

Section 2. Effect

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

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a meeting thereof, held the 27th day of September, 2023.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Chuck Clarke,
Acting Chief Executive Officer

Angela Birney, Vice Chair

Allan Ekberg, Secretary/Treasurer

Members

Yes _____

No _____

Demand Share

Yes _____%

No _____%

Include in CWAC?

Yes

No



FINANCE & MANAGEMENT COMMITTEE

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

Meeting RECAP
Tuesday, September 19, 2023
1:30 PM – 3:00 PM
Held at Cascade's office and via Zoom

Call to Order

- 1. Chair Comments.**
- 2. Executive Session.**
- 3. Items Recommended for Action at the September 27, 2023, Board Meeting.**
- 4. Discussion Items.**

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

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

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

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

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

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

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

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

5. Other Issues.

6. Next Meeting Date and Location. The next meeting will be held Tuesday, October 17, 2023, 1:30 p.m. at Cascade's office and via Zoom meeting.



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

Meeting RECAP
Wednesday, September 6, 2023
9:00 AM – 10:00 AM
Held at Cascade's Office and via Zoom

1. **Chair Comments.**
2. **Executive Session.**
3. **Items Recommended for Action at the September 27, 2023 Board Meeting.**
4. **Discussion Items.**

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

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

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

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

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

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

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

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

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

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

5. Other Issues.

- 6. Next Meeting Date and Location.** The next meeting will be Wednesday, October 4, 2023, from 9:00 a.m. – 10:00 a.m. at Cascade's office and via Zoom meeting.



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

Meeting RECAP
Thursday, September 14, 2023
2:00 PM – 3:30 PM
Held at Cascade’s office and via Zoom

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

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

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

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

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

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

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

5. Other issues.

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