



REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
Held at Cascade's Office and Via Zoom
July 24, 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>3</u>
7. CONSENT ITEMS	
a. Board Meeting Minutes for June 26, 2024.	<u>21</u>
b. Motion to adopt Resolution No. 2024-08 authorizing the Chief Executive Officer to execute a mutual aid and assistance agreement with the Washington Water/Wastewater Agency Response Network (WAWARN) in substantially the same form as attached.	<u>24</u>
c. Motion to adopt Resolution No. 2024-09 to Approve and Consent to the Terms of the Amended Interlocal Government Agreement with the Water and Sewer Risk Management Pool (WSRMP).	<u>37</u>
8. OTHER ACTION ITEMS	
a. Motion to adopt Resolution No. 2024-10 to approve a Planning Manager position for the Tacoma-Cascade Pipeline (TCP) project and amend Cascade's Amended 2023 - 2024 Budget to add the new TCP Planning Manager position.	<u>54</u>
9. STAFF PRESENTATIONS	
a. Wholesale Contracts Status Update – <i>no materials in packet.</i>	
b. 2025-2026 Budget and Rates.	<u>58</u>
10. COMMITTEE REPORTS	
a. Executive Committee – <i>no meeting held.</i>	
b. Finance and Management Committee – <i>July 16, 2024.</i>	<u>69</u>

c. Public Affairs Committee – *no meeting held.*

d. Resource Management Committee – *July 11, 2024.*

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11. NEW BUSINESS

12. NEXT REGULAR MEETING – *August 28, 2024 – Cascade’s Office or Via Zoom – 3:30 p.m.*

13. ADJOURN

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



MEMORANDUM

DATE: July 24, 2024

TO: Penny Sweet, Chair
Board of Directors

FROM: Ray Hoffman, Chief Executive Officer

SUBJECT: Chief Executive Officer's Report

Administration, Finance, and Economics

- In June, an attempted phishing attack on Cascade's VPN was detected and prevented by TeamLogic IT, Cascade's IT consultant. The VPN was brought down for the weekend, data integrity was verified, and additional security measures were put in place. There are additional upgrades planned for August in TeamLogic IT's scope.
- In July, the Association of Washington Cities, Cascade's health insurance provider, provided an estimate for a 7-10% premium increase in 2025. This is in line with what is in the proposed budget.
- Cascade's financial statements for the years ended December 31, 2023, and 2022 have been posted to Cascade's website and can be found at the following link:
<https://cascadewater.org/about/finance/audited-financial-statements/>
- There have been 467 net RCFC's reported through June 2024, with two Member reports not yet received. At this rate, Cascade would not realize 2024 budget expectations of 1,300. The rate forecast has been revised to reflect reduced growth with 1,150 forecast for each year of the next biennium.
- Clark Nuber, Cascade's outside auditing firm, will conduct a review of Cascade's second quarter of 2024 financial transactions in August 2024. The results of the reviews will be reported to the Finance and Management Committee in October 2024.
- Cascade is helping coordinate access for BrightNight, for their Greenwater project near the Powerhouse. Cascade granted a Right-of-Way (ROW) transmission easement to the battery energy storage system provider in 2002 and amended it earlier this year. The project continues to move quickly with public meetings held, engineers selected, and potholing done in June/June 2024. Construction is anticipated to begin in early 2025. If the project goes forward, Cascade will receive \$1.29 Million upon commencement of construction as compensation in the amended transmission easement.

Capital Projects and Operations

- Once Cascade hires a Planning Manager for the Tacoma-Cascade Pipeline (TCP) project, the next major step will be to request Board authorization to hire a consulting firm to provide engineering support services. (A design consultant will be hired later, likely in 2027.) Consulting firms are beginning to inquire about the TCP project. Cascade is currently defining its process for communicating with the consultant community to help ensure we are being fair and consistent with information we share with firms that are potentially interested in contracting on the project. We will inform the Board and member staff of this communication process once it has been defined.

- The Lake Tapps Reservoir elevation is 542.72' as of July 16. Available flow permitting, Cascade intends to maintain the lake level near this elevation until potentially increasing the elevation in August in anticipation of the planned flow outage in September.
- Phase 3 of the Mud Mountain Dam Fish Passage Project is progressing well based on the revised schedule. The contractor is working on job site clearing, field office trailer setup and all pre-construction submittals.
- Cascade performed annual Dike inspections as required by the State Dam Safety Office on June 24 and June 25. Cascade anticipates receiving a list of recommended repairs and actions the week of July 22 and will work with its contract operator (Veolia) to complete repairs this summer and fall.
- Fall Flow Outage: Planning and permitting is in progress for the 2024 flow outage projects. As a reminder, the outage is due to the Phase 3 project and is the responsibility of the US Army Corps of Engineers (USACE) and their contractor (Kiewit). Cascade is taking advantage of the flow outage to complete sediment and vegetation management, as well as to conduct condition assessments for below waterline infrastructure and to affect minor repairs noted during the inspection.
- Valve House Hydraulic Power Unit (HPU) small works contract: the Valve House HPU was started and tested on July 9 and 10. The system is back up and running under normal operating conditions (on-site and remotely) at this time. Additional testing of the system will occur during the flow outage this fall.
- Cascade staff met with the Washington State Department of Transportation (WSDOT) on July 11 to discuss relocation of the Bellevue Issaquah Pipeline (BIP) at the Lewis Creek Crossing. The State has determined that they are unable/unwilling to include the BIP in the Design Build (DB) project as a separate line item in their RFP for Design Builders (although the State's manual on accommodating utilities allows for including the utility relocation in the DB RFP as requested). As such, Cascade will relocate the BIP using a publicly selected Engineer to design the project and will issue a request for bids for construction following design completion. Cascade will provide the State with technical specifications for the current option to install the BIP on a future Bridge as included in the State's RFP on July 23.
- Dingle Basin Actuators replacement project: Startup, testing, and commissioning of the new system is scheduled to occur the week of September 9 during the flow outage.
- Lake Tapps Milfoil Treatment: Phase 1 of milfoil treatment is complete. Cascade's Operations Manager and Project Manager have completed a follow up inspection, and the treatment appears to have been effective. An additional follow-up inspection is scheduled for July 23. Phase 2 treatment will include an additional three areas of treatment and Cascade is currently requesting quotes from the vendor to provide an application of the herbicide Procaccor in the next month.
- Lake Tapps Security Improvements: 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.

Water Efficiency

- Cascade provided irrigation training for member staff in June at Lake Washington Institute of Technology utilizing the Environmental Horticulture Center (with which Cascade has a long-standing relationship). Sixteen staff from Bellevue, Issaquah, Skyway, and Kirkland spent the day learning how to inspect, maintain, and maximize the water efficiency of large irrigation systems. The class provided many hands-on activities including repairing broken lines, programming controllers, and replacing spray heads. Attendee feedback was very positive, and Cascade has offered to provide additional training opportunities if requested.
- Cascade launched the summer Cascade Gardener series for July and August. There are seven remote and in-person classes.

- Cascade and its partner, Sustainability Ambassadors, provided a town hall at Remond High School designed to align program activities with Redmond's Environmental Sustainability Action Plan, including water-related actions.
- Cascade filmed several videos to support its upcoming turf removal program. The videos are under post-production now.
- Cascade and the event promoters are in planning mode for the 2025 Northwest Flower and Garden Festival.
- Cascade has released dozens of reels and other social media content promoting wise watering practices for the summer.
- Cascade participated in the Bellevue Family Fourth Festival engaging with approximately 700 people.

Intergovernmental and Communications

- On June 3, Seattle Public Utilities (SPU), presented Cascade with an alternative proposal that might be developed in conjunction with Cascade's decision to pursue Tacoma supply. In short, the alternative proposal would modify the declining block to a larger (unspecified) residual base than the current contracted amount of 5.3 mgd for an unspecified length of time and unspecified price. On June 14, Cascade presented SPU with proposed financial and supply terms that would make the alternative proposal viable for Cascade. On July 16, SPU responded to Cascade's proposed terms. A summary of these correspondences between Cascade and SPU is attached and will be presented at the July Board meeting. (Attachment)
- Cascade staff attended the July 16 Bellevue City Council meeting to present the proposed 2025-2026 budget and rates. Cascade is also scheduled to present at the August 7 Kirkland City Council meeting. Final Board approval of the 2025-2026 budget and rates is scheduled for the September Board meeting.
- On July 10, Cascade commented on the Department of Ecology's (DOE) draft *Washington State Climate Resilience Strategy*. Cascade's comments urged DOE to expand its strategies to target the study and support of joint and regional approaches to drinking water management and add flexibility to adapt to climate change. (Comments are attached)
- More than 150 past and present board members, staff, partners, and supporters from across the region gathered in Bellevue on June 27 to celebrate Cascade's 25th anniversary. The event included recollections on Cascade's formative years and thoughts on its future, along with interesting lessons learned and challenges in Colorado River Basin water management from Brenda Burman, General Manager of the Central Arizona Project. Thanks to all the Board members, Alternates and staff who attended and made it a great event.

Attachments

1. Budget to Actual Expenditure Report through June 30, 2024.
2. Statement of Revenues and Expenditures through June 30, 2024.
3. Statement of Net Position as of June 30, 2024.
4. Contract Status Summary.
5. Monthly Warrants Listing.
6. Monthly Treasurer's Report as of June 30, 2024.
7. Summary of Seattle Public Utilities' Alternative Proposal.
8. Cascade Letter on State Draft Climate Resiliency Plan.

Cascade Water Alliance
Budget to Actual Expenditure Report
January 1- June 30, 2024
50% of the year completed

Attachment 1

Administration		Budget		Actual	Balance	% Expended
Salaries	\$	1,274,112	\$	827,109	447,002	64.9%
Benefits		287,677		149,210	138,466	51.9%
Wellness program		5,000		70	4,930	1.4%
Prof. Fee (Technical)		167,000		29,728	137,273	17.8%
Prof. Fee (Legal)		597,450		297,587	299,863	49.8%
Prof. Fee (Audit)		86,555		71,582	14,973	82.7%
Prof. Fee (Other)		50,000		780	49,220	1.6%
Seismic Resiliency		100,000		0	100,000	0.0%
Meetings Expense		11,000		4,385	6,615	39.9%
Telephone/Internet		45,000		16,813	28,187	37.4%
Office Rent		315,393		48,115	267,278	15.3%
Office Supplies Admin.		15,000		4,384	10,616	29.2%
Equip. and Furniture		10,000		1,770	8,230	17.7%
Bank Fees		600		108	492	18.1%
Dues & Subscriptions		25,000		18,287	6,713	73.1%
Taxes/Licenses		15,000		8,878	6,122	59.2%
Travel		10,000		3,652	6,348	36.5%
Professional Dev.		10,000		3,767	6,233	37.7%
Computer Equipment		15,000		8,491	6,509	56.6%
Software Licenses		45,000		22,548	22,452	50.1%
Postage & Delivery		3,000		697	2,303	23.2%
Printing & Repro.		5,000		2,356	2,644	47.1%
Insurance		180,427		165,875	14,552	91.9%
Contingency		420,000		0	420,000	0.0%
Total	\$	3,693,214	\$	1,686,192	\$ 2,007,022	45.7%

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	\$	54,150	\$ 88,928	37.8%
Benefits		38,176		18,980	19,197	49.7%
Prof. Fee (Technical)		25,000		10,415	14,585	41.7%
Prof. Fee (Legal)		1,000		0	1,000	0.0%
Dues & Subscriptions		5,500		709	4,791	12.9%
Rebate Reimb. Com.		115,000		26,595	88,405	23.1%
Irrigation Audit		15,000		1,339	13,661	8.9%
Turf Removal Rebates		50,000		0	50,000	0.0%
Comm. and Public I		375,000		215,117	159,883	57.4%
Misc. Serv. and Sup.		38,000		33,767	4,233	88.9%
Total	\$	805,754	\$	361,071	\$ 444,683	44.8%

Com. and Intergovern		Budget		Actual	Balance	% Expended
Salaries	\$	144,968	\$	81,210	\$ 63,758	56.0%
Benefits	\$	33,138		26,919	6,219	81.2%
Special Events		35,000		26,793	8,207	76.6%
Prof. Fee (Other)		165,000		112,210	52,791	68.0%
Sponsorships		30,000		2,750	27,250	9.2%
Comm. and Public I		260,000		55,639	204,361	21.4%
Total	\$	668,106	\$	305,520	\$ 362,586	45.7%

Cascade Water Alliance
Budget to Actual Expenditure Report
January 1- June 30, 2024
50% of the year completed

Operations-General		Budget		Actual		Balance	% Expended
Wholesale Water	\$	24,402,498	\$	9,796,139	\$	14,606,359	40.1%
Salaries		52,059		13,714		38,345	26.3%
Benefits		8,967		4,631		4,336	51.6%
BIP O&M		65,000		40,551		24,449	62.4%
Pipeline Prop. O&M		70,000		2,046		67,954	2.9%
PWTF Loan Debt		39,868		39,868		(0)	100.0%
Total	\$	24,638,392	\$	9,896,949	\$	14,741,442	40.2%
Operations-Lake Tapps		Budget		Actual		Balance	% Expended
Salaries	\$	627,510	\$	245,642	\$	381,868	39.1%
Benefits	\$	112,766		82,609		30,157	73.3%
Prof. Fee (Technical)		756,150		238,804		517,346	31.6%
Prof. Fee (Other)		26,750		0		26,750	0.0%
Meetings Expense		6,000		1,148		4,852	19.1%
Telephone/Internet		6,925		3,023		3,902	43.6%
Office Supplies		20,000		1,277		18,723	6.4%
Equipment & Furn.		30,000		14,764		15,236	49.2%
Taxes/Licenses		8,500		7,692		808	90.5%
Travel		20,000		1,222		18,778	6.1%
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		11,677		79,323	12.8%
LT Operator		2,628,819		996,433		1,632,386	37.9%
Unplanned O&M		100,000		6,019		93,981	6.0%
Misc. Facility Repairs		150,000		4,210		145,790	2.8%
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		136,638		23,862	85.1%
Vendor Services		130,000		98,154		31,846	75.5%
Water Quality Management		150,000		56,242		93,758	37.5%
Dike and Roads Maintenance		70,000		2,168		67,832	3.1%
Total	\$	5,645,791	\$	1,995,948	\$	3,649,843	35.4%
Total Operating Budget	\$	46,246,923	\$	19,453,501	\$	26,793,422	42.1%
Capital Projects (multi-yr bdgt not shown)		Budget		Actual		Balance	% Expended
Upper Conveyance Projects	\$	2,075,000		1,719,166		355,834	82.9%
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	\$	7,988,242	\$	7,243,630	52.4%
Total Overall Budget	\$	61,478,795	\$	27,441,743		34,037,052	44.6%

