



REGULAR MEETING OF THE BOARD OF DIRECTORS  
AGENDA  
CASCADE WATER ALLIANCE  
Held at Cascade's Office and Via Zoom  
September 25, 2024  
3:30 PM

	<u>Page</u>
1. CALL TO ORDER	
2. ROLL CALL	
3. PUBLIC COMMENT	
4. APPROVAL OF AGENDA	
5. CHIEF EXECUTIVE OFFICER'S REPORT	<u>3</u>
6. CONSENT ITEMS	
a. Board Meeting Minutes for July 24, 2024.	<u>16</u>
b. Motion to adopt Resolution No. 2024-15 approving a two-year extension of the independent supply production waiver.	<u>19</u>
c. Motion to adopt Resolution No. 2024-14 amending Chapter 5.60 of the Cascade Water Alliance Code and Resolutions 2019-15, 2015-01, 2014-17, 2012-07, 2012-04, 2011-02, 2010-22, and 2010-17.	<u>22</u>
7. OTHER ACTION ITEMS	
a. Motion to adopt Resolution No. 2024-11 adopting the 2025 - 2026 Cascade Budget.	<u>48</u>
b. Motion to adopt Resolution No. 2024-12 establishing the 2025 and 2026 rates and charges.	<u>74</u>
c. Motion to adopt Resolution No. 2024-13 establishing the Regional Capital Facilities Charge for 2025 and 2026, at \$8,579 and \$8,852 per Cascade Equivalent Residential Unit respectively.	<u>79</u>
8. COMMITTEE REPORTS	
a. Executive Committee – <i>August 27, 2024.</i>	<u>83</u>
b. Finance and Management Committee – <i>September 17, 2024.</i>	<u>84</u>
c. Public Affairs Committee – <i>September 4, 2024.</i>	<u>86</u>
d. Resource Management Committee – <i>September 12, 2024.</i>	<u>88</u>

9. NEW BUSINESS

10. STAFF PRESENTATIONS

a. Wholesale Contracts Update

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11. EXECUTIVE SESSION

a. To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

12. NEXT REGULAR MEETING – *October 23, 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

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DATE: September 25, 2024

TO: Penny Sweet, Chair  
Board of Directors

FROM: Ray Hoffman, Chief Executive Officer

SUBJECT: Chief Executive Officer's Report

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**Administration, Finance, and Economics**

- Cascade received an offer from King County to purchase the Noonan parcel in August. Cascade originally purchased the property in June 2009 as part of the project of securing a future corridor for the Tacoma-Cascade Pipeline. Upon purchasing the property, Cascade demolished the property that was on the parcel in 2010. The property is adjacent to Cascade's Ford property and last year, along with the Ford property demolition, Cascade removed a substantial amount of garbage from the parcel. Cascade is evaluating the offer from King County and is making certain that Cascade retains a permanent pipeline and temporary construction easement, ensuring that we receive the benefit we purchased the property for originally.
- Regional Capital Facilities Charges (RCFCs) are still off pace from the 2024 budget expectations. There have been 749.5 net RCFC's reported through August 2024, with one Member report not yet received. August (166) was the highest net CERU month in 2024. Cascade is on pace (1,124) to miss 2024 budget expectations (1,300). The rate forecast has been revised to reflect reduced growth with 1,150 forecasted for each year of the next biennium.
- Clark Nuber, Cascade's outside auditing firm, conducted a review of Cascade's second quarter 2024 financial transactions in August 2024. The results of the review will be reported to the Finance and Management Committee. Clark Nuber will be performing a review of the third quarter in October.
- In August, Cascade staff met with the Cybersecurity Infrastructure Security Agency (CISA) to explore the cybersecurity resources and tools available to Cascade. There are several services of interest, and Cascade has scheduled a follow up meeting with CISA in October. Depending upon how useful Cascade deems the programs after October, Cascade may invite CISA to meet with member staff in the future.
- In August, Cascade applied for and was granted a mini grant by the Association of Washington Cities for its Wellness program and used it to put on a demonstration of taking a stab at making healthy skewers. Cascade's wellness program has been recognized with a WellCity award since 2018. The WellCity designation saves Cascade 2% on health insurance costs.
- BrightNight has continued their preconstruction work on their Greenwater Battery Storage project, working with the City of Sumner on permitting in September. Cascade continues to help coordinate access to BrightNight for their Greenwater Battery Storage project near the Powerhouse. Cascade granted a Right-of-Way (ROW) transmission easement to the

battery energy storage system provider in 2022 and amended it earlier this year. 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. In addition, Tenaska, another battery storage company, has also approached Cascade about an easement. Cascade has decided to not expend additional legal resources at this point assessing an additional easement until Puget Sound Energy makes their determination of which project, if either, moves forward.

### **Capital Projects and Operations**

- The Lake Tapps Reservoir elevation is 542.51' as of September 16. Cascade closed its headgates and shut off water diversion from the White River to support Phase 3 of construction. The headgate will remain shut off until January 31, 2025. Cascade raised the lake elevation as high as possible prior to shutting down the diversion to minimize impacts to the summer recreation level.
- The first phase of the 2024 flow outage project was initiated on Tuesday, September 3, and successfully concluded on Thursday, September 5. This phase included dewatering the upper conveyance flow line while the Puyallup Tribe of Indians completed fish recovery under contract to Kiewit Construction. As a reminder, the outage is due to the Phase 3 project and is the responsibility of the US Army Corps of Engineers 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 conduct minor repairs noted during the inspection.
- The fish screen Gantry Crane was inspected, load tested, and certified to be placed back into service on Friday August 30, 2024 – just two days before the flow outage was initiated. The crane has been heavily used for the outage to facilitate draining, cleaning, and prepping the condition assessment project scheduled to begin September 23. The condition assessment will provide recommendations for a long-term strategy to repair, replace, or abandon portions of the mechanical and electrical infrastructure as well as provide an estimate of remaining service life for major system components such as the screens, baffles, and trash rack.
- The Dingle Basin lower slide gate actuators were installed in July but could not be commissioned and placed into service until fish recovery support was available. The actuators were successfully calibrated and commissioned on the first day of the outage and placed into service on September 3 to drain Dingle Basin. Unfortunately, the downstream fish return road was damaged while draining the basin and efforts are currently underway to stabilize the roadway before fall/winter rains return.
- Cascade staff met with the Washington State Department of Transportation (WSDOT) on August 26, as a follow up to the July 11 meeting, to discuss relocation of the Bellevue Issaquah Pipeline (BIP) at the Lewis Creek Crossing. On July 11, it was decided that 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. It was also determined that Cascade would enter into a separate contract to cover costs associated with accommodating hanging the 24-inch BIP from the planned bridge to be installed in support of the crossing. On September 16, WSDOT routed a draft agreement for Cascade's review along with a cost estimate for the limited scope of work to modify the bridge structurally to accommodate the BIP. The agreement and costs are currently under review with a follow-up meeting with WSDOT scheduled for September 19. Current project completion is not anticipated until the second quarter of 2028.

## Phase 3 Construction Photos Showing Fish Rescue and Excavation for Access Road



## **Tacoma-Cascade Pipeline (TCP) Project**

- Cascade advertised its Capital Projects Planning Manager position for the TCP Project on September 3 on numerous job-posting sites and industry associations. The position will be open until filled, although candidates that apply before September 24 will be given first consideration.
- Several Cascade staff met with staff from the Willamette Water Supply Program (WWSP) to learn from their experience in implementing a project with many similarities to the TCP Project. The WWSP is a partnership between the Tualatin Valley Water District (TVWD), the

City of Hillsboro, and the City of Beaverton to construct 30+ miles of pipe, a treatment plant, and other facilities at the cost of \$1.6B.

### **Water Efficiency**

- Cascade completed its water bottle filling station project with Issaquah High School. On September 13, Cascade was invited to a recognition event during half-time of the school's football game, where Cascade staff received a certificate of appreciation from the student who led the project. Cascade provided financial support for the purchase of a water bottle filling station at the school and 500 "We Need Water" water bottles for students who took a voluntary pledge to avoid using single-use plastic water bottles in favor of their We Need Water bottles. The project has been incorporated into a Student Impact Project in the Sustainability Ambassadors' Problem-Based Learning for Water Systems program.
- Cascade held a second training course for Cascade member staff on drip irrigation. The training was held at Riverton Park in Tukwila and was attended by staff from Tukwila, Issaquah, and Skyway.
- Cascade recorded three mini-webinars on irrigation topics that will soon be published on the Cascade Gardener page of Cascade's website.
- Cascade has held several Cascade Gardener events either online or at local gardens and nurseries. The events continue to be well-attended.
- Cascade has participated in many community events this summer, engaging with thousands of residents and helping them learn how to save water in their homes and landscapes.
- Cascade is in discussions with King County's Climate Office on the prospect of partnering on a water and energy retrofit program for selected low-income properties.
- Cascade's Water Education program continues to have strong participation from local teachers. From January through June, the program reached nearly 9,500 students with a variety of water-related topics and field projects.

### **Intergovernmental and Communications**

- Board members, alternates, and member staff have been asked to provide feedback on Cascade's intergovernmental, communications, and outreach programs and plans for 2025 through a member survey. Responses are requested by Friday, September 27. Results will be incorporated into a draft Intergovernmental, Communications and Outreach Plan that will be reviewed by the Public Affairs Committee.
- Cascade staff are preparing for the next legislative session in January 2025. Issues include advocacy for Tacoma-Cascade Pipeline funding, PFAS, utility relocation costs, and many other issues that staff monitor. The Public Affairs Committee will review a draft 2025 legislative agenda in October.
- Seattle Public Utilities (SPU) has agreed to a water supply status briefing plan for the Resource Management Committee. Each year, SPU will provide short presentations from June through September. SPU will provide in-depth briefings prior to and after the peak water use season in May and November.
- The Resource Management Committee and member staff continue to monitor King County's Regional Wastewater Services Plan (RWSP) update for opportunities to provide input on reclaimed water policies given the direct impact these policies have on water utilities.

## **Attachments**

1. Budget to Actual Expenditure Report through August 31, 2024.
2. Statement of Revenues and Expenditures through August 31, 2024.
3. Statement of Net Position as of August 31, 2024.
4. Contract Status Summary.
5. Monthly Warrants Listing.
6. Monthly Treasurer's Report as of August 31, 2024.

Cascade Water Alliance  
 Budget to Actual Expenditure Report  
 January 1- August 31, 2024  
 67% of the year completed

<b>Administration</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Expended</b>
Salaries	\$ 1,274,112	\$ 1,141,447	132,665	89.6%
Benefits	287,677	252,596	35,081	87.8%
Wellness program	5,000	70	4,930	1.4%
Prof. Fee (Technical)	167,000	37,408	129,593	22.4%
Prof. Fee (Legal)	597,450	356,657	240,793	59.7%
Prof. Fee (Audit)	86,555	76,182	10,373	88.0%
Prof. Fee (Other)	50,000	780	49,220	1.6%
Seismic Resiliency	100,000	0	100,000	0.0%
Meetings Expense	11,000	5,669	5,331	51.5%
Telephone/Internet	45,000	22,946	22,054	51.0%
Office Rent	315,393	64,184	251,209	20.4%
Office Supplies Admin.	15,000	4,165	10,835	27.8%
Equip. and Furniture	10,000	3,656	6,344	36.6%
Bank Fees	600	156	444	26.1%
Dues & Subscriptions	25,000	18,437	6,563	73.7%
Taxes/Licenses	15,000	8,901	6,099	59.3%
Travel	10,000	3,764	6,236	37.6%
Professional Dev.	10,000	4,851	5,149	48.5%
Computer Equipment	31,000	30,332	668	97.8%
Software Licenses	50,000	49,366	634	98.7%
Postage & Delivery	3,000	880	2,120	29.3%
Printing & Repro.	5,000	3,430	1,570	68.6%
Insurance	180,427	165,875	14,552	91.9%
Contingency	369,000	0	369,000	0.0%
<b>Total</b>	<b>\$ 3,663,214</b>	<b>\$ 2,251,750</b>	<b>\$ 1,411,463</b>	<b>61.5%</b>

<b>Debt Service</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Expended</b>
Bond Debt Service	10,795,666	5,487,246	5,308,421	50.8%
<b>Total</b>	<b>\$ 10,795,666</b>	<b>\$ 5,487,246</b>	<b>\$ 5,308,421</b>	<b>50.8%</b>

<b>Conservation</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Expended</b>
Salaries	\$ 143,077	\$ 68,648	\$ 74,430	48.0%
Benefits	38,176	19,211	18,965	50.3%
Prof. Fee (Technical)	25,000	14,073	10,928	56.3%
Prof. Fee (Legal)	1,000	0	1,000	0.0%
Dues & Subscriptions	5,500	709	4,791	12.9%
Rebate Reimb. Com.	115,000	64,602	50,398	56.2%
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	265,884	109,116	70.9%
Misc. Serv. and Sup.	38,000	36,307	1,693	95.5%
<b>Total</b>	<b>\$ 805,754</b>	<b>\$ 470,772</b>	<b>\$ 334,981</b>	<b>58.4%</b>

<b>Com. and Intergovern</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Expended</b>
Salaries	\$ 144,968	\$ 108,313	\$ 36,655	74.7%
Benefits	\$ 33,138	27,339	5,798	82.5%
Special Events	35,000	28,561	6,439	81.6%
Prof. Fee (Other)	165,000	131,590	33,411	79.8%
Sponsorships	30,000	12,650	17,350	42.2%
Comm. and Public I	260,000	82,059	177,941	31.6%
<b>Total</b>	<b>\$ 668,106</b>	<b>\$ 390,512</b>	<b>\$ 277,594</b>	<b>58.5%</b>



Cascade Water Alliance  
Budget to Actual Expenditure Report  
January 1- August 31, 2024  
67% of the year completed

<b>Operations-General</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Expended</b>
Wholesale Water	\$ 24,402,498	\$ 16,653,435	\$ 7,749,063	68.2%
Salaries	52,059	17,232	34,827	33.1%
Benefits	8,967	4,686	4,280	52.3%
BIP O&M	65,000	46,841	18,159	72.1%
Pipeline Prop. O&M	70,000	2,142	67,858	3.1%
PWTF Loan Debt	39,868	39,868	(0)	100.0%
<b>Total</b>	<b>\$ 24,638,392</b>	<b>\$ 16,764,205</b>	<b>\$ 7,874,187</b>	<b>68.0%</b>

<b>Operations-Lake Tapps</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Expended</b>
Salaries	\$ 627,510	\$ 335,206	\$ 292,303	53.4%
Benefits	\$ 112,766	83,995	28,771	74.5%
Prof. Fee (Technical)	756,150	336,368	419,782	44.5%
Prof. Fee (Other)	26,750	0	26,750	0.0%
Meetings Expense	6,000	1,729	4,271	28.8%
Telephone/Internet	6,925	4,330	2,595	62.5%
Office Supplies	20,000	1,567	18,433	7.8%
Equipment & Furn.	30,000	5,185	24,815	17.3%
Taxes/Licenses	8,500	7,919	581	93.2%
Travel	20,000	1,898	18,102	9.5%
Professional Dev.	2,500	0	2,500	0.0%
Software Licenses	35,000	1,061	33,939	3.0%
Permitting Costs	8,560	808	7,753	9.4%
Misc. Serv. and Sup.	91,000	14,260	76,740	15.7%
LT Operator	2,628,819	1,372,168	1,256,651	52.2%
Unplanned O&M	100,000	27,443	72,557	27.4%
Misc. Facility Repairs	150,000	13,270	136,730	8.8%
USGS Joint Fund	374,812	174,835	199,977	46.6%
Construction Management	50,000	0	50,000	0.0%
Outage	80,000	0	80,000	0.0%
Milfoil Control	190,500	190,047	453	99.8%
Vendor Services	130,000	128,946	1,054	99.2%
Water Quality Management	150,000	75,402	74,598	50.3%
Dike and Roads Maintenance	70,000	2,168	67,832	3.1%
<b>Total</b>	<b>\$ 5,675,791</b>	<b>\$ 2,778,602</b>	<b>\$ 2,897,190</b>	<b>49.0%</b>

<b>Total Operating Budget</b>	<b>\$ 46,246,923</b>	<b>\$ 28,143,087</b>	<b>\$ 18,103,836</b>	<b>60.9%</b>
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<b>Capital Projects (multi-yr bdgt not shown)</b>	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% Expended</b>
Upper Conveyance Projects	\$ 2,075,000	1,939,009	135,991	93.4%
Lower Conveyance Projects	1,000,000	0	1,000,000	0.0%
Equipment	100,000	99,961	39	100.0%
Facilities	200,000	41,605	158,395	20.8%
Bellevue-issaquah Pipeline (BIP)	130,000	0	130,000	0.0%
Tacoma Agreement	6,216,872	6,216,872	0	100.0%
Capital Risk	475,000	0	475,000	0.0%
Seattle contract	5,000,000	0	5,000,000	0.0%
IT Infrastructure	35,000	0	35,000	0.0%
<b>Total CIP Budget</b>	<b>\$ 15,231,872</b>	<b>\$ 8,297,447</b>	<b>\$ 6,934,425</b>	<b>54.5%</b>

<b>Total Overall Budget</b>	<b>\$ 61,478,795</b>	<b>\$ 36,440,535</b>	<b>25,038,260</b>	<b>59.3%</b>
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Cascade Water Alliance  
Statement of Revenues and Expenditures  
From 1/1/2024 Through 8/31/2024

Attachment 2

Operating Revenue	
Water sales	\$ 28,307,103
Administrative dues	3,706,551
Conservation program	552,353
Total Operating Revenue	<u>32,566,007</u>
Operating Expenses	
Cost of water sold	16,653,435
Salaries and benefits	2,167,492
Professional services	968,180
Conservation program	65,941
Depreciation and amortization	2,752,952
Communication and public information	341,424
Office expenses	376,020
Operations	1,584,776
Bank charges	156
Rent	64,184
Maintenance	441,288
Dues and subscriptions	24,644
Miscellaneous	37,330
Total Operating Expenses	<u>25,477,824</u>
Operating Income	7,088,183
Non-Operating Revenue (Expenses)	
Interest income	1,305,860
Other income	37,699
Interest expense, net of amount capitalized	291,132
Total Non-Operating Revenue (Expenses)	<u>1,634,690</u>
Capital Contributions	
Regional Capital Facilities Charges	3,724,411
Increase in Net Assets	12,447,284
Net Assets, Beginning of Year	151,475,139
Adjustments to Net Assets	(2,415,413)
Net Assets, End of Year	\$ 161,507,010

Cascade Water Alliance  
Statement of Net Position  
As of 8/31/2024

Attachment 3

Assets	
Current Assets	
Cash and cash equivalents	\$ 32,654,677
Accounts receivable	9,698,250
Prepaid expenses	124,703
Total Current Assets	<u>42,477,630</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	(66,477,210)
Total Capital Assets	<u>102,635,530</u>
Projects in process and assets not yet in service	
Lake Tapps	108,086,886
Tacoma Cascade pipeline	26,539,385
Total Projects in process and assets not yet in service	<u>134,626,271</u>
Restricted cash and cash equivalents	24,226,220
Total Assets	<u><u>303,965,651</u></u>
Liabilities	
Current liabilities	
Payables and accrued liabilities	3,192,130
Retroactive water credit	1,050,823
Accrued interest	1,065,112
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>12,132,538</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	2,291,516
Total Long-term Liabilities	<u>130,106,754</u>
Total Liabilities	<u>142,239,292</u>
Net Assets	
Restricted for debt service	109,701,104
Unrestricted	52,025,255
Total Net Assets	<u>161,726,359</u>
Total Liabilities & Net Assets	<u><u>\$ 303,965,651</u></u>

