



REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
Held at Cascade's Office and Via Zoom
June 26, 2024
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>2</u>
7. CONSENT ITEMS	
a. Board Meeting Minutes for May 22, 2024.	<u>21</u>
8. OTHER ACTION ITEMS	
9. STAFF PRESENTATIONS	
a. Wholesale Contract Status Report	<u>24</u>
b. Water Supply Development Fund Update and Biennial Report	<u>30</u>
c. 2025-2026 Proposed Budget and Rates	<u>47</u>
10. COMMITTEE REPORTS	
a. Executive Committee – <i>no meeting held</i>	
b. Finance and Management Committee – <i>May 21, 2024 and June 18, 2024</i>	<u>66</u>
c. Public Affairs Committee – <i>no meeting held</i>	
d. Resource Management Committee – <i>June 13, 2024</i>	<u>69</u>
11. NEW BUSINESS	
12. NEXT REGULAR MEETING – <i>July 24, 2024 – Cascade's Office or Via Zoom – 3:30 p.m.</i>	
13. ADJOURN	

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



MEMORANDUM

DATE: June 26, 2024

TO: Penny Sweet, Chair
Board of Directors

FROM: Ray Hoffman, Chief Executive Officer

SUBJECT: Chief Executive Officer's Report

Administration, Finance, and Economics

- There have been 403 net RCFC's reported through May 2024, with two member reports not yet received. At this rate (967), Cascade will not meet 2024 budget expectations (1,300).
- In May, a rodent got into the copier at Lake Tapps and made it their home destroying it in the process. A replacement copier has been delivered.
- In June, BrightNight, the battery energy storage system provider that Cascade granted a Right-of-Way (ROW) transmission easement for their Greenwater project near the Powerhouse, held an open house in response to letters the City of Sumner received from a few residents as part of the SEPA application process. The project continues to move forward quickly with construction anticipated to begin in late 2024/early 2025. Upon commencement of construction, Cascade will receive \$1.29 Million as compensation in the amended transmission easement.
- In June, TeamLogic IT, Cascade's IT consultant, upgraded the cybersecurity of Cascade's offices with the addition of a new endpoint protection solution. Some of the key benefits of the new security include advanced threat detection and response, comprehensive endpoint protection, automated remediation, and enhanced visibility and control.
- Cascade's insurance provider, Water & Sewer Risk Management Pool (WSRMP), has announced that their reinsurance broker communicated to them that they should expect a 5% rate increase and a total increase of around 10% due to increased pool assets. This is in line with what is in the proposed budget. Also, next month, Cascade will be bringing an updated interlocal agreement with the WSRMP that includes a few minor changes to the Finance and Management Committee and the Board. Attached is a copy of the Pool's annual report.

Capital Projects and Operations

- The Lake Tapps Reservoir elevation is 542.65' as of June 14. Available flow permitting, Cascade intends to maintain the lake level near this elevation until increasing the elevation in August in anticipation of the planned flow outage in September.
- The United States Army Corps of Engineers (USACE) submitted the Care and Diversion plan to the Department of Ecology. The plan was approved the second week of June. Kiewit intends to start mobilizing heavy equipment and a site trailer beginning June 17 to prepare for the start of construction work for Phase 3 of USACE's Mud Mountain Dam Fish Passage Project.

- Cascade staff met with the Washington State Department of Transportation (WSDOT) on April 29 to discuss relocation of the Bellevue Issaquah Pipeline (BIP) at the Lewis Creek Crossing. For the last couple of years, WSDOT dismissed the concept requested by Cascade to ensure competitive pricing by WSDOT's future design-builder for this utility relocation. Cascade's request is to include the BIP relocation in the Request for Proposal currently advertised to solicit Design Build Contractors for the Culvert Replacement Project. This would require the Design Builders to provide a cost for the BIP relocation as part of the state's culver replacement project. On May 23, Cascade was notified that WSDOT would not consider adding Cascade's BIP relocation to the RFP and requested that Cascade enter into the state's standard utility agreement or a Memorandum of Understanding (MOU) with the state for the relocation. Cascade issued a response to the state on June 13, which identified terms and conditions for a future MOU as well as required revisions to the State's standard utility agreement. If the terms are not acceptable to the state, Cascade has again informed the state that Cascade will exercise its right under the existing franchise agreement to deliver the project using Cascade's selected engineering and construction forces through a typical design, bid, build public works process.
- Powerhouse voice and data improvements: Cutover to internet-based phone service for the Powerhouse is now functional along with SCADA alarm system callout (Win 911). The final step of "porting" the lines to a third-party carrier was completed June 14, and the project is now complete short of decommissioning the dedicated copper line.
- Dingle Basin Actuators replacement project: Veolia and their Subcontractor completed installation of two new valve actuators at the Dingle Basin discharge structure. Startup, testing, and commissioning of the new system is scheduled to occur September 3 during the flow outage.
- Lake Tapps Milfoil Treatment: Phase 1 of the milfoil treatment will take place June 25, with an application of the herbicide Procellacor.
- Lake Tapps Security Improvements: Cascade coordinated with Sybus Security to install new digital locking systems at the Fish Screen and Pipeline Intake facilities. Now, all sites are accessed using digital keys that are assigned and coded to individuals and can be deactivated remotely to respond to future staffing changes. This improvement also allows Cascade to identify who is accessing the critical infrastructure and when. Additional improvements are in progress to secure remote and local access to the Supervisory Control and Data Acquisition (SCADA) system used to automatically control the project infrastructure.
- Vegetation management: Veolia vegetation management is currently on schedule to support the annual dike inspection program schedule for the week of June 24 as well as the fall flow outage.

Water Efficiency

- Cascade will provide a limited number of Cascade Gardener programs during the summer.
- Cascade has completed a draft turf removal handbook that will be used to support Cascade's turf removal program.
- Cascade recorded and published several irrigation-related reels to promote smart watering techniques.
- Cascade participated in the Sustainability Ambassadors "Bellevue Town Hall" at Bellevue High School.
- Cascade participated in the Redmond Sustainability Fair.
- Several mini-podcasts to promote sustainable landscaping are under development and will be posted on Cascade's website.

- Issaquah, U.S. EPA, and Cascade are working on a paper to show the long-term efficacy of the water efficiency elements of the zHome development in the Issaquah Highlands.
- Cascade is hosting an irrigation training at Lake Washington Institute of Technology's Environmental Horticultural Center for member staff who manage landscape and irrigation systems.

Intergovernmental and Communications

- Earlier this month, Seattle Public Utilities (SPU) provided two alternative supply proposals that could potentially be developed in conjunction with Cascade's decision to pursue Tacoma supply. Alternative #1 extends the SPU block contract by 15 years and defers taking Tacoma water until 2055. Alternative #2 modifies the declining block to a larger residual base than the current contracted amount of 5.3 mgd, providing supply in conjunction with Tacoma supply. Cascade evaluated both these alternative proposals and determined that Alternative #1 is not viable and Alternative #2 may be beneficial if SPU agrees to certain terms. Cascade and SPU are scheduled to meet to discuss the alternatives on June 20.
- The Board will be briefed on Cascade's proposed 2025-2026 budget and rates in June and July and final approval is scheduled for the September Board meeting. Please let Alison Bennett know if you are interested in having Cascade attend one of your Council or Commission meetings to provide a Cascade 2025-2026 budget and rates presentation.
- Cascade is scheduled to meet with SPU and the state Department of Health on June 18 to discuss the results of SPU's most recent round of sampling for PFPrA, an unregulated PFAS substance. Following that meeting, Cascade will follow-up with members and discuss messaging and next steps with SPU.
- The Lake Tapps Community Meeting was held on June 6 at North Tapps Middle School. Board Chair Penny Sweet attended as the Board's representative. The meeting went well and was attended by approximately 30 members of the community as well as Cascade's partner agency representatives. The community questions focused on milfoil: how best to manage it themselves, how to participate in the pilot program and what Cascade is doing to manage it. Pierce County Councilmember Dave Morell also attended and asked a question about Cascade and the flume trail negotiations. Ray Hoffman took the opportunity to explain the importance of water quality improvements and offered again to get together with both parks and surface water staff to discuss opportunities to work together.
- Cascade's 25th Anniversary Celebration Luncheon will be held on Thursday, June 27, from 11:30am to 1:30pm at the Meydenbauer Center in Bellevue.

Planning

- Cascade's consultant, Herrera, continues to work on the Water Quality Management Plan. The following tasks are under way: development of the Plan's goals, objectives, and success measures; identification and evaluation of future planned watershed changes that may impact water quality; evaluation of a monitoring strategy for future adaptive management; and development of near-term recommendations to protect Lake Tapps' water quality. The *Policy Framework* will be applied to all recommendations.

- Cascade's climate change consultants continue to make progress on their respective scopes of work. Upstream Tech is finalizing its report on impacts of glacial melt. Aspect is running climate scenarios in the Lake Tapps System Model and has started to evaluate adaptation strategies.

Attachments

1. Budget to Actual Expenditure Report through May 31, 2024.
2. Statement of Revenues and Expenditures through May 31, 2024.
3. Statement of Net Position as of May 31, 2024.
4. Contract Status Summary.
5. Monthly Warrants Listing.
6. Monthly Treasurer's Report as of May 31, 2024.
7. Water & Sewer Risk Management Pool Annual Report.

Cascade Water Alliance
Budget to Actual Expenditure Report
January 1- May 31, 2024
42% of the year completed

Attachment 1

Administration		Budget		Actual		Balance	% Expended
Salaries	\$	1,274,112	\$	733,659		540,453	57.6%
Benefits		287,677		202,426		85,250	70.4%
Wellness program		5,000		82		4,918	1.6%
Prof. Fee (Technical)		167,000		26,428		140,573	15.8%
Prof. Fee (Legal)		597,450		258,290		339,161	43.2%
Prof. Fee (Audit)		86,555		55,582		30,973	64.2%
Prof. Fee (Other)		50,000		780		49,220	1.6%
Seismic Resiliency		100,000		0		100,000	0.0%
Meetings Expense		11,000		4,332		6,668	39.4%
Telephone/Internet		45,000		10,583		34,417	23.5%
Office Rent		315,393		40,081		275,312	12.7%
Office Supplies Admin.		15,000		2,352		12,648	15.7%
Equip. and Furniture		10,000		1,770		8,230	17.7%
Bank Fees		600		85		515	14.1%
Dues & Subscriptions		25,000		18,287		6,713	73.1%
Taxes/Licenses		15,000		8,410		6,590	56.1%
Travel		10,000		3,584		6,416	35.8%
Professional Dev.		10,000		2,137		7,863	21.4%
Computer Equipment		15,000		8,491		6,509	56.6%
Software Licenses		45,000		20,553		24,447	45.7%
Postage & Delivery		3,000		474		2,526	15.8%
Printing & Repro.		5,000		1,974		3,026	39.5%
Insurance		180,427		165,875		14,552	91.9%
Contingency		425,000		0		425,000	0.0%
Total	\$	3,698,214	\$	1,566,233	\$	2,131,981	42.4%

Debt Service		Budget		Actual		Balance	% Expended
Bond Debt Service		10,795,666		5,207,821		5,587,846	48.2%
Total	\$	10,795,666	\$	5,207,821	\$	5,587,846	48.2%

Conservation		Budget		Actual		Balance	% Expended
Salaries	\$	143,077	\$	46,632	\$	96,445	32.6%
Benefits		38,176		7,062		31,115	18.5%
Prof. Fee (Technical)		25,000		9,765		15,235	39.1%
Prof. Fee (Legal)		1,000		0		1,000	0.0%
Dues & Subscriptions		5,500		709		4,791	12.9%
Rebate Reimb. Com.		115,000		12,431		102,569	10.8%
Irrigation Audit		15,000		0		15,000	0.0%
Turf Removal Rebates		50,000		0		50,000	0.0%
Comm. and Public I		375,000		195,929		179,071	52.2%
Misc. Serv. and Sup.		38,000		26,063		11,937	68.6%
Total	\$	805,754	\$	298,590	\$	507,164	37.1%

Com. and Intergovern		Budget		Actual		Balance	% Expended
Salaries	\$	144,968	\$	67,658	\$	77,310	46.7%
Benefits	\$	33,138		9,327		23,811	28.1%
Special Events		35,000		0		35,000	0.0%
Prof. Fee (Other)		165,000		70,100		94,900	42.5%
Sponsorships		30,000		0		30,000	0.0%
Comm. and Public I		260,000		46,419		213,581	17.9%
Total	\$	668,106	\$	193,505	\$	474,602	29.0%

Cascade Water Alliance
Budget to Actual Expenditure Report
January 1- May 31, 2024
42% of the year completed

Operations-General		Budget		Actual		Balance	% Expended
Wholesale Water	\$	24,402,498	\$	6,857,297	\$	17,545,201	28.1%
Salaries		52,059		11,358		40,700	21.8%
Benefits		8,967		1,637		7,329	18.3%
BIP O&M		65,000		33,106		31,894	50.9%
Pipeline Prop. O&M		70,000		279		69,721	0.4%
PWTF Loan Debt		39,868		0		39,868	0.0%
Total	\$	24,638,392	\$	6,903,678	\$	17,734,714	28.0%
Operations-Lake Tapps		Budget		Actual		Balance	% Expended
Salaries	\$	627,510	\$	201,329	\$	426,181	32.1%
Benefits	\$	112,766		28,461		84,304	25.2%
Prof. Fee (Technical)		756,150		151,501		604,649	20.0%
Prof. Fee (Other)		26,750		0		26,750	0.0%
Meetings Expense		6,000		989		5,011	16.5%
Telephone/Internet		1,925		2,384		(459)	123.9%
Office Supplies		20,000		1,132		18,868	5.7%
Equipment & Furn.		30,000		14,764		15,236	49.2%
Taxes/Licenses		8,500		7,591		909	89.3%
Travel		20,000		848		19,152	4.2%
Professional Dev.		2,500		0		2,500	0.0%
Software Licenses		35,000		0		35,000	0.0%
Permitting Costs		8,560		808		7,753	9.4%
Misc. Serv. and Sup.		91,000		35,254		55,746	38.7%
LT Operator		2,628,819		759,228		1,869,591	28.9%
Unplanned O&M		100,000		5,780		94,220	5.8%
Misc. Facility Repairs		150,000		703		149,297	0.5%
USGS Joint Fund		374,812		87,418		287,395	23.3%
Construction Management		50,000		0		50,000	0.0%
Outage		80,000		0		80,000	0.0%
Milfoil Control		160,500		10,138		150,362	6.3%
Vendor Services		130,000		73,453		56,547	56.5%
Water Quality Management		150,000		56,242		93,758	37.5%
Dike and Roads Maintenance		70,000		2,168		67,832	3.1%
Total	\$	5,640,791	\$	1,440,190	\$	4,200,602	25.5%
Total Operating Budget	\$	46,246,923	\$	15,610,016	\$	30,636,907	33.8%
Capital Projects (multi-yr bdgt not shown)		Budget		Actual		Balance	% Expended
Upper Conveyance Projects	\$	2,075,000		1,716,115		358,885	82.7%
Lower Conveyance Projects		1,000,000		0		1,000,000	0.0%
Equipment		75,000		52,204		22,796	69.6%
Facilities		200,000		0		200,000	0.0%
Bellevue-issaquah Pipeline (BIP)		130,000		0		130,000	0.0%
Tacoma Agreement		6,216,872		6,216,872		0	100.0%
Capital Risk		500,000		0		500,000	0.0%
Seattle contract		5,000,000		0		5,000,000	0.0%
IT Infrastructure		35,000		0		35,000	0.0%
Total CIP Budget	\$	15,231,872	\$	7,985,191	\$	7,246,681	52.4%
Total Overall Budget	\$	61,478,795	\$	23,595,207		37,883,588	38.4%