Cascade Water Alliance
Statement of Revenues and Expenditures
From 1/1/2024 Through 6/30/2024

Attachment 2

Operating Revenue		
Water sales	\$	18,461,157
Administrative dues		3,706,551
Conservation program		360,233
Total Operating Revenue		<u>22,527,941</u>
Operating Expenses		
Cost of water sold		9,796,139
Salaries and benefits		1,582,668
Professional services		767,339
Conservation program		27,934
Depreciation and amortization		1,897,562
Communication and public information		270,362
Office expenses		312,557
Operations		1,114,292
Bank charges		108
Rent		48,115
Maintenance		308,394
Dues and subscriptions		24,194
Miscellaneous		32,208
Total Operating Expenses		<u>16,181,872</u>
Operating Income		6,346,069
Non-Operating Revenue (Expenses)		
Interest income		955,385
Other income		34,042
Interest expense, net of amount capitalized		584,593
Total Non-Operating Revenue (Expenses)		<u>1,574,020</u>
Capital Contributions		
Regional Capital Facilities Charges		2,178,841
Increase in Net Assets		10,098,930
Net Assets, Beginning of Year		151,475,139
Adjustments to Net Assets		(2,415,413)
Net Assets, End of Year	\$	159,158,656

Cascade Water Alliance
Statement of Net Position
As of 6/30/2024

Attachment 3

Assets

Current Assets

Cash and cash equivalents	\$ 29,256,964
Accounts receivable	9,281,011
Prepaid expenses	131,103
Total Current Assets	<u>38,669,078</u>

Capital Assets

Equipment and furniture	2,386,409
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	(65,460,167)
Total Capital Assets	<u>103,652,573</u>

Projects in process and assets not yet in service

Lake Tapps	107,969,033
Tacoma Cascade pipeline	26,539,385
Total Projects in process and assets not yet in service	<u>134,508,418</u>

Restricted cash and cash equivalents

	<u>23,714,744</u>
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Total Assets	<u><u>300,544,813</u></u>
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Liabilities

Current liabilities

Payables and accrued liabilities	3,396,031
Accrued interest	927,389
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>11,147,893</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	2,420,152
Total Long-term Liabilities	<u>130,235,391</u>
Total Liabilities	<u>141,383,284</u>

Net Assets

Restricted for debt service	109,598,079
Unrestricted	49,563,450
Total Net Assets	<u>159,161,529</u>

Total Liabilities & Net Assets	<u><u>\$ 300,544,813</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	7/11/2024	75%	\$ 160,000	\$ 115,173	72%	\$ 44,827
Aspect	1	Water Supply Modeling	R. Hoffman	5/6/2020	N/A	7/11/2024	60%	\$ 24,900	\$ 14,888	60%	\$ 10,012
Aspect	2	Water Resources Services	R. Hoffman	8/17/2018	N/A	7/11/2024	98%	\$ 60,000	\$ 58,251	97%	\$ 1,749
Aspect	3	Climate Change Analysis	R. Hoffman	9/7/2022	12/31/2024	7/11/2024	78%	\$ 150,000	\$ 115,179	77%	\$ 34,821
AV Factory	1	25th Anniversary AV Equipment	A. Bennett			7/11/2024	100%	\$ 4,577	\$ 4,577	100%	\$ -
Ben Bernstein Music	1	Podcast production	M. Brent	1/1/2024	12/31/2024	7/11/2024	50%	\$ 5,000	\$ 650	13%	\$ 4,350
BHC Consulting	1	Planning & Permit Assistance	T. Richmond	1/1/2024	12/31/2024	7/11/2024	20%	\$ 25,000	\$ 3,297	13%	\$ 21,703
Brilliant Marketing	1	We Need Water Social Media Outreach	M. Brent	1/1/2024	12/31/2024	7/11/2024	55%	\$ 49,500	\$ 24,932	50%	\$ 24,568
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	C. Paulucci	1/1/2024	N/A	7/11/2024	90%	\$ 78,000	\$ 70,400	90%	\$ 7,600
Colehour and Cohen	1	Staffing for classes and events	M. Brent	1/1/2024	12/31/2024	7/11/2024	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	7/11/2024	30%	\$ 49,000	\$ 14,732	30%	\$ 34,268
David Evans	1	On-call Land Surveyor	H. Chen	11/18/2022	12/31/2025	7/11/2024	30%	\$ 160,000	\$ 43,574	27%	\$ 116,426
David McGrath	1	Irrigation Program Assistance	M. Brent	1/25/2024	12/31/2024	7/11/2024	10%	\$ 18,000	\$ 1,339	7%	\$ 16,661
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	P. Anderson	1/1/2024	12/31/2024	7/11/2024	35%	\$ 49,000	\$ 17,150	35%	\$ 31,850
Environmental Science Assoc (ESA)	2	Development of Cascade's Integrated Aquatic Plant Management Plan	P. Anderson	3/20/2024	N/A	7/11/2024	15%	\$ 44,750	\$ 4,316	10%	\$ 40,435
GeoEngineers	1	Dam Engineering/Hydrology/ Geotechnical Service	H. Chen	1/3/2024	12/31/2026	7/11/2024	15%	\$ 570,000	\$ 49,974	9%	\$ 520,026
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2024	12/31/2024	7/11/2024	55%	\$ 84,000	\$ 42,000	50%	\$ 42,000
Herrera	1	On-call limnology services	M. Thung	12/1/2022	12/31/2025	7/11/2024	5%	\$ 45,000	\$ -	0%	\$ -
Herrera	2	Water Quality Management Plan	M. Thung	10/9/2023	12/31/2024	7/11/2024	50%	\$ 165,000	\$ 80,043	49%	\$ 84,957
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	7/11/2024	99%	\$ 1,231,100	\$ 1,133,118	92%	\$ 97,982
Industrial Fab and Repair	1	Valve house control system improvements	D. Roberts	8/28/2023	5/3/2024	7/11/2024	100%	\$ 88,118	\$ 88,118	100%	\$ -
Jacobs Engineering Group	1	Demand Forecast Model Support Services	M. Thung	8/20/2021	N/A	7/11/2024	5%	\$ 5,000	\$ -	0%	\$ 5,000
Jon Shimada	1	On-Call Project Support Services	M. Thung	4/8/2024	12/31/2025	7/11/2024	0%	\$ 35,000	\$ -	0%	\$ 35,000
Langton Spieth	1	Community relations	A. Bennett	1/1/2024	12/31/2024	7/11/2024	50%	\$ 78,000	\$ 39,000	50%	\$ 39,000
Langton Spieth	2	25th Anniversary Event Support	A. Bennett	3/4/2024	N/A	7/11/2024	100%	\$ 5,000	\$ 5,000	100%	\$ -
Lake Tapps Construction	1	Dingle Basin Actuators Replacement Project	D. Roberts	10/12/2023	5/25/2024	7/11/2024	100%	\$ 42,838	\$ 42,061	98%	\$ 777
Lake Tapps Construction	2	Clearing/Sign Posts/Eco Blocks for Covington Properties	J. Amspacher	11/7/2023	12/15/2023	7/11/2024	100%	\$ 4,908	\$ 4,908	100%	\$ (0)
Lisa Taylor	1	Turf Removal Program Development	M. Brent	4/3/2024	12/31/2024	7/11/2024	10%	\$ 21,500	\$ 350	2%	\$ 21,150
Long Building Tech	1	Security Maintenance	H. Chen	6/1/2023	12/31/2024	7/11/2024	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	7/11/2024	95%	\$ 29,090	\$ 27,474	94%	\$ 1,616
Media for International Development	1	WeNeedWater Video Production	A. Bennett	1/1/2023	12/31/2023	7/11/2024	30%	\$ 35,000	\$ 9,500	27%	\$ 25,500
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2024	12/31/2024	7/11/2024	75%	\$ 105,000	\$ 74,830	71%	\$ 30,170
Okamoto Strategies, LLC	1	Capital Projects and Strategic Planning	H. Chen	6/21/2023	6/21/2024	7/11/2024	25%	\$ 25,000	\$ 5,569	22%	\$ 19,431
Pacifica Law	1	Legal Assistance	H. Chen	1/1/2024	12/31/2024	7/11/2024	0%	\$ 25,000	\$ -	0%	\$ 25,000
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2023	12/31/2025	7/11/2024	25%	\$ 550,000	\$ 131,029	24%	\$ 418,971
Performance Dimensions	1	Executive Coaching Services	M. Thung	1/1/2024	12/31/2024	7/11/2024	0%	\$ 15,000	\$ -	0%	\$ 15,000
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2024	12/31/2024	7/11/2024	33%	\$ 120,000	\$ 26,595	22%	\$ 93,405
Rainier Stillwater Risk Advisors	1	Trespassing Management	M. Thung	12/14/2023	12/31/2024	7/11/2024	5%	\$ 33,000	\$ -	0%	\$ 33,000
RH2	2	On-Call Electrical Engineering Svcs	H. Chen	1/1/2024	12/31/2024	7/11/2024	25%	\$ 133,750	\$ 32,671	24%	\$ 101,079
RH2	3	Wholesale Master Meter Eval	H. Chen	1/21/2020	3/31/2023	7/11/2024	8%	\$ 24,500	\$ 1,342	5%	\$ 23,158
Robinson Noble	1	Water Audits	E. Cebon	10/3/2019	N/A	7/11/2024	85%	\$ 135,060	\$ 115,183	85%	\$ 19,877

Sammamish Plateau Water	1	GIS support services	H. Chen	12/6/2022	N/A	7/11/2024	48%	\$ 50,000	\$ 24,020	48%	\$ 25,980
Sazan	1	On-call value analysis/engineering	J. Shimada	10/23/2023	10/23/2025	7/11/2024	30%	\$ 250,000	\$ 73,371	29%	\$ 176,629
SC Words & Pictures Inc.	1	Design Services	A. Bennett	1/1/2024	12/31/2024	7/11/2024	55%	\$ 30,000	\$ 15,400	51%	\$ 14,600
Seattle Public Utilities	1	Garden Hotline	M. Brent	1/1/2024	12/31/2024	7/11/2024	50%	\$ 15,825	\$ 7,913	50%	\$ 7,913
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2024	12/31/2024	7/11/2024	38%	\$ 26,500	\$ 9,765	37%	\$ 16,735
Sustainable Water	1	Teacher Fellows program	M. Brent	1/1/2024	12/31/2024	7/11/2024	55%	\$ 60,000	\$ 32,593	54%	\$ 27,407
Tacoma Pierce County Health Department	1	TappsWise Monitoring at Lake Tapps	A. Bennett	1/1/2024	12/31/2024	7/11/2024	45%	\$ 120,000	\$ 46,298	39%	\$ 73,702
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2024	12/31/2024	7/11/2024	33%	\$ 139,500	\$ 46,375	33%	\$ 93,125
TechniArt	1	Conservation Website Order page	M. Brent	1/1/2024	12/31/2024	7/11/2024	55%	\$ 15,900	\$ 8,479	53%	\$ 7,421
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2024	12/31/2024	7/11/2024	45%	\$ 45,000	\$ 18,440	41%	\$ 26,560
Transpo Group	1	On-Call GIS Support	H. Chen		12/31/2024	7/11/2024	50%	\$ 49,000	\$ 24,246	49%	\$ 24,754
Upstream PBC	1	HydroForecast-Glacier Climate Change Analysis	M. Thung	11/1/2022	N/A	7/11/2024	85%	\$ 49,900	\$ 40,000	80%	\$ 9,900
Upstream PBC	2	HydroForecast Subscription Service	M. Thung	8/9/2023	10/31/2024	7/11/2024	45%	\$ 24,000	\$ 9,900	41%	\$ 14,100
USGS	1	Joint Funding Agre-Streamgaging	H. Chen	1/1/2024	12/31/2024	7/11/2024	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	7/11/2024	50%	\$ 560,000	\$ 174,780	31%	\$ 385,220
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2024	12/31/2024	7/11/2024	50%	\$ 630,000	\$ 295,562	47%	\$ 334,438
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	7/11/2024	45%	\$ 2,476,944	\$ 990,075	40%	\$ 1,486,869
Washington Crane	1	Fish Screen Gantry Crane Repair	D. Roberts	11/9/2022	7/31/2024	7/11/2024	50%	\$ 168,700	\$ 69,347	41%	\$ 99,353
Water Value	1	Climate Study Advisory Services	M. Thung	6/16/2022	12/31/2024	7/11/2024	55%	\$ 22,500	\$ 11,952	53%	\$ 10,548
Winterbauer and Diamond	1	Legal Assistance	R. Hoffman	1/1/2024	12/31/2024	7/11/2024	25%	\$ 20,000	\$ -	0%	\$ 20,000

Payment Authorization Warrants and Wire Transfers 7/24/24**WHOLESALE WATER**

WIRE	Seattle Contract Payment 7/24	\$3,183,745.00
		<u>\$3,183,745.00</u>

CONSULTANTS

31668	Aspect Consulting	\$68,667.78
31678	Langton/Spieth	\$6,500.00
31679	Law Office of Michael J. Murphy	\$540.00
31681	Parametrix	\$5,309.47
31693	Clark Nuber P.S.	\$16,000.00
31698	Environmental Science Associates (ESA)	\$11,327.33
31699	Gordon Thomas Honeywell Govern. Affairs	\$7,000.00
31700	Langton/Spieth	\$11,500.00
31708	TeamLogic IT of Bellevue, WA	\$6,598.90
31715	SC Words & Pictures, Inc.	\$4,150.00
31719	Tacoma Pierce County Health Department	\$13,773.35
31721	Transpo Group	\$7,112.50
31723	Van Ness Feldman, LLP	<u>\$38,757.50</u>
		\$197,236.83

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (June)	\$170,928.88
31666	MissionSquare-107080	\$50,485.99
31667	MissionSquare-304525	\$21,359.96
31669	AWC Employee Benefit Trust	\$24,160.16
31675	Henry Chen	\$650.00
31676	Terese Richmond	\$347.50
31677	HRA VEBA Trust	\$2,772.00
31697	Terese Richmond	<u>\$41.22</u>
		\$270,745.71

CONSERVATION

31672	Ben Bernstein Music	\$125.00
31689	BRILLIANT MARKETING LLC	\$3,289.85
31692	City of Seattle	\$3,956.25
31696	David F. McGrath	\$1,339.00
31701	Lisa Taylor	\$700.00
31703	Nature Vision, Inc.	\$6,367.21
31704	New Resources Group, Inc.	\$1,037.83
31706	PromoShop WA, LLC	\$347.14
31716	New Resources Group, Inc.	\$834.14
31717	Puget Sound Energy	\$14,163.67
31720	Techniart C S D	<u>\$5,462.61</u>
		\$37,622.70

