimburse Grantor for the reasonable, out-of-pocket expense and cost of such appraisal, provide that such cost and expenses are approved in advance by Grantee.

SCHEDULE 1

SITE RULES

1. Environmental Notification Requirements. Grantee shall provide both Grantor and PSE with at least fifteen (15) days' prior written notice (or, in the event of an emergency or other similar circumstance, such advance notice as is reasonable under the circumstances) of any planned Soil Excavation and shall provide Grantor with a description and the location of such planned Soil Excavation. Grantor shall have the right to have one or more observers present at all times during such Soil Excavation and Grantee shall provide such observers reasonable access to the Soil Excavation. If any Pre-existing Release or indicia of a Pre-existing Release is uncovered or disturbed during any Soil Excavation, Grantee shall provide notice to Grantor and PSE within 48 hours and the Grantee and Grantor shall cooperate in good faith to determine whether the Hazardous Substance is a Pre-Existing Release and, if so, both parties will cooperate with PSE to address the same pursuant to the terms of the Lake Tapps Asset Purchase Agreement dated April 23, 2008, and the First Amendment thereto dated December 18, 2009. Notice to PSE under this paragraph 1 shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by fax or sent by registered or certified mail, postage prepaid, or by an internationally recognized overnight courier service that provides a receipt of delivery, in each case, to PSE at the addresses specified below (or a different address provided to Grantee by Grantor or PSE):

Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98009-9734
Attn: Vice President of Power Generation

Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98009-9734
Attn: General Counsel

Notice given by personal delivery, mail or overnight courier pursuant to this Paragraph 1 shall be effective upon physical receipt. Notice given by fax pursuant to this Paragraph 1 shall be effective as of (i) the date of confirmed delivery if delivered before 5 :00 p.m. PT on any Business Day or (ii) the next succeeding Business Day if confirmed delivery is after 5:00 p.m. PT on any Business Day or during any non-Business Day.

a. "Business Day" means a day other than Saturday, Sunday, any day on which banks in the State of Washington are authorized or obligated to close or any day on which the recording office of King County or Pierce County is not open for business.

b. "Environmental Law" means any law or order then in effect relating to the regulation or protection of human health and safety or to the regulation, protection and preservation of the environment or to Releases or threatened Releases of Hazardous Substances into the environment (including ambient air, soil, surface water, ground water, wetlands, land or subsurface strata), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, including, but not limited to: the Federal Endangered Species Act; the Federal Clean Air Act; the Federal Water Pollution Control Act; the Federal Safe Drinking Water Act; the Federal Clean Water Act; the Federal Comprehensive Environmental Response Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986; the Federal Resource Conservation and Recovery Act, as amended by the Solid and Hazardous Waste Amendments of 1984; the Federal Occupational Safety and Health Act; the Federal Emergency Planning and Right-to-Know Act of 1986; the

SCHEDULE 1

Federal Hazardous Materials Transportation Control Act of 1980; the Federal Water Act of 1977; the Federal Insecticide, Fungicide and Rodenticide Act; the Federal Waste Management Recovery and Recycling Act; the Washington Hazardous Waste Management Act; the Washington Hazardous Waste Fees Act; MTCA; the Washington Nuclear Energy and Radiation Act; the Washington Radioactive Waste Storage and Transportation Act; the Washington Underground Petroleum Storage Tanks Act; and any regulations promulgated thereunder from time to time.

c. "Hazardous Substances" means (i) any petroleum or petroleum products, flammable explosives, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and transformers or other equipment that contains dielectric fluid containing levels of polychlorinated biphenyls (PCBs); (ii) any chemicals or other materials or substances that are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants" or words of similar import under any Environmental Law; and (iii) any other chemical or other material or substance, exposure to which is prohibited, limited or regulated by any applicable Governmental or Regulatory Authority under any Environmental Law.

d. "Pre-Existing Release" means any Release on, on to, under or within the Easement Areas, Property or any adjacent property owned by Grantee, that occurred prior to the Effective Date or is a continuing Release of Hazardous Substances that were placed or came to be located on the Easement Areas, Property or any adjacent property owned by Grantee prior to the Effective Date.

e. "Release" means any release, spill, emission, leak, injection, deposit, disposal, discharge, dispersal, leaching, migration, or other entry of Hazardous Substances into the indoor or outdoor environment, including the movement of Hazardous Substances through, or the existence of Hazardous Substances in, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata.

f. "Soil Excavation" means any boring, sampling, or excavation performed with mechanized equipment (as opposed to hand tools) on the Easement Areas and Property.