### Consultant and Other Vendor Contract Status Summary

Open contracts											
Vendor	Contract number	Contract title	Cascade manager	Effective date	End date	Status date	Percent work completed	Contract amount, including	Amount invoiced	Percent invoiced	Contract balance
Aquatechnex	1	2024 Lake Tapps Aquatic Plant Maintenance Program	P. Anderson	12/29/2023	12/31/2024	9/12/2024	99%	\$ 160,000	\$ 157,788	99%	\$ 2,212
Aspect	1	Water Supply Modeling	R. Hoffman	5/6/2020	N/A	9/12/2024	60%	\$ 24,900	\$ 15,316	62%	\$ 9,584
Aspect	2	Water Resources Services	R. Hoffman	8/17/2018	N/A	9/12/2024	98%	\$ 60,000	\$ 58,251	97%	\$ 1,749
Aspect	3	Climate Change Analysis	R. Hoffman	9/7/2022	12/31/2024	9/12/2024	95%	\$ 150,000	\$ 139,270	93%	\$ 10,730
AV Factory	1	25th Anniversary AV Equipment	A. Bennett			9/12/2024	100%	\$ 4,577	\$ 4,577	100%	\$ -
Ben Bernstein Music	1	Podcast production	M. Brent	1/1/2024	12/31/2024	9/12/2024	50%	\$ 5,000	\$ 1,225	25%	\$ 3,775
BHC Consulting	1	Planning & Permit Assistance	T. Richmond	1/1/2024	12/31/2024	9/12/2024	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	9/12/2024	55%	\$ 49,500	\$ 33,073	67%	\$ 16,427
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	C. Paulucci	1/1/2024	N/A	9/12/2024	90%	\$ 78,000	\$ 75,000	96%	\$ 3,000
Colehour and Cohen	1	Staffing for classes and events	M. Brent	1/1/2024	12/31/2024	9/12/2024	45%	\$ 110,750	\$ 67,730	61%	\$ 43,020
Confluence Engineering Group, LLC	1	Lake Tapps Supply & BIP Water Quality Advisory Services Project	D. Roberts	12/1/2023	N/A	9/12/2024	30%	\$ 49,000	\$ 14,732	30%	\$ 34,268
David Evans	1	On-call Land Surveyor	H. Chen	11/18/2022	12/31/2025	9/12/2024	30%	\$ 160,000	\$ 46,440	29%	\$ 113,560
David McGrath	1	Irrigation Program Assistance	M. Brent	1/25/2024	12/31/2024	9/12/2024	10%	\$ 18,000	\$ 1,339	7%	\$ 16,661
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	P. Anderson	1/1/2024	12/31/2024	9/12/2024	35%	\$ 49,000	\$ 23,208	47%	\$ 25,792
Environmental Science Assoc (ESA)	2	Development of Cascade's Integrated Aquatic Plant Management Plan	P. Anderson	3/20/2024	N/A	9/12/2024	15%	\$ 44,750	\$ 9,050	20%	\$ 35,700
GeoEngineers	1	Dam Engineering/Hydrology/ Geotechnical Service	H. Chen	1/3/2024	12/31/2026	9/12/2024	15%	\$ 570,000	\$ 49,974	9%	\$ 520,026
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2024	12/31/2024	9/12/2024	55%	\$ 84,000	\$ 56,000	67%	\$ 28,000
Herrera	1	On-call limnology services	M. Thung	12/1/2022	12/31/2025	9/12/2024	5%	\$ 45,000	\$ -	0%	\$ -
Herrera	2	Water Quality Management Plan	M. Thung	10/9/2023	12/31/2024	9/12/2024	50%	\$ 165,000	\$ 99,204	60%	\$ 65,796
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	9/12/2024	99%	\$ 1,231,100	\$ 1,151,847	94%	\$ 79,253
Industrial Fab and Repair	1	Valve house control system improvements	D. Roberts	8/28/2023	5/3/2024	9/12/2024	100%	\$ 88,118	\$ 88,118	100%	\$ -
Jacobs Engineering Group	1	Demand Forecast Model Support Services	M. Thung	8/20/2021	N/A	9/12/2024	5%	\$ 5,000	\$ -	0%	\$ 5,000
Jennergy	1	Turf Out Guidebook	M. Brent	7/19/2024	N/A	9/12/2024	0%	\$ 16,900	\$ -	0%	\$ 16,900
Jon Shimada	1	On-Call Project Support Services	M. Thung	4/8/2024	12/31/2025	9/12/2024	0%	\$ 35,000	\$ -	0%	\$ 35,000
Langton Spieth	1	Community relations	A. Bennett	1/1/2024	12/31/2024	9/12/2024	50%	\$ 78,000	\$ 52,000	67%	\$ 26,000
Lisa Taylor	1	Turf Removal Program Development	M. Brent	4/3/2024	12/31/2024	9/12/2024	10%	\$ 21,500	\$ 3,500	16%	\$ 18,000
Long Building Tech	1	Security Maintenance	H. Chen	6/1/2023	12/31/2024	9/12/2024	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	9/12/2024	95%	\$ 29,090	\$ 27,474	94%	\$ 1,616
Media for International Development	1	WeNeedWater Video Production	A. Bennett	1/1/2023	12/31/2023	9/12/2024	30%	\$ 35,000	\$ 9,500	27%	\$ 25,500
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2024	12/31/2024	9/12/2024	75%	\$ 105,000	\$ 75,319	72%	\$ 29,681
Okamoto Strategies, LLC	1	Capital Projects and Strategic Planning	H. Chen	6/21/2023	6/21/2024	9/12/2024	25%	\$ 25,000	\$ 5,569	22%	\$ 19,431
Pacifica Law	1	Legal Assistance	H. Chen	1/1/2024	12/31/2024	9/12/2024	0%	\$ 25,000	\$ -	0%	\$ 25,000
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2023	12/31/2025	9/12/2024	25%	\$ 550,000	\$ 137,792	25%	\$ 412,208
Performance Dimensions	1	Executive Coaching Services	M. Thung	1/1/2024	12/31/2024	9/12/2024	0%	\$ 15,000	\$ -	0%	\$ 15,000
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2024	12/31/2024	9/12/2024	33%	\$ 120,000	\$ 64,602	54%	\$ 55,398
Rainier Stillwater Risk Advisors	1	Trespassing Management	M. Thung	12/14/2023	12/31/2024	9/12/2024	5%	\$ 33,000	\$ -	0%	\$ 33,000
RH2	2	On-Call Electrical Engineering Svcs	H. Chen	1/1/2024	12/31/2024	9/12/2024	25%	\$ 133,750	\$ 70,508	53%	\$ 63,242
RH2	3	Wholesale Master Meter Eval	H. Chen	1/21/2020	3/31/2023	9/12/2024	8%	\$ 24,500	\$ 1,342	5%	\$ 23,158
Robinson Noble	1	Water Audits	E. Cebron	10/3/2019	N/A	9/12/2024	85%	\$ 135,060	\$ 115,183	85%	\$ 19,877
Sammamish Plateau Water	1	GIS support services	H. Chen	12/6/2022	N/A	9/12/2024	48%	\$ 50,000	\$ 24,020	48%	\$ 25,980
Sazan	1	On-call value analysis/engineering	J. Shimada	10/23/2023	10/23/2025	9/12/2024	30%	\$ 250,000	\$ 73,371	29%	\$ 176,629
SC Words & Pictures Inc.	1	Design Services	A. Bennett	1/1/2024	12/31/2024	9/12/2024	55%	\$ 30,000	\$ 15,400	51%	\$ 14,600
Seattle Public Utilities	1	Garden Hotline	M. Brent	1/1/2024	12/31/2024	9/12/2024	50%	\$ 15,825	\$ 7,913	50%	\$ 7,913
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2024	12/31/2024	9/12/2024	38%	\$ 26,500	\$ 12,848	48%	\$ 13,653
Sustainable Water	1	Teacher Fellows program	M. Brent	1/1/2024	12/31/2024	9/12/2024	55%	\$ 60,000	\$ 42,248	70%	\$ 17,753
Tacoma Pierce County Health Department	1	TappsWise Monitoring at Lake Tapps	A. Bennett	1/1/2024	12/31/2024	9/12/2024	45%	\$ 120,000	\$ 61,823	52%	\$ 58,177
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2024	12/31/2024	9/12/2024	33%	\$ 139,500	\$ 84,437	61%	\$ 55,063

TechniArt	1	Conservation Website Order page	M. Brent	1/1/2024	12/31/2024	9/12/2024	55%	\$ 15,900	\$ 9,469	60%	\$ 6,431
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2024	12/31/2024	9/12/2024	45%	\$ 45,000	\$ 26,994	60%	\$ 18,006
Transpo Group	1	On-Call GIS Support	H. Chen		12/31/2024	9/12/2024	50%	\$ 49,000	\$ 34,787	71%	\$ 14,213
Upstream PBC	1	HydroForecast-Glacier Climate Change Analysis	M. Thung	11/1/2022	N/A	9/12/2024	85%	\$ 49,900	\$ 40,000	80%	\$ 9,900
Upstream PBC	2	HydroForecast Subscription Service	M. Thung	8/9/2023	10/31/2024	9/12/2024	45%	\$ 24,000	\$ 9,900	41%	\$ 14,100
USGS	1	Joint Funding Agre-Streamgaging	H. Chen	1/1/2024	12/31/2024	9/12/2024	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	9/12/2024	50%	\$ 560,000	\$ 174,780	31%	\$ 385,220
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2024	12/31/2024	9/12/2024	50%	\$ 630,000	\$ 396,464	63%	\$ 233,536
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	9/12/2024	45%	\$ 2,476,944	\$ 1,365,811	55%	\$ 1,111,133
Washington Crane	1	Fish Screen Gantry Crane Repair	D. Roberts	11/9/2022	12/31/2024	9/12/2024	50%	\$ 168,700	\$ 123,465	73%	\$ 45,235
Water Value	1	Climate Study Advisory Services	M. Thung	6/16/2022	12/31/2024	9/12/2024	55%	\$ 22,500	\$ 11,952	53%	\$ 10,548
Winterbauer and Diamond	1	Legal Assistance	R. Hoffman	1/1/2024	12/31/2024	9/12/2024	25%	\$ 20,000	\$ -	0%	\$ 20,000

**Closed Contracts**

Vendor	Closed contract number	Contract title	Cascade manager	Effective Date	End date	Status date	Percent work completed	Contract amount, including amendments	Amount invoiced	Percent invoiced	Contract balance
Langton Spieth	2	25th Anniversary Event Support	A. Bennett	3/4/2024	N/A	9/12/2024	100%	\$ 5,000	\$ 5,000	100%	\$ -
Lake Tapps Construction	1	Dingle Basin Actuators Replacement Project	D. Roberts	10/12/2023	5/25/2024	9/12/2024	100%	\$ 42,838	\$ 42,061	98%	\$ 777
Lake Tapps Construction	2	Clearing/Sign Posts/Eco Blocks for Covington Properties	J. Ampacher	11/7/2023	12/15/2023	9/12/2024	100%	\$ 4,908	\$ 4,908	100%	\$ (0)

Payment Authorization Warrants and Wire Transfers 9/25/24

WHOLESALE WATER

WIRE	Seattle Contract Payment 8/24	\$3,673,551.00
WIRE	Seattle Contract Payment 9/24	\$3,183,745.00
		<u>\$6,857,296.00</u>

CONSULTANTS

31726	Aspect Consulting	\$7,284.58
31731	David Evans and Associates Inc.	\$2,865.60
31743	Environmental Science Associates (ESA)	\$6,348.67
31744	Herrera	\$4,893.26
31746	RH2 Engineering, Inc.	\$30,878.10
31748	TeamLogic IT of Bellevue, WA	\$17,713.56
31765	Gordon Thomas Honeywell Govern. Affairs	\$7,000.00
31766	Jennergy	\$1,270.00
31771	Aspect Consulting	\$11,936.85
31783	Langton/Spieth	\$6,500.00
31790	Parametrix	\$6,762.98
31794	TeamLogic IT of Bellevue, WA	\$8,543.20
31796	Transpo Group	\$6,255.00
31798	Van Ness Feldman, LLP	\$59,070.00
31804	Clark Nuber P.S.	\$4,600.00
31806	Environmental Science Associates (ESA)	\$4,444.45
31811	RH2 Engineering, Inc.	\$6,958.53
31816	Aspect Consulting	\$5,297.50
31820	Gordon Thomas Honeywell Govern. Affairs	\$7,000.00
31822	Langton/Spieth	\$6,500.00
31836	Herrera	\$14,267.18
31842	Tacoma Pierce County Health Department	\$15,525.23
31843	TeamLogic IT of Bellevue, WA	\$7,678.90
31845	Transpo Group	\$4,286.25
		<u>\$253,879.84</u>

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (July)	\$171,294.14
	Payroll (August)	\$169,287.07
31740	AWC Employee Benefit Trust	\$24,160.16
31750	MissionSquare-107080	\$50,485.99
31751	MissionSquare-304525	\$21,359.96
31756	Paula Anderson	\$18.15
31757	HRA VEBA Trust	\$2,772.00
31772	AWC Employee Benefit Trust	\$24,160.16
31800	MissionSquare-107080	\$50,344.66
31801	MissionSquare-304525	\$21,359.96
31808	HRA VEBA Trust	\$4,668.06
31833	Paula Anderson	\$70.92
31834	Christopher N. Paulucci	\$49.78
		<u>\$540,031.01</u>

CONSERVATION

31729	Colehour & Cohen	\$4,238.84
31734	Makarios Communications	\$550.00
31739	Sustainable Seattle dba Sustainability Ambassadors	\$5,228.00
31745	Puget Sound Energy	\$15,033.33
31747	SMC Consulting LLC	\$3,082.50
31752	Ben Bernstein Music	\$100.00
31759	Tilth Alliance	\$8,352.75
31776	BRILLIANT MARKETING LLC	\$4,486.65
31779	Colehour & Cohen	\$9,646.87
31786	Makarios Communications	\$550.00
31791	PromoShop WA, LLC	\$1,510.60
31792	Tilth Alliance	\$201.33
31793	Sustainable Seattle dba Sustainability Ambassadors	\$9,654.50
31795	Techniart C S D	\$481.71
31803	Ben Bernstein Music	\$475.00
31809	Lisa Taylor	\$1,050.00
31810	Nature Vision, Inc.	\$489.78
31824	Puget Sound Energy	\$22,974.43
31830	BRILLIANT MARKETING LLC	\$3,653.95
31832	Colehour & Cohen	\$5,681.31
31841	PromoShop WA, LLC	\$8,545.58
31844	Techniart C S D	\$508.66
		<u>\$106,495.79</u>

GENERAL

31727	AT&T FirstNet	\$408.36
31730	Comcast	\$2,009.60
31732	Lakemont Business Services Inc.	\$280.00
31735	Pacific Office Automation	\$281.52
31737	Sound Publishing Inc.	\$2,900.00
31738	spot-on print & design	\$40.46
31741	Bellevue Gateway One Equities, LLC	\$31,919.61
31742	Department of Labor and Industries	\$22.50
31753	Comcast	\$551.67
31754	Covington Water District	\$93.00
31760	Staples Advantage	\$275.03
31763	CIT	\$92.37
31764	CLEARFLY	\$1,110.06
31767	Pacific Office Automation Inc.	\$100.89
31768	Utilities Underground Location Center	\$18.48
31769	Verizon Wireless	\$135.03
31773	AT&T FirstNet	\$408.36
31774	Auburn Area Chamber of Commerce	\$300.00
31775	Bellevue Gateway One Equities, LLC	\$31,919.61
31777	Cintas Corporation	\$5.97
31778	City of Tukwila	\$1,000.00
31782	Lakemont Business Services Inc.	\$200.00
31785	Lumen	\$115.32
31787	Pacific Office Automation, Inc.	\$393.35
31788	Pacific Office Automation	\$298.41
31797	U.S. BANK	\$4,578.72
31805	Comcast	\$551.67
31812	Staples Advantage	\$25.11
31818	CIT	\$1,447.73
31819	CLEARFLY	\$1,093.35
31823	Puget Sound Energy	\$111.10
31825	Verizon Wireless	\$135.03
31828	Beautify Bonney Lake	\$500.00
31829	City of Bellevue	\$6,271.53
31838	Leadership Eastside	\$2,500.00
31839	Pacific Office Automation Inc.	\$100.89
31840	Pacific Office Automation, Inc.	\$704.57
31846	U.S. BANK	\$6,828.46
		<u>\$99,727.76</u>

LAKE TAPPS

31728	Cintas Corporation	\$15.66
31733	Linde Gas & Equipment Inc.	\$459.18
31749	Veolia Water North America	\$188,073.35
31755	US Geological Survey (USGS)	\$87,417.50
31758	Puget Sound Energy	\$144.54
31762	Cintas Corporation	\$137.97
31780	Department of Ecology	\$500.00
31784	Linde Gas & Equipment Inc.	\$736.01
31789	Pape Machinery Inc.	\$2,635.45
31799	Veolia Water North America	\$187,662.01
31802	AquaTechnex	\$42,615.21
31807	FloHawks Plumbing & Septic	\$2,482.43
31813	Sunbelt Rentals	\$122.65
31817	Cintas Corporation	\$137.97
31831	Cintas Corporation	\$39.40
31835	FloHawks Plumbing & Septic	\$2,355.12
31837	Honey Bucket	\$1,252.29
		<u>\$516,786.74</u>

CONSTRUCTION

31724	Vanir Construction Management Inc.	\$3,140.00
31761	HDR	\$9,746.43
31815	HDR	\$8,982.04
31826	Vanir Construction Management Inc.	\$5,985.00
		<u>\$27,853.47</u>

SOFTWARE AND EQUIPMENT

31725	Abila	\$292.04
31736	Seattle Boat Co.	\$2,582.57
31770	Abila	\$292.04
31781	Environmental Systems Research Inst.	\$1,060.67
31814	TeamLogic IT of Bellevue, WA	\$4,127.02
31821	Kelley Create	\$21,389.82
31827	Access Telephone Solutions, Inc.	\$971.70
		<u>\$30,715.86</u>

DESTROYED AND VOIDED CHECKS:

Total Warrants	\$1,575,490.47
Total Wires	\$6,857,296.00
<b>Total warrants/wire transfers authorized for September 2024</b>	<b>\$8,432,786.47</b>

Approved: \_\_\_\_\_ Date: \_\_\_\_\_  
Edward Cebon, Chief Economist/Treasurer

Approved: \_\_\_\_\_ Date: \_\_\_\_\_  
Mayor Mary Lou Pauly, Secretary/Treasurer

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

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
<b>Beginning Balances, August 1</b>	<b>\$ 12,335,649</b>	<b>\$ 12,762,420</b>	<b>\$ 12,272,659</b>	<b>\$ -</b>	<b>\$ 13,526,573</b>	<b>\$ 2,335,929</b>	<b>\$ -</b>	<b>\$ 53,233,229</b>
<b>Additions:</b>								
Cash received	\$ 9,238,909	\$ 48,886	\$ 22,925	\$ -	\$ 57,959	\$ 8,924	\$ -	\$ 9,377,604
Transfers from other Cascade funds	\$ -	\$ -	\$ 740,688	\$ -	\$ -	\$ -	\$ 170,225	\$ 910,913
<b>Total additions</b>	<b>\$ 9,238,909</b>	<b>\$ 48,886</b>	<b>\$ 763,613</b>	<b>\$ -</b>	<b>\$ 57,959</b>	<b>\$ 8,924</b>	<b>\$ 170,225</b>	<b>\$ 10,288,516</b>
<b>Subtractions:</b>								
Bank fees, payroll, and bond payments	\$ 1,076	\$ 935	\$ 1,354	\$ -	\$ 1,121	\$ 171	\$ 170,225	\$ 174,882
Warrants paid	\$ 667,430	\$ 9,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 677,177
Wire and other electronic payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (realized)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (retained)	\$ (54)	\$ (45)	\$ (25)	\$ -	\$ -	\$ (7)	\$ -	\$ (130)
Transfers to other Cascade funds	\$ 910,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 910,913
<b>Total subtractions</b>	<b>\$ 1,579,366</b>	<b>\$ 10,637</b>	<b>\$ 1,329</b>	<b>\$ -</b>	<b>\$ 1,121</b>	<b>\$ 164</b>	<b>\$ 170,225</b>	<b>\$ 1,762,842</b>
<b>Ending Balances, August 31, 2024</b>	<b>\$ 19,995,192</b>	<b>\$ 12,800,670</b>	<b>\$ 13,034,942</b>	<b>\$ -</b>	<b>\$ 13,583,410</b>	<b>\$ 2,344,689</b>	<b>\$ -</b>	<b>\$ 61,758,904</b>



BOARD OF DIRECTORS  
VIA HYBRID  
JULY 24, 2024

**1. CALL TO ORDER**

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

**2. ROLL CALL**

Board Members Present: City of Bellevue (Hamilton), City of Issaquah (Pauly), City of Kirkland (Sweet), City of Tukwila (McLeod), and Skyway Water and Sewer District (Ault)

Board Members Absent: City of Redmond (Birney), Sammamish Plateau Water & Sewer District (Warren)

Board Alternates Present: City of Bellevue (Stokes), City of Redmond (Nuevacamina), Sammamish Plateau Water & Sewer District (Hooshangi)

**3. PUBLIC COMMENT**

None.

**4. EXECUTIVE SESSION**

None.

**5. APPROVAL OF AGENDA**

**Motion by Mr. Hamilton and second by Mr. McLeod to approve the meeting agenda as presented. Motion carried unanimously (5-0).**

**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 June 26, 2024.
- 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 included in the Board packet.



- 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).

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

## **8. OTHER ACTION ITEMS**

- A. Motion to adopt Resolution No. 2024-10 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.

Melina Thung, Chief of Staff, said that Resolution No. 2024-10 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.

Staff responded to questions from Board Members.

**Motion by Mr. Ault and second by Ms. Pauly 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. Motion carried unanimously (5-0).**

## **9. STAFF PRESENTATIONS**

- A. Wholesale Contracts Status Update

Chuck Clark, Lead Contracts Negotiator, provided an update on the meetings with Seattle and Tacoma. There has been no change in SPU's position on wheeling. Cascade Members will meet with SPU staff to determine next steps. A contract with Tacoma is anticipated.

- B. 2025-2026 Budget and Rates

Chris Paulucci, Finance and Administration Manager, discussed the small changes to the Operations and Maintenance Budget, since the June presentation. No changes to the CIP budget, member rates or RCFC rates from the June presentation were noted.

## **10. COMMITTEE REPORTS**

- A. Executive Committee – no meeting held.
- B. Finance & Management Committee – Meeting held July 16, 2024. Meeting recap included in the Board Packet.
- C. Public Affairs Committee – no meeting held.
- D. Resource & Management Committee – Meeting held July 11, 2024. Meeting recap included in the Board Packet.

**11. NEW BUSINESS**

None.

**12. NEXT REGULAR MEETING**

The next regularly scheduled Board meeting will be held on August 28, 2024 at 3:30 p.m.

**13. ADJOURN**

The meeting was adjourned at 4:24 p.m.

APPROVED BY:

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Penny Sweet, Chair

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Angela Birney, Vice-Chair

## **AGENDA MEMORANDUM**

### **SUBJECT**

Motion to adopt Resolution No. 2024-15, approving a two-year extension of the independent supply production waiver.

### **BACKGROUND**

All members with independent supply have assigned production requirements in accordance with their water audits and the related water audit acceptance agreements with Cascade. This is consistent with Cascade's full supply commitment to those members, which is incremental to their independent water supply capacity. Cascade's supply planning relies on the availability of these independent supplies in the scheduling and sizing of capital facilities.

Cascade has waived independent production requirements since 2014, although they were informally waived or relaxed for an even longer period of time. At present, Cascade has ample contract water supply and independent production is not critical. Even during the drought conditions of 2015 and recent hot, dry summers, Cascade used less than 85% of its available capacity. While we now also have a temporary water block contract, this is only for about 0.5 mgd or less than 2% of our contract capacity. We continue to project a supply surplus for the short to mid-term. Given this, there is no need to require compliance with independent supply production benchmarks.

Cascade monitors its supply portfolio and its current and projected demands on an ongoing basis. In the future it may be necessary to require members to meet their production requirements as supply and demand move closer to a balance. Also, activation of the water shortage response plan would trigger a review of production requirements as a tool for reducing demand on impaired regional supplies.

This motion authorizes a two-year extension of the production requirement waiver. Staff recommends authorizing the extension.