Cascade Water Alliance
Statement of Revenues and Expenditures
From 1/1/2024 Through 5/31/2024

Attachment 2

Operating Revenue		
Water sales	\$	13,538,184
Administrative dues		3,706,551
Conservation program		264,174
Total Operating Revenue		<u>17,508,909</u>
Operating Expenses		
Cost of water sold		6,857,297
Salaries and benefits		1,369,362
Professional services		579,204
Conservation program		12,431
Depreciation and amortization		1,579,014
Communication and public information		237,150
Office expenses		273,302
Operations		872,216
Bank charges		85
Rent		40,081
Maintenance		174,448
Dues and subscriptions		24,194
Miscellaneous		22,215
Total Operating Expenses		<u>12,040,999</u>
Operating Income		5,467,910
Non-Operating Revenue (Expenses)		
Interest income		652,706
Other income		15,751
Interest expense, net of amount capitalized		(1,829,798)
Total Non-Operating Revenue (Expenses)		<u>(1,161,342)</u>
Capital Contributions		
Regional Capital Facilities Charges		2,178,841
 Increase in Net Assets		 6,485,409
 Net Assets, Beginning of Year		 151,475,139
 Net Assets, End of Year	\$	 157,960,547

Cascade Water Alliance
Statement of Net Position
As of 5/31/2024

Attachment 3

Assets

Current Assets

Cash and cash equivalents	\$ 33,105,155
Accounts receivable	7,200,078
Prepaid expenses	110,101
Total Current Assets	<u>40,415,334</u>

Capital Assets

Equipment and furniture	2,338,652
Seattle water contract	22,267,611
Bellevue Issaquah pipeline	22,276,944
Tacoma water contract	119,740,687
Capital Leases	2,441,089
Less accumulated depreciation and amortization	(65,060,989)
Total Capital Assets	<u>104,003,994</u>

Projects in process and assets not yet in service

Lake Tapps	107,822,387
Tacoma Cascade pipeline	26,539,385
Total Projects in process and assets not yet in service	<u>134,361,772</u>

Restricted cash and cash equivalents

	21,561,186
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Total Assets	<u><u>300,342,286</u></u>
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Liabilities

Current liabilities

Payables and accrued liabilities	3,233,792
Retroactive water credit	792,388
Accrued interest	719,209
Long-term debt current portion	
Bonds Payable-Current Portion	6,785,000
Other	39,474
Total Long-term debt current portion	<u>6,824,474</u>
Total Current liabilities	<u>11,569,863</u>

Long-term Liabilities

Long-term debt	75,135,001
Tacoma contract	47,680,238
Seattle contract	5,000,000
Bond premium, net of amortization	2,484,379
Total Long-term Liabilities	<u>130,299,618</u>
Total Liabilities	<u>141,869,481</u>

Net Assets

Restricted for debt service	109,525,731
Unrestricted	48,947,074
Total Net Assets	<u>158,472,806</u>

Total Liabilities & Net Assets	<u><u>\$ 300,342,286</u></u>
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Consultant and Other Vendor Contract Status Summary

Open contracts											
Vendor	Contract number	Contract title	Cascade manager	Effective date	End date	Status date	Percent work completed	Contract amount, including	Amount invoiced	Percent invoiced	Contract balance
Aquatechnex	1	2024 Lake Tapps Aquatic Plant Maintenance Program	P. Anderson	12/29/2023	12/31/2024	6/17/2024	0%	\$ 160,000	\$ -	0%	\$ 160,000
Aspect	1	Water Supply Modeling	R. Hoffman	5/6/2020	N/A	6/17/2024	60%	\$ 24,900	\$ 14,888	60%	\$ 10,012
Aspect	2	Water Resources Services	R. Hoffman	8/17/2018	N/A	6/17/2024	98%	\$ 60,000	\$ 58,251	97%	\$ 1,749
Aspect	3	Climate Change Analysis	R. Hoffman	9/7/2022	12/31/2024	6/17/2024	35%	\$ 150,000	\$ 46,511	31%	\$ 103,489
AV Factory	1	25th Anniversary AV Equipment	A. Bennett			6/17/2024	50%	\$ 4,577	\$ 2,288	50%	\$ 2,289
Ben Bernstein Music	1	Podcast production	M. Brent	1/1/2024	12/31/2024	6/17/2024	15%	\$ 5,000	\$ 525	11%	\$ 4,475
BHC Consulting	1	Planning & Permit Assistance	T. Richmond	1/1/2024	12/31/2024	6/17/2024	15%	\$ 25,000	\$ 3,297	13%	\$ 21,703
Brilliant Marketing	1	We Need Water Social Media Outreach	M. Brent	1/1/2024	12/31/2024	6/17/2024	45%	\$ 49,500	\$ 21,642	44%	\$ 27,858
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	C. Paulucci	1/1/2024	N/A	6/17/2024	85%	\$ 78,000	\$ 54,400	70%	\$ 23,600
Colehour and Cohen	1	Staffing for classes and events	M. Brent	1/1/2024	12/31/2024	6/17/2024	45%	\$ 110,750	\$ 48,163	43%	\$ 62,587
Confluence Engineering Group, LLC	1	Lake Tapps Supply & BIP Water Quality Advisory Services Project	D. Roberts	12/1/2023	N/A	6/17/2024	30%	\$ 49,000	\$ 8,498	17%	\$ 40,502
David Evans	1	On-call Land Surveyor	H. Chen	11/18/2022	12/31/2025	6/17/2024	30%	\$ 160,000	\$ 43,574	27%	\$ 116,426
David McGrath	1	Irrigation Program Assistance	M. Brent	1/25/2024	12/31/2024	6/17/2024	5%	\$ 18,000	\$ -	0%	\$ 18,000
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	P. Anderson	1/1/2024	12/31/2024	6/17/2024	20%	\$ 49,000	\$ 8,593	18%	\$ 40,408
Environmental Science Assoc (ESA)	2	Development of Cascade's Integrated Aquatic Plant Management Plan	P. Anderson	3/20/2024	N/A	6/17/2024	5%	\$ 44,750	\$ 1,546	3%	\$ 43,205
GeoEngineers	1	Dam Engineering/Hydrology/ Geotechnical Service	H. Chen	1/3/2024	12/31/2026	6/17/2024	8%	\$ 570,000	\$ -	0%	\$ 570,000
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2024	12/31/2024	6/17/2024	45%	\$ 84,000	\$ 35,000	42%	\$ 49,000
Herrera	1	On-call limnology services	M. Thung	12/1/2022	12/31/2025	6/17/2024	5%	\$ 45,000	\$ -	0%	\$ -
Herrera	2	Water Quality Management Plan	M. Thung	10/9/2023	12/31/2024	6/17/2024	50%	\$ 165,000	\$ 80,043	49%	\$ 84,957
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	6/17/2024	99%	\$ 1,231,100	\$ 1,113,643	90%	\$ 117,457
Industrial Fab and Repair	1	Valve house control system improvements	D. Roberts	8/28/2023	5/3/2024	6/17/2024	45%	\$ 88,118	\$ 33,771	38%	\$ 54,347
Jacobs Engineering Group	1	Demand Forecast Model Support Services	M. Thung	8/20/2021	N/A	6/17/2024	5%	\$ 5,000	\$ -	0%	\$ 5,000
Jon Shimada	1	On-Call Project Support Services	M. Thung	4/8/2024	12/31/2025	6/17/2024	0%	\$ 35,000	\$ -	0%	\$ 35,000
Langton Spieth	1	Community relations	A. Bennett	1/1/2024	12/31/2024	6/17/2024	45%	\$ 78,000	\$ 32,500	42%	\$ 45,500
Langton Spieth	2	25th Anniversary Event Support	A. Bennett	3/4/2024	N/A	6/17/2024	50%	\$ 5,000	\$ -	0%	\$ 5,000
Lake Tapps Construction	1	Dingle Basin Actuators Replacement Project	D. Roberts	10/12/2023	5/25/2024	6/17/2024	15%	\$ 42,838	\$ -	0%	\$ 42,838
Lake Tapps Construction	2	Clearing/Sign Posts/Eco Blocks for Covington Properties	J. Amspacher	11/7/2023	12/15/2023	6/17/2024	100%	\$ 4,908	\$ 4,908	100%	\$ (0)
Lisa Taylor	1	Turf Removal Program Development	M. Brent	4/3/2024	12/31/2024	6/17/2024	10%	\$ 21,500	\$ -	0%	\$ 21,500
Long Building Tech	1	Security Maintenance	H. Chen	6/1/2023	12/31/2024	6/17/2024	35%	\$ 120,000	\$ 37,642	31%	\$ 82,358
Madsen Electric	1	Pipeline Intake and Valve House Battery Charger Inverter Removal and Replacement Project	D. Roberts	12/1/2023	4/27/2024	6/17/2024	95%	\$ 29,090	\$ 27,474	94%	\$ 1,616
Media for International Development	1	WeNeedWater Video Production	A. Bennett	1/1/2023	12/31/2023	6/17/2024	30%	\$ 35,000	\$ 9,500	27%	\$ 25,500
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2024	12/31/2024	6/17/2024	65%	\$ 105,000	\$ 68,462	65%	\$ 36,538
Okamoto Strategies, LLC	1	Capital Projects and Strategic Planning	H. Chen	6/21/2023	6/21/2024	6/17/2024	25%	\$ 25,000	\$ 5,569	22%	\$ 19,431
Pacifica Law	1	Legal Assistance	H. Chen	1/1/2024	12/31/2024	6/17/2024	0%	\$ 25,000	\$ -	0%	\$ 25,000
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2023	12/31/2025	6/17/2024	25%	\$ 550,000	\$ 125,719	23%	\$ 424,281
Performance Dimensions	1	Executive Coaching Services	M. Thung	1/1/2024	12/31/2024	6/17/2024	0%	\$ 15,000	\$ -	0%	\$ 15,000
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2024	12/31/2024	6/17/2024	33%	\$ 120,000	\$ 12,431	10%	\$ 107,569
Rainier Stillwater Risk Advisors	1	Trespassing Management	M. Thung	12/14/2023	12/31/2024	6/17/2024	5%	\$ 33,000	\$ -	0%	\$ 33,000
RH2	2	On-Call Electrical Engineering Svcs	H. Chen	1/1/2024	12/31/2024	6/17/2024	25%	\$ 133,750	\$ 32,671	24%	\$ 101,079
RH2	3	Wholesale Master Meter Eval	H. Chen	1/21/2020	3/31/2023	6/17/2024	8%	\$ 24,500	\$ 1,342	5%	\$ 23,158
Robinson Noble	1	Water Audits	E. Cebon	10/3/2019	N/A	6/17/2024	85%	\$ 135,060	\$ 115,183	85%	\$ 19,877

Sammamish Plateau Water	1	GIS support services	H. Chen	12/6/2022	N/A	6/17/2024	48%	\$ 50,000	\$ 24,020	48%	\$ 25,980
Sazan	1	On-call value analysis/engineering	J. Shimada	10/23/2023	10/23/2025	6/17/2024	30%	\$ 250,000	\$ 73,371	29%	\$ 176,629
SC Words & Pictures Inc.	1	Design Services	A. Bennett	1/1/2024	12/31/2024	6/17/2024	50%	\$ 30,000	\$ 11,250	38%	\$ 18,750
Seattle Public Utilities	1	Garden Hotline	M. Brent	1/1/2024	12/31/2024	6/17/2024	33%	\$ 15,825	\$ 3,956	25%	\$ 11,869
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2024	12/31/2024	6/17/2024	38%	\$ 26,500	\$ 9,765	37%	\$ 16,735
Sustainable Water	1	Teacher Fellows program	M. Brent	1/1/2024	12/31/2024	6/17/2024	48%	\$ 60,000	\$ 27,365	46%	\$ 32,635
Tacoma Pierce County Health Department	1	TappsWise Monitoring at Lake Tapps	A. Bennett	1/1/2024	12/31/2024	6/17/2024	33%	\$ 120,000	\$ 32,524	27%	\$ 87,476
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2024	12/31/2024	6/17/2024	33%	\$ 139,500	\$ 39,776	29%	\$ 99,724
TechniArt	1	Conservation Website Order page	M. Brent	1/1/2024	12/31/2024	6/17/2024	33%	\$ 15,900	\$ 3,016	19%	\$ 12,884
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2024	12/31/2024	6/17/2024	45%	\$ 45,000	\$ 18,440	41%	\$ 26,560
Transpo Group	1	On-Call GIS Support	H. Chen		12/31/2024	6/17/2024	35%	\$ 49,000	\$ 17,133	35%	\$ 31,867
Upstream PBC	1	HydroForecast-Glacier Climate Change Analysis	M. Thung	11/1/2022	N/A	6/17/2024	50%	\$ 49,900	\$ 40,000	80%	\$ 9,900
Upstream PBC	2	HydroForecast Subscription Service	M. Thung	8/9/2023	10/31/2024	6/17/2024	45%	\$ 24,000	\$ 9,900	41%	\$ 14,100
USGS	1	Joint Funding Agre-Streamgaging	H. Chen	1/1/2024	12/31/2024	6/17/2024	33%	\$ 374,000	\$ 87,418	23%	\$ 286,583
Vanir Construction Management, Inc.	1	On-call Construction Management	J. Shimada	5/1/2021	12/31/2024	6/17/2024	50%	\$ 560,000	\$ 171,729	31%	\$ 388,271
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2024	12/31/2024	6/17/2024	42%	\$ 630,000	\$ 256,805	41%	\$ 373,196
Veolia	1	White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement \$2,251,944 Fixed, \$225,000 Variable	J. Shimada	1/1/2024	12/31/2024	6/17/2024	33%	\$ 2,476,944	\$ 752,871	30%	\$ 1,724,073
Washington Crane	1	Fish Screen Gantry Crane Repair	D. Roberts	11/9/2022	7/31/2024	6/17/2024	50%	\$ 168,700	\$ 69,347	41%	\$ 99,353
Water Value	1	Climate Study Advisory Services	M. Thung	6/16/2022	12/31/2024	6/17/2024	50%	\$ 22,500	\$ 11,952	53%	\$ 10,548
Winterbauer and Diamond	1	Legal Assistance	R. Hoffman	1/1/2024	12/31/2024	6/17/2024	25%	\$ 20,000	\$ -	0%	\$ 20,000