2. Notice when Accessing the Property. Except as otherwise set forth in this Agreement, during the Term, Grantee shall provide Grantor with three (3) hours written or email notice prior to entering the Property and Easement Areas. If, however, there is an emergency that requires immediate inspection of or access to the Easement Areas, reasonable notice under the circumstances by telephone (including by leaving a voicemail) or email to Grantor is sufficient.

SCHEDULE 2

QUARTERLY MEETING/PROJECT PLANS

In accordance with Paragraph 2(b) of the Agreement, Grantor and Grantee shall conduct Quarterly Meetings in connection with Grantee’s proposed development and construction of Transmission Facilities and Access Easements. Grantee and Grantor anticipate that the Quarterly Meetings will address the following development, construction, and operations and maintenance activities and documents. The parties acknowledge that the following timeframe and project plans are preliminary only and failure by the parties or either party to address during any Quarterly Meeting any matter set out in this Schedule 2 shall not constitute a breach of the Agreement so long as all conditions of notice and approval (as and to the extent applicable) of the activity are satisfied.

Contact information for each of Grantor and Grantee in connection with Quarterly Meetings is set out below:

<p>GRANTOR CONTACT: _____ _____ Tel: _____ Email: _____</p>	<p>GRANTEE CONTACT: <u>Margaret Nolan &</u> <u>Chris Wissel-Tyson</u> Margaret’s cell: 773-392-7423 & Tel: <u>Chris’ Cell: 925-457-5937</u> Email: Margaret: margaret@brightnightpower.com Chris: chris@brightnightpower.com</p>
--	--

Quarterly Meetings Project Phase:	<u>Activity / Milestone Topic:</u>	Notice or Approval/Concurrence Requirements (as Applicable):
<u>(A) Development</u>	<u>Phase I ESA</u>	Grantee to provide Grantor five (5) days’ notice to Grantor together with right of Grantor to accompany Grantee’s environmental consultant on Property.
	<u>Land Survey</u>	Grantee to provide Grantor five (5) days’ notice to Grantor together with right of Grantor to accompany Grantee’s surveyor on Property.
	<u>Review of Anticipated Access Easement Area</u>	Prior to Commencement of Construction, Grantee and Grantor shall consult on the proposed Access Easement Area. Within ten (10) business days after delivery by Grantee of a preliminary survey of any proposed Access Easement Area, Grantor shall concur or reject concurrence of such proposed Access Easement Area. Failure by Grantor to respond within such 10-day period shall be deemed consent to the proposed Access Easement Area.
	<u>Revised Transmission Facilities Easement Area</u>	Prior to Commencement of Construction, Grantee and Grantor shall consult on the final location of the <u>Transmission Facilities Easement Area</u> . Within ten (10) business days after delivery by Grantee of

SCHEDULE 2

a preliminary survey of any proposed material changes to the Transmission Facilities Easement Area, Grantor shall concur or reject concurrence of such proposed Transmission Facilities Easement Area. Failure by Grantor to respond within such 10 business day period shall be deemed consent to the proposed Transmission Facilities Easement Area.

Geotechnical Studies

Grantee to deliver to Grantor not fewer than 20 business days' prior notice and draft written scope of any proposed Geotech boring activity within the Easement Areas for Grantor's review and concurrence.

Critical Issues Analysis or Water Resource Assessments, if applicable

Grantee to deliver any written reports in advance of Quarterly Meeting. Grantor to deliver comments to Grantee within 15 business days after receipt.

Implementation of Insurance Policies

Evidence that the insurance requirements set forth in Paragraph 6(g) of the Agreement must be provided to Grantor prior to Grantee and any parties acting on behalf of (or at the direction of) Grantee prior to such party entering the Property.

Review of Initial Studies and Surveys

Grantee shall promptly deliver to Grantor copies of any studies indicating potential adverse impacts to soil and slope stability or existing uses of or improvements on Property.