GENERAL

31670	AT&T FirstNet	\$408.12
31671	Bellevue Gateway One Equities, LLC	\$31,919.61
31673	City of Sammamish	\$2,500.00
31674	Comcast	\$3,978.60
31680	Pacific Office Automation	\$281.52
31682	Staples Advantage	\$74.31
31684	Utilities Underground Location Center	\$14.52
31686	Washington State Department of Revenue	\$468.41
31688	Audio Visual Factory, Inc.	\$2,687.64
31690	Central Arizona Project	\$1,483.05
31691	CIT	\$2,895.46
31694	CLEARFLY	\$1,094.22
31695	Comcast	\$551.66
31702	Litho Craft	\$483.78
31705	Pacific Office Automation Inc.	\$100.89
31709	Utilities Underground Location Center	\$22.44
31710	Verizon Wireless	\$135.03
31714	City of Seattle	\$7,408.09
31718	Signs of Seattle	\$101.86
31722	U.S. BANK	<u>\$6,250.25</u>
		\$62,859.46

LAKE TAPPS

31683	SYBIS LLC	\$607.73
31685	Veolia Water North America	\$237,204.49
31707	Puget Sound Energy	\$239.29
31713	AquaTechnex	<u>\$115,173.06</u>
		\$353,224.57

CONSTRUCTION

31665	Lake Tapps Construction Unlimited	\$34,987.37
31687	Industrial Fab and Repair LLC	\$53,906.19
31711	HDR	\$19,475.27
31712	Vanir Construction Management Inc.	<u>\$3,051.00</u>
		\$111,419.83

DESTROYED AND VOIDED CHECKS:

Total Warrants	\$1,033,109.10
Total Wires	\$3,183,745.00
Total warrants/wire transfers authorized for July 2024	<u>\$4,216,854.10</u>

Approved: _____ Date: _____

Edward Cebon, Chief Economist/Treasurer

Approved: _____ Date: _____

Mayor Mary Lou Pauly, Secretary/Treasurer

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

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
Beginning Balances, June 1	\$ 18,518,057	\$ 12,831,971	\$ 11,053,480	\$ -	\$ 11,062,820	\$ 2,319,104	\$ -	\$ 55,785,432
Additions:								
Cash received	\$ 2,251,609	\$ 48,056	\$ 16,064	\$ -	\$ 12,268	\$ 8,646	\$ -	\$ 2,336,644
Transfers from other Cascade funds	\$ -	\$ -	\$ 697,132	\$ -	\$ 2,415,413	\$ -	\$ 172,847	\$ 3,285,392
Total additions	\$ 2,251,609	\$ 48,056	\$ 713,196	\$ -	\$ 2,427,681	\$ 8,646	\$ 172,847	\$ 5,622,036
Subtractions:								
Bank fees, payroll, and bond payments	\$ 1,472	\$ 939	\$ 1,221	\$ -	\$ 933	\$ 169	\$ 172,847	\$ 177,581
Warrants paid	\$ 291,053	\$ 25,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 316,517
Wire and other electronic payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (realized)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (retained)	\$ (161)	\$ (136)	\$ (75)	\$ -	\$ -	\$ (20)	\$ -	\$ (391)
Transfers to other Cascade funds	\$ 3,285,392	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,285,392
Total subtractions	\$ 3,577,756	\$ 26,268	\$ 1,147	\$ -	\$ 933	\$ 149	\$ 172,847	\$ 3,779,099
Ending Balances, June 30, 2024	\$ 17,191,911	\$ 12,853,760	\$ 11,765,530	\$ -	\$ 13,489,568	\$ 2,327,601	\$ -	\$ 57,628,369

SUMMARY OF SEATTLE PUBLIC UTILITIES' ALTERNATIVE PROPOSAL

SPU'S ALTERNATIVE PROPOSAL (JUNE 3, 2024)

- CWA would engage in 3-party negotiations with Seattle and Tacoma OR seek separate agreements with both agencies.
- Tacoma could guarantee water beginning in 2042 when the declining Seattle block meets CWA demands, as defined further below.
- Seattle's block would decline at an agreed-upon rate, but instead of declining down to 5 mgd, Seattle would continue to provide water to the northern communities (Kirkland, Redmond, north Bellevue) to meet the demand of those communities through a specified year, deferring the need to construct the northern reach of the pipeline connecting to Tacoma's system.
- Tacoma could then supply water to the southern CWA communities, while Seattle would supply water to the northern CWA communities, likely for a period longer than Tacoma's current 25-year guarantee. This would extend the period for which Tacoma could serve the southern CWA communities and thus enable the Lake Tapps project to be deferred longer than is currently projected.
- CWA could have the option to extend its agreement with either or both Tacoma and Seattle and blend water within their members' systems, based on each agencies' available supplies. Seattle would not allow CWA to wheel Tacoma water through the Seattle system.

Discussion of Potential Wheeling

Seattle Public Utilities understands Cascade's desire to save CWA costs by wheeling Tacoma water (and eventually Lake Tapps water) through the Seattle regional transmission system. SPU has considered this option and is not willing to pursue it due to the added risks to SPU.

- Water quality is the foremost consideration for wheeling. There are notable differences in the water quality from the Seattle system, compared to the Tacoma system, and the Lake Tapps system. As a reminder, Seattle has essentially 100% control over watershed land ownership and use, compared to about 10% for Tacoma's watershed and very little for Lake Tapps (considering the homes, septic tanks, and recreational uses of the lake). This higher degree of watershed control means less risk from contaminants, those regulated now and those regulated in the future.
- Mixing the different sources of water would add complexity, cost, and risk that would not otherwise exist in Seattle's system. Seattle intends to maintain full control over its system. For example, the two water supplies have different challenges that would make management more complex: [Water Quality FAQ - Tacoma Public Utilities \(mytpu.org\)](https://mytpu.org/Water-Quality-FAQ-Tacoma-Public-Utilities)
- From a customer perspective, if Tacoma or Lake Tapps water was wheeled through the SPU system, Cascade's customers would generally continue to get the water from Seattle, while some of SPU's other wholesale customers would receive water from Tacoma or Lake Tapps. Bellevue, Kirkland, Redmond, and potentially Sammamish Plateau and Issaquah would continue to get Tolt and to some degree Cedar water. From an equity standpoint, Cascade's members would disproportionately benefit from this wheeling, and SPU's wholesale customers would be disadvantaged, even considering whatever wheeling charge Cascade would be willing to pay.

CASCADE'S RESPONSE – PROPOSED SUPPLY AND FINANCIAL TERMS (JUNE 14, 2024)

The information below summarizes terms that make SPU's Alternative Proposal viable as a supplement to the contemplated Tacoma supply agreement.

Basic Terms of an Extension Agreement

SPU's proposed extension provides Cascade extended access to SPU water to meet supply and distributional needs. This accomplishes delay of various capital investments, which can provide savings that exceed the increased cost of wholesale purchases.

For the proposed extension to provide meaningful benefit, the higher quantity of 12 mgd would need to be available through 2065. Cascade's analysis shows that an extension through 2070 could be more beneficial, but only if Tacoma were also willing to similarly extend most or all of their supply commitment.

In order for the proposed extension to provide meaningful net value to Cascade, the following terms are defined for a viable scenario:

- 1) Supply and pricing under the existing SPU supply contract remain in effect until the increased supply is delivered, beginning in 2058.
- 2) Beginning in 2058, the total supply block would remain constant at 12 mgd through 2065. Beginning in 2066, the block would decline 1.5 mgd per year for four years and then continue at 5.3 mgd beginning in 2070. Cascade would retain the option to retain access to 5.3 mgd thereafter.
- 3) Cascade would hold an option to further extend the 12 mgd block through 2070, to be exercised no later than 2050. Cascade would make a one-time payment of \$3 million in 2050 to exercise this option. If exercised, the ramp down after the extension would be the same, simply beginning in 2071 instead of 2066.
- 4) Beginning in 2058, a shift to F&P pricing would commence. In 2058 and every two years thereafter, 1 mgd of the block would shift to F&P pricing, increasing to 4 mgd in 2064. From 2066 on, 5.3 mgd would be priced at F&P. In all cases, any remaining water would be priced under the original contract terms.
- 5) No wheeling is assumed. However, it is worth noting that availability of wheeling for Tacoma water would materially improve the resulting scenario and benefits to both Cascade and SPU.

Cascade Findings Regarding Benefit of the Extension

The outlined contract extension provides benefits to Cascade in the form of deferred capital projects, offset in part by higher wholesale costs. Both SPU and Tacoma benefit from increased wholesale revenues.

A contract extension through 2065 defers Lake Tapps by four years and defers elements of the Bellevue-Kirkland-Redmond (BKR) segments by roughly 12 years. Further extension through 2070, if exercised, further delays Lake Tapps and the BKR segments by four additional years.

For extended supply through 2065, Cascade realizes net present value benefit of \$15 million. SPU gains \$11 million in wholesale revenues and Tacoma gains \$16 million. For an extension through 2070, the Cascade benefit increases to \$36 million while SPU gains \$20 million and Tacoma \$40 million. The positive result for Cascade is by no means assured, as moderate changes in demand totals or location could eliminate or even reverse the estimated gain.

As these limited benefits might suggest, any material revisions to the quantity, term or pricing could eliminate benefits for Cascade or the wholesale suppliers. As a consequence, if the structure outlined above is not fundamentally acceptable without material revision, then there is little value to Cascade.

SPU'S RESPONSE (JULY 16, 2024)

Supply and Financial Terms

1. Supply and pricing under the existing SPU supply contract remains in effect until the increased supply is delivered, beginning in 2058.
2. Beginning in 2058, the total supply block would remain constant at 12 mgd through 2065. Beginning in 2066, the block would decline 1.5 mgd per year for four years and then continue at 5.3 mgd beginning in 2070. Cascade would retain the option to retain access to 5.3 mgd thereafter.
3. Cascade and SPU could mutually agree to extend the 12 mgd block through 2070, to be exercised no later than 2050. SPU's analysis would evaluate the availability of additional water given climate change or other impacts on its Firm Yield. If exercised, the ramp down after the extension would be the same, simply beginning in 2071 instead of 2066.
4. Beginning in 2058, the additional water would be at F&P pricing. Current water would continue as delineated under the existing Agreement.

Policy Terms

1. Cascade and Seattle agree that this Amendment meets the needs of the region and comports with the policies of both entities.
2. Cascade agrees to not proactively pursue legislation that would compel SPU to allow wheeling of others' water through the SPU regional system.
3. Section 3.6B of the current Agreement will remain applicable. In addition, Cascade shall not wheel water on behalf of another purveyor (such as Tacoma) through its pipeline for sale to Seattle Wholesale Customers.

**Board of Directors**

July 10, 2024

Chair
Penny Sweet
Councilmember
City of Kirkland

Jennifer Hennessey
Special Assistant to the Director

Vice Chair
Angela Birney
Mayor
City of Redmond

Department of Ecology
jennifer.hennessey@ecy.wa.gov

Secretary/Treasurer
Mary Lou Pauly
Mayor
City of Issaquah

Jimmy Kralj
Climate Resilience Strategy Planner
Department of Ecology

Dave Hamilton
Councilmember
City of Bellevue

jimmy.kralj@ecy.wa.gov

Thomas McLeod
Mayor
City of Tukwila

Re: Comments on Washington's Resilience Strategy

Lloyd Warren
Commissioner
Sammamish Plateau Water

Dear Ms. Hennessey and Mr. Kralj,

Jon Ault
President
Skyway Water &
Sewer District

Cascade Water Alliance (Cascade) commends the Department of Ecology and the nine other state agencies for the effort to prepare Washington State for a climate-changed future. The draft *Washington State Climate Resilience Strategy* ("the Strategy") provides a valuable path for many sectors to become more resilient.

Chief Executive Officer
Ray Hoffman

Cascade Water Alliance
11400 SE 8th Street
Suite 400
Bellevue, WA 98004

Phone: 425.453.0930
Fax: 425.453.0953

www.cascadewater.org

Cascade is a municipal corporation comprised of seven municipalities (five cities and two water and sewer districts) in the Puget Sound region that joined together to provide safe, clean, reliable water supply to its 380,000 residents and more than 20,000 businesses. Cascade's mission is to provide water supply to meet current and future needs of our members in a cost-effective and environmentally responsible manner through partnerships, water efficiency programs, acquiring, constructing and managing water supply infrastructure and fostering regional water planning.

Cascade is also a founding member of the [Water Supply Forum](#) which coordinates and collaborates on current and future regional drinking water supply issues of mutual interest and benefit to water suppliers in King, Snohomish, and Pierce counties. Regional water-related concerns addressed by the members of The Forum include water supply planning, system resiliency, water quality, water operations, and water conservation.

Cascade's comments are intended to support the Strategy's Vision and Goals for a Climate Resilient Washington. We agree that Innovation in planning and management of drinking water supply will be essential for the long-term regional sustainability of natural resources. The Vision and Goals (page 12) acknowledge the need to "*advance and modify infrastructure*" and to "*develop efficient and lasting processes and structures across governments.*"

Based on our management experience and planning efforts in the drinking water supply arena, we urge the State of Washington to expand Strategy VI ("*Implement innovative water conservation and management initiatives to ensure reliable and sufficient water for people, ecosystems, wildlife, and fish*") to target the study and support of joint and regional approaches to drinking water management.

Specifically, as New Actions on Page 50, to add flexibility to water supply management needed to adapt to climate change, we recommend supporting drinking water suppliers as follows:

1. The Department of Health and Ecology should **study and support regional management of water supplies** through means such as joint municipal authorities, interlocal agreements, water rights exchanges, and the transmission of water amongst major wholesale suppliers and to small water providers.
2. The Department of Health and Ecology should **promote the use of interties and wheeling** and seek legislation, if necessary, consistent with the findings of RCW 90.03.383:

The legislature recognizes the value of interties for improving the reliability of public water systems, enhancing their management, and more efficiently utilizing the increasingly limited resource. Given the continued growth in the most populous areas of the state, the increased complexity of public water

supply management, and the trend toward regional planning and regional solutions to resource issues, interconnections of public water systems through interties provide a valuable tool to ensure reliable public water supplies for the citizens of the state.

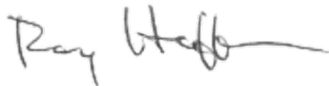
The availability of interties and wheeling will facilitate the innovative sharing and movement of water supplies that will enhance flexibility within and between water suppliers, both for short-term and long-term needs. California and Nevada have robust statutory wheeling programs that can be a model for Washington State.