Payment Authorization Warrants and Wire Transfers 6/26/24**WHOLESALE WATER**

WIRE	Seattle Contract Payment 6/24	\$2,938,842.00
		<u>\$2,938,842.00</u>

CONSULTANTS

31575	Van Ness Feldman, LLP	\$28,469.00
31584	Clark Nuber P.S.	\$17,500.00
31588	Herrera	\$16,290.94
31590	Law Office of Michael J. Murphy	\$630.00
31594	Parametrix	\$6,812.50
31612	Okamoto Strategies LLC	\$2,612.50
31617	Tacoma Pierce County Health Department	\$9,833.23
31623	Gordon Thomas Honeywell Govern. Affair	\$7,000.00
31628	Water Value LLC	\$225.00
31633	bhc Consultants	\$807.50
31638	SC Words & Pictures, Inc.	\$8,500.00
31639	David Evans and Associates Inc.	\$7,564.12
31642	Environmental Science Associates (ESA)	\$4,034.25
31643	GeoEngineers	\$49,973.68
31644	Herrera	\$22,692.94
31645	Jennergy	\$1,270.00
31652	Lund Faucett LLC	\$3,189.50
31654	Okamoto Strategies LLC	\$343.75
31659	TeamLogic IT of Bellevue, WA	\$8,848.90
31661	Transpo Group	\$6,759.74
31663	Van Ness Feldman, LLP	<u>\$69,425.00</u>
		<u>\$272,782.55</u>

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (May)	\$171,713.76
31579	Association of Washington Cities	\$24,160.16
31586	Andrew Baker	\$840.52
31587	Paula Anderson	\$52.80
31601	MissionSquare-107080	\$50,480.89
31602	MissionSquare-304525	\$21,359.96
31607	Paula Anderson	\$58.69
31609	HRA VEBA Trust	\$2,772.00
31640	Edward Cebron	\$62.13
31641	Paula Anderson	<u>\$68.34</u>
		<u>\$271,569.25</u>

CONSERVATION

31573	Sustainable Seattle dba Sustainability Aml	\$6,027.00
31574	Techniart C S D	\$713.13
31582	Ben Bernstein Music	\$200.00
31583	Jessica Bloom	\$1,350.00
31585	Colehour & Cohen	\$5,889.07
31589	Issaquah School District 411	\$2,000.00
31592	New Resources Group, Inc.	\$1,000.48
31596	Seattle Printworks	\$512.18
31597	Tilth Alliance	\$8,325.00
31610	Lisa Taylor	\$700.00
31614	SMC Consulting LLC	\$3,510.00
31626	Product Water, LLC	\$350.00
31634	BRILLIANT MARKETING LLC	\$3,852.65
31637	Colehour & Cohen	\$5,247.48
31653	Nature Vision, Inc.	\$10,026.82
31656	Puget Sound Energy	\$2,989.77
31658	Sustainable Seattle dba Sustainability Aml	\$5,285.50
31660	Techniart C S D	<u>\$759.38</u>
		<u>\$58,738.46</u>

GENERAL

31570	JR Mailing Services, Inc.	\$3,206.30
31572	City of Redmond	\$2,500.00
31580	AT&T FirstNet	\$408.12
31581	Bellevue Gateway One Equities, LLC	\$31,919.61
31591	Lumen	\$115.32
31593	Pacific Office Automation	\$281.52
31598	Lake Tapps 4th of July Fireworks Show	\$900.00
31600	Utilities Underground Location Center	\$13.20
31603	Audio Visual Factory, Inc.	\$2,288.44
31606	Comcast	\$551.66
31613	Puget Sound Energy	\$318.53
31615	Staples Advantage	\$666.35
31619	City of Bellevue	\$5,323.30
31621	CLEARFLY	\$1,081.42
31622	Covington Water District	\$93.00
31624	Greater Issaquah Chamber of Commer	\$3,500.00
31625	Meydenbauer Center	\$13,140.84
31636	CIT	\$1,447.73
31646	Kirkland Downtown Association	\$2,750.00
31647	Lakemont Business Services Inc.	\$200.00
31651	Lumen	\$230.64
31655	Pacific Office Automation Inc.	\$100.89
31657	Sound Publishing Inc.	\$1,665.00
31662	U.S. BANK	\$6,505.35
31664	Verizon Wireless	<u>\$135.03</u>
		<u>\$79,342.25</u>

EQUIPMENT, COMPUTER, AND SOFTWARE

31578	Abila	\$292.03
31627	Seattle Boat Co.	\$47,257.00
31632	Abila	<u>\$292.05</u>
		<u>\$47,841.08</u>

LAKE TAPPS

31569	Honey Bucket	\$80.00
31571	Linde Gas & Equipment Inc.	\$459.18
31576	Veolia Water North America	\$189,884.71
31595	Petersen Brothers, Inc.	\$4,032.40
31599	Tracy Farman	\$1,000.00
31604	Cintas Corporation	\$7.83
31605	City of Buckley	\$120.00
31608	Honey Bucket	\$80.00
31611	National Construction Rentals, Inc.	\$3,674.46
31616	SYBIS LLC	\$8,271.04
31618	United Rentals Northwest, Inc.	\$2,816.36
31620	City of Buckley	\$583.48
31635	Cintas Corporation	\$137.97
31648	Lake Tapps Construction Unlimited	\$3,507.01
31649	Linde Gas & Equipment Inc.	\$445.48
31650	LONG Building Technologies, Inc.	<u>\$747.89</u>
		<u>\$215,847.81</u>

CONSTRUCTION

31577	HDR	\$32,495.56
31629	HDR	\$22,847.76
31630	Madsen Electric	\$24,964.55
31631	U.S. BANK	<u>\$500.00</u>
		<u>\$80,807.87</u>

DESTROYED AND VOIDED CHECKS:

Total Warrants	\$1,026,929.27
Total Wires	\$2,938,842.00
Total warrants/wire transfers authorized for June 2024	<u>\$3,965,771.27</u>

Approved: _____ Date: _____

Edward Cebron, Chief Economist/Treasurer

Approved: _____ Date: _____

Mary Lou Pauly, Secretary/Treasurer

**Cascade Water Alliance
Monthly Treasurer's Report
May 2024**

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
Beginning Balances, May 1	\$ 18,467,303	\$ 12,854,408	\$ 9,453,790	\$ -	\$ 10,975,398	\$ 2,311,143	\$ -	\$ 54,062,042
Additions:								
Cash received	\$ 3,928,287	\$ 48,264	\$ 75,371	\$ -	\$ 88,314	\$ 8,121	\$ -	\$ 4,148,357
Transfers from other Cascade funds	\$ -	\$ -	\$ 1,525,483	\$ -	\$ -	\$ -	\$ 172,904	\$ 1,698,387
Total additions	\$ 3,928,287	\$ 48,264	\$ 1,600,854	\$ -	\$ 88,314	\$ 8,121	\$ 172,904	\$ 5,846,743
Subtractions:								
Bank fees, payroll, and bond payments	\$ 1,301	\$ 949	\$ 1,164	\$ -	\$ 892	\$ 160	\$ 172,904	\$ 177,370
Warrants paid	\$ 708,424	\$ 69,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 778,175
Wire and other electronic payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (realized)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (retained)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to other Cascade funds	\$ 1,698,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,698,387
Total subtractions	\$ 2,408,112	\$ 70,701	\$ 1,164	\$ -	\$ 892	\$ 160	\$ 172,904	\$ 2,653,932
Ending Balances, May 31, 2024	\$ 19,987,478	\$ 12,831,971	\$ 11,053,480	\$ -	\$ 11,062,820	\$ 2,319,104	\$ -	\$ 57,254,853



WATER & SEWER
RISK MANAGEMENT POOL

2023 ANNUAL REPORT

HELLO MEMBERS

Dear WSRMP Members:

2023 was another successful year for WSRMP despite the difficulties in the reinsurance market. The “hard” market began in 2019, and is now the longest the industry has endured in a generation. Our reinsurance expense increased 15.8% (\$542,621) to \$3,975,993 over the past year. For reference, in 2019, we paid \$1.22M for reinsurance.

Our FY 2023 budget forecasted a net loss of \$179,492 because the Executive Committee voted to reduce the actuarial recommended rate increase. A similar path was taken in 2022, because we believed claim payments would be lower than projected by our actuary, and we wanted to reduce the impact on our members. WSRMP’s net position grew by \$590,878 to \$3,938,153 in 2023 which is a new high. The equity in your insurance pool has increased by 51.7% since 2018. Our net position is 7.88 times greater than our self-insured retention (\$500K) which indicates we are well-capitalized and very capable of supporting our members into the future. The strategic plan has a long-term goal of reaching a net position/SIR ratio of 10. Every year we analyze various SIR levels compared to the corresponding reinsurance expense. Our objective is to reduce reinsurance costs while maintaining a reasonable SIR level based upon our net position.

We were pleased to welcome King County Water District #49 and Valley View Sewer District to WSRMP in FY 2023. Almost 20 districts have joined or rejoined WSRMP since 2017. We anticipate adding even more new members in the next few years. One of our strategic plan goals is to broaden the membership base which will benefit all members in WSRMP.

Patrick Sorensen retired from the Executive Committee in 2023. He joined WSRMP in 2011 and served in several officer positions while on the EC. We thank him for the time he dedicated to making our program better and hope he enjoys a long, healthy retirement. Our newest members on the Executive Committee are Mike Johnson (12/2021, GM Cross Valley Water District and Commissioner Mukilteo Water and Wastewater District), David Logan (3/2023, Finance Manager, Clark Regional Wastewater District) and Tom Keown (5/2023, GM Covington Water District). Our new members replaced Patrick, Wayne Demeester and Jay Krauss. Thank you, Wayne and Jay, for your contributions to WSRMP.

We continue to work hard on your behalf to manage the pool’s finances wisely, handle claims professionally, bring relevant risk management information to you, and provide timely customer service.

The future looks bright for WSRMP and our members. We sincerely appreciate your trust in us.

Thank you,



ED CEBRON
WSRMP President

Chief Economist and Treasurer
Cascade Water Alliance



CARY J ECKER, MSF
Executive Director, WSRMP



We appreciate and thank our board members who volunteer their time and expertise to ensure WSRMP operates in the best interests of our members.

ED CEBRON

WSRMP Executive
Committee President
Chief Economist and Treasurer
Cascade Water Alliance

MIKE JOHNSON

WSRMP Executive
Executive Committee Vice President
General Manager Cross Valley Water District
Commissioner of Mukilteo Water and Wastewater District

CYNTHIA LAMOTHE

WSRMP Executive
Committee Treasurer
General Manager
Skyway Water and Sewer District

DARCEY PETERSON

WSRMP Executive
Committee Director
General Manager
King County Water District #90

DONNA CROSS

WSRMP Executive
Committee Director
Commissioner
Alderwood Water and Wastewater District

TOM KEOWN

WSRMP Executive
Committee Director
General Manager
Covington Water District

DAVID LOGAN

WSRMP Executive
Committee Director
Finance Director Clark
Regional Wastewater District

BALANCE SHEET

Assets & Liabilities Over the Past Six Years

		2023	2022	2021	2020	2019	2018
ASSETS							
Cash and Equivalents	\$	3,545,927	\$ 2,087,425	\$ 3,702,623	\$ 3,686,968	\$ 3,975,603	\$ 3,479,009
Investments		525,065	1,976,732				
Member Receivables	\$	6,445,150	\$ 5,529,254	\$ 5,153,449	\$ 4,176,255	\$ 3,182,652	\$ 2,938,534
Other (including prepaids)	\$	1,906,324	\$ 1,409,695	\$ 1,262,362	\$ 879,711	\$ 651,267	\$ 537,077
Capital Assets	\$		\$	\$ 266	\$ 797	\$ 1,872	\$ 3,733
Net Pension Asset	\$	131,035	\$ 117,123	\$ 305,821	\$		
Right of Use Asset (Office Lease)	\$	28,705	\$ 211,473	248,253			
Deferred Outflows - Pension OPEB	\$	105,477	\$ 121,141	\$ 45,711	\$ 47,393	\$ 39,157	\$ 33,907
TOTAL ASSETS AND OUTFLOWS	\$	12,687,683	\$ 11,452,843	\$ 10,718,485	\$ 8,791,124	\$ 7,850,551	\$ 6,992,260
LIABILITIES							
Accounts Payable	\$	9,925	\$ 8,241	\$ 191,56	\$ 53,368	\$ 70,757	\$ 74,751
Claim Reserves Current Year	\$	1,108,000	\$ 1,053,000	\$ 1,004,000	\$ 810,000	\$ 639,000	\$ 451,000
Unearned Member Allocations	\$	6,461,635	\$ 5,545,722	\$ 5,161,221	\$ 4,129,706	\$ 3,409,930	\$ 3,020,940
Claim Reserves Prior Year	\$	691,000	\$ 725,000	\$ 691,000	\$ 575,000	\$ 458,000	\$ 300,000
Finance Lease Liability	\$	32,396	\$ 230,052	259,616			
Compensated Absences	\$	66,638	\$ 50,611	\$ 44,081	\$ 36,343	\$ 23,804	\$ 20,208
Net Pension Liability	\$	56,498	\$ 67,604	\$ 29,151	\$ 118,699	\$ 110,873	\$ 138,787
Deferred Inflows - Pension	\$	71,195	\$ 118,765	\$ 313,840	\$ 33,648	\$ 63,398	\$ 53,572
Other Post Ret. Benefits Payable	\$	252,243	\$ 306,573	\$ 452,348	\$ 444,971	\$ 299,454	\$ 336,454
TOTAL LIABILITIES & INFLOWS	\$	8,749,530	\$ 8,105,568	\$ 7,974,413	\$ 6,201,735	\$ 5,075,216	\$ 4,395,712
NET POSITION	\$	3,938,153	\$ 3,347,275	\$ 2,744,072	\$ 2,589,389	\$ 2,775,335	\$ 2,596,548
TOTAL LIABILITIES & NET POSITION	\$	12,687,683	\$ 11,452,843	\$ 10,718,485	\$ 8,791,124	\$ 7,850,551	\$ 6,992,260