Preliminary Permitting Checklist

30% Site Design Review

Grantee to deliver 30% Site Design to Grantor in advance of Quarterly Meeting. Grantor to deliver comments to Grantee within 15 business days after receipt. Grantor's review and concurrence of such Site Design (and Grantor's review and concurrence of other Site Designs described below) shall not be evidence of the adequacy, accuracy or desirability of the site design, nor whether the site design is in conformance with applicable laws, codes and regulations, nor shall it relieve Grantee from any obligation under this Agreement.

Review of SWPPP and erosion control plan

Grantee to deliver SWPPP and erosion control plan to Grantor in advance of Quarterly Meeting. Grantor to deliver comments to Grantee within 15 business days after receipt.

Review of grading and

Grantee to deliver grading and clearing plans to

SCHEDULE 2

	<u>clearing plans</u>	Grantor in advance of Quarterly Meeting. Grantor to deliver comments to Grantee within 15 business days after receipt.
	<u>60% Site Design Review</u>	Grantee to deliver 60% Site Design to Grantor in advance of Quarterly Meeting. Grantor to deliver comments to Grantee within 15 business days after receipt.
	<u>90% Site Design Review</u>	Grantee to deliver 90% Site Design to Grantor in advance of Quarterly Meeting. Grantor to deliver comments to Grantee within 15 business days after receipt. Any material change to the 90% Site Design shall be submitted to Grantor, clearly indicating the nature and reason for the change, for Grantor's review and concurrence. Grantor shall have fifteen (15) business days to in which to review and concur or make comments and request changes to such proposed changes to the 90% Site Design. Grantor shall make all revisions to the 90% Site Design required by Grantor within a reasonable amount of time relative to the nature of the change after receipt of Grantor's comments. Any subsequent submission requiring Grantor's comment or concurrence or Grantee's revision shall repeat this process.
<u>(B) Construction</u>	<u>Preliminary Notice to Proceed</u>	Grantor and Grantee to coordinate preconstruction activities prior to commencement of construction.
	<u>Notice to Proceed</u>	Grantee shall request a Notice to Proceed (NTP) Date from Grantor at least ___ days in advance of such date. Grantor shall concur or reject with such NTP Date, such concurrence or rejection to be delivered not fewer than ___ days before NTP.
<u>(C) Post-Construction</u>	<u>Operations and Maintenance Plan Review</u>	
	<u>Review of as-built survey</u>	Grantee to promptly deliver to Grantor copies of as-built surveys including site layouts, coordinates and vertical elevations, and all above- and below-ground structures constructed by Grantee.

SCHEDULE 2

EXHIBIT D

CERTAIN MATTERS NOT OF RECORD

Easement Agreement (Access-Cottage Road)

Storage Rental Agreement



Climate Change Impacts Analysis

Presentation to the Board of Directors

May 25, 2022

Background

- Cascade proposes to conduct a climate change impact analysis on the White River-Lake Tapps system to ensure it can sufficiently meet members' future water resource needs
- Studies indicate that the region has been and will continue to be impacted by climate change
- Seattle, Tacoma, Everett's water system plans include climate change impacts on supply and demand
- Department of Health granted two-year Transmission & Supply Plan (TSP) extension → sufficient time to include climate analysis in TSP for supply along with demand

Climate Change Impacts on Puget Sound

- Climate models indicate the following impacts to water systems in the Puget Sound:
 - Warmer weather year-round, drier summers (generally less precipitation) and wetter winters (generally more precipitation)
 - Summer peak demands could be strongly affected
 - Winter flows will increase, and summer flows will decrease
 - Warmer winters may reduce snowpack and flows from snowmelt
 - Extreme weather events are likely to be more frequent
- Local river basins and watersheds affected by mountain ranges, land elevation, proximity to water bodies, vegetation, etc.