### **OPTIONS**

1. Adopt Resolution No. 2024-15, approving a two-year extension of the independent supply production waiver.
2. Do not adopt Resolution No. 2024-15 and provide alternate direction to staff.

### **RECOMMENDED ACTION**

Adopt Resolution No. 2024-15, approving a two-year extension of the independent supply production waiver.

### **ATTACHMENTS**

Resolution 2024-15.



CASCADE WATER ALLIANCE  
RESOLUTION No. 2024-15

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,  
A WASHINGTON MUNICIPAL CORPORATION  
WAIVING FOR 2025 AND 2026 THE PRODUCTION REQUIREMENT FOR EACH MEMBER WITH  
INDEPENDENT SUPPLY PURSUANT TO CASCADE WATER ALLIANCE CODE 4.20, THE WATER AUDIT  
METHODOLOGY

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 the Cascade Board of Directors (“Board”) adopted the Water Audit Methodology by Resolution 2008-04 and amended by 2012-07 and 2014-03, now codified as Cascade Water Alliance Code (“CWAC”) 4.20, Appendix A, which provides in part:

During the development of its biennial budget under CWAC Chapter 5.55, the Board may elect to waive or reduce the independent supply production requirement for one or two years of the biennium.

WHEREAS, the Board wishes to waive the independent supply production requirements for the biennial budget period 2025 - 2026;

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

**Section 1. Waiver of Independent Supply Production Requirement.** Pursuant to CWAC 4.20, the Board ratifies the waiver of independent supply production requirement for each Member with Independent Supply from January 1, 2025, through December 31, 2026.

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

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a meeting thereof, held the 25th day of September 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 \_\_\_\_\_%

## AGENDA MEMORANDUM

### **SUBJECT**

Motion to adopt Resolution No. 2024-14, amending Chapter 5.60 of the Cascade Water Alliance Code and Resolutions 2019-15, 2015-01, 2014-17, 2012-07, 2012-04, 2011-02, 2010-22, and 2010-17.

### **BACKGROUND**

Cascade Water Alliance (“Cascade”) follows the policies governing contracting and purchasing adopted under Chapter 5.60 of the Cascade Water Alliance Code (“CWAC”).

In 2023, the Washington State Legislature adopted the following bills that modify public works contracting requirements and processes for municipal corporations, which require amendments to CWAC Chapter 5.60 for uniformity with state law:

- Senate Bill 5088: added references to contractor registration and licensing laws in public works and prevailing wages.
- Engrossed Substitute House Bill 1050: modified and expanded apprenticeship utilization requirements to municipal corporations and established that at least 15 percent of the labor hours be performed by apprentices on public works projects on contracts exceeding thresholds of \$2,000,000 in 2024 and to \$1,000,000 in 2028.
- Second Substitute Senate Bill 5268: adopted changes to increase both equity and efficiency in public works procurement, including streamlining the delivery of small public works projects, setting forth requirements for utilization of small businesses and businesses owned by women and minorities and allowing for direct contracting with small business, and allowing Cascade to utilize a statewide small works roster developed by the Department of Commerce through the Municipal Research and Services Center.

By adopting Resolution No. 2024-14, the Board would make the contracting and purchasing processes under CWAC 5.60.010 and 5.60.050 consistent with these recent changes to state law. The attached Annotated Proposed Amendments to Cascade Water Alliance Code Chapter 5.60 Contracting and Purchasing specifies those changes necessitated by this recent state legislation.

Additionally, Resolution No. 2024-14, revises CWAC 5.60.010, 5.60.040, 5.60.050, 5.60.060, and 5.60.080 to ensure consistency with existing provisions of state law concerning contracting and purchasing, provide helpful clarification on existing processes governing contracting and purchasing as adopted by the Board, update existing policies to reflect current practices, and provide for use of neutral pronouns. The attached Annotated Proposed Amendments to Cascade Water Alliance Code Chapter 5.60 Contracting and Purchasing provides explanation for each proposed amendment.

## **PROCUREMENT PROCESS**

None.

## **FISCAL IMPACT**

None.

## **OPTIONS**

1. Adopt Resolution No. 2024-14, amending Chapter 5.60 of the Cascade Water Alliance Code and Resolutions 2019-15, 2015-01, 2014-17, 2012-07, 2012-04, 2011-02, 2010-22, and 2010-17.
2. Do not adopt Resolution No. 2024-14 and provide alternate direction to staff.

## **RECOMMENDED ACTION**

Adopt Resolution No. 2024-14, amending Chapter 5.60 of the Cascade Water Alliance Code and Resolutions 2019-15, 2015-01, 2014-17, 2012-07, 2012-04, 2011-02, 2010-22, and 2010-17.

## **ATTACHMENT**

1. Proposed Resolution No. 2024-14.
2. Annotated Proposed Amendments to Cascade Water Alliance Code Chapter 5.60 Contracting and Purchasing.



CASCADE WATER ALLIANCE  
RESOLUTION No. 2024-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,  
A WASHINGTON MUNICIPAL CORPORATION, AMENDING CHAPTER 5.60 OF THE CASCADE WATER  
ALLIANCE CODE

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, (“the Act”) to provide water supply to its Members;

WHEREAS, by Resolution 2019-15; Resolution 2015-01; Resolution 2014-17; Resolution 2012-07; Resolution 2012-04; Resolution 2011-02; Resolution 2010-22; and Resolution 2010-17, the Cascade Board of Directors (“Board”) established procedures now codified within Chapter 5.60 of the Cascade Water Alliance Code (“CWAC”), related to contracting and purchasing; and

WHEREAS, in 2023, with the adoption of Senate Bill 5088, the Washington State Legislature added references to contractor registration and licensing laws in public works and prevailing wage, which requires amendments to CWAC Chapter 5.60 for uniformity with state law; and

WHEREAS, in 2023, with the adoption of Engrossed Substitute House Bill 1050, the Washington State Legislature modified and expanded apprenticeship utilization requirements to municipal corporations and established that at least 15 percent of the labor hours be performed by apprentices on public works projects on contracts exceeding thresholds of \$2,000,000 in 2024 and to \$1,000,000 in 2028, which requires amendments to CWAC Chapter 5.60 for uniformity with state law; and

WHEREAS, in 2023, with the adoption of Second Substitute Senate Bill (SSSB) 5268, the Washington State Legislature enacted changes to increase both equity and efficiency in public works procurement, including streamlining the delivery of small public works projects, and setting forth requirements for utilization of small businesses and businesses owned by women and minorities and allowing for direct contracting with small business, and require amendments to CWAC Chapter 5.60 to ensure consistency with state law; and

WHEREAS, SSSB 5268, permits Cascade to utilize a statewide small works roster developed by the Department of Commerce through the Municipal Research and Services Center; and



WHEREAS, the Board desires to adopt other amendments to CWAC Chapter 5.60 to ensure consistency with other provisions of state law concerning contracting and purchasing, to provide greater clarity or consistency in these contracting procedures, and to update adopted policies to reflect current practices;

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

**Section 1. Amendment of CWAC 5.60.010, Resolution 2012-07 § 46, and Resolution 2010-17.**

Portions of CWAC 5.60.010, Res. 2012-07 § 46, and Res. 2010-17, are amended as follows:

C. "Lowest responsible bidder" means: a contractor meeting the following criteria, in addition to price:

~~1. With respect to vendors, Cascade's selection of a vendor according to the following criteria, in addition to price:~~

~~a. Any preferences provided by law to Washington products and vendors;~~

~~b. The quality of materials, equipment, and supplies to be purchased;~~

~~c. The conformity of the materials, equipment, and supplies to the specifications;~~

~~d. The purposes for which the materials, equipment, and supplies are required;~~

~~e. The time for delivery of materials, equipment, and supplies;~~

~~f. The ability, capacity, and skill of the bidder to perform the contract or provide the service required and to do so within the time specified;~~

~~g. The character, integrity, reputation, judgment, experience, and efficiency of the bidder;~~

~~h. The quality of performance of previous Cascade contracts or services, if any;~~

~~i. The prior and current compliance of the bidder with laws relating to the contract or services; and~~

~~j. Such other relevant information as may be secured having a bearing on the decision to award the contract.~~

~~2. With respect to contractors, Cascade's selection of a contractor according to the following criteria, in addition to price:~~

a1. Whether, at the time of the submittal, the contractor has a certificate of registration in compliance with Chapter 18.27 RCW, a plumbing contractor license in compliance with chapter 18.106 RCW, an elevator contractor license in compliance with chapter 70.87 RCW, or an electrical contractor license in compliance with chapter 19.28 RCW, as required under the provisions of those chapters;

b2. Whether the contractor possesses a state unified business identifier number;

c3. Whether the contractor has industrial insurance coverage for the contractor's employees working in Washington as required by RCW Title 51, an employment security department number as required by RCW Title 50 and a state excise tax registration number as required by RCW Title 82, if applicable;

d4. Whether the contractor has been disqualified from bidding under RCW 39.06.010 or 39.12.065(3);

~~e. Until December 31, 2013, whether the contractor has violated RCW 39.04.0002 (relating to the provision of information regarding off-site, prefabricated, nonstandard, project-specific items produced under the terms of certain public works contracts and produced outside Washington) more than one time as determined by the Department of Labor and Industries;~~

~~f. For electrical and elevator contracts, whether the contractor is licensed to perform the work or service as required by RCW 39.06.010;~~

5. For a public works project subject to the apprenticeship utilization requirements in RCW 39.04.320, whether the contractor has been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under chapter 49.04 RCW for the one-year period immediately preceding the date of the bid solicitation;

6. Whether the contractor has received training on the requirements related to public works and prevailing wage under chapter 39.04 RCW and chapter 39.12 RCW;

7. Within the three-year period immediately preceding the date of the bid solicitation, whether the contractor has been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW;

g8. The ability, capacity, and skill of the contractor to perform the contract and perform it within the time specified;

h9. The character, integrity, reputation, judgment, experience, and efficiency of the contractor;

i10. The quality of performance of previous Cascade contracts, if any;

j11. The prior and current compliance of the contractor with laws relating to the contract; ~~and~~

k12. Such other relevant supplemental criteria as Cascade may adopt to determine bidder responsibility applicable to a particular project pursuant to RCW 39.04.350(2); ~~and~~

13. Any such other criteria specified in RCW 39.04.350 that bidders must meet to be considered a responsible bidder and qualified to be awarded a public works project.

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J. "Small business" shall have the same meaning as set forth in RCW 39.04.010(7).

**Section 2. Amendment of CWAC 5.60.040, Resolution 2012-07 § 49, and Resolution 2010-17.**

Portions of CWAC 5.60.040, Res. 2012-07 § 49, and Res. 2010-17, are amended as follows:

Architectural, landscape architectural, engineering and land surveying services as defined in RCW 39.80.020 (collectively, "professional services") shall be procured in accordance with Chapter 39.80 RCW as follows:

A. Cascade shall publish its need for professional services in advance concisely stating the general scope and nature of the work for which services are required. The notice should announce generally to the public Cascade's projected requirements for any category or type of professional services and should request that architectural, engineering or surveying firms submit a statement of qualifications and performance data. The notice should also provide the address of a representative of Cascade who can provide additional details. Cascade has two options:

1. Option 1: For each project, Cascade may publish an announcement on each occasion when professional services provided by a consultant are required by Cascade; or

2. Option 2: Cascade may announce generally to the public its projected requirements for any category or type of professional services. Cascade should receive qualifications from professionals at least annually to ensure that it is aware of all available professional services, in order to select the most qualified for each particular service. If Cascade has joined and/or enrolled in MRSC Rosters, ~~SPP Rosters~~, or any other substantially similar professional services roster provider, Cascade may rely on the professional services roster provider to satisfy this option.

B. Cascade shall evaluate the current statements of qualifications and performance data on file, together with those that may be submitted by other firms regarding the proposed work. To ensure proper evaluation of the submittals, evaluation criteria should be developed before receipt of the submittals. Following the evaluation, Cascade should invite one or more firms to meet with its officials to discuss the work and the relative

benefits of various methods of providing the desired services. Cascade shall then select the firm most highly qualified to provide the required services from among those firms. The price or cost of the service may not be considered by Cascade when determining which firm is the most highly qualified. Cascade ~~should~~ shall maintain a plan to ensure that women- and minority-owned firms and veteran-owned firms have the maximum opportunity to compete for and obtain the contract. The level of women- and minority-owned firms' and veteran-owned firms' participation should be consistent with their availability within the relevant professional community. Consistent with Initiative 200, passed in 1998, however, Cascade may not discriminate against or grant preferential treatment to individuals or groups based on race, sex, color, ethnicity, or national origin.

C. After the most highly qualified firm has been chosen, Cascade must negotiate a contract with that firm for the services at a price that it determines is fair and reasonable, considering the estimated value of the services to be rendered, as well as the scope, complexity and professional nature of the services required. If a satisfactory contract cannot be negotiated, then Cascade shall formally terminate the negotiations with that firm and attempt to negotiate a contract with the next most highly qualified firm. The process shall continue until an agreement is reached or the search is terminated.

D. Exceptions. Cascade need not comply with this procurement procedure when:

1. ~~The Cascade board~~ finds that an emergency requires immediate execution of the work involved; or

2. Cascade intends to contract for building engineering systems, which contract includes design elements, in which event Cascade must comply with the requirements of RCW 39.04.290 instead of Chapter 39.80 RCW. "Building engineering systems" are defined as those systems where contracts for the systems customarily have been awarded with a requirement that the contractor provide final approved specifications, including fire alarm systems, building sprinkler systems, pneumatic tube systems, extensions of heating, ventilation, or air conditioning control systems, chlorination and chemical feed systems, emergency generator systems, building signage systems, pile foundations, and curtain wall systems. For such contracts Cascade may either (a) use a competitive bidding process or request for proposals process where bidders are required to provide final specifications and a bid price for the design, fabrication, and installation of building engineering systems, with the final specifications being approved by an appropriate design, engineering, and/or public regulatory body; or (b) use a competitive bidding process where bidders are required to provide final specifications for the final design, fabrication, and installation of building engineering systems as part of a larger project with the final specifications for the building engineering systems portion of the project being approved by an appropriate design, engineering, and/or public regulatory body.

**Section 3. Amendment of CWAC 5.60.050 and Resolutions 2019-15 § 1; 2015-01 § 1; 2012-07 § 50; 2012-04 § 1; 2011-02 § 1; and Resolution 2010-17.**

Portions of CWAC 5.60.050, Res. 2019-15 § 1, Res. 2015-01 § 1, Res. 2012-07 § 50, Res. 2012-04 § 1, Res. 2011-02 § 1, and Res. 2010-17, are amended as follows:

A. Contract by Sealed Bid, When Necessary. A project having an estimated cost not to exceed the sums set forth in RCW 35.23.352(1), as determined by whether one or more trades or crafts are involved, may be contracted, awarded, and/or performed by Cascade or its delegate without competitive bid. Except as otherwise set forth below when using a small works roster or as otherwise authorized by statute in this section, any other public works contract or projects whose estimated cost exceeds these limits shall be by sealed bid in accordance with RCW 35A.40.210, 35.23.352 and CWAC 5.60.060.

B. Small Works Roster. As authorized by RCW 53.08.120(2)(c) and RCW 39.04.151 through RCW 39.04.152, Cascade may use a small works roster process for awarding public works contracts below an estimated cost as set forth in RCW 39.04.152. Contracts awarded off of a small works roster need not be advertised.

1. Statewide Small Works Rosters. Cascade may utilize the statewide small works roster(s) administered by the Municipal Research and Services Center ("MRSC Rosters") under RCW 39.04.151(2) or any other substantially similar shared small works roster service provider whether maintained electronically or not. Cascade's CEO is authorized to sign on behalf of Cascade any membership applications and/or interlocal agreements required in order to carry out this section.

2. Cascade Small Works Rosters. In addition to or in lieu of joining statewide or shared small works roster(s), Cascade staff may establish one or more small works rosters for different specialties, categories of anticipated work, or geographic areas served by contractors on the roster that have registered for inclusion on that particular roster. Establishment of the Cascade small works rosters shall comply with the requirements set forth in RCW 39.04.151(1)(a) through (f), as follows:

a. Cascade small works rosters shall consist of all responsible contractors who have requested to be on the list and, where required by law, are properly licensed or registered to perform such work in accordance with RCW 39.04.350.

b. Contractors desiring to be placed on Cascade small works rosters must indicate if they meet the definition of women and minority-owned business as described in RCW 39.19.030(7)(b), veteran-owned business as defined in RCW 43.60A.010, or small business as defined in RCW 39.04.010. Contractors on Cascade small works rosters must keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the appropriate agency as a condition of being placed on the roster and award of contract.

c. At least once a year, Cascade shall publish in a newspaper of general circulation and provide to the Washington State Office of Minority and Women's Business Enterprises directory of certified firms, the notice of the existence of the Cascade small works rosters and solicit contractors for inclusion such roster or rosters.

d. Responsible contractors will be added to an appropriate small works roster at any time they submit a written request and the necessary records.

e. Contractors on Cascade small works rosters must agree and be able to receive notifications and other communications via email.

f. Cascade may not break a project into units or construct a project by phases if done for the purposes of avoiding maximum dollar amounts set by RCW 39.04.152.

### 3. Process- Invitations to bid.

a. Invitation to bid. To ensure that a competitive price is established and to award a contract to the lowest responsible bidder, Cascade shall invite bids electronically from all registered contractors on the appropriate small works roster; or

b. Direct contract negotiation. To increase the utilization of small businesses, when the cost is below the threshold established in 39.04.152(4)(b), Cascade may invite direct contract negotiations from small businesses on the appropriate small works roster as follows:

i. If there are six or more appropriate contractors meeting the definition of small business on the applicable roster, Cascade must direct contract with one of those small businesses. When using direct contracting methods, Cascade must rotate through the appropriate contractors on the applicable small works roster and must utilize different contractors on different projects.

ii. If there are five or less appropriate contractors meeting the definition of small business on the applicable roster, Cascade may direct contract with any contractors on the applicable roster.

iii. Prior to using the direct contract method, Cascade staff shall establish a small, minority, women, and veteran-owned business utilization plan.

iv. When using the direct contract method, Cascade must notify the small, minority, women, or veteran-owned businesses on the applicable roster that the direct contract method will be utilized for a particular scope of work.

v. Cascade may not favor certain contractors on the appropriate small works roster by repeatedly awarding contracts without documented attempts to direct contract with other contractors on the appropriate small works roster.

c. Invitations for bids or direct contract negotiation shall include a general description of the scope and nature of the work to be performed, and when known, materials and equipment to be furnished.

d. After an award is made, the bids obtained shall be documented, publicly available, and available upon request.

e. At least once every year, Cascade shall post a list of the contracts awarded in the lobby of Cascade's office under the small works roster process. The list shall also include the contractors contacted for direct negotiation under this process. The list shall contain, at a minimum, the information required by RCW 39.04.200.

4. Rejection of Bids or Cancellation of Invitations. Cascade may reject all bids or cancel direct contract negotiations at the discretion of the Executive Director. The reason for rejection or cancellation must be included as part of the project file. A notice of rejection or cancellation shall be sent to all parties on the applicable roster or to the contractor invited to directly negotiate a contract and state briefly the reasons for cancellation.

~~Cascade may establish either a single general small works roster or separate small works rosters for different categories of anticipated work, to award contracts for public works with an estimated value in excess of the sums set forth in RCW 35.23.352(1), as determined by whether one or more trades or crafts are involved, and less than the cost set forth in RCW 39.04.155(1) (including sales and use taxes) using the process of RCW 39.04.155(2), except as provided in subsection (E) of this section, and only if Cascade elects to create and maintain its own small works roster, the process is as follows:~~

~~1. At least once a year, Cascade shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the roster or rosters and solicit the names of contractors for such roster or rosters.~~

~~2. The small works roster or rosters shall consist of all responsible contractors who have requested to be on the list.~~

~~3. Contracts awarded off of a small works roster need not be advertised.~~

~~4. Whenever Cascade proposes to contract for work using a small works roster, Cascade shall:~~

~~a. Solicit telephone or written quotations from, whenever possible, at least five contractors on the roster, to ensure that a competitive price is established. When the estimated value of the work is from \$150,000 to \$300,000 (including sales and use taxes), Cascade shall, in addition to soliciting quotations from at least five contractors, notify the remaining contractors on the roster that quotations are being sought;~~

~~b. Requests for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished; and~~

~~c. Cascade should ensure that women- and minority-owned firms and veteran-owned firms have the maximum opportunity to compete for and obtain the contract. The level of women- and minority-owned firms' and veteran-owned firms' participation should be consistent with their availability within the relevant professional community. Consistent with Initiative 200, passed in 1998, however, Cascade may not discriminate against or grant preferential treatment to individuals or groups based on race, sex, color, ethnicity, or national origin.~~

~~5. The contract shall be awarded to the lowest responsible bidder. Cascade may reject all quotations when the public interest will be served and shall include the reasons therefor in the records, which shall be open for public inspection.~~

~~6. Immediately after an award is made, an updated list of contracts awarded off of the small works roster shall be posted at Cascade's office. The list shall identify the contractor, the work performed, the date of the award, and the location where quotations are available for public inspection.~~

~~7. Cascade may cancel an invitation for bids. Each invitation for quotations shall state that the invitation may be canceled. The notice of cancellation shall identify the request for quotations and the reason for the cancellation. The notice shall be sent to all parties that have been provided with a copy of the request for quotations.~~

~~C. Limited Public Works Process. Cascade may award a public works contract valued at less than the cost set forth in RCW 39.04.155(3)(a) (including sales and use taxes) without bid as specified in CWAC 5.60.050(A) or by using the limited public works process of RCW 39.04.155(3) as follows:~~

~~1. Cascade shall solicit electronic or written quotations from at least three contractors listed on the applicable small works roster.~~

~~2. Awards shall be made to the lowest responsible bidder.~~

~~3. After an award is made, the quotations made shall be open to public inspection and available by electronic request.~~

~~4. Cascade shall attempt to make awards equitably among the contractors on the roster. Cascade shall maintain a list of the contractors contacted and awarded a contract under the limited works process during the previous 24 months, including name of the contractor, the contractor's registration number, the contract amount, the type of work performed and the date of award.~~

~~5. Cascade may waive the payment and performance bond requirements of Chapter 39.08 RCW and the retainage requirements of Chapter 60.28 RCW. However, Cascade shall retain the right of recovery against the contractor for any payments it makes on the contractor's behalf.~~

~~6. Cascade may use this limited public works process to solicit and award small works roster contracts to small businesses that are registered contractors with gross revenues under \$1,000,000 annually as reported on their federal tax return.~~

C. Apprenticeship Utilization. Contracts meeting the threshold requirements specified in RCW 39.04.320 shall require that no less than 15 percent of the labor hours performed by workers subject to prevailing wages employed by the contractor or its subcontractors be performed by apprentices enrolled in an apprenticeship training program approved or recognized by the Washington State Apprenticeship and Training Council. Cascade shall monitor apprenticeship utilization hours and report final apprenticeship utilization by final project acceptance using the Department of Labor and Industries Prevailing Wage Intents and Affidavits System. Contract specifications shall include apprenticeship utilization goals to be met, monetary incentives for meeting the goals, monetary



penalties for not meeting the goals, and an expected cost value to be included in the bid associated with meeting the goals. Cascade may adjust the requirements for apprentices in bid documents or reduce the apprenticeship hours during the contract if:

1. The apprenticeship requirement conflicts with state or federal funding conditions, or the conditions of any other grant or funding program;
2. An insufficient number of apprentices are available in the geographic region to meet the contract requirements;
3. The project involves a disproportionately high ratio of material costs to labor hours;
4. The contractor has demonstrated a good faith effort to comply with the requirements; or
5. Other criteria Cascade deems appropriate.