INCOME STATEMENT

Analysis of Income and Expenditures

		2023	2022	2021	2020	2019	2018
OPERATING REVENUES							
Member Assessments	\$	5,467,764	\$ 5,037,537	\$ 4,021,601	\$ 3,384,538	\$ 2,965,794	\$ 2,848,932
Other	\$	132,564	\$ 148,062	\$ 117,751	\$ 67,908	\$ 65,076	\$ 78,795
TOTAL REVENUES	\$	5,600,328	\$ 5,185,599	\$ 4,139,352	\$ 3,452,446	\$ 3,030,870	\$ 2,927,727
OPERATING EXPENSES							
Insurance	\$	3,975,993	\$ 3,433,372	\$ 2,346,311	\$ 1,464,181	\$ 1,220,166	\$ 1,063,907
Claim Reserve Adjustment	\$	21,000	\$ 83,000	\$ 310,000	\$ 288,000	\$ 346,000	\$ 38,000
Claims Paid on Current Losses	\$	506,187	\$ 283,416	\$ 681,782	\$ 871,261	\$ 573,742	\$ 324,951
Wages, Benefits and Payroll Taxes	\$	541,230	\$ 369,610	\$ 415,757	\$ 620,470	\$ 391,894	\$ 384,227
Legal	\$	56,542	\$ 182,623	\$ 65,545	\$ 114,839	\$ 95,648	\$ 132,598
Office Supplies	\$	26,807	\$ 30,540	\$ 34,458	\$ 26,744	\$ 32,432	\$ 27,552
Travel	\$	2,870	\$ 4,018	\$ 1,774	\$ 7,474	\$ 10,122	\$ 15,760
Accounting & Auditing	\$	43,735	\$ 36,082	\$ 40,942	\$ 37,665	\$ 36,959	\$ 37,930
Rent	\$		\$	\$	\$ 45,118	\$ 43,089	\$ 39,741
Interest Expense Office Lease	\$	2,729	\$ 12,315	\$ 13,722			
Amortization	\$	27,944	\$ 36,780	\$ 36,780			
Claims Audit	\$		\$ 4,900	\$			
Claims Adjusting	\$	24,071	\$ 52,793	\$ 13,612	\$ 23,179	\$ 122,976	\$ 103,617
Seminars	\$	18,434	\$ 19,938	\$ 10,630	\$ 16,232	\$ 32,407	\$ 35,270
Actuarial	\$	8,900	\$ 8,700	\$ 9,000	\$ 10,550	\$ 12,300	\$ 7,900
Telephone	\$	5,811	\$ 5,935	\$ 5,857	\$ 5,911	\$ 6,847	\$ 5,918
Depreciation	\$		\$ 266	\$ 531	\$ 1,075	\$ 1,861	\$ 2,735
Dues, Subscriptions, Meetings	\$	116	\$ 5,765	\$ 2,600	\$ 6,416	\$ 4,877	\$ 10,124
Promotion	\$	6,954	\$ 10,342	\$ 6,050	\$ 14,951	\$ 6,662	\$ 5,426
EC Expense Reimbursement	\$		\$	\$	\$ 573	\$ 1,145	\$ 4,469
Postage	\$	1,444	\$ 1,292	\$ 1,557	\$ 1,322	\$ 1,861	\$ 1,791
State Risk Manager Assessment	\$	7,325	\$ 2,930	\$ 7,325	\$ 11,720	\$ 11,720	\$ 11,720
Consultants	\$	6,050	\$ 5,100	\$ 5,950	\$ 160,750	\$ 10,550	\$ 13,725
Other	\$	283	\$ 1,026	\$ 101	\$ 4,709	\$ 343	\$ 195
TOTAL EXPENSES	\$	5,284,425	\$ 4,010,284	\$ 4,010,284	\$ 3,733,140	\$ 2,963,601	\$ 2,267,556
Interest Income	\$	202,629	\$ 22,775	\$ 28,146	\$ 94,748	\$ 111,518	\$ 62,275
Increase (Decrease) in Investments Fair Value	\$	4,672	\$ (14,428)				
Realized Gain on Investments		67,674					
NET INCOME	\$	590,878	\$ 603,203	\$ 157,214	\$ (185,946)	\$ 178,787	\$ 722,446

NOTE: Required accounting changes in OPEB balances contributed to 2020 loss

WSRMP's MEMBERS 2022-23 POLICY YEAR

Acme Water District.....	Acme
Alderwood Water and Wastewater District.....	Lynnwood
Beacon Hill Water and Sewer District.....	Kelso
Belfair Water District #1.....	Belfair
Birch Bay Water and Sewer District	Birch Bay
Camano Vista Water District.....	Camano Island
Cape San Juan Water District.....	Friday Harbor
Cattle Point Water District.....	Friday Harbor
Cascade Water Alliance	Bellevue
Cedar River Water and Sewer District	Maple Valley
Clark Regional Wastewater District	Vancouver
Clearview Water Supply Agency	Lynnwood
Clinton Water District	Clinton
Coal Creek Utility District.....	Newcastle
Covington Water District	Covington
Cowiche Sewer District.....	Cowiche
Crockett Lake Water District	Clinton
Cross Valley Water District.....	Snohomish
Discovery Clean Water Alliance.....	Vancouver
East Gig Harbor Water District.....	Gig Harbor
Fall City Water District	Fall City
Fisherman Bay Sewer District	Lopez Island
Glacier Water District.....	Glacier
Grays Harbor County Water District #1	Grayland
Grays Harbor County Water District #2.....	Montesano
Greater Bar Water District	Greater Bar
Hartstene Pointe Water - Sewer District	Shelton
Highland Water District	Monroe
Highlands Sewer District.....	Shoreline
Holmes Harbor Sewer District.....	Freeland
Inchelium Water District.....	Inchelium
Juniper Beach Water District	Camano Island
Kapowsin Water District.....	Kapowsin
King County Water Distric #49	Burien
King County Water District #54.....	Des Moines
King County Water District #90.....	Renton
King County Water District #125.....	SeaTac

Kitsap County Sewer District #7	Bainbridge Island
Kittitas County Water District #5	Cle Elum
Lake Meridian Water District.....	Kent
Lake Wenatchee Water District	Lake Wenatchee
Lake Whatcom Water and Sewer District	Bellingham
Lenora Water and Sewer District.....	Usk
Lewis County Water Sewer District #4.....	Chehalis
Lewis County Water District #2	Onalaska
Maggie Lake Water District.....	Tahuya
Mackaye Harbor Water District	Lopez Island
Mukilteo Water and Wastewater District	Mukilteo
North Perry Avenue Water District.....	Bremerton
Northeast Sammamish Sewer and Water District.....	Sammamish
Point Roberts Water District #4	Point Roberts
Regional Water Supply System.....	Tacoma
Sammamish Plateau Water	Sammamish
Saratoga Water District.....	Langley
Skagit County Sewer District #1.....	La Conner
Skagit County Water District #1.....	Mt Vernon
Skyway Water and Sewer District	Seattle
Snoqualmie Pass Utility District	Snoqualmie Pass
Steptoe Sewer and Water District.....	Colfax
Sunnyslope Water District.....	Port Orchard
Terrace Heights Sewer District	Yakima
Trails End Water District 2	Belfair
Valley View Sewer District.....	Tukwila
Valley Water District.....	Puyallup
Vashon Sewer District.....	Vashon
Walla Walla Housing Authority.....	Walla Walla
Water and Sewer Risk Management Pool.....	Bellevue
Water District #19	Vashon
West Sound Utility District	Port Orchard
Whatcom County Water District #2	Bellingham
Whatcom County Water District #7	Bellingham
Williams Lake Sewer District #2	Cheney
Wollochet Harbor Sewer District	Gig Harbor
Woodinville Water District	Woodinville

WHO WE ARE



WHAT WE DO

OUR MISSION

To protect Water and Sewer utilities with specialized risk management services and broad coverage at a stable cost.



WHAT'S IMPORTANT TO US

CORE VALUES

Respectful, Accurate, Reliable
and Ethical (RARE)

Compassionate, Curious, Consistent,
Conservative and Competitive



WHAT WE ASPIRE TO BE

OUR VISION

To be the recognized expert in providing comprehensive protection, risk management, customer service and support to water and wastewater districts in the Pacific Northwest while increasing member equity in an alternative risk structure.



WHAT WE STRIVE FOR

STRATEGIC PLAN GOALS

Protect Our Strong Financial Position

Expand Risk Management Services

Strengthen Relationships
with Members

Improve Coverage

Broaden Our Membership Base

WHO WE ARE



The Water and Sewer Risk Management Pool (WSRMP) is a public-entity, insurance pool that was established in 1987 by Washington State water and sewer special purpose districts in response to the lack of affordable and adequate insurance coverage available in the marketplace during the 1980's. We comply with Washington RCW Chapter 48.62 which allows public entities to self-insure via an insurance pool. WSRMP is owned and controlled by the districts we insure. All profits generated are used for the benefit of the membership. The founding members' vision was to create an insurance organization that would ensure access to the most comprehensive protection, laser-focused risk management programs and responsive customer service. These are goals the staff seeks to accomplish every single day.

Our Executive Committee is comprised of seven representatives that are General Managers, Officers or Commissioners from districts within our membership. They provide regular oversight, guidance and expertise to WSRMP's three employees.

The vast insurance coverage we offer is the result of intense analysis of our members' unique needs. As new challenges emerge, we anticipate how such challenges might affect our members, and we work to provide solutions before the challenges become problematic. WSRMP strives to add more value for our membership compared to a commercial insurance company. We provide a whole spectrum of member services including training, seminars, risk management, safety programs, industry information, WASWD sponsorship and one-on-one guidance.



WATER & SEWER RISK MANAGEMENT POOL

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DIRECTOR OF CLAIMS

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OFFICE MANAGER

Alisa Dodd

INSURANCE BROKER

Alliant Public Entity Insurance Solutions
Kevin Bibler, Brian White and Jamie Arnoldi

GENERAL COUNSEL

Hendricks Bennett, PLLC
Joseph P. Bennett, J.D.

ACTUARIAL SERVICES

Bickmore
Mike Harrington, Becky Richard

CPA SERVICES

Baber & Mason - Certified Public Accountants
Phillip C. Baber, CPA





MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA HYBRID
MAY 22, 2024

1. CALL TO ORDER

At 3:32 p.m. Chair Sweet called the meeting to order. Board Members confirmed that they received the meeting materials and could hear the speakers clearly.

2. ROLL CALL

Board Members Present: City of Bellevue (Hamilton), City of Kirkland (Sweet), City of Tukwila (McLeod), Sammamish Plateau Water & Sewer District (Warren), and Skyway Water and Sewer District (Ault)

Board Members Absent: City of Issaquah (Pauly), City of Redmond (Birney)

Board Alternate Present: City of Redmond (Nuevacamina), Sammamish Plateau Water & Sewer District (Ryika)

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

There was general consensus to approve the meeting agenda as presented.

6. CHIEF EXECUTIVE OFFICER'S REPORT

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

7. CONSENT ITEMS

A. Board Meeting Minutes for March 24, 2024.

B. Special Meeting Minutes for May 8, 2024.

C. Motion to adopt Resolution No. 2024-05 amending the 2024 Budget and the 2023 - 2028 Capital Improvement Program (CIP).

Motion by Mr. Warren and second by Mr. Ault to approve Consent Action Items A-C as presented. Motion carried unanimously (5-0).

8. OTHER ACTION ITEMS

- A. Motion to adopt Resolution No. 2024-06 regarding Wholesale Water Supply Contract Negotiations.

Mr. Hoffman explained that Resolution 2024-06 directs Cascade staff to:

- Negotiate the terms of a water supply contract consistent with the six objectives outline by the Board in July 2021;
- Commence drafting of the contract documents with Tacoma consistent with the term sheet included in the Board Packet;
- Continue open communications with Seattle;
- Provide regular status updates to the Board; and
- Provide briefing and presentation of contract documents for Board authorization, preferably by the fourth quarter 2024.

Motion by Mr. Warren and second by Mr. Ault to approve Resolution No. 2024-06 as presented. Motion carried unanimously (5-0).

- B. Motion to adopt Resolution No. 2024-07 authorizing a 2024 transfer of \$2,415,413 to the Cascade Water Supply Development Fund.

Ed Cebon, Cascade Chief Economist/Treasurer, explained that in November 2021, by Resolution No. 2021-10, the Board authorized creation and implementation of the Water Supply Development Fund (WSDF). This Resolution included a new code section that provided annual transfers to the fund based on both planned transfers and for unplanned opportunities under the “Shared Benefit” concept. For 2024, there are budgeted 2024 transfers based on the adopted 2024 budget and Shared Benefit transfers based on 2023 financial performance. The basis for the proposed 2024 transfer was summarized.

Motion by Mr. Ault and second by Mr. Warren to adopt Resolution No. 2024-07 authorizing a 2024 transfer of \$2,415,413 to the Cascade Water Supply Development Fund. Motion carried unanimously (5-0).

9. STAFF PRESENTATIONS

None.

10. COMMITTEE REPORTS

- A. Executive Committee – Meeting held April 10, 2024. Meeting recap included in the Board Packet.
- B. Finance & Management Committee – Meeting held April 16, 2024. Meeting recap included in the Board Packet.
- C. Public Affairs Committee – Meeting held May 1, 2024. Meeting recap included in the Board Packet.
- D. Resource & Management Committee – Meeting held April 11 and May 9, 2024. Meeting recaps included in the Board Packet.

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regularly scheduled Board meeting will be held on June 26, 2024 at 3:30 p.m.

13. ADJOURN

The meeting was adjourned at 4:13 p.m.