Recently Completed Analyses

	Tacoma (2018)	Seattle (2019)	Everett (2020)
Potential impact of climate change on supply	In 2037 and 2050 water resources are adequate to meet “resource adequacy standard” except under most stressed conditions (i.e., population growth twice the rate and climate warmer and drier relative to most-likely scenario)	In 2050 supply will be increasingly vulnerable to seasonal hydrologic shifts, with summer flows less than the historic average in 17 of 20 scenarios	<ul style="list-style-type: none"> • For all scenarios “safe yield” decreases compared to 2019 baseline safe yield • Surface water is expected to meet Average Day Demand in 2040 • Demand may exceed safe yield if compound annual growth rate of 0.60% or more occurs from 2040-2099
Adaptation/mitigation measures	<ul style="list-style-type: none"> • Develop full groundwater rights • Additional Water Supply Project with USACE • Aggressive peak shaving 	<ul style="list-style-type: none"> • Early reservoir refill • Higher reservoir refill • Lower reservoir drawdown • Optimize reservoir storage 	<ul style="list-style-type: none"> • Capital projects to improve supply reliability

The above information is taken from each utility’s water system plan.

Key Project Tasks for Cascade's Analysis

1. Global Climate Models (GCMs). Select a set of GCMs and emission scenarios that are best suited for the White River-Lake Tapps system

2. Downscaling. Apply a downscaling method to selected GCMs to simulate scenarios at the White River basin level

3. Hydrology Model. Input the downscaled GCM data into a hydrological model to determine streamflow impacts in the White River basin; include glacial mass balance data for the Emmons Glacier on Mount Rainier

4. Lake Tapps System Model (LTSM). Input the streamflow data into the LTSM to determine impacts for 2040, 2060, 2080: meteorological, hydrologic, safe yield and other water system metrics

5. Adaptation Solutions. Identify structural actions, operational strategies, and/or programmatic approaches to mitigate/adapt to climate change impacts

Contracting Approach

- Emailed a request for qualifications (RFQ) to 3 engineering firms from the MRSC roster
- Expected project timeframe: 6-9 months
- Estimated contract amount: \$50,000-\$100,000
- Return to RMC and Board in June with request to enter into a contract with selected firm