3. The Department of Health and Ecology should **support improved reservoir management through Forecast Informed Reservoir Operations (FIRO)**, a reservoir operations strategy that better informs decisions to retain or release water by integrating additional flexibility in operations and rules with enhanced monitoring and improved weather and water forecasts. FIRO is being developed and tested as a collaborative effort in the Green River (Howard Hanson Dam), the Russian River Basin (Lake Mendocino, Lake Sonoma), the Santa Ana River Basin (Prado Dam, Seven Oaks Dam), and the Yuba-Feather River Basins. In California's Lake Mendocino, the United States Army Corps of Engineers used FIRO to plan major deviations from the Water Control Manual during water years (WYs) 2019 and 2020. In both years, FIRO increased water supply benefits and managed flood risks. In 2020, FIRO increased water storage by nearly 20 percent, roughly equivalent to the water used by 22,000 households.
4. The State of Washington should facilitate efforts to **engage with the United States Army Corps of Engineers and the Bureau of Reclamation** for improved use of reservoirs and other facilities to support the flexibility that will be needed for drinking water supply. This effort, which may include the need for federal legislation, should include improved data sharing and communications, and multi-purpose use of reservoirs (including municipal use) for reservoirs originally authorized with narrower purpose uses (such as flood control).
5. The Department of Health and Department of Ecology should **support water utilities' strategic planning efforts to reduce peak season demand**. During peak seasons, water use often more than doubles compared to wintertime water use primarily in response to lawn watering. This can strain water supplies and drive water utilities to

make costly investments in new infrastructure years or decades earlier than they would have otherwise. A carefully planned strategy to reduce peak season demand through rates, landscape and irrigation codes, and conservation programs would provide many benefits to water utilities and the customers they serve, including climate resiliency, protection of salmon and other species, and possible deferral of development of new sources of supply.

It should be noted that these proposed New Actions will increase the resilience of drinking water supplies to seismic events as well as to climate change impacts. By promoting regional and multi-agency support within the drinking water supply sector, the state will be promoting mutual coordination and aid.

Thank you for your consideration. I would be happy to answer any questions.

A handwritten signature in black ink, appearing to read "Ray Hoffman", with a long horizontal flourish extending to the right.

Ray Hoffman

Chief Executive Officer



MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA HYBRID
JUNE 26, 2024

1. CALL TO ORDER

At 3:30 p.m. Chair Sweet called the meeting to order. Board Members confirmed that they received the meeting materials and could hear the speakers clearly.

2. ROLL CALL

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

Board Member Absent: City of Issaquah (Pauly)

Board Alternate Present: City of Redmond (Nuevacamina)

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

Motion by Ms. Birney and second by Mr. Warren 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, and responded to questions from Board Members.

7. CONSENT ITEMS

A. Board Meeting Minutes for May 22, 2024.

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

8. OTHER ACTION ITEMS

None.

9. STAFF PRESENTATIONS

A. Wholesale Contract Status Report

Ed Cebon, Chief Economist/Treasurer, provided an update on the wholesale contract status, including progress in developing the contract with Tacoma and Seattle Public Utilities (SPU). 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 of these alternative proposals and determined that Alternative #1 is not viable and Alternative #2 may be beneficial if SPU agrees to the following:

- 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

The first draft contract outline has been completed for Tacoma. Each option substantially increases if wheeling is part of the transaction.

B. Water Supply Development Fund Update and Biennial Report

Andy Baker, Economist, explained how the timing and magnitude of capital spending changes with the Tacoma option. He also reviewed the biennial WSDF Report, and shared next steps.

C. 2025-2026 Proposed Budget and Rates

Ed Cebon, Chief Economist/Treasurer, and Chris Paulucci, Finance and Administration Manager, provided a high-level overview of variances in the current budget and the variables that remain. The Tacoma Cascade Pipeline is fully incorporated into the budget, and 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.

10. COMMITTEE REPORTS

- A. Executive Committee – no meeting held.
- B. Finance & Management Committee – Meetings held May 21 and June 18, 2024. Meeting recaps included in the Board Packet.
- C. Public Affairs Committee – no meeting held.
- D. Resource & Management Committee – Meeting held June 13, 2024. Meeting recap included in the Board Packet.

11. NEW BUSINESS

Ray Hoffman said that Cascade will participate in a study being conducted by the Washington State Department of Commerce on utility relocation costs associated with the states culvert removal program. This is an opportunity for Cascade to provide feedback on what is working, and what is not.

12. NEXT REGULAR MEETING

The next regularly scheduled Board meeting will be held on July 24, 2024 at 3:30 p.m.

13. ADJOURN

The meeting was adjourned at 4:54 p.m.

APPROVED BY:

Penny Sweet, Chair

Angela Birney, Vice-Chair

AGENDA MEMORANDUM

SUBJECT

Motion to adopt Resolution No. 2024-08 authorizing the Chief Executive Officer to execute a mutual aid and assistance agreement with the Washington Water/Wastewater Agency Response Network (WAWARN) in substantially the same form as attached.

BACKGROUND

WAWARN is a network of utilities in Washington state helping other utilities in the state to respond to and recover from emergencies. The purpose of WAWARN is to provide a method whereby water/wastewater utilities that have sustained or anticipate damages from natural or human-caused incidents can provide and receive emergency aid and assistance in the form of personnel, equipment, materials and other associated services as necessary from other water/wastewater utilities.

By signing a mutual aid and assistance agreement with WAWARN, Cascade will be able to request/provide assistance from/to water/wastewater utilities throughout the state in case of an emergency. The proposed agreement with WAWARN is included in this memorandum as attachment 2.

If Cascade receives a request from another WAWARN member, there is no obligation to provide assistance. If Cascade does choose to provide assistance, it will be reimbursed for all expenses incurred while doing so.

PROCUREMENT PROCESS

None.

FISCAL IMPACT

There is no cost for Cascade to be a member of WAWARN. If Cascade requests assistance from another WAWARN member during an emergency, Cascade will be required to reimburse the responding utility for all expenses they incur while providing assistance.

OPTIONS

1. Adopt Resolution No. 2024-08 authorizing the Chief Executive Officer to execute a mutual aid and assistance agreement with WAWARN in substantially the same form as attached.
2. Do not adopt Resolution No. 2024-08 authorizing the Chief Executive Officer to execute a mutual aid and assistance agreement with WAWARN and provide alternate direction to staff.

RECOMMENDED ACTION

Adopt Resolution No. 2024-08 authorizing the Chief Executive Officer to execute a mutual aid and assistance agreement with WAWARN in substantially the same form as attached.

ATTACHMENTS

1. Resolution 2024-08
2. Mutual Aid and Assistance Agreement with WAWARN



CASCADE WATER ALLIANCE
RESOLUTION No. 2024-08

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION,
AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE A MUTUAL AID AND
ASSISTANCE AGREEMENT WITH THE WASHINGTON WATER/WASTEWATER AGENCY
RESPONSE NETWORK

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's Shortage Management Plan includes policies and procedures for addressing short-term disruptions of water supply; and

WHEREAS, the Washington Water/Wastewater Agency Response Network ("WAWARN") is a network of utilities in Washington state helping other utilities in the state to respond to and recover from emergencies; and

WHEREAS, the Cascade Board of Directors ("Board") now desires to authorize the Chief Executive Officer ("CEO") to execute a mutual aid and assistance agreement with WAWARN.

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

Section 1. Authorization of CEO to Execute a Mutual Aid and Assistance Agreement.

The Board adopts this Resolution authorizing the CEO to execute a mutual aid and assistance agreement with WAWARN in substantially the same form as attached.

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 24th day of July 2024.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Ray Hoffman, Chief Executive Officer

Angela Birney, Vice Chair

Mary Lou Pauly, Secretary/Treasurer

Members

Yes _____

No _____

Demand Share

Yes _____ %

No _____ %

Include in CWAC?

_____ Yes

 X No

**Mutual Aid and Assistance Agreement for Washington State for Intrastate
Water/Wastewater Agency Response Network (WARN)**

As of: 04/13/09

This Agreement ("Agreement") is made and entered into by public water and wastewater utilities that have executed this Agreement.

**ARTICLE I
PURPOSE**

Recognizing that emergencies may require aid or assistance in the form of personnel, equipment, and supplies from outside the area of impact, the signatories hereby establish an Intrastate Network for Mutual Aid and Assistance (the "Network"). Through the Network, Members (as further defined in this Agreement) may coordinate response activities and share resources during emergencies.

**ARTICLE II
DEFINITIONS**

A. Authorized Official – An employee or officer of a Member agency that is authorized to:

1. Request assistance;
2. Offer assistance;
3. Decline to offer assistance;
4. Decline to accept offers of assistance, and
5. Withdraw assistance under this Agreement.

B. Emergency – A natural or human-caused event or circumstance causing, or imminently threatening to cause, loss of life, injury to person or property, human suffering, significant financial loss, or damage to environment. For example, Emergencies may include fire, explosion, flood, severe weather, drought, earthquake, volcanic activity, spills or releases of oil or hazardous material, contamination, utility or transportation emergencies, disease, blight, infestation, civil disturbance, riot, intentional acts, sabotage and war that are, or could reasonably be beyond the capability of the services, personnel, equipment, and facilities of a Member to fully manage and mitigate by itself.

C. Member – Any public agency which provides supply, transmission or distribution of water; or collection, conveyance or treatment services of storm water or waste water that executes this Agreement (individually a "Member" and collectively the "Members"). The Members are further classified as follows:

1. Requesting Member – A Member who requests aid or assistance under the Network.
2. Responding Member – A Member that responds to a request for aid or assistance under the Network.

D. Period of Assistance – The period of time when a Responding Member

assists a Requesting Member in response to a Request for Assistance. The Period of Assistance commences when personnel, equipment, or supplies depart from Responding Member's facility and ends when all of the resources return to the Responding Member's facility (*i.e.*, portal to portal).

E. National Incident Management System (NIMS): The national, standardized system for incident management and response that sets uniform processes and procedures for emergency response operations.

F. Associate – Any non-utility participant approved by the Statewide Committee that provides a support role for the Network (such as the State Department of Health). An Associate does not execute this Agreement.

ARTICLE III **ADMINISTRATION**

The Network is administered through Regional Committees and a Statewide Committee.

A. Regional Committees. The State is divided into regions that are geographically the same as the existing Department of Health Office of Drinking Water regions of the state, with the exception that the eastern region is divided to create a central region. Each region has a Regional Committee. Each Member within a region may appoint one person to be a member of its Regional Committee. Only those Regional Committee members appointed by Members are entitled to vote on matters before the Regional Committee. An Associate may be a non-voting member of a Regional Committee. Each Regional Committee shall elect a Chair by majority vote of the voting members of that Regional Committee and shall meet annually to review the operations and procedures of the Network.

B. Statewide Committee. The Chairs of the Regional Committees are the voting members of the Statewide Committee. An Associate may be a non-voting member of the Statewide Committee. Further, the Statewide Committee also may include as non-voting members representatives from the Washington State Department of Health Office of Drinking Water, Washington State Department of Ecology, Washington State Emergency Management Division, Rural Community Assistance Corporation, Evergreen Rural Water of Washington, Washington State Public Health Laboratory, EPA Region 10, Washington Association of Sewer and Water Districts, and the Washington PUD Association. Under the leadership of a Statewide Committee Chair elected by majority vote of the voting members of the Statewide Committee, the Statewide Committee shall plan and coordinate emergency planning and response activities for the Network.

C. Members' administrative activities shall be voluntary and members shall not be required to finance the administration of the Network, nor shall the Network hold real or personal property.

ARTICLE IV PROCEDURES

In coordination with the Regional Committees, and emergency management and public health systems of the State, the Statewide Committee shall develop and adopt operational and planning procedures for the Network that are consistent with this Agreement. The Statewide Committee shall review these procedures at least annually and shall update them as needed.

ARTICLE V REQUESTS FOR ASSISTANCE

A. Member Information: Promptly after executing this Agreement, the signatory Member shall deliver the following to the Statewide Committee: (1) a certified copy of the action of Member's governing body that authorized the signing of this Agreement and (2) an original signed Agreement. Each Member shall identify an Authorized Official and one alternate Authorized Official. Each Member shall provide current 24-hour contact information for its Authorized Officials to the Statewide Committee, which shall maintain a current list of all Members and the contact information for their Authorized Officials. The Statewide Committee shall provide to all Members an updated version of this list annually and whenever there is an addition or withdrawal of a Member and whenever there is a change of Authorized Officials' contact information.

B. Request for Assistance. In the event of an Emergency, a Member's Authorized Official may request mutual aid and assistance from Members ("Request for Assistance"). Requests for Assistance may be made orally or in writing, provided that when a Request for Assistance is made orally, the Requesting Member shall, as soon as practicable, identify and transmit in writing the personnel, equipment and supplies requested. Requesting Members shall direct Requests for Assistance to Authorized Officials. The Statewide Committee shall provide specific protocols for Requests for Assistance as part of the procedures created pursuant to Article IV of this Agreement.

C. Response to a Request for Assistance – Members are not obligated to respond to a Request for Assistance. After a Member receives a Request for Assistance, the receiving Member's Authorized Official shall evaluate whether to respond to the Request for Assistance, whether resources are available to respond, or if other circumstances would hinder response. Following the evaluation, the Authorized Official shall inform, as soon as possible, the Requesting Member whether the Member will respond to the Request for Assistance. If the Member is willing and able to provide assistance, the Member shall inform the Requesting Member of the type of available resources and the approximate arrival time of such assistance.

D. Discretion of Responding Member's Authorized Official – No Member has any duty to respond to a Request for Assistance. When a Member receives a Request for Assistance, the Authorized Official shall have sole and absolute discretion

as to whether or not to respond to the Request for Assistance, and if responding in the affirmative, to determine the availability of resources to be made available to the Requesting Member. The response of a Member's Authorized Official regarding the availability of resources to a Requesting Member shall be final.

E. No Liability for Failure to Respond – No Member will be liable to any other Member for deciding not to respond to a Request for Assistance or otherwise failing to respond to a Request for Assistance. All Members hereby waive all claims against all other Members arising from or relating to any Member's decision to not respond to a Request for Assistance or to any Member's failure to respond to a Request for Assistance.

ARTICLE VI

RESPONDING MEMBER PERSONNEL

A. National Incident Management System-When providing assistance under this Agreement, the Requesting Member and Responding Member are encouraged (but are not obligated) to be organized and function under NIMS.

