



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 Cebron, 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 Cebron, 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