D. Exceptions. Cascade is authorized to enter into public works contracts without obtaining competitive bids or quotations in the event of an emergency. Cascade must duly enter of record a written finding of the existence of an emergency no later than two weeks following the award of the contract in accordance with RCW 39.04.280.

~~E. Shared Roster Service Providers. In addition to and in lieu of developing and maintaining any one or more small works rosters as authorized by subsection (B) of this section, Cascade may also join and/or enroll in MRSC Rosters, SPP Rosters or any other substantially similar shared small works roster service provider whether maintained electronically or not. Cascade is further authorized to develop and utilize procedures for soliciting, evaluating and awarding contracts from any of the above named shared roster service providers consistent with RCW 39.04.155. Cascade's CEO is authorized to sign on behalf of Cascade any Membership applications and/or interlocal agreements required in order to carry out this section.~~

~~EE. Performance and Payment Bonds – The successful bidder for public works shall furnish a payment and performance bond as required by RCW 39.08.010 from a bonding company licensed to do business in the state of Washington in the amount equal to the total amount of the contract; provided, however, that the bond amount may, at Cascade's option, be reduced or eliminated as authorized by applicable law and/or pro-rated according to project phase(s) or contract year.~~

**Section 4. Amendment of CWAC 5.60.060 and Resolutions 2017-17 § 1; 2012-07 § 51; 2010-22 § 1; and Resolution 2010-17.**

Portions of CWAC 5.60.060, Res. 2017-17 § 1, Res. 2012-07 § 51, Res. 2010-22 § 1, and Res. 2010-17, are amended as follows:

C. Bid Opening. Bids shall be opened publicly by Cascade's finance director or ~~his/her~~their designee at the time and place designated in the invitation for bids. The amount of each bid, and such other relevant information as Cascade's finance director deems appropriate, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.

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H. Award. The Chief Executive Officer shall submit to the Board only responsive bids deemed by Cascade's finance director or ~~his/her~~their designee to comply with the invitation for bids instructions, to meet the specifications and evaluation criteria set forth in the invitation for bids, and found by the finance director or ~~his/her~~their designee to be received from responsible bidders. The Board may award the bid to the lowest responsible bidder, or may reject all bids, in its discretion. Subject to the procedures set forth in subsection (G) of this section for a timely filed bid protest, Cascade may award the contract to the lowest responsible bidder at any time.

**Section 5. Amendment of CWAC 5.60.080 and Resolution 2010-17.**

Portions of CWAC 5.60.080 and Res. 2010-17 are amended as follows:

B. The chief executive officer shall have the authority to negotiate and approve amendments to contracts and change orders that amend:

1. The contract price; provided, that the amount of the contract plus the amount of any single amendment, change order, or series of amendments or change orders shall not exceed (a) the amounts specified in CWAC 5.60.020.C. ~~\$25,000~~ for contracts not requiring board approval, or (b) the board-authorized amount for contracts requiring board approval;

~~2. The time for performance by no more than 50 percent; or~~

~~3. Other terms and conditions of the contract; provided, that such modifications are within the scope of the contract as awarded.~~

C. The chief executive officer may delegate, in conjunction with a delegation of contract management authority, the chief executive officer's authority to negotiate and approve ~~amendments to contracts and~~ change orders pursuant to subsection (B) of this section.

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~~F. The chief executive officer shall inform the board of all contracts authorized or change orders approved under the authority of this section at the board meeting immediately following such authorization or approval.~~

**Section 6. Effect**

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

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 25th day of September 2024.

CASCADE WATER ALLIANCE

\_\_\_\_\_  
Penny Sweet, Chair

\_\_\_\_\_  
Attest – Ray Hoffman, Chief Executive Officer

\_\_\_\_\_  
Angela Birney, Vice Chair

\_\_\_\_\_  
Mary Lou Pauley, Secretary/Treasurer

Members

Yes \_\_\_\_\_

No \_\_\_\_\_

Demand Share

Yes \_\_\_\_\_%

No \_\_\_\_\_%

Include in CWAC?

Yes

No

Annotated Proposed Amendments to  
 Cascade Water Alliance Code  
 Chapter 5.60 CONTRACTING AND PURCHASING

**Chapter 5.60**

**CONTRACTING AND PURCHASING**

Sections:

- 5.60.010 Definitions.
- 5.60.020 Contract authority.
- 5.60.030 Materials, supplies and equipment – Other purchases.
- 5.60.040 Services.
- 5.60.050 Public works contracts.
- 5.60.060 Formal bid process.
- 5.60.070 Records.
- 5.60.080 Contract management.
- 5.60.090 Compliance with laws.

Prior legislation: Res. 2010-06.

**5.60.010 Definitions.**

A. “Contract” for purposes of this chapter means any written agreement creating a legal relationship between Cascade and another person or entity, or any amendment thereto.

B. “Emergency” means unforeseen circumstances beyond Cascade’s control that either:

1. Present a real, immediate threat to the proper performance of essential Cascade functions; or
2. Will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

C. “Lowest responsible bidder” means:

~~1. With respect to vendors, Cascade’s selection of a vendor according to the following criteria, in addition to price:~~

- ~~a. Any preferences provided by law to Washington products and vendors;~~
- ~~b. The quality of materials, equipment, and supplies to be purchased;~~
- ~~c. The conformity of the materials, equipment, and supplies to the specifications;~~
- ~~d. The purposes for which the materials, equipment, and supplies are required;~~
- ~~e. The time for delivery of materials, equipment, and supplies;~~
- ~~f. The ability, capacity, and skill of the bidder to perform the contract or provide the service required and to do so within the time specified;~~
- ~~g. The character, integrity, reputation, judgment, experience, and efficiency of the bidder;~~
- ~~h. The quality of performance of previous Cascade contracts or services, if any;~~
- ~~i. The prior and current compliance of the bidder with laws relating to the contract or services; and~~
- ~~j. Such other relevant information as may be secured having a bearing on the decision to award the contract.~~

~~2. With respect to contractors, Cascade’s selection of a contractor according to meeting the following criteria, in addition to price:~~

**Commented [RL1]:** Statutory requirements applicable to Cascade have changed since Cascade became a JMUSA.

**Commented [RL2]:** Revisions to incorporate with Legislative amendments. (SB 5088)

a1. Whether, at the time of the submittal, the contractor has a certificate of registration in compliance with Chapter 18.27 RCW, a plumbing contractor license in compliance with chapter 18.106 RCW, an elevator contractor license in compliance with chapter 70.87 RCW, or an electrical contractor license in compliance with chapter 19.28 RCW, as required under the provisions of those chapters;

b2. Whether the contractor possesses a state unified business identifier number;

e3. Whether the contractor has industrial insurance coverage for the contractor's employees working in Washington as required by RCW Title 51, an employment security department number as required by RCW Title 50 and a state excise tax registration number as required by RCW Title 82, if applicable;

e4. Whether the contractor has been disqualified from bidding under RCW 39.06.010 or 39.12.065(3);

5. For a public works project subject to the apprenticeship utilization requirements in RCW 39.04.320, whether the contractor has been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under chapter 49.04 RCW for the one-year period immediately preceding the date of the bid solicitation;

6. Whether the contractor has received training on the requirements related to public works and prevailing wage under chapter 39.04 RCW and chapter 39.12 RCW;

7. Within the three-year period immediately preceding the date of the bid solicitation, whether the contractor has been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW;

e. Until December 31, 2013, whether the contractor has violated RCW 39.04.0002 (relating to the provision of information regarding off-site, prefabricated, nonstandard, project-specific items produced under the terms of certain public works contracts and produced outside Washington) more than one time as determined by the Department of Labor and Industries;

f. For electrical and elevator contracts, whether the contractor is licensed to perform the work or service as required by RCW 39.06.010;

g8. The ability, capacity, and skill of the contractor to perform the contract and perform it within the time specified;

h9. The character, integrity, reputation, judgment, experience, and efficiency of the contractor;

i10. The quality of performance of previous Cascade contracts, if any;

j11. The prior and current compliance of the contractor with laws relating to the contract; ~~and~~

k12. Such other relevant supplemental criteria as Cascade may adopt to determine bidder responsibility applicable to a particular project pursuant to RCW 39.04.350(2); ~~and~~

13. Any such other criteria specified in RCW 39.04.350 that bidders must meet to be considered a responsible bidder and qualified to be awarded a public works project.

D. "Energy equipment and services" means energy management systems and any equipment, materials, or supplies that are expected, upon installation, to reduce the energy use or energy cost of an existing building or facility, and the services associated with the equipment, materials, or supplies including, but not limited to, design, engineering, financing, installation, project management, guarantees, operations, and maintenance. Reduction in energy use or energy cost may also include reductions in the use or cost of water, wastewater, or solid waste.

E. "Jurisdiction" for purposes of this chapter means the area where either Cascade or a project directed by Cascade is located.

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F. "Performance-based contract" means one or more contracts for water conservation services, solid waste reduction services, or energy equipment and services between a municipality and any other persons or entities, if the payment obligation for each year under the contract, including the year of installation, is either: (1) set as a percentage of the annual energy cost savings, water cost savings, or solid waste cost savings attributable under the contract; or (2) guaranteed by the other persons or entities to be less than the annual energy cost savings, water cost savings, or solid waste cost savings attributable under the contract. Such guarantee shall be, at the option of the municipality, a bond or insurance policy, or some other guarantee determined sufficient by the municipality to provide a level of assurance similar to the level provided by a bond or insurance policy.

G. "Water conservation" means reductions in the use of water or wastewater.

H. "Purchasing Policy" means a written policy approved by the Finance Director and adopted by Chief Executive Officer for the purchase of materials, equipment and supplies pursuant to CWAC 5.60.030.

I. "Public Work" has the same meaning as in RCW 39.04.010.

J. "Small business" shall have the same meaning as set forth in RCW 39.04.010(7). [Res. 2012-07 § 46; Res. 2010-17].

**5.60.020 Contract authority.**

A. The Board retains its authority with respect to contracts, except as specifically delegated herein; provided, that the Board may authorize Alternate delegations of authority in any resolution awarding a contract or in a resolution authorizing Cascade's participation with another government agency in a joint project.

B. Whenever a delegation of authority is limited by a not-to-exceed amount, that amount shall include sales and use taxes, unless specifically provided otherwise. The breaking down of any purchase or contract into units or phases for the purpose of avoiding the maximum dollar amount is prohibited. The amount of a contract shall include all amendments; provided, that an amendment may be entered into without prior Board approval so long as such amendment does not cause the contract to exceed any of the not-to-exceed amounts listed in subsection (C) of this section.

C. The Chief Executive Officer on behalf of Cascade may, without prior Board approval, negotiate and execute the following contracts; provided, that funds for such contracts are included in the Board-approved budget, and that Cascade's contractual liability does not exceed available fund balances:

1. Contracts for the purchase of goods, supplies, materials, postage or equipment, where the anticipated expenditure of Cascade is not to exceed \$50,000;
2. Professional and consulting service contracts, including contracts for architectural, engineering, and surveying services, where the anticipated expenditure of Cascade is not to exceed \$50,000;
3. Maintenance contracts, where the anticipated expenditure of Cascade is not to exceed \$50,000 per year;
4. Public works projects, where the anticipated expenditure of Cascade is not to exceed \$50,000;
5. Settlement agreements, where the anticipated expenditure of Cascade is not to exceed \$50,000;
6. Other routine agreements, not to exceed \$50,000;
7. Lease agreements for materials, supplies, and equipment, where the anticipated expenditure of Cascade is not to exceed \$50,000 per year;
8. Sale of surplus property;
9. Contracts or other documents necessary to implement resolutions of the Board (e.g., official statements, or bond underwriting and sale documents);

10. Emergency contracts, provided, that the Board is informed of the contract at the next regularly scheduled meeting; and

11. Execution of all instruments for the general business affairs and administration (including but not limited to office supplies and maintenance, utility services, insurance, furnishings and equipment).

D. Cascade shall reserve the right to reject any and all bids or quotes and shall include such a reservation of rights in every written invitation to bid or request for quotations or proposals. [Res. 2022-05 § 2; Res. 2015-09 § 1; Res. 2012-07 § 47; Res. 2010-17].

**5.60.030 Materials, supplies and equipment – Other purchases.**

A. A purchase of materials, supplies, or equipment unrelated to a Public Work shall be in accordance with the Purchasing Policy.

B. Vendor Lists. Cascade may on such intervals it deems appropriate develop and update a vendor list or participate in a shared vendor list maintained by another agency. If Cascade elects to maintain its own vendor list, it may publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the vendor list and solicit the names of vendors for the list. Cascade shall not be required to use a vendor list for any purchase of material, equipment or supply unrelated to a Public Work.

Cascade may purchase materials, supplies, or equipment unrelated to Public Works from suppliers designated on current state agency, county, city, or town purchasing rosters for the materials, supplies, or equipment.

C. Electronic Data Processing and Telecommunication Systems. The purchase of electronic data processing or telecommunication equipment, software or services may be made by competitive negotiations in accordance with RCW 39.04.270. Competitive negotiations shall include, as a minimum, the following requirements:

1. A request for proposal shall be prepared and submitted to an adequate number of qualified sources, as determined by Cascade in its discretion, to permit reasonable competition consistent with the requirements of the procurement. Notice of the request for proposal must be published at least once in a newspaper of general circulation within the jurisdiction at least 13 days before the last date upon which proposals will be received. The request for proposal shall identify significant evaluation factors (including price and relevant experience) and the relative importance of each factor.

2. Cascade shall provide reasonable procedures for the technical evaluation of the proposals received, the identification of qualified sources, and the award of the contract.

3. The award of the contract shall be made to the qualified bidder whose proposal is most advantageous to Cascade based on price, relevant experience and other factors of consideration. Cascade may reject any and all proposals for good cause and request new proposals.

D. Performance-Based Contracts for Energy Conservation, Solid Waste Reduction or Water Conservation. The purchase of energy equipment and services, solid waste reduction services or water conservation services may be made pursuant to a performance-based contract in accordance with Chapter 39.35A RCW as follows:

1. Cascade shall publish in advance in a newspaper of general circulation within the jurisdiction its requirements to procure energy equipment and services, solid waste reduction services or water conservation services under a performance-based contract.

2. The announcement must state concisely the scope and nature of the energy equipment and services, solid waste reduction services or water conservation services requested and shall encourage firms to submit proposals to meet these requirements.

3. Cascade shall negotiate a fair and reasonable performance-based contract with the firm that submits the best proposal. If Cascade is unable to negotiate a satisfactory contract with the firm selected at a fair and reasonable price, then Cascade shall formally terminate negotiations with that firm and shall select another firm in accordance with this subsection and continue the process until an agreement is reached or the process is terminated.

If Cascade chooses to negotiate a performance-based contract under this subsection, no otherwise applicable statutory or Cascade procurement requirement shall apply.

E. Intergovernmental Purchases. The purchase of materials, equipment, or supplies may be made on a city, state, or other governmental bid contract or cooperative purchasing arrangement if Cascade has previously entered into an interlocal agreement with such city, state, or other government in accordance with Chapter 39.34 RCW and if the city, state, or other government that awarded the bid, proposal, or contract complied with its own statutory requirements.

F. Auctions. Cascade may purchase materials, equipment or supplies in accordance with RCW 39.30.045 at auctions conducted by the government of the United States or any agency thereof, any agency of the state of Washington, any municipality or other government agency, or any private party without being subject to public bidding requirements if the items can be obtained at a competitive price.

G. Cascade is authorized to purchase materials, equipment, or supplies even if related to Public Works without obtaining competitive bids or quotations in accordance with RCW 39.04.280 as follows:

1. In the event of an emergency. Cascade must duly enter of record a written finding of the existence of an emergency no later than two weeks following the award of the contract.
2. When Cascade's finance director determines in writing, subject to the review of Cascade's attorney, after conducting a good faith review of available resources, that there is only one source of the required materials, supplies, or equipment. Cascade's finance director shall conduct negotiations, as appropriate, as to price, terms, and delivery time. Immediately after the award of a contract, the contract and the factual basis for the exception must be recorded and open to public inspection.
3. When special facilities or market conditions are present (e.g., when it is possible to procure obvious bargains in surplus or distress material, supplies or equipment and such items will be sold out before Cascade can complete the bidding process). Immediately after the award of a contract, the contract and the factual basis for the exception must be recorded and open to public inspection.
4. When purchasing insurance or bonds. Immediately after the award of a contract, the contract and the factual basis for the exception must be recorded and open to public inspection.
5. When the cost of the project is less than the amounts specified in RCW 35.23.352 and CWAC 5.60.050. [Res. 2012-07 § 48; Res. 2010-17].

**5.60.040 Services.**

Architectural, landscape architectural, engineering and land surveying services as defined in RCW 39.80.020 (collectively, "professional services") shall be procured in accordance with Chapter 39.80 RCW as follows:

A. Cascade shall publish its need for professional services in advance concisely stating the general scope and nature of the work for which services are required. The notice should announce generally to the public Cascade's projected requirements for any category or type of professional services and should request that architectural, engineering or surveying firms submit a statement of qualifications and performance data. The notice should also provide the address of a representative of Cascade who can provide additional details. Cascade has two options:

1. Option 1: For each project, Cascade may publish an announcement on each occasion when professional services provided by a consultant are required by Cascade; or
2. Option 2: Cascade may announce generally to the public its projected requirements for any category or type of professional services. Cascade should receive qualifications from professionals at least annually to ensure that it is aware of all available professional services, in order to select the most qualified for each particular service. If Cascade has joined and/or enrolled in MRSC Rosters, ~~SPP Rosters~~, or any other substantially similar professional services roster provider, Cascade may rely on the professional services roster provider to satisfy this option.

Commented [RL3]: SPP Rosters no longer exists



B. Cascade shall evaluate the current statements of qualifications and performance data on file, together with those that may be submitted by other firms regarding the proposed work. To ensure proper evaluation of the submittals, evaluation criteria should be developed before receipt of the submittals. Following the evaluation, Cascade should invite one or more firms to meet with its officials to discuss the work and the relative benefits of various methods of providing the desired services. Cascade shall then select the firm most highly qualified to provide the required services from among those firms. The price or cost of the service may not be considered by Cascade when determining which firm is the most highly qualified. Cascade ~~should~~ shall maintain a plan to ensure that women- and minority-owned firms and veteran-owned firms have the maximum opportunity to compete for and obtain the contract. The level of women- and minority-owned firms' and veteran-owned firms' participation should be consistent with their availability within the relevant professional community. Consistent with Initiative 200, passed in 1998, however, Cascade may not discriminate against or grant preferential treatment to individuals or groups based on race, sex, color, ethnicity, or national origin.

**Commented [RL4]:** Revisions to comply with Legislative changes (RCW 39.80.040)

C. After the most highly qualified firm has been chosen, Cascade must negotiate a contract with that firm for the services at a price that it determines is fair and reasonable, considering the estimated value of the services to be rendered, as well as the scope, complexity and professional nature of the services required. If a satisfactory contract cannot be negotiated, then Cascade shall formally terminate the negotiations with that firm and attempt to negotiate a contract with the next most highly qualified firm. The process shall continue until an agreement is reached or the search is terminated.

D. Exceptions. Cascade need not comply with this procurement procedure when:

1. ~~The Cascade board~~ finds that an emergency requires immediate execution of the work involved; or

**Commented [RL5]:** Revision to comport with RCW 39.80.060. Existing Code requires CEO to report all emergency contracts to Board.

2. Cascade intends to contract for building engineering systems, which contract includes design elements, in which event Cascade must comply with the requirements of RCW 39.04.290 instead of Chapter 39.80 RCW. "Building engineering systems" are defined as those systems where contracts for the systems customarily have been awarded with a requirement that the contractor provide final approved specifications, including fire alarm systems, building sprinkler systems, pneumatic tube systems, extensions of heating, ventilation, or air conditioning control systems, chlorination and chemical feed systems, emergency generator systems, building signage systems, pile foundations, and curtain wall systems. For such contracts Cascade may either (a) use a competitive bidding process or request for proposals process where bidders are required to provide final specifications and a bid price for the design, fabrication, and installation of building engineering systems, with the final specifications being approved by an appropriate design, engineering, and/or public regulatory body; or (b) use a competitive bidding process where bidders are required to provide final specifications for the final design, fabrication, and installation of building engineering systems as part of a larger project with the final specifications for the building engineering systems portion of the project being approved by an appropriate design, engineering, and/or public regulatory body. [Res. 2012-07 § 49; Res. 2010-17].