B. Coordination and Records – Employees of the Responding Member will remain under the direction and control of the Responding Member to the fullest extent possible. The Responding Member is an independent contractor at all times. The Requesting Member's Authorized Official shall coordinate response activities with the designated supervisor(s) of the Responding Member(s). The Responding Member's designated supervisor(s) shall keep accurate records of work performed by personnel during the Period of Assistance and for the equipment and supplies provided during work.

C. Food and Shelter – Whenever practical, Responding Member personnel must be self sufficient for up to seventy-two (72) hours. Whenever practical, the Requesting Member shall supply adequate food and shelter for Responding Member personnel. If the Requesting Member is unable to provide food and shelter for Responding Member personnel, the Responding Member's designated supervisor is authorized to secure the food and shelter necessary to meet the needs of its personnel.

D. Communication – The Requesting Member shall provide Responding Member personnel with communications equipment as available, radio frequency information to program existing radios if appropriate, or telephone contact numbers, in order to facilitate communications with local responders and utility personnel. Each Requesting Member shall provide contact information for an individual with whom Responding Member's personnel may coordinate while en-route for access, staging instructions and other logistical requirements.

E. Status - Unless otherwise provided by law, the Responding Member's officers and employees shall have the same powers, duties, rights, privileges, and immunities as if they were performing their duties in the jurisdiction in which they are

normally employed.

F. Licenses and Permits – To the extent permitted by law, Responding Member personnel that hold licenses, certificates, or permits evidencing professional, mechanical, or other skills shall be allowed to carry out activities and tasks relevant and related to their respective credentials during a Period of Assistance.

ARTICLE VII

RIGHT TO WITHDRAW RESOURCES

A. Right to Withdraw - A Responding Member may withdraw some or all of its resources at any time for any reason, as determined in the Responding Member's sole and absolute discretion. The Responding Member shall communicate written or oral notice of intention to withdraw all or some of a Responding Member's resources to the Requesting Member's Authorized Official as soon as practicable under the circumstances. To the greatest extent possible, but without limiting in any way a Responding Member's sole and absolute discretion, a Responding Member's determination to withdraw some or all of its resources provided to a Requesting Member should consider the status of the incident and incident stability, to minimize any adverse impacts from the withdrawal of resources by a Responding Member.

B. No Liability for Withdrawal - No Member will be liable to any other Member for first responding to a Request for Assistance by providing resources (such as personnel, materials, and equipment) and later withdrawing or refusing to continue to provide some or all of those resources. All Members hereby waive all claims against all Members arising from or relating to such a withdrawal or refusal.

ARTICLE VIII

COST- REIMBURSEMENT

The Requesting Member shall reimburse the Responding Member for all costs incurred by the Responding Member during a Period of Assistance, unless otherwise agreed in writing by both Members.

A. Personnel – The Requesting Member shall reimburse the Responding Member for personnel costs incurred for work performed during a Period of Assistance. Responding Member personnel costs will be calculated according to the terms provided in their employment contracts, hourly rate schedules or other conditions of employment. The Responding Member's designated supervisor(s) shall keep accurate records of work performed by personnel during a Period of Assistance. The Requesting Member shall include in its reimbursement of the Responding Member all personnel costs, including salaries or hourly wages, costs for fringe benefits, and indirect costs.

Unless otherwise agreed in writing, the Requesting Member shall reimburse the Responding Member for all reasonable and necessary costs associated with providing food and shelter for the Responding Member's personnel, if the food and shelter are

not provided by the Requesting Member. The Requesting Member is not required to reimburse the Responding Member for food and shelter costs in excess of State per diem rates unless the Responding Member demonstrates in writing that the excess costs were reasonable and necessary under the circumstances.

B. Equipment – The Requesting Member shall reimburse the Responding Member for the use of equipment during a Period of Assistance, including, but not limited to, reasonable rental rates, all fuel, lubrication, maintenance, transportation, and loading/unloading of loaned equipment. The Requesting Member shall return all equipment to the Responding Member in good working order as soon as is practicable and reasonable under the circumstances. If equipment cannot be returned in good working order, then Requesting Member shall either provide in-kind replacement equipment to Responding Member at no cost to Responding Member or pay to Responding Member the actual replacement cost of the equipment. Reimbursement rates for equipment use will be no less than the Federal Emergency Management Agency's (FEMA) Schedule of Equipment Rates. If a Responding Member uses rates different from those in the FEMA Schedule of Equipment Rates, the Responding Member shall provide such rates orally or in writing to the Requesting Member prior to supplying the equipment. If reimbursement rates are to be different than those in the FEMA Schedule of Equipment rates, Responding Member and Requesting Member shall agree in writing on which rates will be used prior to dispatch of the equipment to the Requesting Member. Requesting Member shall reimburse for equipment not referenced on the FEMA Schedule of Equipment Rates based on actual recovery of costs. If a Responding Member is required to lease equipment while its equipment is being repaired because of damage due to use during a Period of Assistance, Requesting Member shall reimburse Responding Member for such rental costs.

C. Materials and Supplies – The Requesting Member shall reimburse the Responding Member in kind or at actual replacement cost, plus handling charges, for use of expendable or non-returnable supplies by the Responding Member during a Period of Assistance. The Responding Member shall not charge direct fees or rental charges to the Requesting Member for other supplies and reusable items that are returned to the Responding Member in a clean, damage-free condition. Reusable supplies that are returned to the Responding Member with damage will be treated as expendable supplies for purposes of cost reimbursement.

D. Payment Period – In order to be reimbursed, the Responding Member shall provide an itemized bill to the Requesting Member no later than ninety (90) days following the end of the Period of Assistance for all expenses incurred by the Responding Member while providing assistance to a Requesting Member under this Agreement. The Responding Member may request additional time to submit the itemized bill, and Requesting Member shall not unreasonably withhold consent to such a request. The Requesting Member shall pay the itemized bill in full on or before the forty-fifth (45th) day following the billing date. The Requesting Member may request additional time to pay the itemized bill, and Responding Member shall not unreasonably withhold consent to such a request, but in no event will payment in full occur later than one year after the date a final itemized bill is submitted to the

Requesting Member. If a Responding Member disputes a portion of an itemized bill, the Requesting Member shall promptly pay those portions of the bill not under dispute, pending the resolution of the payment of the disputed portion of the bill.

E. Records - Where a Responding Member provides assistance to a Requesting Member under this Agreement, both Members shall provide the other Member access to the books, documents, notes, reports, papers and other records relevant to this Agreement for the purposes of reviewing the accuracy of a cost bill or making or undergoing a financial, maintenance or regulatory audit. Both Members shall maintain these records for at least three (3) years or longer where required by law.

ARTICLE IX **DISPUTES** **NEGOTIATION**

Members shall first attempt to resolve any controversy, claim or other dispute arising out of or relating to this Agreement by direct negotiation.

MEDIATION

To the extent not resolved by direct negotiation, Members shall mediate any controversy, claim or other dispute arising out of or relating to this Agreement. Mediation is a condition precedent to arbitration. Unless the disputing Members agree otherwise, the mediation will be administered by the American Arbitration Association (AAA) under its Construction Industry Mediation Procedures. The disputing Members shall pay in equal shares the mediator's fee and any filing fees. Unless otherwise agreed by the disputing Members, the disputing Members shall (1) hold the mediation no later than thirty (30) days after a disputing Member delivers a request for mediation to the other disputing Members and (2) hold the mediation at the location of the Requesting Member. Agreements reached in mediation will be enforceable as settlement agreements.

ARBITRATION

To the extent not resolved by mediation, Members shall arbitrate all controversies, claims and other disputes arising out of or relating to this Agreement. Unless the disputing Members agree otherwise, the arbitration will be administered by the AAA in accordance with its Construction Industry Arbitration Rules in effect on the date a disputing Member makes a demand for arbitration. A disputing Member may make a demand for arbitration before negotiation or mediation if it appears that a claim might be barred by a statute of limitations if the demand were made after the negotiation or mediation. However, in such a case the arbitration will be stayed until the conclusion of negotiation and mediation. The decision and award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

ARTICLE X

DUTY TO INDEMNIFY

To the extent of its fault, a Member shall defend, indemnify, and hold harmless all other Members, their elected officials, Authorized Officials, officers, employees and agents from any and all costs, claims, judgments, losses, awards of damage, injury, death and liability of every kind, nature and description, including the reasonable cost of defense and attorneys' fees, directly or indirectly arising from or relating to this Agreement (collectively, "Indemnified Claims"). This indemnity obligation extends to all Indemnified Claims against a Member by an employee or former employee of another Member, and for this purpose, by mutual negotiation, each Member hereby expressly waives, with respect to each other Member only, all immunity and limitation under any applicable industrial insurance act, including Title 51 of the Revised Code of Washington, other worker compensation acts, disability benefit acts or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of Indemnified Claims.

ARTICLE XI

WORKER'S COMPENSATION AND SITE CONDITIONS

The Responding Member is responsible for providing worker's compensation benefits and administering worker's compensation for its employees. The Requesting Member is responsible for providing worker's compensation benefits and administering worker's compensation for its employees.

Each Member shall promptly identify to the other Members concerns about site safety, environmental concerns, and other working conditions. The Safety Officer appointed within the Incident Command System during the Period of Assistance shall address specific safety conditions and mitigations.

ARTICLE XII

NOTICE

Unless otherwise provided in this Agreement, all notices must be in writing. Notice to a Member must be delivered to the Member's Authorized Official.

ARTICLE XIII

EFFECTIVE DATE

This Agreement shall be effective with respect to each Member when that Member's authorized representative executes the Agreement. The Statewide Committee shall maintain a master list of all Members.

ARTICLE XIV

WITHDRAWAL

A Member may withdraw from this Agreement at any time by providing to the Statewide Committee Chair written notice of withdrawal signed by the withdrawing Member's Authorized Official or other person authorized by the withdrawing Member's governing body. Any withdrawal will be effective upon receipt by the Statewide Committee Chair of the notice of intent to withdraw. If there is no Statewide Committee Chair, the withdrawing Member shall provide written notice to each Member in its region, and the withdrawal will be effective upon delivery of those notices. Once withdrawal from this Agreement is effective, the withdrawing Member will have no further obligations under this Agreement, except that withdrawal from this Agreement will not affect any indemnification or reimbursement obligation under this Agreement that arises prior to the effective date of the withdrawal.

ARTICLE XV TERMINATION

This Agreement shall terminate in its entirety when there are less than two Members. Termination of this Agreement will not affect any indemnification or reimbursement obligation under this Agreement arising prior to the termination. The Statewide Committee Chair shall provide written notice of termination to all remaining Members of the Agreement.

ARTICLE XVI AMENDMENT

This Agreement may be amended if, after written notice of a proposed amendment to all Members, the proposed amendment is approved by a majority of Members in each region. The Statewide Committee Chair shall provide written notice to all Members of approved amendments. Approved amendments will take effect sixty (60) days after the date the notice is sent to the Members.

ARTICLE XVII SEVERABILITY

The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

ARTICLE XVIII PROHIBITION ON THIRD PARTIES AND ASSIGNMENT OF RIGHTS/DUTIES

Notwithstanding rights of subrogation asserted by a Member's insurance provider, this Agreement is for the sole benefit of the Members and no other person or entity shall have any rights under this Agreement as a third party beneficiary nor shall any Member owe duty to a third party not a signatory of this Agreement by virtue of this Agreement. Assignments of benefits and delegations of duties created by this

Agreement are prohibited and of no effect.

ARTICLE XIX
GOVERNING LAW

This Agreement is governed by the law of the State of Washington, specifically RCW 39.34, Interlocal Cooperation Act.

ARTICLE XX
EXECUTION IN COUNTERPARTS

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same Agreement.

The water and wastewater utility listed below executed this Agreement on this _____ day of _____, _____.

Water/Wastewater Utility: _____

By: _____

Title: _____

Please Print Name

By: _____

Title _____

Please Print Name

Approved as to form

By: _____

Attorney for Member

Please Print Name

AGENDA MEMORANDUM

SUBJECT

Motion to adopt Resolution No. 2024-09 to Approve and Consent to the Terms of the Amended Interlocal Government Agreement with the Water and Sewer Risk Management Pool (WSRMP).

BACKGROUND

In 2012, by Resolution 2012-08, the Board consented to the terms in the Interlocal Government Agreement with the Water and Sewer Risk Management Pool ("WSRMP" or "Pool") and Cascade signed the Agreement and became a WSRMP member.

During the WSRMP's semi-annual membership meeting on March 21, 2024, the WSRMP Board voted unanimously to amend the pool agreement. For the amendments to become effective two-thirds of the Boards of Pool members must consent to the amended agreement. WSRMP has requested approval by August 16, 2024. Some changes are non-substantive changes that relate to style, grammar and consistent wording. The substantive changes are as follows:

1. Changes the Pool's legal name from the "Water and Sewer Insurance Pool, aka the Water and Sewer Risk Management Pool" to simply the "Water and Sewer Risk Management Pool."
2. Allows any entity allowed to join Pool if authorized by the enabling statute. RCW 48.62.
3. Allows the Executive Committee (EC) to meet at least quarterly instead of monthly.
4. Revises approval process for installment payments. Approval would be by the Executive Director in consultation with the Executive Committee, not by the Board of Directors.
5. Requires a member who wishes to rescind a notice of withdrawal to do so at least 60 days before the Pool's policy renewal date. Currently, withdrawal requires at least six-month notice to the Pool before the end of the policy year. There is no deadline to rescind the notice of withdrawal.
6. Upon dissolution of the Pool, assets will be distributed among members of the Pool at that time based on premium payments over the five (5) years. The existing provision distributes assets among all current and former Pool members, even those that withdrew from the Pool 30 or more years ago.
7. Allows Pool to send email notices to members. Currently, notice from the Pool to members must be mailed.

Cascade views these changes as principally housekeeping with the requirement of a member who wishes to rescind a notice of withdrawal at least 60 days before the Pool's policy renewal date the biggest change.

FISCAL IMPACT

There is no fiscal impact from this action. The annual premium of the WSRMP for 2024 is \$199,050.

OPTIONS

1. Adopt Resolution No. 2024-09 to Approve and Consent to the Terms of the Amended Interlocal Government Agreement with the Water and Sewer Risk Management Pool (WSRMP).
2. Do not adopt Resolution No. 2024-09 and provide alternate direction to staff.

RECOMMENDED ACTION

Move to adopt Resolution No. 2024-09 to Consent to the Approval and Acceptance of the Amended Interlocal Government Agreement with the Water and Sewer Risk Management Pool (WSRMP).