Lake Tapps Reservoir Water Quality Monitoring Program

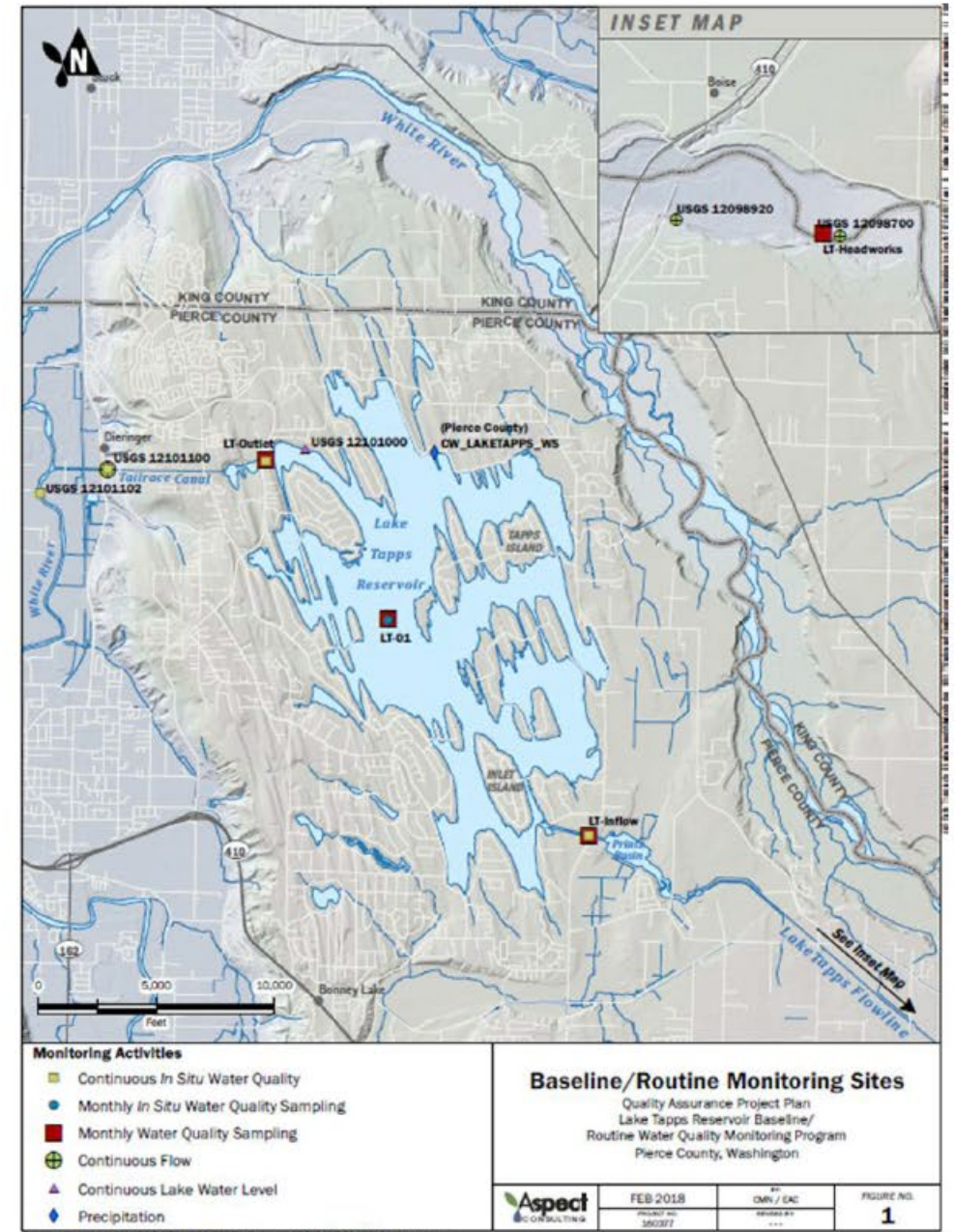
Presentation to the Board of Directors

May 25, 2022

Monitoring Stations

Hydrology	
Flowline Inflow	USGS gauge 12098920
Reservoir Discharge	USGS gauge 12101100
Reservoir Water Level	USGS gauge 12101000
Rainfall	Lake Tapps Park (Pierce County) and Sea-Tac Airport (NOAA)

Water Quality	
LT-Headworks	Flowline inflow (grab at 0.5 m)
LT-Inflow	Reservoir inflow (grab at 0.5 m)
LT-01-Epi	Main basin surface Y1: surface composite down to 6-22 m Y2: grab at 1 m depth
LT-01-Hypo	Main basin bottom Y1: bottom composite at 7-22 m or grab at 20-21 m Y2: grab at 20-24 m, 1 m off bottom
LT-Outlet-Epi	Lake outlet surface Y1: surface composite to 7-10 m Y2: grab at 1 m depth
LT-Outlet-Hypo	Lake outlet bottom Y1: bottom composite at 6-10 m or grab at 8-10 m Y2: grab at 20-24 m, 1 m off bottom



Historical Trend Analysis

1. Temperature decreasing at LT-01-epi 😊
2. DO increasing at Inflow and Outlet-epi 😊
3. Turbidity decreasing in reservoir 😊 except increasing at Outlet-hypo 😞
4. Secchi depth increasing at all stations 😊
5. TP decreasing at LT-01-epi and -hypo 😊
6. SRP decreasing at all stations 😊 except Headworks
7. TN increasing especially at Headworks 😞
8. Chlorophyll increasing at Headworks, LT-01-hypo, and LT-Outlet 😞
9. Fecal coliform decreasing in reservoir 😊



Comparison to Seattle Reservoirs and Local Lakes

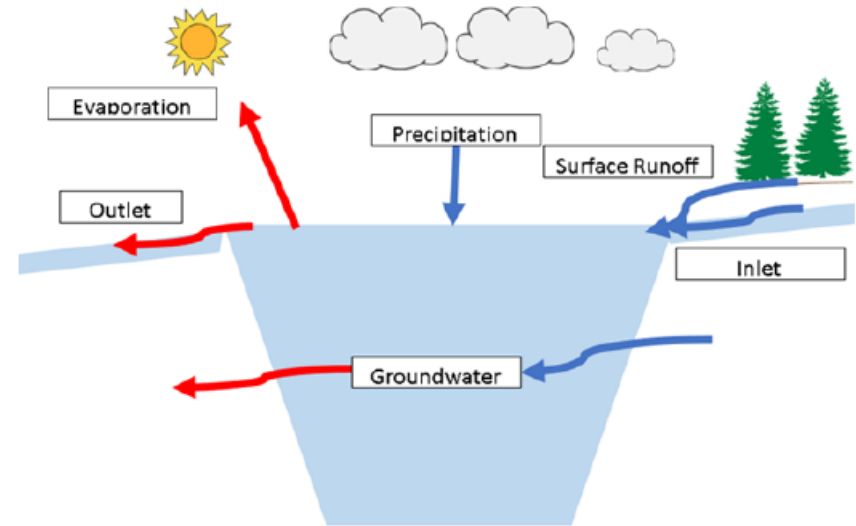
1. DO higher than reservoir hypolimnion
2. Turbidity higher than reservoirs
3. Secchi depth lower than reservoirs
4. TP and TN higher than reservoirs and lower than most lakes
5. Chlorophyll similar to reservoirs and lower than most lakes
6. Fecal coliform similar to reservoirs