#### 5.60.050 Public works contracts.

A. Contract by Sealed Bid, When Necessary. A project having an estimated cost not to exceed the sums set forth in RCW 35.23.352(1), as determined by whether one or more trades or crafts are involved, may be contracted, awarded, and/or performed by Cascade or its delegate without competitive bid. Except as otherwise set forth ~~below~~ when using a small works roster or as otherwise authorized by statute in this section, any other public works contract or projects whose estimated cost exceeds these limits shall be by sealed bid in accordance with RCW 35A.40.210, 35.23.352 and CWAC 5.60.060.

**Commented [RL6]:** Clarifications only.

B. Small Works Roster. As authorized by RCW 53.08.120(2)(c) and RCW 39.04.151 through RCW 39.04.152, Cascade may use a small works roster process for awarding public works contracts below an estimated cost as set forth in RCW 39.04.152. Contracts awarded off of a small works roster need not be advertised.

1. Statewide Small Works Rosters. Cascade may utilize the statewide small works roster(s) administered by the Municipal Research and Services Center ("MRSC Rosters") under RCW 39.04.151(2) or any other substantially similar shared small works roster service provider whether maintained electronically or not. Cascade's CEO is authorized to sign on behalf of Cascade any membership applications and/or interlocal agreements required in order to carry out this section.

2. Cascade Small Works Rosters. In addition to or in lieu of joining statewide or shared small works roster(s), Cascade staff may establish one or more small works rosters for different specialties, categories of anticipated work, or geographic areas served by contractors on the roster that have registered for inclusion on that particular roster. Establishment of the Cascade small works rosters shall comply with the requirements set forth in RCW 39.04.151(1)(a) through (f), as follows:

a. Cascade small works rosters shall consist of all responsible contractors who have requested to be on the list and, where required by law, are properly licensed or registered to perform such work in accordance with RCW 39.04.350.

b. Contractors desiring to be placed on Cascade small works rosters must indicate if they meet the definition of women and minority-owned business as described in RCW 39.19.030(7)(b), veteran-owned business as defined in RCW 43.60A.010, or small business as defined in RCW 39.04.010. Contractors on Cascade small works rosters must keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the appropriate agency as a condition of being placed on the roster and award of contract.

c. At least once a year, Cascade shall publish in a newspaper of general circulation and provide to the Washington State Office of Minority and Women's Business Enterprises directory of certified firms, the notice of the existence of the Cascade small works rosters and solicit contractors for inclusion such roster or rosters.

d. Responsible contractors will be added to an appropriate small works roster at any time they submit a written request and the necessary records.

e. Contractors on Cascade small works rosters must agree and be able to receive notifications and other communications via email.

f. Cascade may not break a project into units or construct a project by phases if done for the purposes of avoiding maximum dollar amounts set by RCW 39.04.152.

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3. Process- Invitations to bid.

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a. Invitation to bid. To ensure that a competitive price is established and to award a contract to the lowest responsible bidder, Cascade shall invite bids electronically from all registered contractors on the appropriate small works roster; or

b. Direct contract negotiation. To increase the utilization of small businesses, when the cost is below the threshold established in 39.04.152(4)(b), Cascade may invite direct contract negotiations from small businesses on the appropriate small works roster as follows:

i. If there are six or more appropriate contractors meeting the definition of small business on the applicable roster, Cascade must direct contract with one of those small businesses. When using direct contracting methods, Cascade must rotate through the appropriate contractors on the applicable small works roster and must utilize different contractors on different projects.

ii. If there are five or less appropriate contractors meeting the definition of small business on the applicable roster, Cascade may direct contract with any contractors on the applicable roster.

iii. Prior to using the direct contract method, Cascade staff shall establish a small, minority, women, and veteran-owned business utilization plan.

iv. When using the direct contract method, Cascade must notify the small, minority, women, or veteran-owned businesses on the applicable roster that the direct contract method will be utilized for a particular scope of work.

Annotated Proposed Amendments to  
Cascade Water Alliance Code  
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v. Cascade may not favor certain contractors on the appropriate small works roster by repeatedly awarding contracts without documented attempts to direct contract with other contractors on the appropriate small works roster.

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c. Invitations for bids or direct contract negotiation shall include a general description of the scope and nature of the work to be performed, and when known, materials and equipment to be furnished.

d. After an award is made, the bids obtained shall be documented, publicly available, and available upon request.

e. At least once every year, Cascade shall post a list of the contracts awarded in the lobby of Cascade's office under the small works roster process. The list shall also include the contractors contacted for direct negotiation under this process. The list shall contain, at a minimum, the information required by RCW 39.04.200.

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4. Rejection of Bids or Cancellation of Invitations. Cascade may reject all bids or cancel direct contract negotiations at the discretion of the Executive Director. The reason for rejection or cancellation must be included as part of the project file. A notice of rejection or cancellation shall be sent to all parties on the applicable roster or to the contractor invited to directly negotiate a contract and state briefly the reasons for cancellation.

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Cascade may establish either a single general small works roster or separate small works rosters for different categories of anticipated work, to award contracts for public works with an estimated value in excess of the sums set forth in RCW 35.23.352(1), as determined by whether one or more trades or crafts are involved, and less than the cost set forth in RCW 39.04.155(1) (including sales and use taxes) using the process of RCW 39.04.155(2), except as provided in subsection (E) of this section, and only if Cascade elects to create and maintain its own small works roster, the process is as follows:

1. At least once a year, Cascade shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the roster or rosters and solicit the names of contractors for such roster or rosters.

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2. The small works roster or rosters shall consist of all responsible contractors who have requested to be on the list.

3. Contracts awarded off of a small works roster need not be advertised.

4. Whenever Cascade proposes to contract for work using a small works roster, Cascade shall:

a. Solicit telephone or written quotations from, whenever possible, at least five contractors on the roster, to ensure that a competitive price is established. When the estimated value of the work is from \$150,000 to \$300,000 (including sales and use taxes), Cascade shall, in addition to soliciting quotations from at least five contractors, notify the remaining contractors on the roster that quotations are being sought;

b. Requests for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished; and

c. Cascade should ensure that women- and minority-owned firms and veteran-owned firms have the maximum opportunity to compete for and obtain the contract. The level of women- and minority-owned firms' and veteran-owned firms' participation should be consistent with their availability within the relevant professional community. Consistent with Initiative 200, passed in 1998, however, Cascade may not discriminate against or grant preferential treatment to individuals or groups based on race, sex, color, ethnicity, or national origin.

5. The contract shall be awarded to the lowest responsible bidder. Cascade may reject all quotations when the public interest will be served and shall include the reasons therefor in the records, which shall be open for public inspection.

6. Immediately after an award is made, an updated list of contracts awarded off of the small works roster shall be posted at Cascade's office. The list shall identify the contractor, the work performed, the date of the award, and the location where quotations are available for public inspection.

Annotated Proposed Amendments to  
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~~7. Cascade may cancel an invitation for bids. Each invitation for quotations shall state that the invitation may be canceled. The notice of cancellation shall identify the request for quotations and the reason for the cancellation. The notice shall be sent to all parties that have been provided with a copy of the request for quotations.~~

~~C. Limited Public Works Process. Cascade may award a public works contract valued at less than the cost set forth in RCW 39.04.155(3)(a) (including sales and use taxes) without bid as specified in CWAC 5.60.050(A) or by using the limited public works process of RCW 39.04.155(3) as follows:~~

~~1. Cascade shall solicit electronic or written quotations from at least three contractors listed on the applicable small works roster.~~

~~2. Awards shall be made to the lowest responsible bidder.~~

~~3. After an award is made, the quotations made shall be open to public inspection and available by electronic request.~~

~~4. Cascade shall attempt to make awards equitably among the contractors on the roster. Cascade shall maintain a list of the contractors contacted and awarded a contract under the limited works process during the previous 24 months, including name of the contractor, the contractor's registration number, the contract amount, the type of work performed and the date of award.~~

~~5. Cascade may waive the payment and performance bond requirements of Chapter 39.08 RCW and the retainage requirements of Chapter 60.28 RCW. However, Cascade shall retain the right of recovery against the contractor for any payments it makes on the contractor's behalf.~~

~~6. Cascade may use this limited public works process to solicit and award small works roster contracts to small businesses that are registered contractors with gross revenues under \$1,000,000 annually as reported on their federal tax return.~~

~~C. Apprenticeship Utilization. Contracts meeting the threshold requirements specified in RCW 39.04.320 shall require that no less than 15 percent of the labor hours performed by workers subject to prevailing wages employed by the contractor or its subcontractors be performed by apprentices enrolled in an apprenticeship training program approved or recognized by the Washington State Apprenticeship and Training Council. Cascade shall monitor apprenticeship utilization hours and report final apprenticeship utilization by final project acceptance using the Department of Labor and Industries Prevailing Wage Intents and Affidavits System. Contract specifications shall include apprenticeship utilization goals to be met, monetary incentives for meeting the goals, monetary penalties for not meeting the goals, and an expected cost value to be included in the bid associated with meeting the goals. Cascade may adjust the requirements for apprentices in bid documents or reduce the apprenticeship hours during the contract if:~~

~~1. The apprenticeship requirement conflicts with state or federal funding conditions, or the conditions of any other grant or funding program;~~

~~2. An insufficient number of apprentices are available in the geographic region to meet the contract requirements;~~

~~3. The project involves a disproportionately high ratio of material costs to labor hours;~~

~~4. The contractor has demonstrated a good faith effort to comply with the requirements; or~~

~~5. Other criteria Cascade deems appropriate.~~

~~D. Exceptions. Cascade is authorized to enter into public works contracts without obtaining competitive bids or quotations in the event of an emergency. Cascade must duly enter of record a written finding of the existence of an emergency no later than two weeks following the award of the contract in accordance with RCW 39.04.280.~~

~~E. Shared Roster Service Providers. In addition to and in lieu of developing and maintaining any one or more small works rosters as authorized by subsection (B) of this section, Cascade may also join and/or enroll in MRSC Rosters,~~

**Commented [RL7]:** Revisions to incorporate with Legislative amendments (SSSB 5268)

**Commented [RL8]:** Additions to incorporate with Legislative amendments (HB 1050)

~~SPP Rosters or any other substantially similar shared small works roster service provider whether maintained electronically or not. Cascade is further authorized to develop and utilize procedures for soliciting, evaluating and awarding contracts from any of the above named shared roster service providers consistent with RCW 39.04.155. Cascade's CEO is authorized to sign on behalf of Cascade any Membership applications and/or interlocal agreements required in order to carry out this section.~~

**EF.** Performance and Payment Bonds – The successful bidder for public works shall furnish a payment and performance bond as required by RCW 39.08.010 from a bonding company licensed to do business in the state of Washington in the amount equal to the total amount of the contract; provided, however, that the bond amount may, at Cascade's option, be reduced or eliminated as authorized by applicable law and/or pro-rated according to project phase(s) or contract year.

[Res. 2019-15 § 1; Res. 2015-01 § 1; Res. 2012-07 § 50; Res. 2012-04 § 1; Res. 2011-02 § 1; Res. 2010-17].

**5.60.060 Formal bid process.**

A. Invitation for Bids. If a formal bid process is required pursuant to RCW 35A.40.210 or 35.23.352, then an invitation for bids shall be issued which shall state the contractual terms and conditions applicable to the procurement, including without limitation the criteria to be applied in determining the lowest responsible bidder.

B. Public Notice. Public notice of the invitation for bids shall be given at least 13 days before the date of bid opening. Such notice shall be published at least once in a newspaper of general circulation in the area within the jurisdiction. The public notice shall state generally the work to be done and shall call for the bids to be sealed and filed with Cascade on or before the date and time of bid opening. Any plans or specifications for such work shall be on file at the offices of Cascade and available for public inspection at the time of publication of the notice. Bids not received by the date and time stated for bid opening will not be accepted or considered.

C. Bid Opening. Bids shall be opened publicly by Cascade's finance director or ~~his/her~~ their designee at the time and place designated in the invitation for bids. The amount of each bid, and such other relevant information as Cascade's finance director deems appropriate, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.

D. Bid Bonds. Each bid shall be accompanied by a bid bond in an amount not less than five percent of the bid with a corporate surety licensed to do business in Washington State or such alternative bid security (i.e., cashier's check) as may be permitted by statute. Upon selection of a bidder, the bid bonds and/or security shall be returned to the bidders, except that of the successful bidder, which shall be retained until a contract is entered into for the work and a bond to perform such work furnished with sureties satisfactory to Cascade in the full amount of the contract price. Bid bonds may be waived, in Cascade's sole discretion, when using the process set forth in RCW 39.04.155.

E. Lowest Responsible Bidder. Unless Cascade elects to cancel or re-bid the procurement or rejects all bids, Cascade shall award the contract to the lowest responsible bidder based on such criteria as may be established by Cascade.

F. Correction or Withdrawal of Bids – Cancellation of Awards. Correction or withdrawal of erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be permitted by Cascade. Mistakes discovered before bid opening may be modified or the bid may be withdrawn by written notice received by the office designated in the invitation for bids prior to the time set for opening. After bid opening, corrections in or withdrawal of bids may be permitted only to the extent that the bidder can prove that a clerical or similar mistake was made and that the bid price actually intended can be determined solely from the bid documents. All decisions to permit the correction or withdrawal of bids after bid opening, or to cancel awards or contracts based on bid mistakes, shall be made by the Chief Executive Officer.

G. Bid Protest. Any bidder may file a written protest against award of the contract to the lowest responsible bidder within five business days after the bid opening. A protest submittal shall be delivered to Cascade at 520 112th Avenue NE, Suite 400, Bellevue, WA 98004 with the words "Bid Protest" prominently and clearly displayed on any outer cover containing the protest notice as well as the notice itself. The following minimum information must be included in the written protest notice: 1) the name, address and phone number (including area code) of the bidder; and 2) the bidder contact person's name and telephone number (including area code); and 3) a statement(s) describing the nature of the protest; and 4) the Cascade project title. If no notice is received by Cascade within five

business days after the bid opening, all eligible protesters will be considered to have waived their right to protest. Upon timely receipt of a protest, Cascade retains discretion to proceed as follows: (1) Suspend the award decision to allow consideration of the protest before award is made; or (2) Declare written notice of intent to award and wait a minimum of two full business days before entering into a contract. Written notice of intent to award may be issued by Cascade by public posting on Cascade's website, www.cascadewater.org.

H. Award. The Chief Executive Officer shall submit to the Board only responsive bids deemed by Cascade's finance director or ~~his/her/their~~ designee to comply with the invitation for bids instructions, to meet the specifications and evaluation criteria set forth in the invitation for bids, and found by the finance director or ~~his/her/their~~ designee to be received from responsible bidders. The Board may award the bid to the lowest responsible bidder, or may reject all bids, in its discretion. Subject to the procedures set forth in subsection (G) of this section for a timely filed bid protest, Cascade may award the contract to the lowest responsible bidder at any time. [Res. 2014-17 § 1; Res. 2012-07 § 51; Res. 2010-22 § 1; Res. 2010-17].

#### 5.60.070 Records.

A. Cascade's decisions, including the reasons therefor, with respect to (1) the rejection of quotations or bids, (2) the award of a contract to a contractor that does not have the lowest bid, (3) the award of a contract off of a small works roster, (4) an emergency purchase, or (5) the cancellation of a request for quotations or bids, shall be reduced to writing and maintained in Cascade's files.

B. All records pertaining to (1) an invitation for quotations or bids, (2) the award of a contract, or (3) the performance of a contract (collectively, "procurement records") shall be maintained in Cascade's files and shall be open to public inspection as required by law.

C. All procurement records shall be retained and disposed of by Cascade in accordance with state law and any resolutions adopted by Cascade. If a contract is being funded in whole or in part by assistance from a state or federal agency, then all procurement records pertaining to that contract shall be maintained in accordance with any applicable requirements of state or federal law. [Res. 2010-17].

#### 5.60.080 Contract management.

A. The chief executive officer shall be responsible for the management of all Cascade contracts, with authority to delegate contract management to Cascade employees or consultants in accordance with the chief executive officer's authority.

B. The chief executive officer shall have the authority to negotiate and approve amendments to contracts and change orders that amend:

1. The contract price; provided, that the amount of the contract plus the amount of any single amendment, change order, or series of amendments or change orders shall not exceed (a) the amounts specified in CWAC 5.60.020.C.\$25,000 for contracts not requiring board approval, or (b) the board-authorized amount for contracts requiring board approval;

~~2. The time for performance by no more than 50 percent; or~~

~~3. Other terms and conditions of the contract; provided, that such modifications are within the scope of the contract as awarded.~~

C. The chief executive officer may delegate, in conjunction with a delegation of contract management authority, the chief executive officer's authority to negotiate and approve amendments to contracts and change orders pursuant to subsection (B) of this section.

D. Delegations of authority under this resolution shall be strictly construed and, in case of ambiguity, a delegation shall be deemed not to have been authorized.

E. The chief executive officer shall administer, implement and enforce all contract terms and conditions; provided, however, that all decisions concerning litigation are reserved to the board.

**Commented [RL9]:** Changes to this section proposed to streamline administrative approval of contract amendments and change orders that stay within the dollar threshold of contracts either approved solely by the CEO or having already been approved by the Board.

Annotated Proposed Amendments to  
Cascade Water Alliance Code  
Chapter 5.60 CONTRACTING AND PURCHASING

~~F. The chief executive officer shall inform the board of all contracts authorized or change orders approved under the authority of this section at the board meeting immediately following such authorization or approval.~~ [Res. 2010-17].

**5.60.090 Compliance with laws.**

A. Federal Funds. When procurement involves the expenditure of federal funds, purchasing shall be conducted in accordance with any applicable federal laws or regulations.

B. Grants. When procurement involves the expenditure of a grant, purchasing shall be conducted in accordance with any applicable grant laws or regulations. [Res. 2010-17].

## **AGENDA MEMORANDUM**

### **SUBJECT**

Motion to adopt Resolution No. 2024-11, adopting the 2025 - 2026 Cascade Budget.

### **BACKGROUND**

Initial planning for the 2025 - 2026 Cascade Budget began in January 2024 with a review by the Board of the strategic plan and an update to work plans. Cascade developed an initial draft budget in March and from March to July refined the budget by incorporating feedback from the Finance Committee, Board, and member staff and including updated cost information.

At the March and April Finance and Management Committee meetings, the Committee discussed elements of the proposed budget that Cascade staff had developed and in May the Committee reviewed high-level variances from the last budget. At its Board meetings on June 26 and July 24, the Board held discussions about the proposed 2025 - 2026 budget. Member staff have received and discussed updated budget and rates information monthly since April 2024.

At today's Board meeting, the Board will consider three related resolutions:

- the 2025 - 2026 Cascade Budget (Resolution No. 2024-11),
- the 2025 - 2026 Rates and Charges (Resolution No. 2024-12), and
- the 2025 - 2026 Regional Capital Facility Charge (Resolution No. 2024-13).

This agenda memorandum addresses only Resolution No, 2024-11, Attachment 1. Attachment 2 to this memorandum summarizes the 2025 - 2026 Cascade budget and 2025 - 2026 rates and charges. The other two resolutions are discussed in separate agenda memoranda.

The 2025 - 2026 Cascade Budget identifies sources and amounts of anticipated revenue, allocates revenues to Cascade's five funds, and establishes the 2025 - 2026 expenditure authority (appropriation authority). Expenditures from the funds will support Cascade's anticipated activities during 2025 and 2026. A detailed 2025 - 2026 Cascade Budget document will be published and distributed following budget adoption.

As required by Cascade Water Alliance Code 5.55.020, Cascade adopts a biennial budget.

### **PROCUREMENT PROCESS**

Not Applicable.

### **FISCAL IMPACT**

The fiscal impact of the 2025 – 2026 Cascade Budget is described in Attachment 1, Resolution 2024-11.



## **OPTIONS**

1. Adopt Resolution No. 2024-11, adopting the 2025 - 2026 Cascade Budget.
2. Do not adopt Resolution No. 2024-11 and provide alternate direction to staff.

## **RECOMMENDED ACTIONS**

Adopt Resolution No. 2024-11, adopting the 2025 - 2026 Cascade Budget.

## **ATTACHMENT**

1. Proposed Resolution No. 2024-11.
2. 2025 - 2026 Cascade Budget and Member Rates Memorandum.



A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, A  
WASHINGTON MUNICIPAL CORPORATION,  
PROVIDING FOR A CASCADE WATER ALLIANCE BUDGET AND  
ADOPTING A BUDGET FOR 2025 AND A BUDGET FOR 2026

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, by Resolution 2010-08, the Board of Directors of Cascade (“Board”) established a two-year fiscal biennium budget that will consist of the adopted two consecutive annual budgets, which together shall be referred to as “the biennial budget” which will appropriate funds for two consecutive but non-transferrable years; and

WHEREAS, by Resolution No, 2018-13, the Board established that both years of the biennium will be adopted; and

WHEREAS, Cascade staff developed preliminary proposed annual budgets for 2025 and 2026 and made presentations to the Board at its June 26, and July 24, 2024 Board meetings; and

WHEREAS, the Board determined that it is reasonable, appropriate, consistent with applicable law, and Cascade’s Joint Municipal Utility Services Agreement, and in the best interests of Cascade to adopt two consecutive annual budgets, which together shall be referred to as “the biennial budget.”