ATTACHMENT

Proposed Resolution No. 2024-09
Redlined WSRMP Interlocal Agreement



CASCADE WATER ALLIANCE
RESOLUTION No. 2024-09

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION,
REGARDING
APPROVAL AND CONSENT TO THE TERMS OF THE AMENDED INTERLOCAL
GOVERNMENTAL AGREEMENT OF THE WATER AND SEWER RISK MANAGEMENT POOL

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;

WHEREAS by Resolution 2012-08, the Cascade Board of Directors ("Board") consented to the terms of the Interlocal Government Agreement with the Water and Sewer Risk Management Pool ("WSRMP" or "Pool") and Cascade signed the Agreement and became member of the WSRMP;

WHEREAS the Board of Directors of the Pool at its semi-annual meeting on March 21, 2024, unanimously approved amendments to the Pool's Interlocal Governmental Agreement ("Amended Interlocal Agreement") in the form attached hereto as Exhibit A;

WHEREAS before such amendments to the Interlocal Agreement become effective, two-thirds (2/3) of the Boards of Commissioners of certified members of the Pool must approve the Agreement as amended; and

WHEREAS, the Board of Cascade, (hereinafter referred to as the "District/Entity") desire to approve the amendments to the Interlocal Agreement.

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

1. The Board, as the Commissioners/Board of Directors of the District/Entity, hereby approves and consents to the terms of the Amended Interlocal Agreement, in the form attached hereto as Exhibit A.

2. The Board authorizes the CEO to sign the Amended Interlocal Agreement, confirming the Board's approval.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a special meeting thereof, held on the 24th day of July 2024.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Ray Hoffman, Chief Executive Officer

Angela Birney, Vice Chair

Mary Lou Pauly, Secretary/Treasurer

Members

Yes _____

No _____

Demand Share

Yes _____ %

No _____ %

Include in CWAC?

_____ Yes

 X No

Revised XXXX, 2024
WSRMP Exhibit A

INTERLOCAL GOVERNMENTAL AGREEMENT
 CREATING THE WATER AND SEWER INSURANCE POOL

This agreement is made and entered into in the State of Washington by and among the Municipal Corporations organized and existing under the laws of the State of Washington, hereinafter collectively referred to as Member Districts/Entities, and individually as Member Districts/Entities. Said Districts/Entities are sometimes referred to herein as "Parties."

RECITALS

Whereas, Chapter 39.34 RCW provides that two or more local governmental entities may, by interlocal governmental agreement, join together for any common purpose and Chapter 48.62 RCW authorizes such governmental entities to form a joint pool for insurance or for self-insurance, and;

Whereas, each of these Parties in these agreements desires to join together with the other Parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a Joint Protection Program for said Parties, and;

Whereas, it appears economically feasible and practicable for the Parties to this agreement to do so;

Now Therefore, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the Parties hereto agree as follows:

ARTICLE I

Definitions

The following definitions shall apply to the provisions of this agreement:

- A. "Pool" shall mean ~~the Water and Sewer Insurance Pool, also known as the~~ Water and Sewer Risk Management Pool created by this agreement.
- B. "Board of Directors" or "Board" shall mean the Governing Body of the Pool.
- C. "Claims" shall mean demands made against the Pool arising out of occurrences which are within the Pool's Joint Protection Program as developed by the Board of Directors.
- D. "Excess Insurance" shall mean the insurance purchased on behalf of the Pool to protect the funds and assets of the Pool and its Members against catastrophic losses and unusual frequency of losses during a single year.
- E. "Executive Committee" shall mean the Executive Committee of the Board of Directors of the Pool.
- F. "Fiscal Year" shall mean the period from November 1 through October 31 which is established as the Fiscal Year of the Pool.

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- G. "Insurance" shall mean and include self-insurance through a funded program and/or any commercial insurance contract.
- H. "Executive Director" shall mean the employee of the Pool who is appointed by the Board of Directors and responsible for the management and administration of the Pool and Joint-Protection Program of the Pool.

ARTICLE II

Purposes

This Agreement is entered into by municipal or governmental or public entities or agencies which provide public water and/or sewer services, in order to provide more comprehensive and economical liability coverage, to provide for economical or self-insurance pooling of all forms of insurance available or required by law for municipal corporations and other governmental entities or agencies, and for which state law authorizes formation of pooling organizations to provide such insurance, to reduce the amount and frequency of Member's losses, and to decrease the cost incurred by the Members and their handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate entity, Water and Sewer Insurance Pool, also known as the Water and Sewer Risk Management Pool, to administer a Joint-Protection Program wherein Members will pool their losses and claims, jointly purchase excess insurance, and administrative and other services including claims adjusting, data processing, risk management consulting, loss prevention, legal and other related services.

It is also the purpose of this Agreement to provide to the extent permitted by law, for the inclusion at a subsequent date ~~such municipal and any local~~ governmental entities, nonprofit corporations or any other entity eligible to join per RCW 42.68, as amended, or agencies which provide ~~public~~ water and/or sewer service which may desire to become parties of this agreement and members of this Pool, subject to the approval of the Board of Directors.

ARTICLE III

Parties to the Agreement

Each Party to this Agreement certifies that it intends to and does contract with all other Parties who are signatories of this Agreement and, in addition, with such Parties as may later be added to as signatories of this Agreement pursuant to Article XIX. Each party of this Agreement also certifies that the deletion of any party from this Agreement pursuant to Article XX and XXI, shall not affect this Agreement.

ARTICLE IV

Term of Agreement

This Agreement shall become effective on December 1, 1987, and shall continue for not less than five years and until and unless terminated as hereinafter provided.

ARTICLE V

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Creation of the Pool

Pursuant to Chapter 48.62 RCW, ~~there is hereby created in 1988~~ a public entity separate and apart from the parties hereto, ~~was created to be that was~~ known as the Water and Sewer Insurance Pool, also known as the Water and Sewer Risk Management Pool, with such powers as are hereinafter set forth. Effective in 2024, the Pool's official name was changed and simplified to the Water and Sewer Risk Management Pool.

Pursuant to Chapter 48.62 RCW, the debts, liabilities and obligations of the Pool shall not constitute debts and liabilities or obligations of any party to this Agreement.

ARTICLE VI

Powers of Pool

- A. The Pool shall have the powers common to any of its Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:
1. To make and enter into contracts;
 2. To incur debts, liabilities or obligations;
 3. To acquire, hold or dispose of property; contribution and donation of property, funds, services and other forms of assistance from persons, firms corporations and governmental entities;
 4. To sue and be sued in its own name; and
 5. To exercise all powers necessary and proper to carry out the terms and provisions of the Agreement, or as otherwise authorized by law.
- B. Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE VII

Board of Directors

- A. The Pool shall be governed by a Board of Directors which is hereby established and which shall be composed of one representative from each Member District/Entity, who is an employee, official or designated agent of that member, as appointed by that Member's governing body. Each Member's Governing Body, in addition to appointing a member of the Board of Directors, shall appoint at least one alternate who also shall be an officer, employee or designated agent of that member. The alternate appointed by the Member shall have the authority to attend, participate in, and vote at any meeting of the Board when the regular Member for whom he or she is an alternate is absent from said meeting.
- B. Each representative or alternate to the Pool Board shall be appointed for a term of one year and until a successor is appointed. Each representative or alternate shall serve at the pleasure of the District/Entity by which he or she is an officer, an employee, or designated of that District/Entity. A representative or alternate may not represent more than three (3) Districts/Entities or be an employee or hired consultant of the Pool.
- C. Each member of the Board shall have one vote.

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ARTICLE VIII

Powers of the Board of Directors

The Board of Directors of the Pool shall have the following powers and functions:

- A. The Board may elect from its Members, pursuant to Article X of this Agreement, an Executive Committee to which it may give authority to make and implement any decisions, including those involving the administration of the Pool, except those decisions that would require an amendment of this agreement under Article XXVI herein.
- B. The Board shall review, modify, if necessary and approve an annual operating budget of the Pool.
- C. The Board shall receive and review periodic accounting of all funds under Article XIV and XV of this Agreement. The Board is authorized to establish a special fund with a Member District's/Entity's treasurer designated at the "Operating Fund of the Water and Sewer Insurance Pool Joint Board."
- D. The Board shall have the power to conduct on behalf of the Pool all business of the Pool which the Pool may conduct under the provisions hereof and pursuant to the law.
- E. The Board shall determine and select a Joint Protection Program for the Pool.
- F. The Board shall determine and select all necessary insurance, including excess insurance, necessary to carry out the Joint Protection Program of the Pool.
- G. The Board shall have the authority to contract for or develop various services for the Pool, including, but not limited to claims adjusting, loss control and risk management consulting services.
- H. The Board shall appoint an Executive Director for the Pool and shall receive and act upon reports of the Executive Director.
- I. The Executive Director shall have the power to hire such persons as the Board authorizes for the administration of the Pool, including the "borrowing" of management-level employees from one or more of the Members to assist in the development phases of the Joint Protection Program for the Pool subject to the approval of the Member Districts/Entities.
- J. The Executive Director shall have the general supervisory control over the day-to-day decisions and operations and administrative activities of the Pool.
- K. The Board shall have such other powers and functions as are provided in this Agreement, including, but not limited to the power to authorize contracts and as may be allowed by law.

ARTICLE IX

Meetings of the Board of Directors

- A. Meetings. The Board shall provide for its regular and special meetings, provided, however, that it shall hold at least one regular meeting annually, as set forth in the Bylaws of the Pool.
- B. Minutes. The Board of the Pool shall cause minutes of the meetings to be kept and shall, as soon as possible, after each meeting cause a copy of the minutes to be forwarded to each Member of the Board and to its Member Districts/Entities.

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- C. Quorum. In order for a meeting to be held, there must be in attendance at that meeting, at least twenty (20%) percent of the designated representatives of the Members. Such membership attendance would constitute a quorum for the transaction of business. A duly held meeting in which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum. A vote of the majority of those present at the meeting shall be sufficient to constitute an action by the Board.

ARTICLE X

Executive Committee

There shall be an Executive Committee of the Board of Directors which shall consist of an odd number of Members of not less than five nor more than nine Members, as determined by the Board of Directors. Four Members of the Executive Committee shall be the President, the Vice President, the Secretary and the Treasurer of the Board of Directors. The election or selection of the Members of the Executive Committee shall be as specified in the Bylaws. The President of the Pool or the Vice President, in his or her absence, shall serve as the Chairperson of the Executive Committee. The Board of Directors may delegate any of the powers of the Board as outlined in Article VIII to the Executive Committee and may establish and delegate any other powers and duties the Board deems appropriate.

The Executive Committee shall meet ~~monthly~~at least quarterly.

ARTICLE XI

Officers of the Pool

- A. Election of Officers. The Board shall elect the President, Vice President, Secretary and Treasurer of the Pool at its annual meeting, each to hold office for a one year term and until its successor is elected. Only members of the Executive Committee shall be eligible for the offices of President, Vice President, Secretary and Treasurer.
- B. President and Vice President. In the event there is a vacancy in the President's position, the Vice President shall fill the position of the President for the unexpired term of the President. In the event of a vacancy in the Vice President's position, the Executive Committee shall fill from its Members the Vice President's position for the unexpired term of that position. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and shall be a Member and Chairperson of the Executive Committee.
- C. Treasurer. The duties of the Treasurer are set forth in this Agreement and the Bylaws of the Pool.
- D. The Executive Director shall have the general administrative responsibility for the activities of the Pool and the Joint Protection Program and shall appoint all necessary employees thereof.
- E. Attorney. The Board of Directors shall select an attorney for the Pool. The attorney may be a legal counsel for a Member District/Entity. In the event the attorney is precluded from acting because of a conflict of interest or legal impediment, or for other good reason, the Board may employ independent counsel as the attorney for the Pool. The attorney shall serve at the pleasure of the Board of Directors.

ARTICLE XII

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Insurance Coverage

- A. The insurance coverage provided for the Member Districts/Entities by the Pools shall allow or require protection for Comprehensive General Liability, Personal Injury, Errors and Omissions, Automobile Liability, Contractual Liability, and such other areas of coverage as the State shall require or the Board shall determine to be appropriate coverages.
- B. The Pool shall maintain insurance limits for Member Districts/Entities determined by the Board of Directors to be adequate. The Board may arrange purchase of Group Policies for Member Districts/Entities interested in obtaining additional coverage above this limit, at an additional cost to those participating Districts/Entities.
- C. The Board may arrange for purchase of any other insurance coverages deemed necessary to protect the funds of the Pool against catastrophes.
- D. The Board may arrange for such other insurance as may be deemed appropriate for the benefit of the Members.

ARTICLE XIII

Development of Joint Protection Program

- A. The Board of Directors shall adopt the Pool's Joint Protection Program, including the insurance coverages provided for in Article XII, the amount of initial premiums, the precise cost to Allocation Plan and Formula, the pro-forma financial statement of the Pool and the amount and type of excess insurance to be procured.
- B. The Joint Protection Program provided by the Pool shall extend to all District's/Entity's operations unless otherwise excluded by the Board of Directors.
- C. The premium for each District/Entity shall be determined by the Board in its discretion, based upon a fair formula which shall consider, but not be limited to, total District/Entity payroll, administrative experience of the District/Entity, previous loss experience of the District/Entity, the liability risks of the District/Entity, and the cost to the Pool of adding the District/Entity as a Member.
- D. The Cost Allocation Plan and Formula adopted by the Board shall provide for an adjustment in the Member District's/Entity's premiums annually in order to produce a premium for the following year for the District/Entity that is equal to the sum of the following three items:
 - 1. The amount of loss borne individually by the District/Entity as determined by the Board; and
 - 2. District/Entity share of Pool losses and other expenses as determined by the Board; and
 - 3. The District's/Entity contribution to a catastrophe fund and reserves for incurred, but not reported losses, the amount of such fund reserves to be determined by the Board.
- E. The Board may make such premium adjustments retrospective to the prior year and each Member District/Entity shall pay any additional premium required by such respective adjustment.
- F. The Board shall adopt criteria for determining each District's/Entity's annual share of Pool losses, expenses, and contributions to a catastrophe fund which may include the District's/Entity's payroll as compared to the total payroll of all Member Districts/Entities, the District's/Entity individual loss experience and such other criteria as the Board may determine to be relevant.
- G. The Pool shall provide Member Districts/Entities with an estimate of their upcoming annual premium including any annual readjustments within 14 days after receiving the final quotation for the Pool's annual

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insurance premium. Each Member' premium amount together with any readjusted amount due under Paragraph C above, shall be payable on or before 45 days after the Pool distribution of the final premiums.

- H. ~~Inasmuch as some~~In the event a Member Districts/Entities may experience an unusually high frequency of losses during a single fiscal year, which could increase their in its financial premium substantially above prepaid premiums for that year and cause budgetary problems compared to the prior year and compared to other Pool Members in the current year, the Board-Executive Director in consultation with the Executive Committee may provide in its discretion allow for the payment of a portion of such additional premiums to be made over a period of time, not to exceed three years plus reasonable interest.