APPROVED BY:

Penny Sweet, Chair

Angela Birney, Vice-Chair

Wholesale Contracts Status

Presentation to Cascade's Board of Directors
June 26, 2024



Update on Seattle Discussions

- June 3 - Seattle proposed two alternatives that could be developed alongside a Tacoma contract:
 - Alternative #1: Extend block contract by 15 years and defer taking Tacoma water until 2055 (vs. 2041)
 - Alternative #2: Modify the declining block and provide a larger residual base than the current 5.3 MGD
 - No wheeling
- June 14 - Cascade provided Seattle with its analysis:
 - Alternative #1 not worth pursuing
 - Alternative #2 has potential value to Cascade, Seattle, and Tacoma

Seattle's Alternative #2

Cascade's proposed terms:

- 2058-2065: Seattle supplies 12 MGD (vs. 5.3 MGD)
- Current pricing through 2058, then shift to F&P rates
- Option to extend 12 MGD to 2070 plus \$3M payment

	Benefit	Thru 2065	Thru 2070
Cascade	Capital projects deferred	\$15M	\$36M
Seattle	Increased revenue	\$11M	\$20M
Tacoma	Increased revenue	\$16M	\$40M

Update on Tacoma Negotiations

- Held two workshops focused on financial terms and supply:
 - Seattle's proposed Alternative #2
 - Capacity rental fee
 - Permanent supply
- Completed first draft contract outline

Next Steps for Cascade's Board

- July:
 - Terms for Seattle's Alternative #2
 - Key financial and supply terms for Tacoma
- September:
 - Tacoma final contract terms
 - Budget and rates approval (to include Tacoma-Cascade Pipeline project)
- October: Tacoma final draft contract
- November: Tacoma final contract and Board approval

**In July, Cascade and Seattle plan to meet to discuss wheeling*

Thank You

WSDF Update & Biennial Report

Cascade Water Alliance
Board Meeting

June 26, 2024



Objectives & Agenda

Discussion only – no action requested of Board today

Objectives

- Understand how timing and magnitude of capital spending change with Tacoma option.
- Review Biennial WSDF Report.
- Gather Committee feedback to inform next steps.

Agenda

1. Review WSDF Background & Policies
2. Review prior and revised capital forecasts
3. Discuss forecasted WSDF plan

Key Take-aways

- The WSDF is a tool to achieve our financial policies. How we use it changes based on our capital needs.
- Tacoma Supply Direction results in maintaining contribution at 1% of member charges, rather than ramping up contribution rate.
- Contributions and Shared Benefits that we have already realized will enable us to delay issuing debt for the Tacoma Cascade Pipeline.

WSDF Background

- Introduced during 2021-2022 budget planning process
- WSDF Purposes include:
 - Support future supply development
 - Mitigate rate impacts of major projects
 - Satisfy Cascade fiscal policies
- Established and codified by Board in December 2021
- Now contained in Cascade Code (Ch. 5.70)
- Code provides for Board reviews with each biennial budget
 - Optional annual review with FMC in non-budget years

WSDF Biennial Process

Annual WSDF Transfer

- Either:
- Matches the transfer established in biennial budget; or
 - Reflects additional transfers based on Cascade Code for Shared Benefits

Biennial / Annual WSDF Report

1. WSDF balance & status vs. prior forecast;
2. Changes to planned WSDF contributions for proposed budget;
3. Changes to forecasted WSDF balance for biennium;
4. Forecast of WSDF through Water Supply Project;
5. Any remedial steps to satisfy policy requirements; and
6. Change assessment.

Biennial Budget & Rates

- Budget & Rates process involves development, review, and adoption of:
- Budgeted transfers to WSDF in upcoming biennium
 - Rates to satisfy Cascade fiscal policies, including WSDF plan.

WSDF Policies

5.70.020 (A): Board Oversight:

- Contributions to WSDF are subject to Board approval during biennial budget; and
- Will be managed, monitored, and adjusted by the Board based on periodic review of WSDF status and shared benefits.

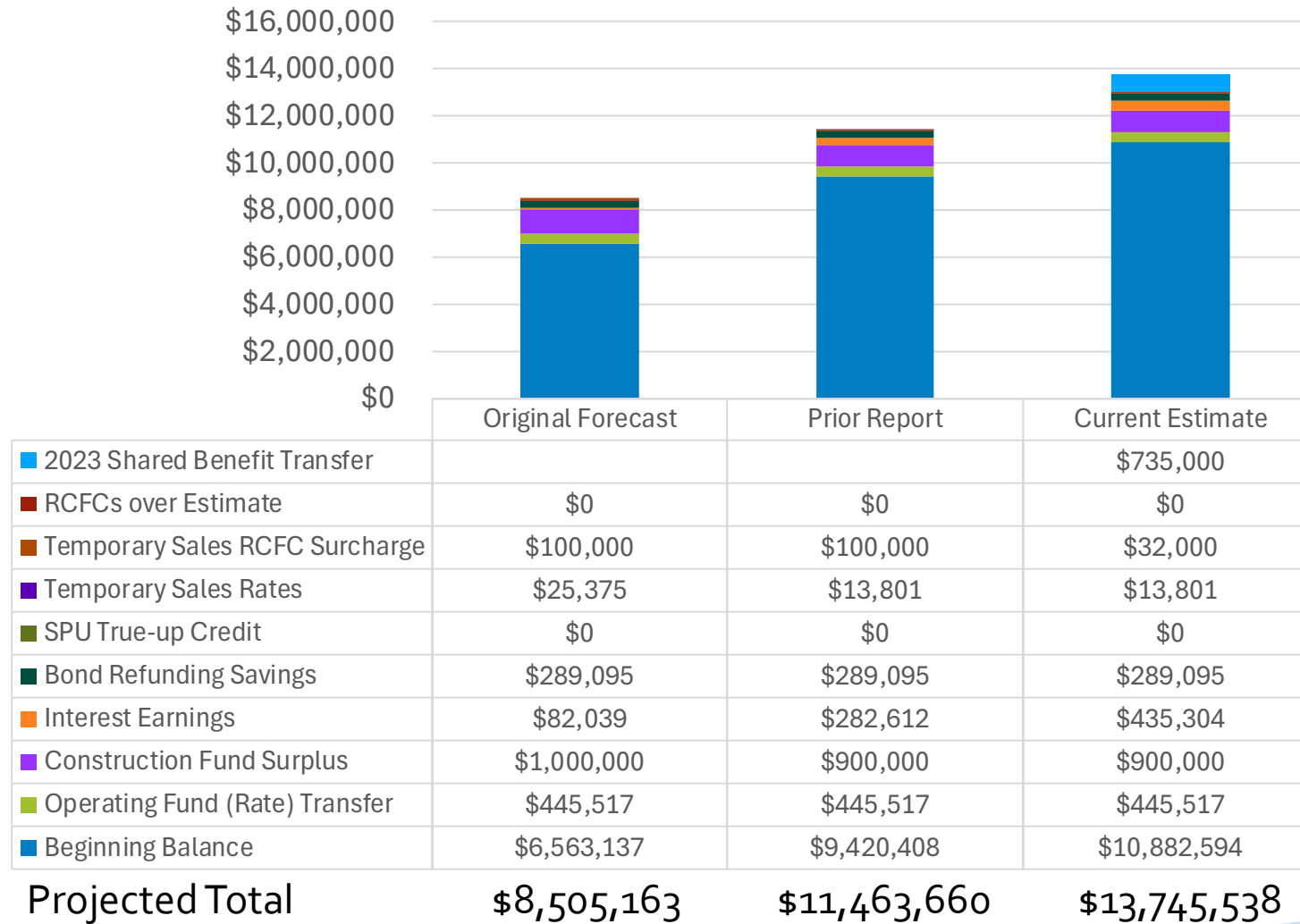
5.70.020 (B): Planned Sources of Funding:

- Contribution from RCFCs shall be determined based on anticipated excess RCFC funds over the six-year capital funding forecast.
- Demand Share contributions shall be based on a 20-year financial forecast to meet both equity funding and rate smoothing objectives.
- Investment earnings in the fund are credited to and accumulate in the fund.

5.70.020 (C): Shared Benefits:

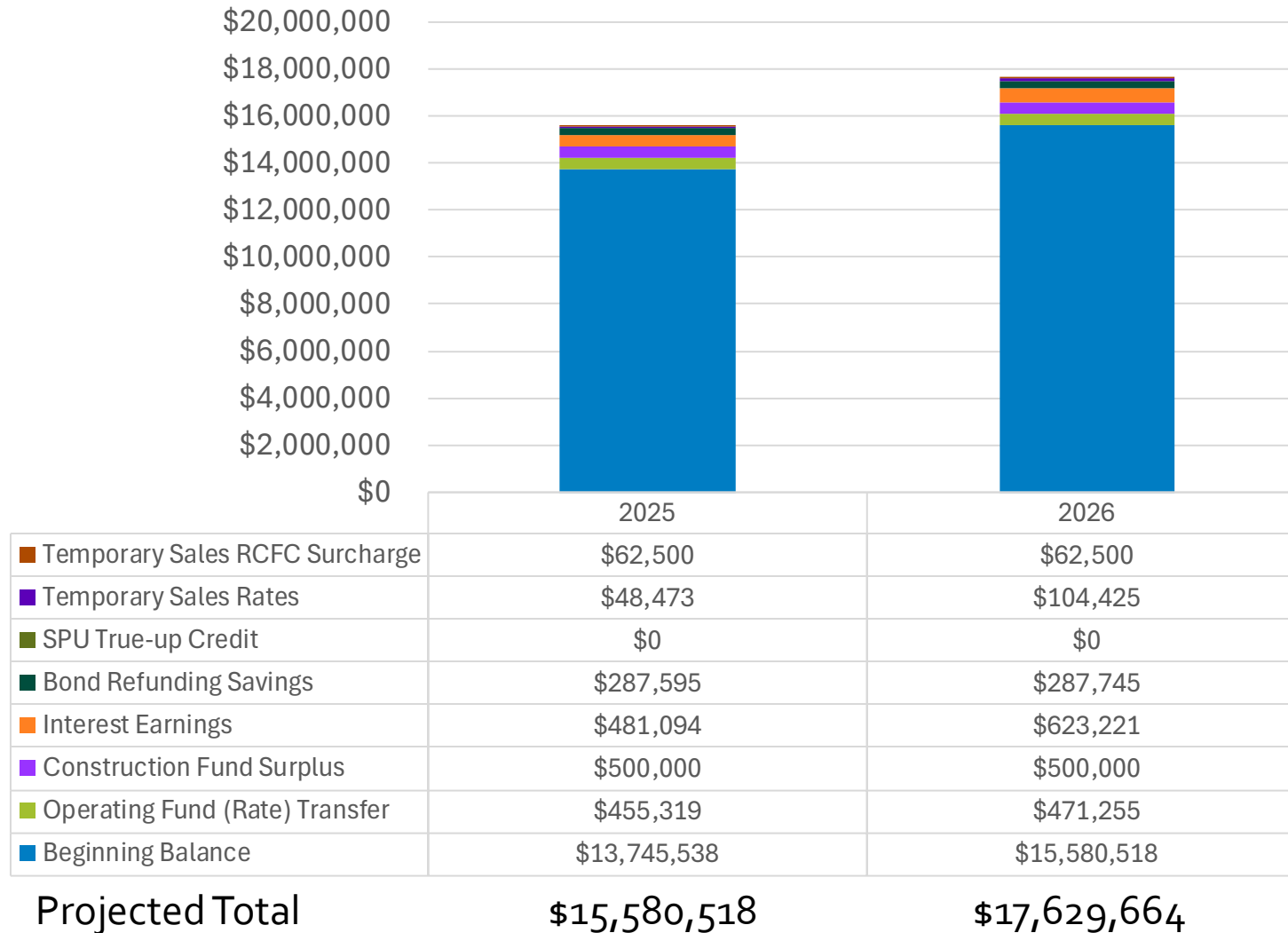
- Unplanned or unanticipated benefits shall provide benefit to members both through offsetting near-term member charges (50%) and through offsetting long-term Water Supply Development Fund needs (50%).

WSDF Fund Balance (projected 2024 year-end)



Shared benefits and improved interest rate climate have resulted in greater WSDF accumulation without budgeting for higher transfers from rates

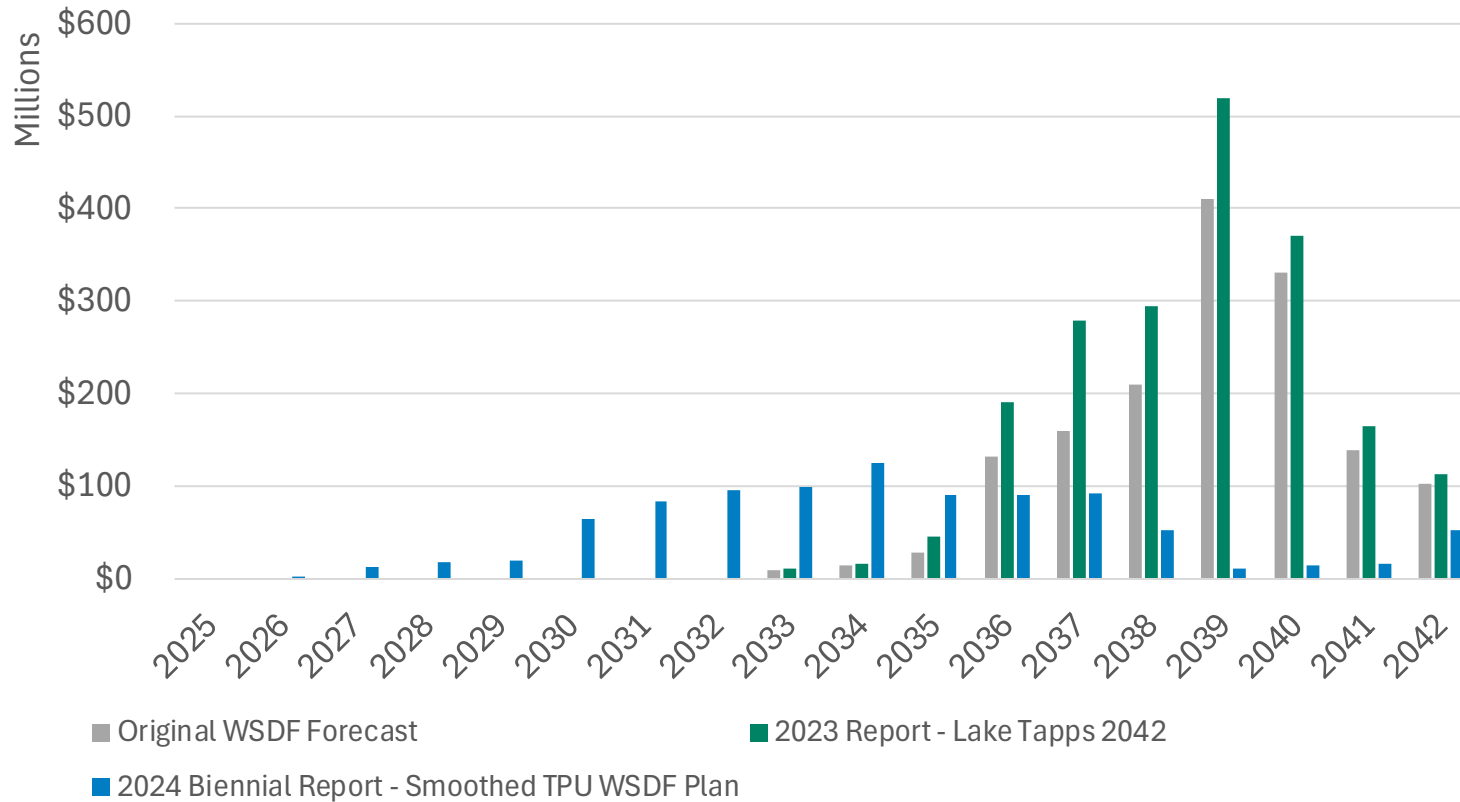
Planned 2025-2026 WSDF Fund Activity



Revised WSDF Funding Plan holds budgeted Operating (Rate) contributions flat at 1%