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

**Section 1. 2025 Budget.**

A. Estimated Resources and Expenditures. The 2025 budget estimated resources and expenditure authority of the Cascade Water Alliance is hereby adopted as follows:

<b><i>Fund</i></b>	<b><i>2025 appropriation authority</i></b>
Operating	\$58,928,786
Water Supply Development	\$15,740,855
Rate Stabilization	\$2,431,205
Construction	\$28,260,228
Bond	\$20,214,853
<b>Total</b>	<b>\$125,575,927</b>

B. Staffing. 2025 staffing of the Cascade Water Alliance is hereby established as follows:

1. Chief Executive Officer	9. Finance and Administration Manager
2. Land Use Administrator	10. Water Resources Manager
3. Operations Manager	11. Engineering & Capital Projects Director
4. Chief of Staff	12. General Counsel
5. Contracts Administrator	13. TCP Planning Manager
6. Economist	14. TCP Project Executive
7. Intergovernmental & Communications Director	15. TCP Support Engineer
8. Management Assistant	16. Support Engineer

C. Budget Document. The Chief Executive Officer and the Finance and Administration Manager are hereby directed to prepare, by December 31, 2024, a final 2025 budget document to include, at a minimum, the following:

- Line-item expenditure and revenue detail
- Comparative tables with prior years' data
- Narrative description of budget activity
- Financial policies
- Capital Improvement Program project descriptions, including cost estimates and historic cost projections
- Cash flow and borrowing projections and assumptions
- Performance measures tied to Cascade's Strategic Plan
- Organization chart
- Staff salary schedule

**Section 2. 2026 Budget.**

A. Estimated Resources and Expenditures. The 2026 Budget estimated resources and expenditure authority of the Cascade Water Alliance is hereby adopted as follows:

<i><b>Fund</b></i>	<i><b>2026 appropriation authority</b></i>
Operating	\$57,891,383
Water Supply Development	\$17,796,414
Rate Stabilization	\$2,516,297
Construction	\$29,635,156
Bond	\$19,789,791
<b>Total</b>	<b>\$127,629,041</b>

B. Staffing. 2026 staffing of the Cascade Water Alliance is hereby established as follows:

1. Chief Executive Officer	9. Finance and Administration Manager
2. Land Use Administrator	10. Water Resources Manager
3. Operations Manager	11. Engineering & Capital Projects Director
4. Chief of Staff	12. General Counsel
5. Contracts Administrator	13. TCP Planning Manager
6. Chief Economist/Treasurer	14. TCP Project Executive
7. Intergovernmental & Communications Director	15. TCP Support Engineer
8. Management Assistant	16. Support Engineer

C. Budget document. The Chief Executive Officer and the Finance and Administration Manager are hereby directed to prepare, by December 31, 2024, a final 2026 budget document to include, at a minimum, the following:

- Line-item expenditure and revenue detail
- Comparative tables with prior years' data
- Narrative description of budget activity
- Financial policies
- Capital Improvement Program project descriptions, including cost estimates and historic cost projections
- Cash flow and borrowing projections and assumptions
- Performance measures tied to Cascade's Strategic Plan
- Organization chart
- Staff salary schedule

**Section 3. 2025 - 2030 Capital Improvement Program.**

The 2025 and 2026 budgets include the following Capital Improvement Program plan expenditures:

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

## Section 4. Fund Management Rules.

The 2025 and 2026 budgets include the following Fund Management Rules:

Fund / Purpose	Target (2025*)	Minimum (2025*)	Maximum (2025*)	Causes of Deviation	Response to Replenish Deficiency	Response to Draw Down Surplus
<b>Operating Fund</b> <i>Reserve to provide cash flow liquidity and cushion against budget deviation</i>	50 days of budgeted operating expense (\$5.5m) plus funding accruals for major cyclical expenses such as sediment removal and system plans (\$0.4m)	45 days of budgeted operating expense (\$4.9m) plus funding accruals for major cyclical expenses such as sediment removal and system plans (\$0.4m)	75 days of budgeted operating expense (\$8.2m) plus funding accruals for major cyclical expenses such as sediment removal and system plans (\$0.4m)	1) Variations in revenues, expenses or transfers 2) Rate Smoothing	Continue rate planning to target fund balance, contingent on 5-year rate smoothing (max. of 5 years to recover)	Budgeted transfers to construction fund, contingent on requirements for projected 5-year rate smoothing
<b>Rate Stabilization Fund</b> <i>Reserve to provide source of revenues to offset significant budget deviation and satisfy cash flow, coverage requirements</i>	5% of budgeted operating revenues (excluding RCFCs) (\$2.4m)	4% of budgeted operating revenues (excluding RCFCs) (\$1.9m)	7% of budgeted operating revenues (excluding RCFCs) (\$3.4m)	1) Fund earnings 2) Use of RSF 3) Delayed or reduced transfers from Operating Fund	Continue rate planning to target fund balance, contingent on 5-year rate smoothing (max. of 5 years to recover)	No additions to fund; if excess is projected for more than 5 years, budget transfer to construction (subject to meeting coverage policy)
<b>Construction Fund</b> <i>CIP funding and repository for bond proceeds until expended on projects</i>	No specific target except to provide adequate funds for ongoing construction projects and obligations (\$7.9m)	\$6.5m based on January capital payment due to TPU	Long-term CIP funding needs as determined by the Board	1) Project costs in excess of budget 2) Delay in bond proceeds or other funding sources	1) Transfer from WSDF, Operating or other funds 2) Debt issuance	1) Transfer to other funds including WSDF 2) Debt Retirement 3) Reduce capital funding from RCFCs
<b>Bond Fund: Reserve Account</b> <i>Comply with bond covenants and provide a safeguard against shortfall when payments are due</i>	Greater of maximum annual debt service and pool plus investments (\$4.0m)	Maximum annual debt service requiring reserve (\$3.0m)	Greater of maximum annual debt service and pool plus investments (\$4.0m)	Deficit in bond repayment draws down reserve account	Immediate transfer from Operating Fund	Transfer to Bond Debt Service Account
<b>Bond Fund: Debt Service Account</b> <i>Accumulate funds for scheduled bond principal and interest payments</i>	Accrued principal and interest on outstanding bonds (\$4.9m) (12/31/25)	Accrued principal and interest on outstanding bonds (\$4.9m) (12/31/25)	Accrued principal and interest on outstanding bonds (\$4.9m) (12/31/25)	Inadequate or delayed transfer of funds from Operating or other Funds	Immediate transfer from Operating or other Funds	Reduce transfers from Operating or other Funds until target restored
<b>Water Supply Development Fund (WSDF)</b> <i>Accumulate funds for major water supply projects to moderate rate impacts and meet debt/equity policies</i>	Determined by capital funding strategy for future supply projects (\$15.7m)	Determined by capital funding strategy for future supply projects (\$14.8m)	Determined by capital funding strategy for future supply projects	Inadequate or delayed transfer of funds, reduced earnings, or changes in fund targets	Budgeted increases in transfers from Operating and Construction Funds to meet capital funding strategy	Budgeted reductions in transfers from Operating and Construction Funds, transfers to other funds, or distribution to Members per resolution
* 2025 estimates are based on proposed 2025 budget and financial requirements as of September 3, 2024.						

**Section 5. Effect.**

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

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

No



**FINAL MEMORANDUM**

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DATE: July 15, 2024

TO: Cascade Member Agencies

FROM: Ed Cebron, Chief Economist/Treasurer  
 Andy Baker, Economist  
 Paula Anderson, Program and Policy Assistant

SUBJECT: Documentation of 2025 and 2026 Member Charges

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Based on the proposed budget and CIP and Board direction to pursue a Tacoma supply contract as the preferred supply strategy, general rate revenue increases of 3.5% are proposed for 2025 and for 2026. It is worth noting that these increases are lower than the increases needed for either the base case or SPU contract extension options.

These increases are primarily due to inflationary pressure, rate smoothing, and, in 2025, initiation of activities for the Tacoma supply pipeline. Under the preliminary project schedule, detailed system planning begins in 2025 and design efforts begin around 2027. Given this acceleration of direct expenditures to be funded from member charges and RCFCs, planned transfers to the WSDF have been reduced to reflect the direct outlays toward the project. The level of increases for this biennium remain consistent with or slightly below prior forecasts of member charges. Subsequently, the level of increases will increase as project activities and costs increase. At present, the forecast beyond this upcoming biennium projects two years of 4% annual increases followed by larger increases. These projections are premised on 3% cost escalation, and higher inflation could increase pressure for higher rate increases. At the same time, more detailed financial and system planning may provide opportunities to mitigate project cost impacts and reduce the projected rate path.

For the 2025/2026 budget period, two years of increases and rates have been developed. While the 2025 charges are fully reconciled with member demand history, the 2026 rates and charges are imposed based in part on estimates of 2024 demands and customer counts. For the 2026 fiscal year, a reconciliation of the imposed charges and actual costs will result in true-ups for individual Members. These true-ups will be calculated during 2025 once all related data are available, and applied in the 2027/2028 budget period. While altering individual member charges, the true-up amounts balance out for Cascade, and neither increase nor decrease the total amount collected.

In general, the 2024 true-up amounts were moderate except for major shifts in costs between Redmond and Bellevue. These shifts occurred due to restated water transfers, primarily between Redmond and Bellevue for multiple years. The result was both a significant true-up amount due from Redmond and a significant credit due to Bellevue, while in addition impacting projected payments. As a result, Redmond faces substantial member charge increases caused by both higher demand shares and payment of true-up amounts for 2024. The revisions generated from the true-up process have been separately documented and distributed, and have been through several rounds of review. Due to the large adjustments for these two members, the true-up amounts are proposed to be applied equally over two years rather than entirely in 2025.

We continue to separately report temporary water sales to Issaquah and the separation of Redmond into its two constituent enterprises: "City" and "Novelty Hill". The Issaquah temporary sale began in late 2021 and has a growing impact on demand shares

in 2025-2026. The Redmond revision is a modification that has no impact on Redmond's or other Member's charges; it simply separates the Member charges for the two Redmond water utility enterprises.

Any general system increase, such as the 2025 increase of 3.5%, does not translate to equal percentage increases for all Members, since Member charges are based on each agency's total customer base and actual water usage, which vary in both absolute and relative terms from year to year. In addition, the charges also include the true-up amounts calculated for fiscal year 2024, further altering relative Member charges.

The following information outlines the development of recommended charges for individual Members for 2025 and for 2026. It relies on information provided by SPU and by Member agencies related to water demand, water supply and customer base. For 2026, it also relies on Cascade assumptions regarding projected CERU count and wholesale demand for 2024; the methods used to estimate these are detailed below.

***Purpose:** This final memorandum provides documentation of the basis for proposed Member charges for 2025 and 2026. A preliminary memorandum was provided to all Members in May 2024 to provide input for budget and rate-making processes and to provide adequate time for review, evaluation and comment. This final memorandum reflects minor typographical corrections, and no changes to the draft 2025-2026 Member charges. A final memorandum will be issued after Board adoption of budget and member charges in the fall.*

### **Cascade Revenue Structure**

Cascade collects revenue from Members through four separate charges. These include:

- **Administrative Dues** are based on budgeted administrative costs for 2025 and 2026 and actual CERU counts as of January 1<sup>st</sup> of the previous year. For 2025, actual CERU counts are based on data reported by Members for year-end 2023. For 2026, estimated CERU counts add assumed Member CERU growth for 2024. These are based on the Cascade estimate of CERU total growth of 1,150 CERUs budgeted for 2024. This growth of 1,150 CERUs is then subjectively allocated to Members based on recent growth experience. The administrative dues are expressed in terms of a charge per CERU. Members pay Administrative Dues based on the number of CERUs that they serve. The contractual limit on administrative dues is 9% of total revenue requirements. For 2025, the charge is constrained by this limit while for 2026 the charge falls below this limit at 8.97%.
- **Conservation Charges** are also based on CERU counts for the two budget years. The 2025 and 2026 Conservation Charge reflect the budgeted conservation program for each year.
- **Demand Share Charges** are based on a rolling three-year demand history. Demand Share Charges account for the majority (roughly 85% to 90%) of Cascade's rate revenue and are solely based on actual historical data. For 2025, this is based on actual histories for 2021-2023. For 2026, the average incorporates estimated 2024 Member demands. These estimates are based on the most recent three-year average demand, adjusted for estimated changes in CERU demands and for estimated growth in Member customer base. Based on previous Board action, minimum demand shares are assigned for two agencies, Sammamish Plateau and Issaquah, and are applied in lieu of actual history if they exceed the related calculated value. For both years, these Members exceed the adopted minimum. *Note: The Board has adopted a resolution that reduces the minimum demand shares after the end of the 2024 fiscal year to 0.25 mgd for Issaquah and Sammamish Plateau. This amount is consistent with minimum flow requirements needed to maintain water quality in the Bellevue-Issaquah pipeline.*
- **Regional Capital Facilities Charges (RCFCs)** are charged based on reported growth in customer base. RCFCs are relatively volatile and are not relied on for Cascade operations. For 2025 and 2026, 100% of RCFCs will continue to be transferred to construction. This summary does not project RCFCs or establish payment obligations in advance of actual growth. While Cascade develops its budgets and plans based on expected connections, Members are not obligated to pay RCFCs except as growth actually occurs.



**Cascade Equivalent Residential Units (CERUs)**

Discussed in the Cascade JMUSA and the RCFC Methodology, the CERU is one of the key metrics that Cascade uses to allocate costs to its Members. CERUs are generally comparable to “residential equivalents” used by many water or sewer utilities and loosely reflect equivalent usage and demands for a typical single-family home. Per Table 1 of the Cascade RCFC Methodology, CERU counts are based on an inventory of water meters and flow equivalency factors established by the American Water Works Association. The 2025 charges are based on actual CERU counts as reported for the end of 2023. The 2026 charges are based on the estimated CERU count at the end of 2024. **Table 1** summarizes the calculation of 2025 and 2026 CERUs based on water meter counts as of 12/31/23 and estimated 2024 growth by Member:

**Table 1: CERU Calculations for 2025 and 2026 Charges**

Water Meter Size	Number of CERUs	Water Meter Counts as of 12/31/23 *								Total
		Redmond								
		Bellevue	Issaquah	Kirkland	Redmond CITY	NOVELTY HILL	SP Water	Skyway WD	Tukwila	
3/4" [incl. 5/8x3/4"]	1.0	33,027	8,006	11,303	12,690	3,310	17,661	3,266	1,385	90,648
1"	2.5	3,818	141	1,070	802	53	541	103	295	6,823
1.5"	5.0	2,216	468	550	1,203	85	775	38	334	5,669
2"	8.0	1,022	331	324	599	52	139	9	188	2,664
3"	16.0	204	40	53	75	5	27	8	39	451
4"	25.0	112	15	21	83	2	6	0	27	266
6"	50.0	40	3	0	12	1	0	0	18	74
8"	80.0	6	0	0	4	0	0	0	8	18
10"	115.0	1	0	0	0	0	0	0	3	4
<b>Total Number of Meters</b>		40,446	9,004	13,321	15,468	3,508	19,149	3,424	2,297	106,617
<b>Total Number of 2025 CERUs</b>		70,487.0	14,511.5	20,693.0	29,697.0	4,463.5	24,582.5	3,913.5	8,480.5	176,828.5
<b>Estimated CERU Growth in 2025</b>		270	125	180	290	10	245	10	20	1,150.0
<b>Total Number of 2026 CERUs</b>		70,757.0	14,636.5	20,873.0	29,987.0	4,473.5	24,827.5	3,923.5	8,500.5	177,978.5

\* - Exclude fire lines/meters and deduct meters; single-family residential combination domestic/fire meters are counted and shown one size lower than reported.

Several notes regarding the water meter and CERU counts shown in **Table 1**:

- Section 2.2 of the RCFC Methodology explicitly states that fire sprinkler and exempt/deduct meters are not counted as CERUs because they do not increase system demand. When reported as such by Members, dedicated fire meters are excluded from the CERU calculation.
- Section 2.3 requires Members to report total connected CERUs to Cascade on a quarterly basis for the purpose of collecting RCFCs, an administrative practice that has transitioned to monthly reporting of net additions or deletions of meters. Meters not actually connected to the water system are not counted as CERUs for administrative dues or conservation charges, even if RCFCs have been paid. Meters that are connected are counted as CERUs whether or not the account is active at the time of inventory (for example irrigation meters which are turned off in the winter season).
- Following RCFC audits conducted in 2018 and 2019, Cascade adopted revisions to its procedures for determining CERUs. A running total of meters and CERUs is now maintained and adjusted in response to Member reports of new or disconnected meters (typically monthly). This CERU count is now presented to Members each year for confirmation or proposed revision; absent any such response and resulting adjustment, the CERU count is used as accumulated through this process.
- Most Members report combined domestic/fire meters for single family residences. These meters are generally 1-inch or 1.5 inch meters that were oversized from 3/4-inch meters to provide fire flow capacity. When Members report combined residential domestic/fire meters, they are defined by CERU methodology to be based on an equivalent domestic meter requirement excluding fire sprinkler load. Absent specific documentation from the Member, they are adjusted assuming

that each such meter is oversized one incremental size to support fire flow. For example, a 1-inch meter is counted as a ¾-inch meter, a 1.5 inch meter as a 1 inch meter, etc. Members are requested to report both actual and equivalent sizes.

- The CERUs used for the adopted 2026 charges will be subject to reconciliation once actual 2024 year-end meter counts are confirmed by Members.

**Administrative Dues**

Administrative Dues are imposed on Members to recover the various administrative costs that Cascade incurs in its day-to-day operations – examples include salaries and benefits of administrative personnel, office space rental, legal costs, and public process. Members pay Administrative Dues annually according to the number of reported Cascade Equivalent Residential Units (CERUs) for the prior completed fiscal year at time of budgeting. Thus, for 2025 rates, the year-end 2023 CERU counts are used. For 2026 rates, the estimated 2024 CERU growth by Member is added to the year-end 2023 CERU counts to determine an estimated CERU count.

The Administrative Dues rate is derived for a given year by dividing that year’s projected administrative expenses by the total number of CERUs for Cascade Members (see Table 1). Beginning with 2021, the allocated budget has included an annual provision for accrual and use of reserves for the periodic Transmission and Supply Plan. This feature will smooth out this substantial cost over the TSP 10 year update cycle. Cascade manages its operating reserve to reflect the accrual and use of these funds.

Cascade policy constrains the amount that Cascade can collect in Administrative Dues – annual collections are limited to nine percent (9.0%) of the Member Charge revenue requirement. This constraint is binding in 2025 but not in 2026. **Table 2** shows the derivation of the 2025 and 2026 Administrative Dues rates:

**Table 2: Derivation of 2025 and 2026 Administrative Dues**

<b>Administrative Dues Rate Calculation</b>	<b>Existing 2024</b>	<b>2025</b>	<b>2026</b>
Projected Administrative Expenses:			
Wages	\$ 1,744,895	\$ 1,825,745	\$ 1,887,354
Professional services	\$ 468,555	\$ 519,000	\$ 526,000
Goods & services	\$ 839,420	\$ 996,886	\$ 1,037,442
Legal Services	\$ 560,000	\$ 660,000	\$ 660,000
Equipment	\$ 25,000	\$ 30,000	\$ 21,000
Travel	\$ 10,000	\$ 10,000	\$ 10,000
Miscellaneous	\$ 11,000	\$ 12,000	\$ 12,000
Contingency	\$ 150,000	\$ 150,000	\$ 150,000
Provision for TSP Accrual	\$ 60,000	\$ 107,000	\$ 62,343
<b>Total</b>	<b>\$ 3,868,870</b>	<b>\$ 4,310,631</b>	<b>\$ 4,366,139</b>
<i>as % of revenue requirement</i>	<i>8.50%</i>	<i>9.15%</i>	<i>8.95%</i>
Administrative Dues Revenue Cap	\$ 4,097,867	\$ 4,241,292	\$ 4,389,737
Applicable CERU Count	175,739	176,829	177,979
<i>Administrative Cost per CERU</i>	<i>\$ 22.01</i>	<i>\$ 24.38</i>	<i>\$ 24.53</i>
<b>Administrative Dues Rate per CERU</b>	<b>\$ 22.01</b>	<b>\$ 23.99</b>	<b>\$ 24.53</b>

**Table 3** shows the proposed 2025 and 2026 Administrative Dues payment for each Member:

**Table 3: 2025 and 2026 Administrative Dues Payments by Member**

<u>Administrative Dues</u>	<b>Existing 2024</b>	<b>2025</b>	<b>2026</b>
Bellevue	\$ 1,468,720	\$ 1,690,655	\$ 1,735,799
Issaquah	\$ 331,609	\$ 348,063	\$ 359,060
Issaquah <i>Temporary</i>	\$ -	\$ -	\$ -
Kirkland	\$ 428,889	\$ 496,329	\$ 512,053
Redmond CITY	\$ 610,021	\$ 712,293	\$ 735,636
Redmond NOVELTY HILL	\$ 93,481	\$ 107,059	\$ 109,743
Sammamish Plateau Water	\$ 515,619	\$ 589,620	\$ 609,064
Skyway WSD	\$ 81,497	\$ 93,867	\$ 96,251
Tukwila	\$ 176,715	\$ 203,408	\$ 208,533
<b>Total</b>	<b>\$ 3,706,551</b>	<b>\$ 4,241,292</b>	<b>\$ 4,366,139</b>

**Conservation Charges**

Conservation Charges were introduced in 2005 as a means of recovering the costs of Cascade’s conservation program. Like Administrative Dues, Conservation Charges are imposed on Members on a CERU basis. **Table 4** shows the derivation of the Conservation Charge for 2025 and 2026:

**Table 4: Derivation of 2025 and 2026 Conservation Charges**

<u>Conservation Charge Rate Calculation</u>	<b>Existing 2024</b>	<b>2025</b>	<b>2026</b>
Projected Conservation Expenses:			
Wages	\$ 181,254	\$ 201,895	\$ 208,890
Goods & services	\$ 220,500	\$ 220,500	\$ 220,500
Rebates	\$ 165,000	\$ 165,000	\$ 165,000
Professional Services	\$ 232,761	\$ 238,000	\$ 238,000
Legal Services	\$ 1,000	\$ 1,000	\$ 1,000
<b>Total</b>	<b>\$ 800,515</b>	<b>\$ 826,395</b>	<b>\$ 833,390</b>
Applicable CERU Count	175,739	176,829	177,979
<b>Conservation Charge per CERU</b>	<b>\$ 4.56</b>	<b>\$ 4.67</b>	<b>\$ 4.68</b>

**Table 5** shows the 2025 and 2026 Conservation Charge payments for each Member:

**Table 5: 2025 and 2026 Conservation Charge Payments by Member**

<u>Conservation Charges</u>	<b>Existing 2024</b>	<b>2025</b>	<b>2026</b>
Bellevue	\$ 317,204	\$ 329,416	\$ 331,322
Issaquah	\$ 71,619	\$ 67,818	\$ 68,536
Issaquah <i>Temporary</i>	\$ -	\$ -	\$ -
Kirkland	\$ 92,628	\$ 96,707	\$ 97,738
Redmond CITY	\$ 131,748	\$ 138,787	\$ 140,415
Redmond NOVELTY HILL	\$ 20,189	\$ 20,860	\$ 20,947
Sammamish Plateau Water	\$ 111,360	\$ 114,885	\$ 116,256
Skyway WSD	\$ 17,601	\$ 18,289	\$ 18,372
Tukwila	\$ 38,166	\$ 39,633	\$ 39,804
<b>Total</b>	<b>\$ 800,515</b>	<b>\$ 826,395</b>	<b>\$ 833,390</b>

## Demand Share Charges

The Demand Share Charge recovers costs that are not otherwise recovered through the other Member Charges or other sources of revenue. It is computed by dividing the Demand Share cost basis by the number of Demand Shares. A Member's Demand Share in a given year is based on a three-year rolling average – the 2024 calculations are based on data from 2021 – 2023 as the three most recently completed years. Each Member's Demand Share is initially established as the greater of:

- Average daily demand (in mgd) from Cascade during the peak season (June 1 – September 30)
- Average daily demand (in mgd) from Cascade for the entire calendar year

Two agencies have minimum demand shares assigned based on Board action: Sammamish Plateau at 1.0 mgd and Issaquah at 0.75 mgd. These decline to 0.25 mgd each beginning in 2025. At present, both agencies exceed minimum demand shares.