ARTICLE XIV

Accounts and Records

- A. Annual Budget. The Pool shall annually adopt an operating budget, pursuant to Article VIII (B) of this Agreement.
- B. Funds and Accounts. The Pool shall establish and maintain such funds and accounts as may be required by good accounting practice. Books and records of the Pool shall be in the hands of the Treasurer and shall be open to inspection at all reasonable times by representatives of Member Districts/Entities.
- C. Executive Director's Report. The Executive Director within 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and Member Districts/Entities.
- D. The Board may provide for a certified annual audit of the accounts and records of the Pool. Such audit shall conform to generally accepted accounting and auditing standards. When such audit of the accounts and records is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each Member District/Entity. Such report shall be filed within six (6) months of the end of the year under examination.
- E. Cost. Any cost of the Audit, including contracts with/or employment of certified public accountants, in making an audit pursuant to this Article shall be borne by the Pool and shall be considered included within the term "administrative cost."

ARTICLE XV

Responsibility for Monies

- A. The Treasurer of the Pool shall have the custody of and disbursement of the Pool's funds subject to the Board's approval. He or she shall have authority to delegate the signatory function to such persons as are authorized by the Board.
- B. A Bond in the amount set by the Executive Committee, but not less than minimum bond required for district treasurers pursuant to RCW 57.20.135, shall be required by all officers and personnel authorized to disburse funds of the Pool. Such Bond shall be paid for by the Pool.
- C. The Treasurer's duties shall include:
1. Receive and receipt of all money of the Pool and place it in the Treasury to the credit of the Pool;

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2. Be responsible upon his or her official bond for the safekeeping and disbursement of the Pool's money so held by him or her;
3. Pay, when due, out of the money of the Pool so held by him or her all sums payable on outstanding debts of the Pool;
4. Pay any other sums due from the Pool's money only upon a request for payment signed by the President of the Board and the Executive Director. The Board may designate an alternate signature for each; and
5. Verify the report in writing on the first day of July, October, January, and April of each year to the Pool and the Member Districts/Entities the amount of money held for the Pool, the amount of receipts since the last report and the amount paid out since the last report.

ARTICLE XVI

Responsibilities of the Pool

The Pool may perform the following function in discharging its responsibilities under this Agreement:

- A. Provide insurance coverage as necessary, including, but not limited to a Self-Insurance Fund and Commercial Insurance, as well as Excess Coverage and Umbrella Insurance by negotiation or bid and purchase, as necessary.
- B. Assist Districts/Entities in obtaining insurance coverages for Risk not included within the basic coverage of the Pool.
- C. Provide loss prevention and safety and consulting services to Member Districts/Entities.
- D. Provide claims adjusting services for claims covered by the Pool during protection program.
- E. Provide loss analysis by the use of statistical analysis, data processing, and record and file-keeping services in order to identify high exposure operations and to evaluate proper levels of self-insurance and deductibles.
- F. Provide Member Districts/Entities a review of their contracts to determine sufficiency of indemnity and insurance provisions.
- G. Conduct risk management audits to review the participation of each District/Entity in the program. The audit shall be performed by the Executive Director or, at the discretion of the Board, an independent auditor may be retained by contract to conduct these audits.
- H. The Pool shall have such other responsibilities as may be deemed necessary by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE XVII

The Responsibilities of Member Districts/Entities

Member Districts/Entities shall have the following responsibilities:

- A. The Governing Body of each District/Entity shall appoint a representative and at least one alternate representative to the Board of Directors of the Pool, pursuant to Article VII of this Agreement.
- B. The Governing Body of each Member District/Entity shall appoint an employee of the District/Entity to be responsible for risk management within that District/Entity to serve as the liaison between the District/Entity and

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the Pool as to the risk management and loss control and safety recommendations. Such person shall consider all recommendations of the Pool concerning the development and implementation of a loss control policy to prevent unsafe policies.

- C. Each District/Entity shall maintain its own set of records as to loss log in the categories of loss to insure accuracy of the Pool's loss reporting system
- D. Each District/Entity shall pay its premium and any readjusted amount promptly to the Pool when due. After withdrawal or termination, each District/Entity shall pay promptly to the Pool its share of any additional premium and accrued interest at a rate determined by the Board when and if required by the Board under Article XXIII of this Agreement.
- E. Each District/Entity shall provide the Pool with such other information or assistance as may be necessary for the Pool to carry out the Joint Protection Program under this Agreement.
- F. Each District/Entity shall in any and all ways cooperate with and assist the Pool and any insured of the Pool in all matters relating to this Agreement and covered losses, and will comply with all the Bylaws, rules and regulations adopted by the Board of Directors of this Pool.

ARTICLE XVIII

Joint Protection Program

- A. Joint Protection Program. After this Agreement becomes effective, the Pool shall develop the details for the Joint Protection Program more fully described in Articles XII and XIII of this Agreement.

ARTICLE XIX

New Members

After the effective date of the Joint Protection Program is established by the Pool, additional Districts/Entities shall be permitted to become signatories to this Agreement or to enter the Joint Protection Program during the first year of operation; provided such new member pay its appropriate share as determined by the Board. Following the first year of operation, the Pool shall allow entering in the program of new Members approved by the Board at such times during the year as the Board deems appropriate. Districts/Entities entering under this Article will be required to pay their share of organizational expenses as determined by the Board, including those necessary to analyze their loss data and determine their premiums. It shall not be necessary for existing Member Districts/Entities to re-sign or ratify the Pool Interlocal Agreement in order to allow the joining to the Interlocal Agreement of new Member Districts/Entities. Once any Member District/Entity has signed the Interlocal Agreement, it shall represent said Member District's/Entity's agreement to be bound, in the future to all terms of the Interlocal Agreement, with any new Member whose membership has been approved by vote of the Board and who has completed the requirements of membership set forth in this section. Thereafter, the new Member shall be considered a Party to the Interlocal Agreement of the same extent as all original Members and for all purposes.

ARTICLE XX

Withdrawal

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- A. A Member District/Entity may withdraw as a Party to this Agreement pursuant to the requirements of Article XVIII.
- B. A Member District/Entity which signs its initial Agreement and enters the Joint Protection Program pursuant to Article XVIII may not withdraw as a Party to this Agreement and as a member of this Pool for a one-year period commencing on the effective date of the Joint Protection Program as determined by Article XVIII.
- C. After the initial one-year non-cancelable commitment to the Program, a Member District/Entity may withdraw only at the end of any fiscal year, provided it has given the Pool six (6)-months written notice of its intent to withdraw from this Agreement and the Joint Protection Program. To rescind a notice of intent to withdraw, a Member must give the Pool not less than sixty (60) days notice before the policy renewal date. If at least sixty (60) days notice is not provided to the Pool, then the notice of withdrawal shall become effective as of the last date of the current policy year.

ARTICLE XXI

Cancellation

The Pool shall have the right to cancel any Member District/s/Entity's participation in the Joint Protection Program upon a two-third's vote of the Executive Committee provided that the Executive Committee's decision to cancel is ratified by a two-third's vote at a meeting of the Board of Directors. Any District/Entity so cancelled shall be given written notice of the Executive Committee's decision to cancel. Cancellation shall be effective 180 days from the date the written notice was mailed to the District/Entity.

ARTICLE XXII

Effective Withdrawal

- A. The withdrawal of any District/Entity from this Agreement shall not terminate the same and no District/Entity, by withdrawing, shall be entitled to payment or return of any funds contributed, consideration of any property paid or donated by the District/Entity to the Pool or any distribution of Pool assets.
- B. The withdrawal of any District/Entity after the effective date of the Joint Protection Program shall not terminate its responsibilities to contribute its share of premiums or funds to any fund or insurance program created by the Pool until all claims or other unpaid liabilities, covering the period the District/Entity as a signatory hereto have been finally resolved and determination of the final amount of payments due by the District/Entity or credit to the District/Entity for the period of its membership has been made by the Board of Directors. In connection with this determination, the Board may exercise similar powers to those provided for in Article XIII (C) of the Agreement.

ARTICLE XXIII

Termination of This Agreement

- A. This Agreement may be terminated by written consent by two-thirds of the Member Districts/Entities; provided, however, that this Agreement and the Pool shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to wind up the affairs of the Pool.

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B. Upon termination of this Agreement, all assets of the Pool shall be distributed only among the ~~Parties that have been then existing~~ Members of the Joint Protection Program, ~~including any of those parties which previously withdrew pursuant to Article XX and XXI of this Agreement,~~ proportionate to their cash, including premiums (payments and the property at market value when received) contributions made during the ~~term of this Agreement previous five (5) years.~~ The Board shall determine such distribution within six (6) months after the last pending claim or loss covered by this Agreement has been finally disposed of.

C. The Board is vested with all the powers of the Pool for the purposes of winding up and dissolving the business affairs of the Pool. These powers shall include the power to require Member Districts/Entities, including those which were Member Districts/Entities at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of premiums deemed necessary by the Board for final disposition of all claims and losses covered by this Agreement.

The District's/Entity's share of such additional premium shall be determined on the same basis as provided for annual premiums in Article XIII (D) and (E) of this Agreement, and shall be treated as if it were next year's annual premium for that District/Entity subject to the limits described in Article XIII (H) of this Agreement.

ARTICLE XXIV

Provisions for Bylaws and Manual

The Board shall cause to be developed Bylaws and a policy and procedure manual to govern the day-to-day operation of the Pool. Each Member District/Entity shall receive a copy of any Bylaws, policy statement or manual developed under this Article.

ARTICLE XXV

Notices

Notices to Members ~~Districts/Entities~~ hereunder shall be sufficient if mailed ~~and/or emailed~~ to the ~~office of the manager of address(es) provided by~~ the respective Member ~~District/Entity to the Pool.~~

ARTICLE XXVI

Amendment

This Agreement may be amended at any time by the written approval of all Member's Governing Body of the Districts/Entities signatory to it, or by an amendment adopted in the manner provided for in the Bylaws.

ARTICLE XXVII

Prohibition Against Assignment

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No District/Entity may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or their party beneficiary of any District/Entity shall have any right, claim or title to any part, share, interest, fund, premiums or asset of the Pool.

ARTICLE XXVII

Limitation of Liability; Legal Action Against Pool

A. Liability Limitation: In the event that any claim against a member is not covered or exceeds the applicable limits of coverage provided by the Pool, the liability for that obligation lies with the member.

B. Mediation: The parties to any dispute between the Pool or its members concerning this agreement shall seek to first resolve the dispute between them and if such efforts are not successful, the parties agree to resolve it through mediation with a neutral third party.

C. Venue for Litigation: Venue for any dispute concerning this agreement may only be laid in the King County Superior Court.

D. Governing Law: This agreement shall be governed by the laws of Washington except for the Washington laws on conflict of laws. Therefore the substantive laws of Washington shall govern in all respects.

ARTICLE XXIX

Agreement Complete

The following completes the Agreement of the Parties. There are no oral understandings or agreements, not set forth in writing herein.

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Revised XXXX, 2024
WSRMP Exhibit A

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AGENDA MEMORANDUM

SUBJECT

Motion to adopt Resolution No. 2024-10 to approve a Planning Manager position for the Tacoma-Cascade Pipeline (TCP) project and amend Cascade's Amended 2023 - 2024 Budget to add the new TCP Planning Manager position.

BACKGROUND

On May 22, 2024, Cascade's Board approved Resolution 2024-06 which directed staff to negotiate the terms of a contract with Tacoma to provide Cascade with a guaranteed supply of water from 2041 through 2065. A contract with Tacoma requires implementation of a major new project (Tacoma-Cascade Pipeline or TCP) to connect Cascade to Tacoma's water system. The TCP includes the following project elements: the Central Pipeline, the North Pipeline, the Bellevue-Kirkland-Redmond (BKR) Pipeline, a pipeline that runs parallel to the Bellevue-Issaquah Pipeline (BIP), a booster pump station, a storage facility, and connections. Cascade's proposed 2025-2026 Operations & Maintenance (O&M) budget and 2025-2030 Capital Improvement Program (CIP) budget include the TCP costs.

Although several current Cascade staff have the experience and skills to implement the TCP, their time is fully allocated to other ongoing Cascade work. In prior presentations to the Board, Cascade proposed creating a new team of staff that is dedicated to the TCP: Project Director, Planning Manager, Support Engineer, Design Manager, Program Manager, Government Relations & Communications Manager, Project Controls Manager, Construction Manager, and Administration & Support staff.

The first two years of the TCP involve planning work for the overall project, the individual assets, real estate transactions, environmental review and permitting, etc. The Planning Manager and their consultants will lead this work. Given this, the Planning Manager is the first new position that Cascade needs to hire. The Project Director and Support Engineer are the next most time-critical positions, and all three positions are included in the proposed 2025-2026 budget. All three positions are needed even if Cascade is able to wheel Tacoma water through Seattle's transmission system.

In order to fully launch the planning work in early 2025, Cascade is proposing to recruit and hire the Planning Manager in the second half of 2024. While Cascade's preliminary project plan includes some float time for the central and north segments, any number of issues could arise to impact the project schedule. For example, real estate transactions can be unpredictably complex and time-consuming. The sooner Cascade can bring the Planning Manager on board, the better our ability to meet the project schedule.

PROCUREMENT PROCESS

N/A

FISCAL IMPACT

The salary for the Planning Manager position will be subject to negotiation.

Cascade will use unspent funds from the Contingency budget line item to cover salary and benefit costs in 2024.

OPTIONS

1. Adopt Resolution No. 2024-10 to approve a Planning Manager position for the Tacoma-Cascade Pipeline (TCP) project and amend Cascade's Amended 2023 - 2024 Budget to add the new TCP Planning Manager position.
2. Do not adopt Resolution No. 2024-10 and provide alternate direction to staff.

RECOMMENDED ACTION

Adopt Resolution No. 2024-10 to approve a Planning Manager position for the Tacoma-Cascade Pipeline (TCP) project and amend Cascade's Amended 2023 - 2024 Budget to add the new TCP Planning Manager position.

ATTACHMENT

Resolution 2024-10.



CASCADE WATER ALLIANCE
RESOLUTION No. 2024-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION,
AMENDING THE AMENDED 2023-2024 BUDGET TO
ADD A NEW POSITION

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;

WHEREAS, the Cascade Water Alliance Board of Directors (“Board”) by Resolution 2022-15 adopted the 2023-2024 Budget and established Cascade’s staffing for 2023 and 2024;

WHEREAS, by Resolution 2024-04 the Board amended the Adopted 2024 Budget;

WHEREAS, by Resolution 2024-06 the Board directed staff to negotiate the terms of a contract with Tacoma to provide Cascade with a guaranteed supply of water from 2041 through 2065 and a contract with Tacoma requires implementation of a major new project (Tacoma-Cascade Pipeline or TCP) to connect Cascade to Tacoma’s water system; and

WHEREAS, the Board now desires to amend the Amended 2024 Budget to add a new Planning Manager position for the TCP project to Cascade’s staffing.