How Tacoma Supply Direction changes the WSDF Funding and Use Plan

Water Supply Project Capital Needs (Escalated Dollars)

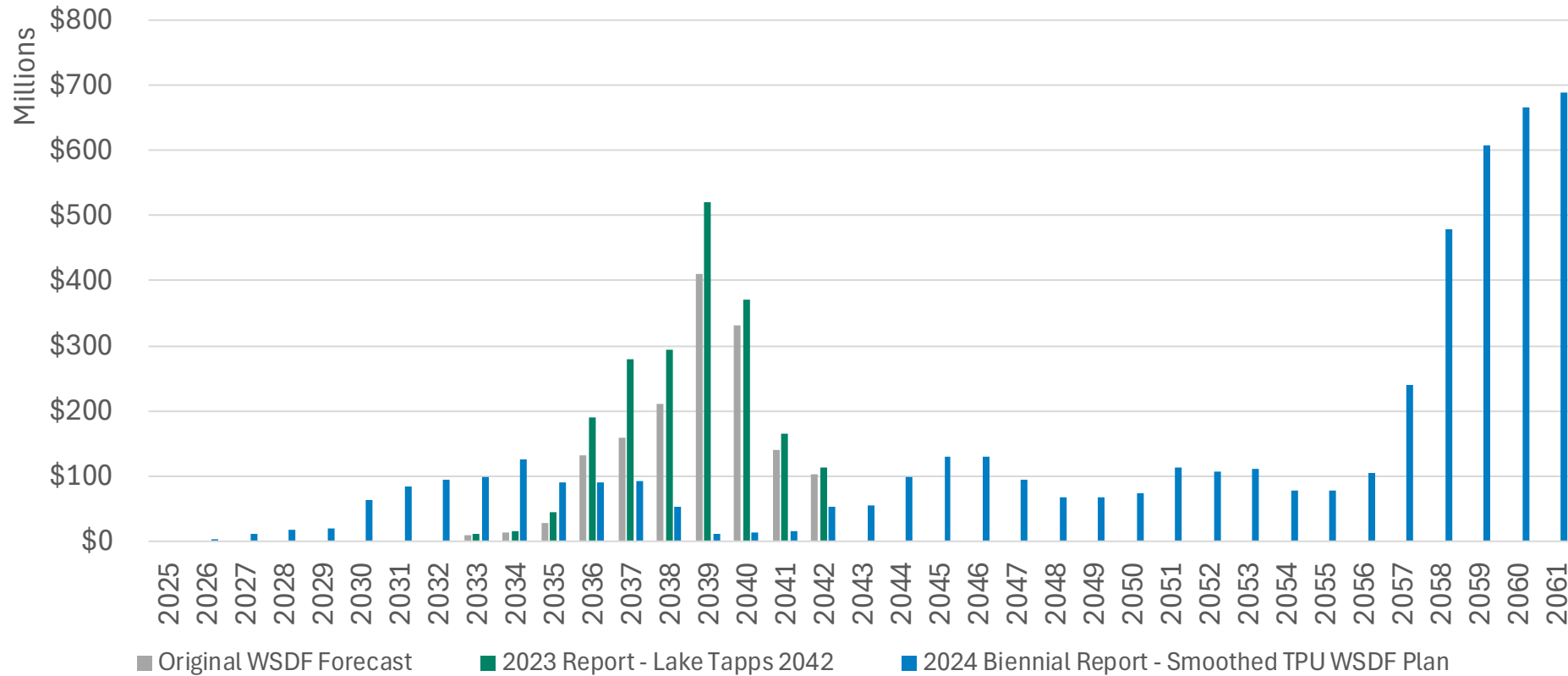


Water Supply Project capital needs look significantly different than previous plans:

- Spending starts 7 years sooner
- Much less total spending before 2042

How Tacoma Supply Direction changes the WSDF Funding and Use Plan

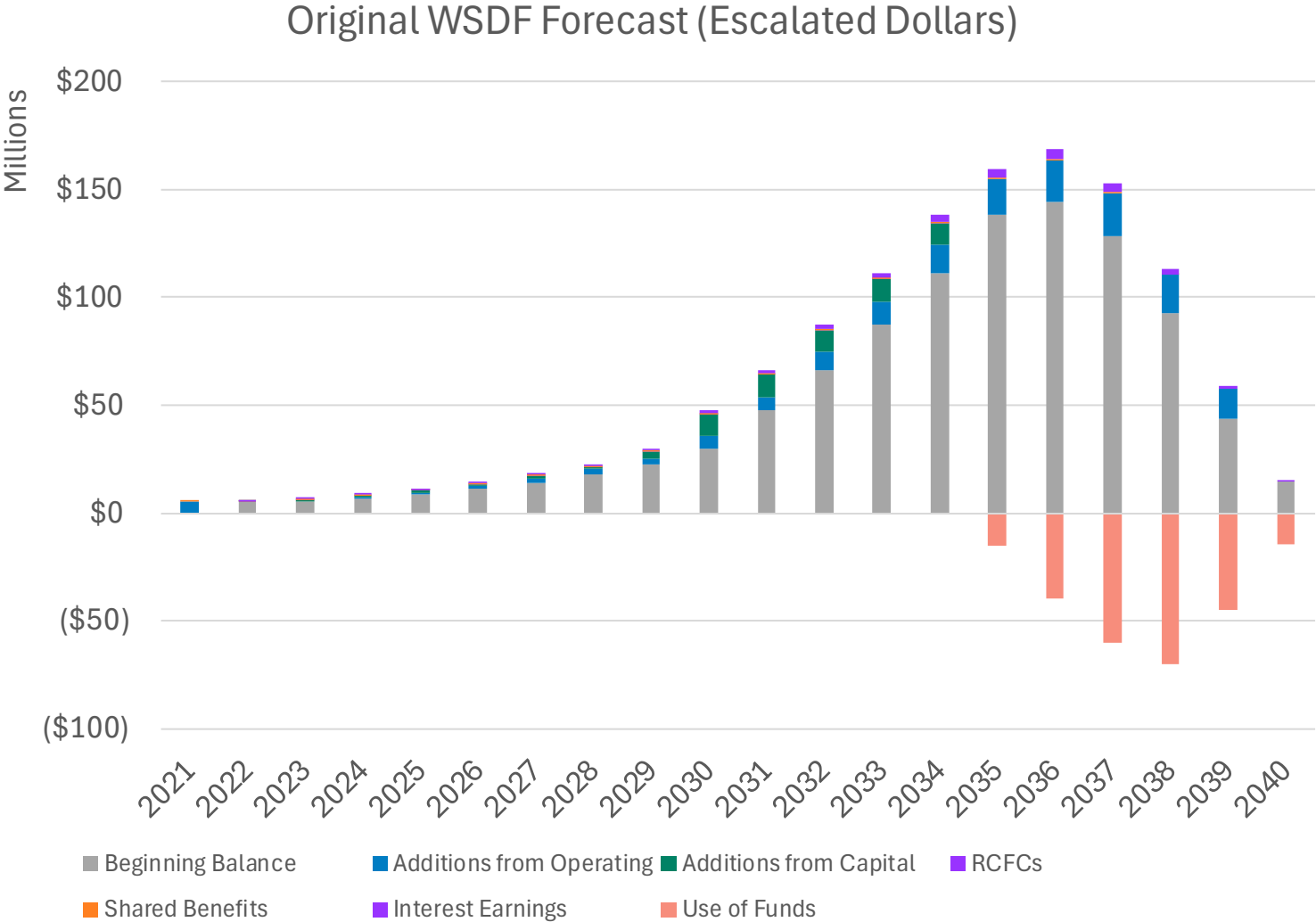
Water Supply Project Capital Needs (Escalated Dollars)



How we use the WSDF as a tool changes in response to the different capital needs.

Because the near-term spike is smaller, there is no need to accumulate so much cash in the near term.

Sources & Uses of WSDF Funds

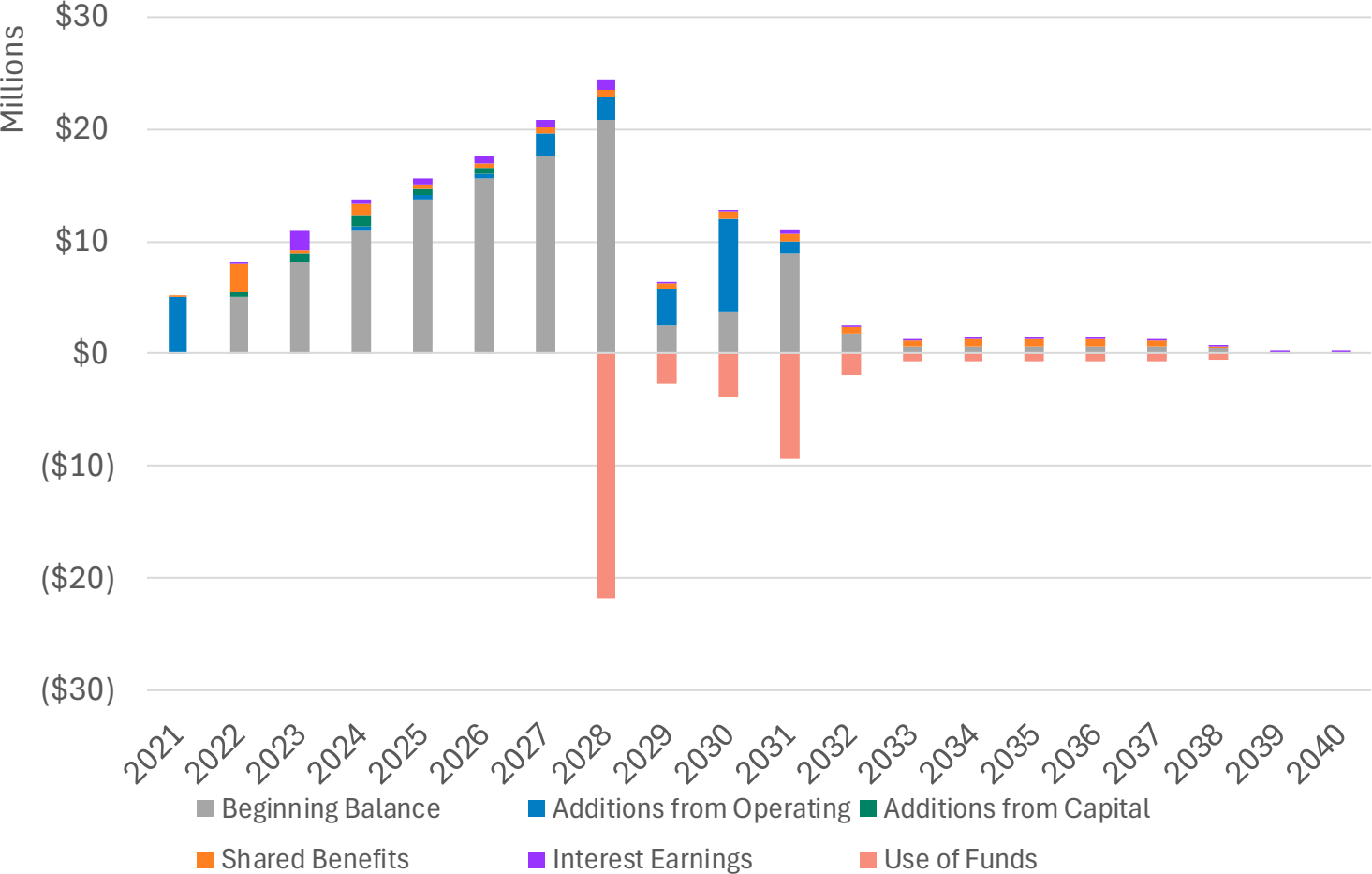


Original Plan:

- Ramp up contributions from operating through construction.
- Begin using WSDF funds in 2035, along with significant debt issuances to fund the project.

Sources & Uses of WSDF Funds

2024 WSDF Plan - TCP (Escalated Dollars)



Current Plan:

- Hold additions from operating steady instead of ramping.
- Begin using WSDF funds in 2028.
- Past contributions allow us to delay issuing debt by using WSDF sooner.

Potential Supply Project Changes

- Completion of contract negotiations:
 - Not anticipated to further change capital needs from this update
- 2025-2026 Planning efforts will refine project costs and schedule information
- Cascade will continue to explore wheeling
 - If successful, this would further improve the long-term Supply Project capital outlook
 - Wheeling would not change near-term budget, rate, or WSDF plan
- Capital cost escalation – continue to monitor

Assessment of WSDF Adequacy

- Significantly improved forecast versus prior forecast
- Entering into a mode of directly funding planning and design activities for the Water Supply Project removes the need to ramp up operating fund contributions to WSDF.

Staff Recommendation: hold at current planned contribution levels rather than ramping up, then re-evaluate when 2025-2026 planning efforts are completed.