Water and Phosphorus Budgets

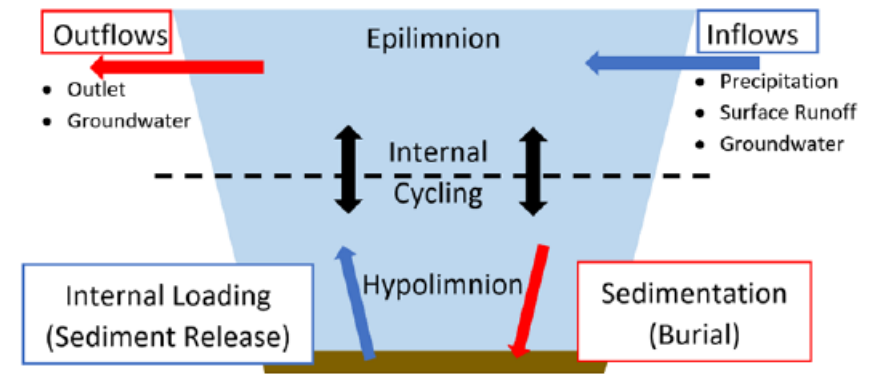
Water Budget:

1. Flowline is primary water source, **77%** annual and **83%** summer
2. More groundwater seepage (**58%**) than surface outflow (**42%**)
3. Retention time **1.3 years** annual and **6.5 years** summer



Phosphorus Budget:

1. Flowline is primary TP source, **93%** annual and **99%** summer
2. High TP retention, **75%** of input settles to the bottom
3. Low internal TP loading from sediment release, **20%** annual and summer



Recommendations

1. Establish a routine, long-term summer (April-Oct) water quality monitoring program (e.g., repeat Year 2 without profiler)
2. *Gauge Flowline input to reservoir*
3. Prepare Lake Management Plan:
 - Assess nutrient impacts
 - Evaluate basin plan status
 - Require P treatment and agricultural BMPs
 - Coordinate stakeholder support
4. Investigate river diversion changes to reduce nutrient input (e.g., avoid turbid diversions, stagnant periods, and sediment flushing)
5. Conduct nutrient source tracking and controls in Flowline basin
6. Continue to educate lake users on water quality issues and BMPs, and provide oversight of stormwater management activities by others.



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, May 17, 2022
1:30 PM – 3:00 PM
Held via Zoom

Call to Order

1. **Chair Comments.**
2. **Executive Session.**
3. **Items Recommended for Action at the May 25, 2022, Board Meeting.**

A. Transmission Easement. Cascade staff and BrightNight are close to a final agreement for a transmission easement. Cascade will discuss with the committee options for either annual contract payments or a one-time payment and any remaining issues.

RECAP: The Committee discussed a proposed transmission easement with Gree BN, LLC. Terms of the agreement and outstanding items that will be finalized in the next week were reviewed. The Committee was in favor of the one-time construction payment rather than the annual payments and was supportive of the easement. A resolution will be presented to the Board as an Other Action Item this month.

4. Discussion Items.

A. Budget/Rates. Following up on questions raised at the April Finance and Management Committee, Cascade staff will present a more detailed look at the budget and RCFC growth projections.

RECAP: Cascade staff gave the committee an update on the budget process and provided the committee with the detailed breakdown and RCFC information that they had requested during the April committee meeting.

5. Next Meeting Date and Location.

The next meeting will be held Tuesday, June 21, 2022, 1:30 p.m., at Cascade's office and via Zoom.