**Table 6** provides a summary of actual wholesale water demands for the three years 2021-2023, and an estimated wholesale water demand for 2024. It summarizes total annual, peak season, and peak month demands. The peak month demands are purely informational and are not used to determine Cascade charges. The estimated 2024 demand is derived from the three-year rolling average for 2021-2023. This value is adjusted downward to reflect ongoing trends in CERU water efficiency, and then adjusted upward to reflect the addition of CERUs to the customer base (essentially 2 years of growth to adjust from 2022, the midpoint of the three-year average, to 2024).

In developing this summary, transfers among Members are recognized as adjustments. The reported volumes for delivery of water to the Rose Hill area serving Kirkland, Redmond and Bellevue are originally reported from Seattle to Cascade as Kirkland volume, and then allocated among these Members based on a Member-provided allocation. In that allocation, reported volumes were adjusted by the Members to conform to Seattle meter reads. Also, metered deliveries from Seattle are typically based on meter reads occurring near the 20<sup>th</sup> of each month. Peak season usage for June through September is pro-rated based on days contained in each month to estimate actual usage within the four month period. For example, a bill based on a June 20 meter read that follows a May 20 meter read would be allocated 11/31 to May and 20/31 to June. This is primarily relevant for the June 1 and September 30 endpoints of the peak summer season used to determine demand shares. Other Member reports of production and transfers are assumed to be reported on a calendar month basis and are not adjusted, unless otherwise documented by the Member. Peak month usage is informational only and is simply the highest reported month of system demand.

Beginning in October 2021, Issaquah began taking temporary water under a temporary water contract. This contract provides a block of water at reduced cost to offset the impact of removing wells from service. Due to its occurrence in the off-peak season, the usage in 2021 has no impact on Issaquah's demand shares or resulting charges. Usage in 2022 and 2023 results in demand shares based on the discounted pricing, and Issaquah volumes must be adjusted to separate regular and temporary demands. The discounted temporary block is contingent on a commensurate reduction in well production. This is monitored and audited by verifying that total Issaquah well production has correspondingly declined, as provided in contract. If or to the degree that production exceeds threshold levels, the discounted block is correspondingly reduced, shifting this usage back to the basis for full cost water. This has occurred in both 2022 and 2023, although only to a modest amount in 2023. Temporary water deliveries and the derivation of related demand shares are now separately documented in the Appendix to this report.

**Table 6: Three Year History of Member Wholesale Demands 2021-2023 and 2024 Estimated Demand  
(Used to Determine 2025 and 2026 Demand Shares)**

Annual Water Demand	CCF				MGD			
	2021	2022	2023	est. 2024	2021	2022	2023	est. 2024
1 Bellevue	7,373,430	6,930,088	6,961,642	7,073,446	15.11	14.16	14.27	14.50
2 Issaquah	638,987	672,311	816,297	716,812	1.31	1.37	1.67	1.47
2A Issaquah Temporary	-	181,174	224,465	224,465	-	0.37	0.46	0.46
3 Kirkland	1,926,471	1,906,226	1,987,965	1,956,608	3.95	3.90	3.72	3.72
4 Redmond CITY	1,730,595	2,002,492	1,833,806	1,920,744	3.55	4.10	3.76	3.94
4A Redmond NOVELTY HILL	394,092	377,829	389,474	384,004	0.81	0.77	0.80	0.79
5 Sammamish Plateau Water	669,747	596,494	605,235	634,151	1.37	1.22	1.24	1.30
6 Skyway WSD	172,297	161,613	158,483	164,648	0.35	0.33	0.32	0.34
7 Tukwila	910,465	877,242	962,514	914,499	1.87	1.79	1.97	1.87
<b>Total</b>	<b>13,816,084</b>	<b>13,705,468</b>	<b>13,939,880</b>	<b>13,989,377</b>	<b>28.3</b>	<b>28.0</b>	<b>28.6</b>	<b>28.7</b>

Peak Season Water Demand	CCF				MGD			
	2021	2022	2023	est. 2024	2021	2022	2023	est. 2024
1 Bellevue	3,371,485	3,054,561	3,166,534	3,192,330	20.67	18.73	19.41	19.57
2 Issaquah	289,462	306,462	266,324	291,581	1.77	1.88	1.63	1.79
2A Issaquah Temporary	-	49,871	109,583	114,171	-	0.31	0.67	0.70
3 Kirkland	925,434	865,717	931,178	915,503	5.67	5.31	5.71	5.61
4 Redmond CITY	883,903	928,886	958,279	954,512	5.42	5.70	5.88	5.85
4A Redmond NOVELTY HILL	203,898	188,454	200,507	196,000	1.25	1.16	1.23	1.20
5 Sammamish Plateau Water	240,002	223,510	183,348	221,392	1.47	1.37	1.12	1.36
6 Skyway WSD	67,101	58,209	59,888	62,148	0.41	0.36	0.37	0.38
7 Tukwila	409,026	373,009	391,268	390,505	2.51	2.29	2.40	2.39
<b>Total</b>	<b>6,390,310</b>	<b>6,048,679</b>	<b>6,266,911</b>	<b>6,338,142</b>	<b>39.2</b>	<b>37.1</b>	<b>38.4</b>	<b>38.9</b>

Peak Month Water Demand	CCF				MGD			
	2021	2022	2023	est. 2024	2021	2022	2023	est. 2024
1 Bellevue	992,753	878,805	889,978	928,501	23.95	21.20	21.47	22.40
2 Issaquah	83,269	100,291	76,751	88,874	2.01	2.42	1.85	2.14
2A Issaquah Temporary	-	14,483	31,823	33,155	-	0.35	0.77	0.80
3 Kirkland	256,092	263,872	257,224	264,183	6.18	6.37	6.21	6.37
4 Redmond CITY	281,939	286,850	278,019	294,249	6.80	6.92	6.71	7.10
4A Redmond NOVELTY HILL	62,665	59,373	58,414	60,256	1.51	1.43	1.41	1.45
5 Sammamish Plateau Water	76,317	60,998	47,626	64,018	1.84	1.47	1.15	1.54
6 Skyway WSD	19,027	16,347	15,964	17,421	0.46	0.39	0.39	0.42
7 Tukwila	111,202	104,821	102,391	107,127	2.68	2.53	2.47	2.58
<b>Total</b>	<b>1,883,263</b>	<b>1,785,838</b>	<b>1,758,190</b>	<b>1,857,785</b>	<b>45.4</b>	<b>43.1</b>	<b>42.4</b>	<b>44.8</b>

Table 7 summarizes the 2025 and 2026 Demand Share calculations (more detailed calculations for each Member are attached as an appendix):

**Table 7: 2025 and 2026 Demand Share Calculations**

Member	2024 Actual		2025 Actual		2026 Estimated	
	Demand Share (MGD)	% of Total	Demand Share (MGD)	% of Total	Demand Share (MGD)	% of Total
Bellevue	19.4800	53.1%	19.6045	51.6%	19.2384	51.0%
Issaquah	1.6909	4.6%	1.7622	4.6%	1.7665	4.7%
Issaquah Temporary	0.0467	0.1%	0.0876	0.2%	0.1809	0.5%
Kirkland	5.4027	14.7%	5.5637	14.6%	5.5434	14.7%
Redmond CITY	4.8560	13.2%	5.6633	14.9%	5.8076	15.4%
Redmond NOVELTY HILL	1.1571	3.2%	1.2116	3.2%	1.1955	3.2%
Sammamish Plateau Water	1.3205	3.6%	1.3220	3.5%	1.2840	3.4%
Skyway WSD	0.3949	1.1%	0.3785	1.0%	0.3684	1.0%
Tukwila	2.3047	6.3%	2.3979	6.3%	2.3600	6.3%
<b>Total</b>	<b>36.6533</b>	<b>100.0%</b>	<b>37.9912</b>	<b>100.0%</b>	<b>37.7446</b>	<b>100.0%</b>

Note: "2024 Actual" differs from the basis for budgeted 2024 charges, reflecting actual rather than estimated 2020 demands. These demand shares have been used to establish a true-up of 2024 charges and related 2025-26 surcharges and credits.

Table 8 shows the Demand Share Charge calculation for 2025 and 2026:

**Table 8: Derivation of 2025 and 2026 Demand Share Charge**

<b><u>Demand Share Charge Calculation</u></b>	<b>Existing 2024</b>	<b>2025</b>	<b>2026</b>
Total Prior-Year Member Charge Revenue Excluding RCFCs	\$44,551,716	\$45,531,854	\$47,125,469
Planned Member Charge Revenue Adjustment	2.20%	<b>3.50%</b>	<b>3.50%</b>
Projected Member Charge Revenue	\$45,531,854	\$47,125,469	\$48,774,860
Less: Projected Administrative Dues	\$ (3,706,551)	\$ (4,241,292)	\$ (4,366,139)
Less: Projected Conservation Charges	\$ (800,515)	\$ (826,395)	\$ (833,390)
Demand Share Cost Basis	\$41,024,788	\$42,057,781	\$43,575,332
Projected Demand Share Basis (MGD)	36.6533	37.9912	37.7446
<b>Demand Share Charge</b>	<b>\$1,119,265</b>	<b>\$1,107,039</b>	<b>\$1,154,478</b>
<b>Corresponding Charge Per Demand Share %</b>	<b>\$410,248</b>	<b>\$420,578</b>	<b>\$435,753</b>

Table 9 shows the 2025 and 2026 Demand Share Charge payments for each Member.

**Table 9: 2025 and 2026 Demand Share Charges By Member**

<b><u>Demand Share Charges</u></b>	<b>Existing 2024</b>	<b>2025</b>	<b>2026</b>
	<b>Total Payment</b>	<b>Total Payment</b>	<b>Total Payment</b>
Bellevue	\$ 21,803,317	\$ 21,702,955	\$ 22,210,269
Issaquah	\$ 1,892,544	\$ 1,950,811	\$ 2,039,408
Issaquah <i>Temporary</i>	\$ 52,232	\$ 96,945	\$ 208,851
Kirkland	\$ 6,047,052	\$ 6,159,197	\$ 6,399,700
Redmond - CITY	\$ 5,435,113	\$ 6,269,469	\$ 6,704,726
Redmond - NOVELTY HILL	\$ 1,295,065	\$ 1,341,328	\$ 1,380,173
Sammamish Plateau Water	\$ 1,477,987	\$ 1,463,503	\$ 1,482,309
Skyway WSD	\$ 441,952	\$ 419,006	\$ 425,276
Tukwila	\$ 2,579,525	\$ 2,654,567	\$ 2,724,621
<b>Total</b>	<b>\$ 41,024,787</b>	<b>\$ 42,057,781</b>	<b>\$ 43,575,333</b>

**Total Member Charges**

Table 10 summarizes the Total 2025 and 2026 Member Charges for each Member.

**Table 10: Summary of 2025 and 2026 Member Charges**

2024 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total 2024 Charges	2022 True-up (50%)	Total Payments
Bellevue	\$ 1,468,720	\$ 317,204	\$ 21,803,317	\$ 23,589,241	\$ 50,549	\$ 23,639,790
Issaquah	\$ 331,609	\$ 71,619	\$ 1,892,544	\$ 2,295,772	\$ (13,131)	\$ 2,282,641
Issaquah Temporary	\$ -	\$ -	\$ 52,232	\$ 52,232	\$ -	\$ 52,232
Kirkland	\$ 428,889	\$ 92,628	\$ 6,047,052	\$ 6,568,569	\$ 66,991	\$ 6,635,560
Redmond CITY	\$ 610,021	\$ 131,748	\$ 5,435,113	\$ 6,176,882	\$ (104,976)	\$ 6,071,906
Redmond NOVELTY HILL	\$ 93,481	\$ 20,189	\$ 1,295,065	\$ 1,408,735	\$ (23,539)	\$ 1,385,196
Sammamish Plateau Water	\$ 515,619	\$ 111,360	\$ 1,477,987	\$ 2,104,966	\$ 48,118	\$ 2,153,084
Skyway Water & Sewer District	\$ 81,497	\$ 17,601	\$ 441,952	\$ 541,050	\$ 2,103	\$ 543,153
Tukwila	\$ 176,715	\$ 38,166	\$ 2,579,525	\$ 2,794,406	\$ (26,113)	\$ 2,768,293
<b>Total</b>	<b>\$ 3,706,551</b>	<b>\$ 800,515</b>	<b>\$ 41,024,787</b>	<b>\$ 45,531,853</b>	<b>\$ 2</b>	<b>\$ 45,531,855</b>

2025 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total 2025 Charges	Increase Over 2024 Charges	2024 True-up (50%)	Total Payments	Increase Over 2024 Payments With 2024 True-up
Bellevue	\$ 1,690,655	\$ 329,416	\$ 21,702,955	\$ 23,723,026	0.57%	\$ (221,035)	\$ 23,501,991	-0.58%
Issaquah	\$ 348,063	\$ 67,818	\$ 1,950,811	\$ 2,366,692	3.09%	\$ 7,592	\$ 2,374,284	4.01%
Issaquah Temporary	\$ -	\$ -	\$ 96,945	\$ 96,945	85.60%	\$ (12,315)	\$ 84,630	62.03%
Kirkland	\$ 496,329	\$ 96,707	\$ 6,159,197	\$ 6,752,233	2.80%	\$ (13,971)	\$ 6,738,263	1.55%
Redmond CITY	\$ 712,293	\$ 138,787	\$ 6,269,469	\$ 7,120,549	15.28%	\$ 244,435	\$ 7,364,984	21.30%
Redmond NOVELTY HILL	\$ 107,059	\$ 20,860	\$ 1,341,328	\$ 1,469,247	4.30%	\$ 4,105	\$ 1,473,352	6.36%
Sammamish Plateau Water	\$ 589,620	\$ 114,885	\$ 1,463,503	\$ 2,168,008	2.99%	\$ 4,846	\$ 2,172,854	0.92%
Skyway Water & Sewer District	\$ 93,867	\$ 18,289	\$ 419,006	\$ 531,162	-1.83%	\$ (7,002)	\$ 524,160	-3.50%
Tukwila	\$ 203,408	\$ 39,633	\$ 2,654,567	\$ 2,897,608	3.69%	\$ (6,656)	\$ 2,890,953	4.43%
<b>Total</b>	<b>\$ 4,241,294</b>	<b>\$ 826,395</b>	<b>\$ 42,057,781</b>	<b>\$ 47,125,470</b>	<b>3.50%</b>	<b>\$ (1)</b>	<b>\$ 47,125,469</b>	<b>3.50%</b>

2026 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total	Increase Over 2025 Charges	2024 True-up (50%)	Total Payments	Increase Over 2025 Payments With 2024 True-up
Bellevue	\$ 1,735,799	\$ 331,322	\$ 22,210,269	\$ 24,277,390	2.34%	\$ (221,035)	\$ 24,056,355	2.36%
Issaquah	\$ 359,060	\$ 68,536	\$ 2,039,408	\$ 2,467,004	4.24%	\$ 7,592	\$ 2,474,596	4.22%
Issaquah Temporary	\$ -	\$ -	\$ 208,851	\$ 208,851	115.43%	\$ (12,315)	\$ 196,536	n/a
Kirkland	\$ 512,053	\$ 97,738	\$ 6,399,700	\$ 7,009,491	3.81%	\$ (13,971)	\$ 6,995,521	3.82%
Redmond CITY	\$ 735,636	\$ 140,415	\$ 6,704,726	\$ 7,580,777	6.46%	\$ 244,435	\$ 7,825,212	6.25%
Redmond NOVELTY HILL	\$ 109,743	\$ 20,947	\$ 1,380,173	\$ 1,510,863	2.83%	\$ 4,105	\$ 1,514,968	2.82%
Sammamish Plateau Water	\$ 609,064	\$ 116,256	\$ 1,482,309	\$ 2,207,629	1.83%	\$ 4,846	\$ 2,212,475	1.82%
Skyway Water & Sewer District	\$ 96,251	\$ 18,372	\$ 425,276	\$ 539,899	1.64%	\$ (7,002)	\$ 532,897	1.67%
Tukwila	\$ 208,533	\$ 39,804	\$ 2,724,621	\$ 2,972,958	2.60%	\$ (6,656)	\$ 2,966,303	2.61%
<b>Total</b>	<b>\$ 4,366,139</b>	<b>\$ 833,390</b>	<b>\$ 43,575,333</b>	<b>\$ 48,774,862</b>	<b>3.50%</b>	<b>\$ (1)</b>	<b>\$ 48,774,861</b>	<b>3.50%</b>

For 2025, revised volumes increase Redmond demand shares and corresponding charges, while similarly lowering Bellevue’s charges. In addition, the same effect is reflected in the 2024 true-up, causing an additive impact. Issaquah temporary water shows large percentage increases as usage and pricing phase in, but represents a relatively small charge. For other members, rate increases are consistent with the general 3.5% increase incorporated in the charges and reflect typical fluctuations or impacts among Members.

For 2026, Members see moderated impacts reflecting demand assumptions based on recent averages. The 2026 charges are established based on estimated values pending determination of actual 2022 demands and customer counts (CERUs). As noted at the outset of this memorandum, a true-up will be developed in 2025 and applied in the next budget cycle to adjust for any deviations between estimates used and actual charges computed once all data are available.

Appendix A summarizes the annual demands and 2025 demand share calculations for each Member. The tables show Cascade deliveries and transfers among Members as used to determine the Member demand shares. This appendix does not document the basis for 2026 demand share calculations, as Member demands were not estimated at this level of detail.