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

Section 1. Section 2.B. of Resolution 2020-10 is amended as follows:

B. Staffing. 2024 staffing of the Cascade Water Alliance is hereby established as follows:

1. Chief Executive Officer	7. Intergovernmental & Communications Director
2. Program Manager	8. Executive Assistant
3. Operations Manager	9. Finance and Administration Manager
4. Chief of Staff	10. Water Resources Manager
5. Contracts Administrator	11. Engineering & Capital Projects Director
6. Chief Economist/Treasurer	12. General Counsel
	13. <u>TCP Planning Manager</u>

Section 2. Section 2.B. of Resolution 2022-15 is amended to append the following:

The Chief Executive Officer and the Finance and Administration Manager are hereby directed to amend the final 2024 budget document, as appropriate, to address amendments to 2024 staffing.

Section 3. Effect. This Resolution shall be in full force and effect on the date of its adoption.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held the 24th day of July 2024.

CASCADE WATER ALLIANCE

Penny Sweet, Chair

Attest – Ray Hoffman, Chief Executive Officer

Angela Birney, Vice Chair

Members

Yes _____

No _____

Demand Share

Yes _____ %

No _____ %

Mary Lou Pauly, Secretary/Treasurer

Include in CWAC?

☐ Yes

☒ No

2025-2026 Proposed Budget and Rates

Board of Directors Meeting

July 24, 2024



Main Takeaways

- Final proposed budget, only minor changes in the O&M budget from the budget presented in June.
- No changes to the proposed 3.5% rate increases for 2025 and 2026 nor the RCFC* charges proposed last month.

*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		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	\$ 4,389,419	\$ 4,289,292
Conservation	\$ 805,754	\$ 824,887	\$ 831,853
Debt Service	\$ 10,795,666	\$ 9,225,591	\$ 9,224,541
Operations	\$ 6,434,135	\$ 7,127,316	\$ 7,405,711
Water	\$ 24,402,498	\$ 24,584,741	\$ 25,648,897
TCP	\$ -	\$ 3,151,000	\$ 1,770,000
Grand Total	\$ 46,246,923	\$ 49,302,954	\$ 49,170,294
Change		\$ 3,056,031	\$ (132,660)

Minor Changes to the 2025-2026 O&M Budget

Seattle True-up (Lowered the budget \$320,674):

- The Seattle true-up was \$320,674 in Cascade's favor.
- The true-up amount includes the adjustment of \$174,825 for the 2023 curtailment period.

Cost of Living Changes (Lowered budget \$23,662):

- The CPI-W for Seattle/Tacoma Urban Wage Earners as of June 30 was 3.6259%, originally budgeted 4.7%.
- Cascade's health insurance company, the Association of Washington Cities (AWC), updated their projected rate increase for 2025 rates to 7-10%, originally budgeted 8%.

Net result:

- \$344,336 lower in 2025
- \$24,150 lower in 2026

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

No changes
to the
numbers
presented
in June.

Fund Activity Summary

2025	Operating	Water Supply Development	Rate Stabilization	Construction	Bond	Total
Estimated beginning balance January 1, 2025	\$10,421,743	\$13,745,538	\$2,348,990	\$14,265,516	\$12,929,321	\$53,711,109
Revenue	48,507,043	481,094	82,215	10,427,396	452,526	\$59,950,273
Transfers in	-	1,514,223	-	3,567,316	6,833,006	\$11,914,545
Total resources	\$58,928,786	\$15,740,855	\$2,431,205	\$28,260,228	\$20,214,853	\$125,575,927
Expenditures	39,901,025	-	-	10,191,209	9,223,091	\$59,315,325
Transfers out	11,352,045	-	-	562,500	-	\$11,914,545
Ending balance December 31, 2025	7,675,716	15,740,855	2,431,205	17,506,519	10,991,762	\$54,346,057
Total uses	\$58,928,786	\$15,740,855	\$2,431,205	\$28,260,228	\$20,214,853	\$125,575,927

2026	Operating	Water Supply Development	Rate Stabilization	Construction	Bond	Total
Estimated beginning balance January 1, 2026	\$7,675,716	\$15,740,855	\$2,431,205	\$17,506,519	\$10,991,762	\$54,346,057
Revenue	50,215,666	629,634	85,092	10,854,780	405,341	\$62,190,514
Transfers in	-	1,425,925	-	1,273,857	8,392,687	\$11,092,470
Total resources	\$57,891,383	\$17,796,414	\$2,516,297	\$29,635,156	\$19,789,791	\$127,629,041
Expenditures	39,969,902	-	-	12,095,554	9,222,041	\$61,287,498
Transfers out	10,529,970	-	-	562,500	-	\$11,092,470
Ending balance December 31, 2026	7,391,510	17,796,414	2,516,297	16,977,102	10,567,749	\$55,249,073
Total uses	\$57,891,383	\$17,796,414	\$2,516,297	\$29,635,156	\$19,789,791	\$127,629,041

Summary of Proposed Member Charges

2025 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	2024 True-up (50%)	Total Payments	Increase Over 2024 Payments With 2024 True-up
Bellevue	\$1,690,655	\$329,416	\$21,702,955	(\$221,035)	\$23,501,991	-0.58%
Issaquah	\$348,063	\$67,818	\$1,950,811	\$7,592	\$2,374,284	4.01%
Issaquah - Temporary Water	\$0	\$0	\$96,945	(\$12,315)	\$84,630	62.03%
Kirkland	\$496,329	\$96,707	\$6,159,197	(\$13,971)	\$6,738,263	1.55%
Redmond - City	\$712,293	\$138,787	\$6,269,469	\$244,435	\$7,364,984	21.30%
Redmond - Novelty Hill	\$107,059	\$20,860	\$1,341,328	\$4,105	\$1,473,352	6.36%
Sammamish Plateau Water	\$589,620	\$114,885	\$1,463,503	\$4,846	\$2,172,854	0.92%
Skyway Water & Sewer District	\$93,867	\$18,289	\$419,006	(\$7,002)	\$524,160	-3.50%
Tukwila	\$203,408	\$39,633	\$2,654,567	(\$6,656)	\$2,890,953	4.43%
Total	\$4,241,294	\$826,395	\$42,057,781	(\$1)	\$47,125,470	3.50%

2026 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	2024 True-up (50%)	Total Payments	Increase Over 2025 Payments With 2024 True-up
Bellevue	\$1,735,799	\$331,322	\$22,210,269	(\$221,035)	\$24,056,355	2.36%
Issaquah	\$359,060	\$68,536	\$2,039,408	\$7,592	\$2,474,596	4.22%
Issaquah - Temporary Water	\$0	\$0	\$208,851	(\$12,315)	\$196,536	132.23%
Kirkland	\$512,053	\$97,738	\$6,399,700	(\$13,971)	\$6,995,521	3.82%
Redmond - City	\$735,636	\$140,415	\$6,704,726	\$244,435	\$7,825,212	6.25%
Redmond - Novelty Hill	\$109,743	\$20,947	\$1,380,173	\$4,105	\$1,514,968	2.82%
Sammamish Plateau Water	\$609,064	\$116,256	\$1,482,309	\$4,846	\$2,212,475	1.82%
Skyway Water & Sewer District	\$96,251	\$18,372	\$425,276	(\$7,002)	\$532,897	1.67%
Tukwila	\$208,533	\$39,804	\$2,724,621	(\$6,656)	\$2,966,303	2.61%
Total	\$4,366,139	\$833,390	\$43,575,333	(\$1)	\$48,774,861	3.50%

No changes to the numbers presented in June.

Regional Capital Facilities Charge



No changes
to the
numbers
presented in
June.

Main Takeaways

- Final proposed budget, only minor changes in the O&M budget from the budget presented in June.
- No changes to the proposed 3.5% rate increases for 2025 and 2026 nor the RCFC charges proposed last month.

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 Agenda Tuesday, July 16, 2024 1:30 PM – 3:00 PM

Call to Order

1. Chair Comments.
2. Executive Session.
3. Items Recommended for Action at the July 24, 2024 Board Meeting

- A. Tacoma-Cascade Pipeline (TCP) Planning Manager.** This item would add a full-time Planning Manager for the TCP Project and amend Cascade's Amended 2023 - 2024 Budget to add the new position but does not require a change to the 2024 budget amount. Cascade is proposing to recruit and hire this first TCP position in the second half of 2024 in order to fully launch the TCP planning work in early 2025. The Resource Management Committee is the recommending committee for this action item. (Attachments)

Recap: Staff presented a resolution to recruit and hire the TCP Planning Manager this year. The committee was supportive of the resolution and noted that Cascade should be mindful of potential impacts to member agencies if engineers from their organizations compete for the position.

- B. Insurance Pool Interlocal Agreement.** The Water and Sewer Risk Management Pool that Cascade has belonged to since 2012, through which Cascade purchases its property and liability insurance, has voted on an amendment to the Interlocal Agreement with its members. For the amendments to become effective, two-thirds of the Pool members must agree to the amendments.

Recap: The proposed revisions to the interlocal were reviewed with focus on the terms for leaving the pool, which protects the Pool members from financial uncertainty regarding departing members. The Committee recommended Board approval via consent agenda.

4. Discussion Items

- A. Wholesale Contracts Status Update.** Staff will update the committee on recent meetings with Seattle Public Utilities, contract negotiations with Tacoma Water, and follow-up items.

Recap: An update on activity since the last Board meeting, including the most recent Seattle counterproposal. Staff noted that we meet with SPU on Thursday for them to outline this proposal, and we will report on progress at the Board meeting on July 24.

B. 2025-2026 Budget and Rates. Staff will have a discussion with the Committee on the proposed final budget, rates and RCFC charges with anticipation of their adoption at the September Board meeting.

***Recap:** Cascade staff made a brief presentation to the Committee on the 2025 - 2026 budget and rates and discussed the small changes to the O&M budget since the June presentation. No changes to the CIP budget, member rates or RCFC rates from the June presentation were noted.*

5. Other Issues.

6. Next Meeting Date and Location.

The next meeting will be held Tuesday, August 20, 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 Agenda Thursday, July 11, 2024 2:00 PM – 3:30 PM

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

- A. Water Supply Status Update.** Staff will update the committee on the Seattle Public Utilities (SPU) water supply/reservoirs status. (Attachment)

Recap: SPU's reservoirs are near seasonal maximum, setting the region up well for the warm weather ahead. The committee discussed how to ensure that RMC is receiving meaningful monthly updates from SPU on water supply status. Cascade will work with SPU to include monthly written updates in the RMC packet and will also continue to explore the possibility of SPU staff attending RMC meetings to provide more detailed information and answer questions.

- B. Update on Wholesale Contract Discussions.** Staff will report on recent meetings with SPU, contract negotiations with Tacoma Water, and follow-up items.

Recap: This item included a brief status check on meetings with Seattle and Tacoma, and there was no significant new information. Chuck and Ray met with Andrew Lee at Seattle to further discuss wheeling. There has been no change in SPU's position on wheeling.

- C. Reclaimed Water in the Regional Wastewater Services Plan (RWSP).** This item is an opportunity for the committee to discuss water utility issues and ideas as the reclaimed water policies are considered in King County's RWSP update. (Attachment)

Recap: The committee discussed how Cascade members can work together to develop policy proposals that could be brought forward by RWQC members in the RWSP process. Committee members proposed developing a series of 3-4 "big picture" policies and then a more detailed list of policies to support the big picture policies. Next steps are for Cascade to work with member staff on draft policies and bring them back to the committee for more discussion. The RMC Chair noted that it appears the RWQC schedule is slipping so there will be more time than originally anticipated to work on this.

- 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: Staff provide an update on SPU's latest round of sampling results and meeting with DOH. Cascade met with Seattle Public Utilities (SPU) and the state Department of Health (DOH) on June 18 to discuss the results of SPU's most recent round of sampling for PFPrA, an unregulated PFAS substance. The results showed continued low-level detections (below what the DOH says is a health concern) but the variability of results and QA/QC issues suggest that additional work is needed to understand what the results mean. SPU and DOH agreed that additional expert advice should be sought. SPU is going to work with DOH on appropriate language for its website and update its talking points for its wholesale customers.

- E. Update on Phase 3 and Flowline Outage Projects.** Staff will provide an update on the Phase 3 Project and the maintenance projects that Cascade will undertake during the flowline outage.

Recap: Phase 3: Staff provide an update on Phase 3 work. The contractor has begun work to clear the construction job site and install field office trailers. In-water work will start after September 1 of this year. Staff are evaluating concrete mix submittals and other preconstruction submittals. Flowline Outage Projects: Planning and permitting is in progress for the 2024 flowline outage projects. As a reminder, the outage is due to the Phase 3 project and is the responsibility of the US Army Corps of Engineers (USACE) and their contractor (Kiewit). Cascade is taking advantage of the flowline outage to complete sediment and vegetation management as well as conduct condition assessment for below waterline infrastructure and to affect minor repairs noted during the inspection.

4. Items Recommended for Action at the July 24, 2024 Board Meeting.

- A. Tacoma-Cascade Pipeline (TCP) Planning Manager.** This item would add a full-time Planning Manager for the TCP Project and amend Cascade's Amended 2023 - 2024 Budget to add the new position but does not require a change to the 2024 budget amount. Cascade is proposing to recruit and hire this first TCP position in the second half of 2024 in order to fully launch the TCP planning work in early 2025. (Attachments)

Recap: Staff presented a resolution to recruit and hire the TCP Planning Manager this year. The committee was supportive of the resolution and recommended adding it under Other Actions for the July 24, 2024 Board meeting. The committee also requested that staff provide information on major milestones and decision points for the TCP project along with regular updates.

- B. Washington Water/Wastewater Action Response Network.** Motion to adopt Resolution No. 2024-XX authorizing the Chief Executive Officer to execute a mutual aid and assistance agreement with the Washington Water/Wastewater Agency Response Network (WAWARN) in substantially the same form as attached. (Attachments)

Recap: Staff presented a resolution for Cascade to become members of WAWARN. The committee was supportive of the resolution and recommended adding it to the consent agenda for the July 24, 2024 Board meeting.

5. Other issues.

6. Next Meeting Date and Location.

The next meeting will be Thursday, August 8, 2024, 2:00 p.m. – 3:30 p.m. at Cascade's office and via Zoom.