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

Meeting Recap
Thursday, May 12, 2022
2:00 PM – 3:30 PM
Held via Zoom

1. Chair Comments.

2. Executive Session.

3. Items Recommended for Action at the May 25, 2022, Board Meeting.

- A. Transmission Easement.** Cascade staff and BrightNight are close to a final agreement for a transmission easement. Cascade and BrightNight will discuss with the committee options for either annual contract payments or a one-time payment and any remaining issues.

RECAP: The Committee discussed a proposed transmission easement with Gree BN, LLC, a joint venture between BrightNight and Cordelio Power. Terms of the agreement and outstanding items that will be finalized in the next week were reviewed. The committee was in favor of the one-time construction payment rather than the annual payments and was supportive of the easement. A resolution will be presented to the Board as an Other Action Item this month.

4. Discussion Items.

- A. Climate Change Analysis Discussion.** Cascade is proposing to procure the services of a consulting firm to analyze the impacts of climate change on the White River – Lake Tapps Reservoir for use in its water supply planning and the TSP update.

RECAP: The Committee supported staff moving ahead with issuing a Request for Proposals to hire an engineering firm to conduct a climate change impacts analysis on the White River Basin. Staff will return to the Committee in June after the consultant is selected and then will request Board approval to enter a contract with the selected firm.

B. Project Updates – RECAPS:

- **Plunge Pool.** This project will rebuild the failed south timber retaining wall at the Powerhouse plunge pool and to construct a new spray mitigation wall on the north end for valve 1. The current schedule is to advertise for a contractor at the end of May/beginning of June, award late June, start construction in July, and finish around November. This project will be brought to the Committee and Board in June to award the contract to the lowest responsible bidder.

- **SCADA/Security Update.** *The contractor has received all the display panels and programmable logic controller units for the project and installation has begun. The project is about 69% complete and is estimated to be complete by the end of the year.*
- **North Windows of Powerhouse.** *The Powerhouse windows on the north side were removed and replaced. After FS&GS removed the lead and asbestos, Tapps Construction LLC installed the new windows.*
- **Solar Installation Update.** *On April 27, all materials for the solar power project were lifted to the roof of the Powerhouse with a large crane. Approximately 40% of the solar modules have been installed on the roof, the conduit for the electrical wiring from the roof to the electrical panels has been installed, and the inverter and most of the hardware need to connect the system to the regional power grid has been installed. The project is on track to be completed in advance of the June 30 target.*
- **Mud Mountain Dam Phase 3.** *The United States Army Corps of Engineers (USACE) has informed Cascade that the decision on the starting date for Phase 3 has been pushed back until May 19. There is no certainty that date won't be changed again. The starting date is dependent on several factors, among them: funding, stakeholder concerns about potential premature demolition of the old fish trap, and disputes with its contractor Kiewit on repair vs. replacement of defective assets in the newly constructed fish facility. USACE is aware that if a decision on Phase 3 is not made soon, it could delay the starting of Phase 3 for at least another year.*
- **Lake Levels.** *At the same time as Cascade raised the reservoir to the once-yearly level of 543.00' elevation, there was 1-1/2 inches of rain in a 24-hour period and the reservoir rose to 543.07', exceeding the maximum of 543.00'.*
- **Dikes.** *Because the reservoir level reached 543.07', Veolia staff were called in on Saturday to perform dam inspections. Dikes were found to be in good shape.*

C. **Lake Tapps Water Quality Monitoring Program Report.** This item will present the methods, results, and recommendations from the Lake Tapps Water Quality Monitoring Program.

RECAP: *Cascade's consultant, Rob Zisette from Herrera, presented the results and technical recommendations from the two-year water quality monitoring program. The results were generally positive and demonstrate that the Lake Tapps Reservoir is in good condition. The consultant presented a series of recommendations that Cascade might want to consider to ensure that the reservoir's water quality is maintained. The suggestions include development of a lake management plan, nutrient source tracking, reduction of nutrient inputs, and stormwater management measures. Not all the water quality management recommendations are Cascade's sole responsibility, so next steps will include development of a suite of potential actions, timeframes, and responsible parties. The Committee also discussed the possibility of holding a half-day workshop and a prioritization process for the Board.*

5. Next Meeting Date and Location.

The next meeting will be Thursday, June 9 ,2022, from 2:00 p.m. – 3:30 p.m. at Cascade's office and via Zoom meeting.