Proposed Remedial Actions

- Continue to capture “shared benefits” when they arise
- Develop comprehensive Water Supply Funding Plan to address complete funding portfolio as part of 2025-2026 planning efforts

Key Take-aways

- The WSDF is a tool to achieve our financial policies. How we use it changes based on our capital needs.
- Tacoma Supply Direction results in maintaining contribution at 1% of member charges, rather than ramping up contribution rate
- Contributions and Shared Benefits that we have already realized will enable us to delay issuing debt for the Tacoma Cascade Pipeline.

Thank You

2025-2026 Proposed Budget and Rates

Board of Directors Meeting

June 26, 2024



Main Takeaways

- The Tacoma Cascade Pipeline is fully incorporated into the budget, the numbers are purposefully conservative.
- Proposed 3.5% rate increases for 2025 and 2026, proposed member rates have been distributed.
- Budget is reasonably set. SPU true-up and CPI-W info are still unknown but unlikely to impact member charges.

Today's Agenda

- Budget and Rates Timeline
- Proposed 2025-2026 Operating Budget
- Proposed 2025-2030 Capital improvements Program (CIP)
- Proposed 2025-2026 Rate Increase and Member Charges
- Proposed 2025-2026 Regional Capital Facilities Charge

2025-2026 Budget & Rates Timeline



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

Operating Budget 2024 to 2026

	2024 Budget	2025 Budget	2026 Budget
Administration	\$ 3,808,870	\$ 4,403,631	\$ 4,303,796
Conservation	\$ 805,754	\$ 826,395	\$ 833,390
Debt Service	\$ 10,795,666	\$ 9,225,591	\$ 9,224,541
Operations	\$ 6,434,135	\$ 7,135,258	\$ 7,413,820
Water	\$ 24,402,498	\$ 24,905,415	\$ 25,648,897
Tacoma Cascade Pipeline	\$ -	\$ 3,151,000	\$ 1,770,000
Grand Total	\$ 46,246,923	\$ 49,647,290	\$ 49,194,444
Change		\$ 3,400,367	\$ (452,847)

Main Changes to the 2025-2026 O&M Budget

Tacoma Cascade Pipeline:

- Three new employees for the biennium including a Planning Manager, Project Director, and Support Engineer
- Consultant to develop the system plan and support services consultant

Administration:

- Increase in legal with the General Counsel position returning to VanNess
- Higher rent, insurance and Transmission Supply Plan costs
- Meter size statistical study

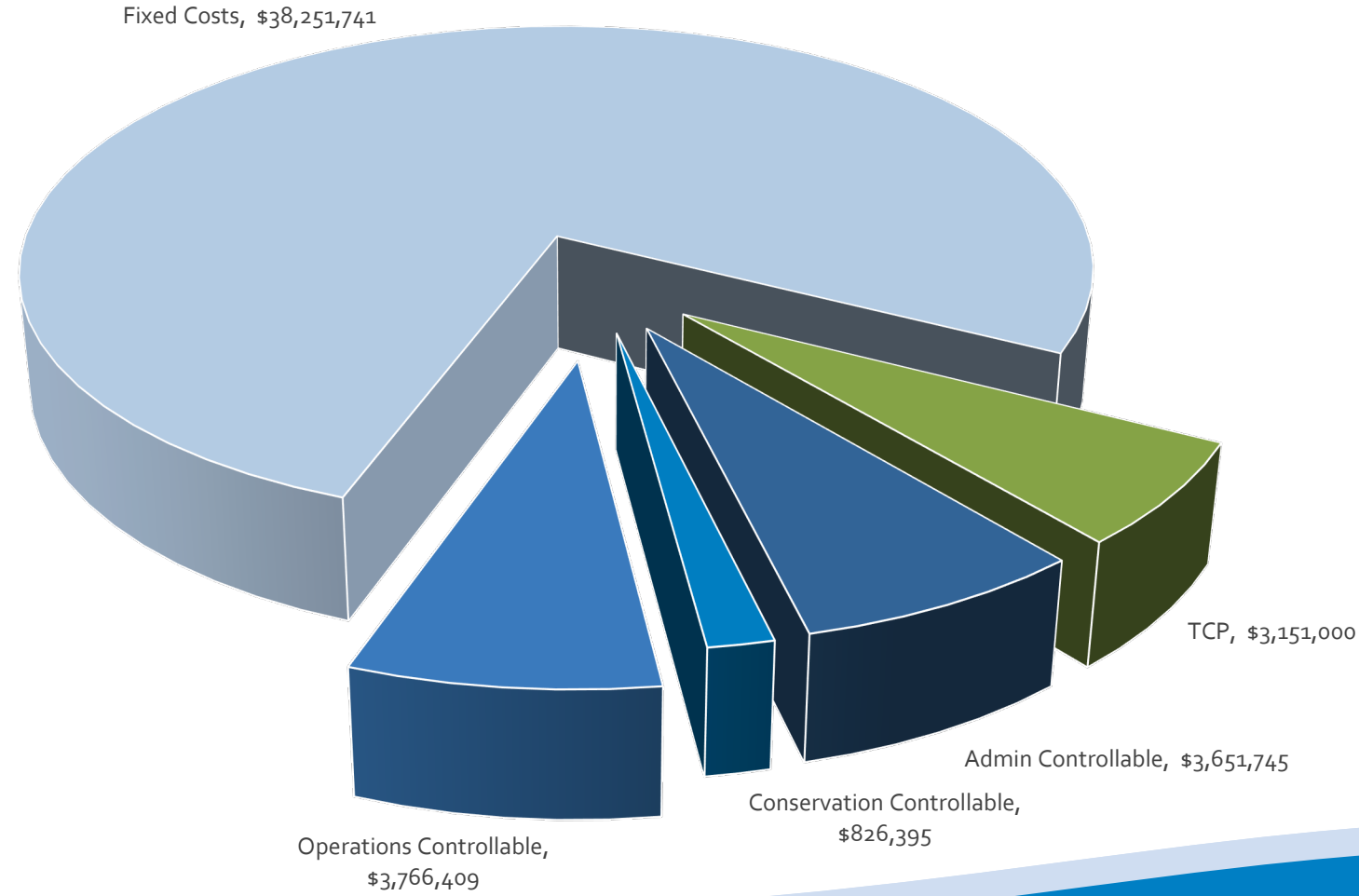
Debt Service:

- Significant savings in debt service, last payment in 2024 on the 2012 bonds

Operations:

- Lake Tapps Operator and staff salaries and benefits higher due to COLA, staff realignment, and an additional support engineer starting in 2025

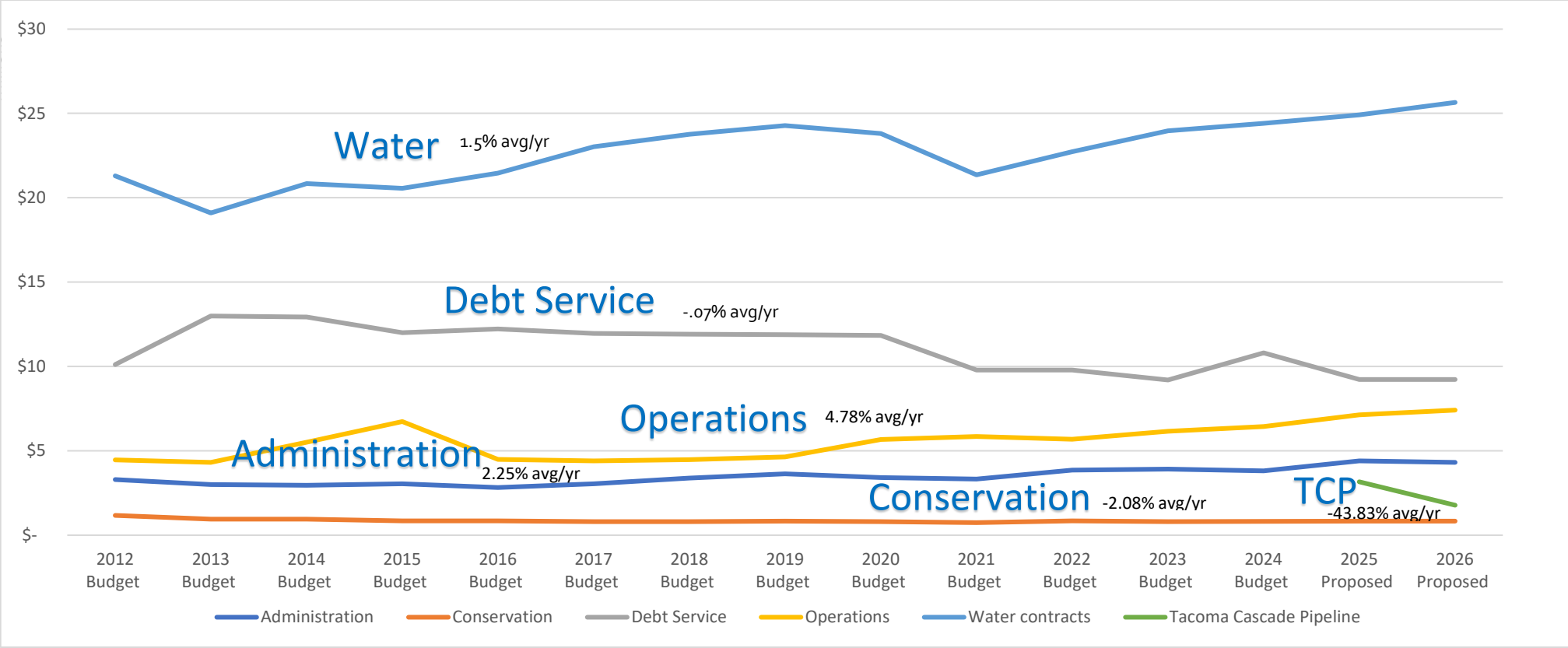
2025 Fixed vs. Variable Operating Budget Breakdown



Seattle Water Costs 2016-2026

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-Forecast	2026-Forecast
Block	\$18,387,999	\$18,837,791	\$20,231,152	\$20,611,575	\$21,028,213	\$19,801,694	\$19,927,581	\$20,440,128	\$20,333,413	\$20,836,330	\$21,461,599
Sub-Regional	\$0	\$17,851	\$12,744	\$6,131	\$5,946	\$0	\$5,965	\$5,768	\$5,965	\$5,965	\$5,965
Supplemental	\$2,572,457	\$2,572,457	\$2,718,611	\$2,879,286	\$3,047,340	\$3,047,340	\$3,047,340	\$3,047,340	\$4,063,120	\$4,063,120	\$4,181,333
True-up	\$459,578	\$1,496,766	\$735,125	\$542,532	(\$1,066,533)	(\$1,375,742)	(\$2,389,894)	\$437,445	\$80,724		
Interest on True-up	\$31,623	\$100,751	\$65,977	\$47,881	(\$94,126)	(\$121,415)	(\$207,343)	\$38,606	\$7,124		
Total Cost	\$21,451,657	\$23,025,616	\$23,763,609	\$24,087,405	\$22,920,840	\$21,351,877	\$20,383,649	\$23,969,287	\$24,490,346	\$24,905,415	\$25,648,897
\$ Change	\$891,248	\$1,573,959	\$737,993	\$323,796	(\$1,166,565)	(\$1,568,963)	(\$968,228)	\$3,585,638	\$521,059	\$415,069	\$743,482
% Change	4.33%	7.34%	3.21%	1.36%	-4.84%	-6.85%	-4.53%	17.59%	2.17%	1.69%	2.99%

Operating Budget Trends 2012-2026





2025-2026 Outstanding Variables

- Seattle true-up
- Seattle Tacoma CPI-W as of June 30th
- Neither expected to have a significant effect on Budget or Rates

Capital Improvements Budget (CIP) 2025-2030

Project	2025 Proposed	2026 Proposed	2027 Proposed	2028 Proposed	2029 Proposed	2030 Proposed
301-Upper Conveyance	\$1,550,000	\$50,000	\$500,000	\$1,000,000	\$100,000	\$200,000
303-Lower Conveyance	\$550,000	\$2,050,000	\$150,000	\$500,000	\$1,800,000	\$2,600,000
304-Lake Tapps Reservoir	\$0	\$0	\$500,000	\$1,000,000	\$1,000,000	\$0
306-Facilities	\$100,000	\$100,000	\$100,000	\$100,000	\$150,000	\$150,000
307-Equipment	\$75,000	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000
310-Bellevue-Issaquah Pipeline (BIP)	\$800,000	\$800,000	\$50,000	\$50,000	\$50,000	\$50,000
324-IT Infrastructure	\$25,000	\$35,000	\$25,000	\$35,000	\$35,000	\$35,000
Subtotal Non-TCP Projects	\$3,100,000	\$3,110,000	\$1,400,000	\$2,760,000	\$3,235,000	\$3,135,000
325-Tacoma Cascade Pipeline (TCP)	\$0	\$1,770,000	\$11,848,000	\$16,949,000	\$19,982,000	\$63,584,000
315-Capital Risk	\$750,000	\$750,000	\$600,000	\$600,000	\$700,000	\$700,000
309-Tacoma Agreement	\$6,341,209	\$6,468,033	\$6,597,394	\$6,729,342	\$6,863,929	\$1,000,000
GRAND TOTAL	\$10,191,209	\$12,098,033	\$20,445,394	\$27,038,342	\$30,780,929	\$68,419,000

Highlights of the 2025-2030 CIP Budget

Tacoma Cascade Pipeline:

- Right-of-way, planning and design
- Construction beginning in 2030

BIP:

- WSDOT culvert project

Lower Conveyance:

- Tunnel Intake flow control improvements

Upper Conveyance:

- Phase 3 of the USACE Intake modification project

Components of Proposed 2025-2026 3.5% Rate Increase

	2025		2026	
	<u>Dollars</u>	<u>Percent</u>	<u>Dollars</u>	<u>Percent</u>
Total Rate Increase	\$ 1,593,616	3.50%	\$ 1,649,392	3.50%
Seattle Water	\$ 415,069	0.91%	\$ 743,482	1.58%
Cascade Expenses	\$ 1,209,723	2.66%	\$ 225,392	0.48%
Tacoma-Cascade Pipeline Expenses	\$ 3,151,000	6.92%	\$ (1,381,000)	-2.93%
Debt Service	\$ (2,119,174)	-4.65%	\$ 1,520,011	3.23%
Capital Funding	\$ 81,702	0.18%	\$ 132,517	0.28%
Rate Smoothing	\$ (1,144,704)	-2.51%	\$ 408,990	0.87%
Total	\$ 1,593,616	3.50%	\$ 1,649,392	3.50%

Components of Proposed 2025-2026 3.5% Rate Increase

<u>Member</u>	<u>2024 Charges</u>	<u>2025 Charges</u>	<u>Increase over 2024</u>	<u>2026 Charges</u>	<u>Increase over 2025</u>	<u>Major Factors Affecting Relative Increase/Decrease (blanks indicate general consistency with Cascade rate increase)</u>
Bellevue	\$ 23,639,790	\$ 23,501,991	-0.58%	\$ 24,056,355	2.36%	- Reduced allocation of shared volumes (Redmond) lowers demand shares - 2024 True-Up Credit due to reduced allocation
Issaquah	\$ 2,282,641	\$ 2,374,284	4.01%	\$ 2,474,596	4.22%	
<i>Issaquah - Temporary Water</i>	\$ 52,232	\$ 84,630	n/a	\$ 196,536	n/a	- Large % increase as Demand Share phases in, initial discount ramps out
Kirkland	\$ 6,635,560	\$ 6,738,263	1.55%	\$ 6,995,521	3.82%	
Redmond - City	\$ 6,071,906	\$ 7,364,984	21.30%	\$ 7,825,212	6.25%	- Increased allocation of shared volumes (Bellevue) - 2024 True-Up Charge due to reduced allocation
Redmond - Novelty Hill	\$ 1,385,196	\$ 1,473,352	6.36%	\$ 1,514,968	2.82%	- Higher peak season usage relative to other members increases relative demand shares slightly
Sammamish Plateau Water	\$ 2,153,084	\$ 2,172,854	0.92%	\$ 2,212,475	1.82%	- Reduced peak season usage relative to other members lowers relative demand shares
Skyway Water & Sewer District	\$ 543,153	\$ 524,160	-3.50%	\$ 532,897	1.67%	- Reduced peak season usage relative to other members lowers relative demand shares
Tukwila	\$ 2,768,293	\$ 2,890,953	4.43%	\$ 2,966,303	2.61%	
TOTAL CASCADE MEMBERS	\$ 45,531,854	\$ 47,125,470	3.50%	\$ 48,774,861	3.50%	

Member Rates

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-2026	2027-2028
Actual	2.75%	2.75%	3.00%	3.00%	4.50%	3.00%	2.20%	2.20%	2.20%	2.20%		
Projected											3.50%	4.00%

Administrative Charges as Percent of All Charges (except RCFC)

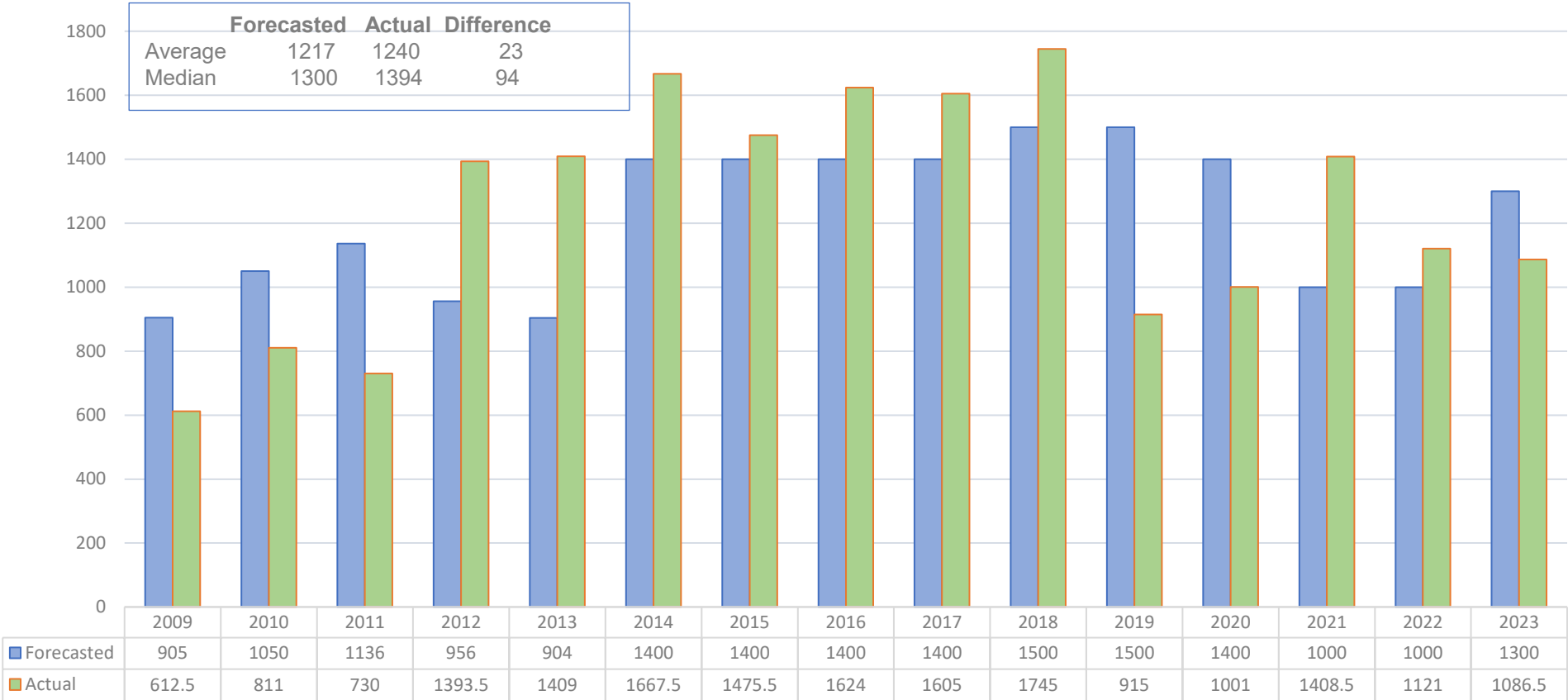
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
8.50%	8.30%	8.80%	8.70%	7.90%	8.00%	7.87%	8.45%	8.48%	8.50%	9.00%	8.95%

Note: Policy limit is 9.0%.

Regional Capital Facilities Charge



Forecasted vs. Actual RCFC Connections 2009-2023



Main Takeaways

- The Tacoma Cascade Pipeline is fully incorporated into the Budget, the numbers are purposefully conservative.
- Proposed 3.5% rate increases for 2025 and 2026, proposed member rates have been distributed.
- Budget is reasonably set-SPU true-up and CPI-W info are still unknown but unlikely to impact member charges.

Thank You



FINANCE & MANAGEMENT COMMITTEE

Mary Lou Pauly, Chair, City of Issaquah
Penny Sweet, City of Kirkland
Dave Hamilton, City of Bellevue
John Stokes, City of Bellevue

Meeting RECAP
Tuesday, May 21, 2024
1:30 PM – 3:00 PM

Call to Order

1. Chair Comments.
2. Executive Session.
3. Items Recommended for Action at the May 22, 2024 Board Meeting

- A. 2024 Water Supply Development Fund (WSDF) Transfers.** The annual transfer of funds to the WSDF derives from two sources: planned and budgeted 2024 transfers, and “shared benefit” transfers related to 2023 activities that produced surplus or windfall. The total transfer proposed is roughly \$2.4 million, consistent with Cascade code provisions. Staff are asking for committee support and Board action to authorize the transfer, consistent with Cascade code. (Attachment)

***Recap:** Cascade staff provided a review of the WSDF funding policy and process, past assumptions and actual performance, and addressed questions that the Committee had raised at the April Finance & Management Committee meeting regarding the proposed annual WSDF transfer. Committee members suggested that, for the Board Meeting, it would be helpful to have the presentation repeated for the broader audience. Committee members raised questions regarding how changing conditions impact the WSDF, including changing costs and potential for wheeling. Staff gave a brief overview of how these factors are considered and observed that the June FMC meeting is scheduled to include a discussion of how the Supply Contract direction will change the accumulation and use of funds in the WSDF.*

4. Discussion Items

- A. 2025 – 2026 Budget and Rates.** A preliminary budget has been developed and staff will give the committee a high-level overview of variances from the last budget and the projected rate increase. The committee will be receiving monthly updates and changes can be made to the budget until its anticipated adoption in September.

***Recap:** The committee was updated and had a good discussion on the status of the 2025 - 2026 budget process. An initial draft of the budget has been completed. The committee was given a high-level overview of variances in the current budget and the variables that remain. The budget continues to be refined and will be presented to the committee in June. The budget and rates are on track for adoption in September.*

5. Other Issues.
6. Next Meeting Date and Location.

The next meeting will be held Tuesday, June 18, 2024, 1:30 p.m. – 3:00 p.m. at Cascade’s office and via Zoom.



FINANCE & MANAGEMENT COMMITTEE

Mary Lou Pauly, Chair, City of Issaquah

Penny Sweet, City of Kirkland

Dave Hamilton, City of Bellevue

John Stokes, City of Bellevue

Meeting RECAP Tuesday, June 18, 2024 1:30 PM – 3:00 PM

Call to Order

1. Chair Comments.
2. Executive Session.
3. Items Recommended for Action at the June 26, 2024 Board Meeting
4. Discussion Items

- A. Auditor Presentation.** Clark Nuber will present Cascade's 2023 audited financial statements. The State Auditor's Office has been invited and will be in attendance.

Recap: Clark Nuber auditors presented Cascade's 2023 audited financial statements to the Committee. The auditors issued an unmodified audit opinion. The State Auditor was also able to attend the presentation.

- B. Wholesale Contract Status Update.** Staff will provide a review of recent meetings and outcomes with Tacoma and Seattle.

Recap: Staff provided an update on the wholesale contract status, including progress in developing the contract with Tacoma and an update on new alternatives proposed by Seattle.

- C. Water Supply Development Fund Biennial Report.** Cascade staff will present the biennial report on the Water Supply Development Fund, as a preview of a planned presentation to the full Board in June. The presentation will include discussion of the changes resulting from the water supply contract direction. (Presentation attached)

Recap: Staff reviewed the Water Supply Development Fund (WSDF) Biennial Report with the Committee. The report provided an update as to how the plan for the WSDF will change as a result of the Tacoma water supply direction. Additionally, the report included a review of the fund balance and status, changes for the proposed budget, as well as changes to the overall forecasted balance both near term, and through the Water Supply Project. It also included an assessment of fund sufficiency, actions required to meet policies, and aspects subject to change. The Committee expressed support for the changes presented in the revised plan and observed the importance of continued monitoring of cash funding and maintaining the right balance of costs on current and future ratepayers.

- D. **Budget and Rates.** Cascade staff will present the current budget/rate proposal as a preview of a planned presentation to the full Board in June. The documentation of 2025 charges have been provided to member staff for review and their own budget planning. Cascade is planning for a September Board action.

Recap: Cascade staff previewed the planned presentation for the Board meeting in June and asked the committee for feedback. The committee will continue the discussion of budget and rates in July.

5. Other Issues.

6. Next Meeting Date and Location.

The next meeting will be held Tuesday, July 16, 2024, 1:30 p.m. – 3:00 p.m. at Cascade’s office and via Zoom.



RESOURCE MANAGEMENT COMMITTEE

Lloyd Warren, Chair, Sammamish Plateau Water
Jon Ault, Skyway Water & Sewer District
Dave Hamilton, City of Bellevue
Tom McLeod, City of Tukwila
John Stokes, City of Bellevue
Jon Pascal, City of Kirkland
Ryika Hooshangi, Sammamish Plateau Water
Angie Nuevacamina, City of Redmond

Meeting RECAP
Thursday, June 13, 2024
2:00 PM – 3:30 PM

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

- A. Update on Wholesale Contract Discussions.** Staff will update the committee on the June 3 meeting with Seattle Public Utilities (SPU), contract negotiations with Tacoma Water and follow-up items.

Recap: Staff provided an update on the wholesale contract status, including progress in developing the contract with Tacoma and an update on new alternatives proposed by Seattle.

- B. Issaquah Temporary Block Contract Extension.** Consistent with contract provisions, Issaquah has requested a 3-year extension to its existing temporary block contract. Staff recommend that the Cascade CEO execute the extension. Materials are provided for information and discussion.

Recap: Staff provided background on an extension request by Issaquah. Extensions were considered in the original agreement and can be executed by the CEO and Issaquah Director of Public Works. Cascade will execute the extension, given the revenue benefits and continued projected surplus of supply.

- C. Reclaimed Water in the Regional Wastewater Services Plan (RWSP).** King County has shared its plan for updating the policies in the RWSP. The reclaimed water policies are currently scheduled for review in October/November and are attached for your reference.

Recap: The committee discussed King County's schedule for reviewing and updating its RWSP reclaimed water policies. The committee noted that it expected the schedule to take longer than anticipated and directed staff to bring back topics and issues for the committee to consider for further development. The general feedback was that the committee was a good venue for developing reclaimed water issues that can be brought back to the RWSP process by both Board members and staff involved with the RWQC.

- D. Follow up on PFPrA/SPU.** This is an opportunity for Cascade staff to update the committee on SPU's recent testing for PFPrA.

Recap: Seattle Public Utilities is undertaking additional PFPrA testing and is expected to report out to Cascade and the Department of Health on June 18.

- E. Lake Tapps Community Meeting Update.** Cascade hosted a Lake Tapps Community meeting on June 6. Cascade's partner agencies around the lake – City of Bonney Lake, Pierce County, East Pierce Fire and Rescue, Tacoma Pierce County Health Department, and Washington State Fish and Wildlife – were also in attendance to provide information and answer questions from community members. Staff will update the committee on how the evening went and share feedback and questions that were raised at the meeting.

Recap: Overall, the community meeting was positive with about 30 members of the public in attendance, as well as Cascade's agency partners. All of the community questions were about milfoil: how best to manage it themselves, how to participate in the pilot program and what Cascade is doing to manage it. Pierce County Councilmember Dave Morell also attended and asked a question about Cascade and the flume trail negotiations. Ray Hoffman took the opportunity to explain the importance of water quality improvements and offered again to get together with both parks and surface water staff to discuss opportunities to work together.

- 4. Items Recommended for Action at the June 26, 2024 Board Meeting.**
- 5. Other issues.**
- 6. Next Meeting Date and Location.**

The next meeting will be Thursday, July 11, 2024, 2:00 p.m. – 3:30 p.m. at Cascade's office and via Zoom.