## APPENDIX A



# Details of Bellevue Demand Share Calculations

## Bellevue Consumption Records (CCF):

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	592,681	533,192	586,469	642,716	783,720	953,895	1,207,258	1,129,332	825,074	660,297	587,409	599,529	9,101,571
From Kirkland	1,183	771	747	1,184	1,192	2,503	2,819	2,524	1,856	1,046	812	944	17,581
To Redmond	(22,352)	(22,991)	(26,612)	(17,290)	(27,726)	(43,326)	(60,324)	(60,283)	(67,633)	(43,233)	(26,638)	(28,845)	(447,253)
To SP Water	(36,235)	(34,753)	(51,640)	(69,757)	(80,933)	(43,775)	(73,731)	(76,023)	(39,219)	(54,718)	(44,713)	(53,984)	(659,481)
To Issaquah	(35,390)	(39,927)	(32,434)	(46,812)	(57,069)	(59,306)	(83,269)	(78,978)	(67,909)	(46,594)	(40,130)	(51,170)	(638,987)
<b>Total</b>	<b>499,886</b>	<b>436,292</b>	<b>476,529</b>	<b>510,041</b>	<b>619,184</b>	<b>809,991</b>	<b>992,753</b>	<b>916,572</b>	<b>652,169</b>	<b>516,798</b>	<b>476,740</b>	<b>466,474</b>	<b>7,373,430</b>

Summer	Winter
4,115,559	4,986,012
9,702	7,879
(231,566)	(215,687)
(232,749)	(426,733)
(289,462)	(349,526)
<b>3,371,485</b>	<b>4,001,945</b>

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	600,674	517,846	571,379	580,848	653,525	768,958	1,041,582	1,165,156	999,764	845,013	621,839	623,371	8,989,955
From Kirkland	818	951	897	935	816	1,400	1,900	2,708	2,241	1,277	1,109	926	15,978
To Redmond	(31,803)	(30,117)	(34,798)	(39,747)	(50,733)	(57,470)	(98,582)	(115,938)	(82,889)	(50,076)	(21,797)	(22,538)	(636,488)
To SP Water	(49,492)	(36,060)	(42,362)	(40,856)	(46,896)	(47,072)	(56,487)	(58,348)	(56,029)	(60,787)	(34,001)	(57,481)	(585,872)
To Issaquah	(41,185)	(41,383)	(36,519)	(50,204)	(55,867)	(60,475)	(89,760)	(114,773)	(91,325)	(101,072)	(78,821)	(92,102)	(853,485)
<b>Total</b>	<b>479,012</b>	<b>411,238</b>	<b>458,597</b>	<b>450,976</b>	<b>500,845</b>	<b>605,341</b>	<b>798,653</b>	<b>878,805</b>	<b>771,762</b>	<b>634,354</b>	<b>488,329</b>	<b>452,177</b>	<b>6,930,088</b>

Summer	Winter
3,975,459	5,014,495
8,249	7,729
(354,879)	(281,609)
(217,936)	(367,936)
(356,333)	(497,153)
<b>3,054,561</b>	<b>3,875,527</b>

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	637,399	575,621	631,544	659,560	855,186	1,032,280	1,154,343	1,093,490	825,831	644,240	627,796	634,384	9,371,675
2024 Member Charges	755	234	787	994	1,113	1,259	3,369	2,149	1,541	713	664	570	14,148
To Redmond	(27,869)	(41,533)	(47,904)	(50,269)	(70,892)	(89,373)	(113,491)	(109,417)	(80,780)	(55,331)	(47,047)	(50,272)	(784,178)
To SP Water	(48,271)	(58,102)	(57,717)	(47,644)	(61,003)	(42,560)	(45,670)	(46,997)	(43,532)	(46,183)	(46,469)	(55,092)	(599,241)
To Issaquah	(79,825)	(82,324)	(82,773)	(85,400)	(120,635)	(89,969)	(108,574)	(106,687)	(70,677)	(54,520)	(74,064)	(85,314)	(1,040,762)
<b>Total</b>	<b>482,189</b>	<b>393,897</b>	<b>443,937</b>	<b>477,241</b>	<b>603,770</b>	<b>811,636</b>	<b>889,978</b>	<b>832,538</b>	<b>632,383</b>	<b>488,919</b>	<b>460,879</b>	<b>444,276</b>	<b>6,961,642</b>

Summer	Winter
4,105,944	5,265,731
8,318	5,830
(393,061)	(391,117)
(178,759)	(420,481)
(375,907)	(664,855)
<b>3,166,534</b>	<b>3,795,108</b>

2025 Demand Share	
2021 - 2023 Average Wholesale Demand (mgd):	
Annual	14.5263
Summer	19.6045
Maximum Wholesale Capacity Required	19.6045
<b>Demand Share: (MGD)</b>	<b>19.6045</b>

# Details of Issaquah Demand Share Calculations

## Issaquah Consumption Records (CCF):

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	30,912	26,501	28,311	31,074	36,770	51,330	61,377	57,870	45,467	39,382	38,004	36,087	483,086
From Bellevue	4,478	13,426	4,123	15,738	20,299	7,975	21,892	21,108	22,442	7,212	2,126	15,083	155,902
<b>Total</b>	<b>35,390</b>	<b>39,927</b>	<b>32,434</b>	<b>46,812</b>	<b>57,069</b>	<b>59,306</b>	<b>83,269</b>	<b>78,978</b>	<b>67,909</b>	<b>46,594</b>	<b>40,130</b>	<b>51,170</b>	<b>638,987</b>

Summer	Winter
216,044	267,041
73,418	82,484
<b>289,462</b>	<b>349,526</b>

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	37,245	25,944	32,426	36,533	39,321	46,897	70,199	93,952	72,608	93,910	74,801	74,667	698,504
From Bellevue	3,940	15,439	4,093	13,670	16,547	13,578	19,561	20,821	18,716	7,162	4,020	17,434	154,981
<b>Total</b>	<b>41,185</b>	<b>41,383</b>	<b>36,519</b>	<b>50,204</b>	<b>55,867</b>	<b>60,475</b>	<b>89,760</b>	<b>114,773</b>	<b>91,325</b>	<b>101,072</b>	<b>78,821</b>	<b>92,102</b>	<b>853,485</b>

Summer	Winter
283,656	414,848
72,676	82,305
<b>356,333</b>	<b>497,153</b>

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	76,057	66,913	78,894	71,767	99,576	72,709	87,164	88,092	55,721	49,353	70,838	69,951	887,036
From Bellevue	3,768	15,411	3,878	13,632	21,059	17,261	21,410	18,595	14,957	5,167	3,226	15,364	153,726
<i>less: Temporary Water</i>										(14,360)	(14,360)	(14,360)	(43,081)
<b>Total</b>	<b>79,825</b>	<b>82,324</b>	<b>82,773</b>	<b>85,400</b>	<b>120,635</b>	<b>89,969</b>	<b>108,574</b>	<b>106,687</b>	<b>70,677</b>	<b>40,160</b>	<b>59,704</b>	<b>70,954</b>	<b>997,681</b>

Summer	Winter
303,686	583,350
72,222	81,504
-	(43,081)
<b>375,907</b>	<b>621,774</b>

2025 Demand Share	
2021 - 2023 Average Wholesale Demand (mgd):	
Annual	1.7010
Summer	2.0881
<b>Maximum Wholesale Capacity Required</b>	<b>2.0881</b>
<b>less: Adjustment for Temporary Water Demands</b>	<b>(0.3259)</b>
<b>Minimum Demand Share</b>	<b>0.7500</b>
<b>Demand Share: (MGD)</b>	<b>1.7622</b>

Note: Temporary water service began 10/1/2021. As off-peak demand, it does not affect this 2023 demand share calculation. Temporary water demand shares are calculated in accordance with contractual terms and apply beginning in 2024.

# Details of Issaquah Temporary Demand Share Calculations

Issaquah Temporary Consumption Records (CCF):

*Temporary block is spread evenly over the peak season and off-peak periods. This properly adjusts seasonal usage for demand share purposes.*

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP										13,787	13,787	13,787	41,361
<i>less: discount factor of 90%</i>										(12,408)	(12,408)	(12,408)	(37,225)
<b>Total</b>	-	-	-	-	-	-	-	-	-	<b>1,379</b>	<b>1,379</b>	<b>1,379</b>	<b>4,136</b>

Summer	Winter
-	41,361
-	(37,225)
-	<b>4,136</b>

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	16,413	16,413	16,413	16,413	16,413	12,468	12,468	12,468	12,468	16,413	16,413	16,413	181,174
<i>less: discount factor of 80%</i>	(13,130)	(13,130)	(13,130)	(13,130)	(13,130)	(9,974)	(9,974)	(9,974)	(9,974)	(13,130)	(13,130)	(13,130)	(144,939)
<b>Total</b>	<b>3,283</b>	<b>3,283</b>	<b>3,283</b>	<b>3,283</b>	<b>3,283</b>	<b>2,494</b>	<b>2,494</b>	<b>2,494</b>	<b>2,494</b>	<b>3,283</b>	<b>3,283</b>	<b>3,283</b>	<b>36,235</b>

Summer	Winter
49,871	131,303
(39,897)	(105,042)
<b>9,974</b>	<b>26,261</b>

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	14,360	14,360	14,360	14,360	14,360	27,396	27,396	27,396	27,396	14,360	14,360	14,360	224,465
<i>less: discount factor of 70%</i>	(10,052)	(10,052)	(10,052)	(10,052)	(10,052)	(19,177)	(19,177)	(19,177)	(19,177)	(10,052)	(10,052)	(10,052)	(157,126)
<b>Total</b>	<b>4,308</b>	<b>4,308</b>	<b>4,308</b>	<b>4,308</b>	<b>4,308</b>	<b>8,219</b>	<b>8,219</b>	<b>8,219</b>	<b>8,219</b>	<b>4,308</b>	<b>4,308</b>	<b>4,308</b>	<b>67,340</b>

Summer	Winter
109,583	114,882
(76,708)	(80,417)
<b>32,875</b>	<b>34,465</b>

2025 Demand Share		
2021 - 2023 Average Wholesale Demand (mgd):	<b>Discounted</b>	<b>Undiscounted</b>
Annual	0.0736	0.3053
Summer	0.0876	0.3259
<b>Maximum Wholesale Capacity Required</b>	<b>0.0876</b>	<b>0.3259</b>
<b>Demand Share: (MGD)</b>	<b>0.0876</b>	<b>0.3259</b>

Note: Temporary water service began 10/1/2021. Temporary water demand shares are calculated in accordance with contractual terms and apply beginning in 2024. The undiscounted demand share is netted from the Issaquah demand share calculation.

Undiscounted Demand Share calculation is used to adjust total Issaquah demand; discounted Demand Share calculation is used to determine payment.

# Details of Kirkland Demand Share Calculations

## Kirkland Consumption Records (CCF):

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	187,086	173,888	187,076	213,148	276,629	336,412	421,341	386,127	281,117	204,173	184,890	191,749	3,043,637
To Redmond	(69,232)	(69,817)	(64,646)	(73,339)	(123,303)	(112,856)	(162,430)	(126,432)	(88,143)	(70,824)	(58,648)	(79,915)	(1,099,585)
To Bellevue	(1,183)	(771)	(747)	(1,184)	(1,192)	(2,503)	(2,819)	(2,524)	(1,856)	(1,046)	(812)	(944)	(17,581)
<b>Total</b>	<b>116,671</b>	<b>103,300</b>	<b>121,683</b>	<b>138,625</b>	<b>152,134</b>	<b>221,053</b>	<b>256,092</b>	<b>257,171</b>	<b>191,118</b>	<b>132,303</b>	<b>125,430</b>	<b>110,890</b>	<b>1,926,471</b>

Summer	Winter
1,424,997	1,618,640
(489,861)	(609,724)
(9,702)	(7,879)
<b>925,434</b>	<b>1,001,037</b>

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	195,620	172,728	200,325	195,201	200,012	244,808	345,167	392,103	347,268	289,054	186,293	182,593	2,951,170
To Redmond	(64,633)	(62,826)	(81,787)	(76,027)	(57,721)	(77,636)	(118,847)	(125,523)	(133,373)	(106,457)	(82,110)	(42,026)	(1,028,966)
To Bellevue	(818)	(951)	(897)	(935)	(816)	(1,400)	(1,900)	(2,708)	(2,241)	(1,277)	(1,109)	(926)	(15,978)
<b>Total</b>	<b>130,169</b>	<b>108,951</b>	<b>117,641</b>	<b>118,239</b>	<b>141,475</b>	<b>165,772</b>	<b>224,420</b>	<b>263,872</b>	<b>211,654</b>	<b>181,320</b>	<b>103,074</b>	<b>139,641</b>	<b>1,906,226</b>

Summer	Winter
1,329,345	1,621,825
(455,379)	(573,587)
(8,249)	(7,729)
<b>865,717</b>	<b>1,040,509</b>

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	183,209	156,870	171,671	186,871	257,021	343,109	412,933	407,171	306,643	216,771	171,057	175,775	2,989,101
To Redmond	(45,864)	(76,732)	(14,121)	(66,566)	(72,275)	(116,679)	(152,340)	(150,873)	(110,468)	(73,740)	(48,921)	(58,409)	(986,988)
To Bellevue	(755)	(234)	(787)	(994)	(1,113)	(1,259)	(3,369)	(2,149)	(1,541)	(713)	(664)	(570)	(14,148)
<b>Total</b>	<b>136,590</b>	<b>79,904</b>	<b>156,763</b>	<b>119,311</b>	<b>183,633</b>	<b>225,171</b>	<b>257,224</b>	<b>254,149</b>	<b>194,634</b>	<b>142,318</b>	<b>121,472</b>	<b>116,796</b>	<b>1,987,965</b>

Summer	Winter
1,469,856	1,519,245
(530,360)	(456,628)
(8,318)	(5,830)
<b>931,178</b>	<b>1,056,787</b>

2025 Demand Share	
2021 - 2023 Average Wholesale Demand (mgd):	
Annual	3.9761
Summer	5.5637
Maximum Wholesale Capacity Required	5.5637
<b>Demand Share: (MGD)</b>	<b>5.5637</b>

# Details of Redmond CITY Demand Share Calculations

## Redmond CITY Consumption Records (CCF):

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	3,131	1,974	67	1,883	4,725	26,061	59,185	50,055	27,175	7,364	1,762	374	183,757
From Bellevue	22,352	22,991	26,612	17,290	27,726	43,326	60,324	60,283	67,633	43,233	26,638	28,845	447,253
From Kirkland	69,232	69,817	64,646	73,339	123,303	112,856	162,430	126,432	88,143	70,824	58,648	79,915	1,099,585
<b>Total</b>	<b>94,715</b>	<b>94,782</b>	<b>91,325</b>	<b>92,512</b>	<b>155,754</b>	<b>182,243</b>	<b>281,939</b>	<b>236,770</b>	<b>182,951</b>	<b>121,421</b>	<b>87,048</b>	<b>109,134</b>	<b>1,730,595</b>

Summer	Winter
162,476	21,280
231,566	215,687
489,861	609,724
<b>883,903</b>	<b>846,691</b>

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	4,473	25,178	57,624	58,374	43,063	12,953	26,635	45,389	33,652	20,781	8,597	320	337,038
From Bellevue	31,803	30,117	34,798	39,747	50,733	57,470	98,582	115,938	82,889	50,076	21,797	22,538	636,488
From Kirkland	64,633	62,826	81,787	76,027	57,721	77,636	118,847	125,523	133,373	106,457	82,110	42,026	1,028,966
<b>Total</b>	<b>100,909</b>	<b>118,121</b>	<b>174,209</b>	<b>174,148</b>	<b>151,517</b>	<b>148,059</b>	<b>244,064</b>	<b>286,850</b>	<b>249,914</b>	<b>177,314</b>	<b>112,504</b>	<b>64,884</b>	<b>2,002,492</b>

Summer	Winter
118,628	218,409
354,879	281,609
455,379	573,587
<b>928,886</b>	<b>1,073,605</b>

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	241	335	948	7,736	16,642	7,159	12,188	11,900	3,612	280	325	1,274	62,640
From Bellevue	27,869	41,533	47,904	50,269	70,892	89,373	113,491	109,417	80,780	55,331	47,047	50,272	784,178
From Kirkland	45,864	76,732	14,121	66,566	72,275	116,679	152,340	150,873	110,468	73,740	48,921	58,409	986,988
<b>Total</b>	<b>73,974</b>	<b>118,600</b>	<b>62,973</b>	<b>124,571</b>	<b>159,809</b>	<b>213,211</b>	<b>278,019</b>	<b>272,190</b>	<b>194,860</b>	<b>129,351</b>	<b>96,293</b>	<b>109,955</b>	<b>1,833,806</b>

Summer	Winter
34,858	27,781
393,061	391,117
530,360	456,628
<b>958,279</b>	<b>875,526</b>

2025 Demand Share	
2021- 2023 Average Wholesale Demand (mgd):	
Annual	3.8028
Summer	5.6633
<b>Maximum Wholesale Capacity Required</b>	<b>5.6633</b>
<b>Demand Share: (MGD)</b>	<b>5.6633</b>

# Details of Redmond NOVELTY HILL Demand Share Calculations

Redmond NOVELTY HILL Consumption Records (CCF):

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	22,601	21,397	24,704	24,271	31,240	46,784	65,251	59,863	39,253	23,438	28,696	16,861	404,358
To SP Water	(547)	(662)	(1,111)	(23)	(224)	(2,318)	(2,586)	(1,979)	(370)	(236)	(85)	(125)	(10,266)
<b>Total</b>	<b>22,054</b>	<b>20,735</b>	<b>23,593</b>	<b>24,248</b>	<b>31,016</b>	<b>44,466</b>	<b>62,665</b>	<b>57,884</b>	<b>38,883</b>	<b>23,202</b>	<b>28,611</b>	<b>16,736</b>	<b>394,092</b>

Summer	Winter
211,151	193,207
(7,253)	(3,013)
<b>203,898</b>	<b>190,194</b>

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	22,904	21,914	23,816	21,961	24,095	30,928	49,646	62,023	51,432	34,387	22,699	22,646	388,451
To SP Water	(206)	(2,617)	(1,092)	(54)	(89)	(121)	(1,244)	(2,650)	(1,559)	(755)	(88)	(147)	(10,622)
<b>Total</b>	<b>22,698</b>	<b>19,297</b>	<b>22,724</b>	<b>21,907</b>	<b>24,006</b>	<b>30,807</b>	<b>48,402</b>	<b>59,373</b>	<b>49,873</b>	<b>33,632</b>	<b>22,611</b>	<b>22,499</b>	<b>377,829</b>

Summer	Winter
194,028	194,423
(5,574)	(5,048)
<b>188,454</b>	<b>189,375</b>

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	22,610	19,531	22,007	23,655	33,733	49,966	60,370	57,421	37,338	25,301	21,438	22,096	395,468
To SP Water	(157)	(213)	(289)	(189)	(313)	(430)	(1,956)	(2,166)	(37)	(55)	(109)	(80)	(5,994)
<b>Total</b>	<b>22,453</b>	<b>19,318</b>	<b>21,718</b>	<b>23,466</b>	<b>33,420</b>	<b>49,536</b>	<b>58,414</b>	<b>55,255</b>	<b>37,301</b>	<b>25,246</b>	<b>21,329</b>	<b>22,016</b>	<b>389,474</b>

Summer	Winter
205,096	190,372
(4,589)	(1,405)
<b>200,507</b>	<b>188,967</b>

2025	
2021 - 2023 Average Wholesale Demand (mgd):	
Annual	0.7934
Summer	1.2116
<b>Maximum Wholesale Capacity Required</b>	<b>1.2116</b>
<b>Demand Share: (MGD)</b>	<b>1.2116</b>

# Details of Sammamish Plateau Water Demand Share Calculations

## Sammamish Plateau Water Consumption Records (CCF):

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	36,235	34,753	51,640	69,757	80,933	43,775	73,731	76,023	39,219	54,718	44,713	53,984	659,481
From Redmond	547	662	1,111	23	224	2,318	2,586	1,979	370	236	85	125	10,266
<b>Total</b>	<b>36,782</b>	<b>35,415</b>	<b>52,751</b>	<b>69,780</b>	<b>81,157</b>	<b>46,093</b>	<b>76,317</b>	<b>78,002</b>	<b>39,589</b>	<b>54,954</b>	<b>44,798</b>	<b>54,109</b>	<b>669,747</b>

Summer	Winter
232,749	426,733
7,253	3,013
<b>240,002</b>	<b>429,746</b>

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	49,492	36,060	42,362	40,856	46,896	47,072	56,487	58,348	56,029	60,787	34,001	57,481	585,872
From Redmond	206	2,617	1,092	54	89	121	1,244	2,650	1,559	755	88	147	10,622
<b>Total</b>	<b>49,698</b>	<b>38,677</b>	<b>43,454</b>	<b>40,910</b>	<b>46,985</b>	<b>47,193</b>	<b>57,731</b>	<b>60,998</b>	<b>57,588</b>	<b>61,542</b>	<b>34,089</b>	<b>57,628</b>	<b>596,494</b>

Summer	Winter
217,936	367,936
5,574	5,048
<b>223,510</b>	<b>372,984</b>

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	48,271	58,102	57,717	47,644	61,003	42,560	45,670	46,997	43,532	46,183	46,469	55,092	599,241
From Redmond	157	213	289	189	313	430	1,956	2,166	37	55	109	80	5,994
<b>Total</b>	<b>48,428</b>	<b>58,315</b>	<b>58,006</b>	<b>47,833</b>	<b>61,316</b>	<b>42,990</b>	<b>47,626</b>	<b>49,163</b>	<b>43,569</b>	<b>46,238</b>	<b>46,578</b>	<b>55,172</b>	<b>605,235</b>

Summer	Winter
178,759	420,481
4,589	1,405
<b>183,348</b>	<b>421,886</b>

2025 Demand Share	
2021 - 2023 Average Wholesale Demand (mgd):	
Annual	1.2784
Summer	1.3220
<b>Maximum Wholesale Capacity Required</b>	<b>1.3220</b>
<b>Minimum Demand Share</b>	<b>1.0000</b>
<b>Demand Share: (MGD)</b>	<b>1.3220</b>

# Details of Skyway WSD Demand Share Calculations

Skyway WSD Consumption Records (CCF):

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	13,212	11,453	12,663	12,940	13,983	15,841	19,027	17,191	15,042	14,522	13,007	13,416	172,297
<b>Total</b>	<b>13,212</b>	<b>11,453</b>	<b>12,663</b>	<b>12,940</b>	<b>13,983</b>	<b>15,841</b>	<b>19,027</b>	<b>17,191</b>	<b>15,042</b>	<b>14,522</b>	<b>13,007</b>	<b>13,416</b>	<b>172,297</b>

Summer	Winter
67,101	105,196
<b>67,101</b>	<b>105,196</b>

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	14,871	12,547	14,226	13,183	12,442	12,476	15,190	16,347	14,196	13,113	11,083	11,938	161,613
<b>Total</b>	<b>14,871</b>	<b>12,547</b>	<b>14,226</b>	<b>13,183</b>	<b>12,442</b>	<b>12,476</b>	<b>15,190</b>	<b>16,347</b>	<b>14,196</b>	<b>13,113</b>	<b>11,083</b>	<b>11,938</b>	<b>161,613</b>

Summer	Winter
58,209	103,404
<b>58,209</b>	<b>103,404</b>

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	13,500	10,892	11,455	10,746	14,457	14,807	15,964	15,447	13,670	12,799	12,371	12,374	158,483
<b>Total</b>	<b>13,500</b>	<b>10,892</b>	<b>11,455</b>	<b>10,746</b>	<b>14,457</b>	<b>14,807</b>	<b>15,964</b>	<b>15,447</b>	<b>13,670</b>	<b>12,799</b>	<b>12,371</b>	<b>12,374</b>	<b>158,483</b>

Summer	Winter
59,888	98,595
<b>59,888</b>	<b>98,595</b>

2025 Demand Share	
2021 - 2023 Average Wholesale Demand (mgd):	
Annual	0.3364
Summer	0.3785
<b>Maximum Wholesale Capacity Required</b>	<b>0.3785</b>
<b>Demand Share: (MGD)</b>	<b>0.3785</b>



# Details of Tukwila Demand Share Calculations

Tukwila Consumption Records (CCF):

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	53,079	50,519	58,288	63,037	77,539	91,489	111,202	112,568	93,768	77,922	61,612	59,442	910,465
<b>Total</b>	<b>53,079</b>	<b>50,519</b>	<b>58,288</b>	<b>63,037</b>	<b>77,539</b>	<b>91,489</b>	<b>111,202</b>	<b>112,568</b>	<b>93,768</b>	<b>77,922</b>	<b>61,612</b>	<b>59,442</b>	<b>910,465</b>

Summer	Winter
409,026	501,439
<b>409,026</b>	<b>501,439</b>

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	62,296	54,889	58,053	57,869	62,771	76,516	97,461	104,821	94,210	81,170	63,044	64,141	877,242
<b>Total</b>	<b>62,296</b>	<b>54,889</b>	<b>58,053</b>	<b>57,869</b>	<b>62,771</b>	<b>76,516</b>	<b>97,461</b>	<b>104,821</b>	<b>94,210</b>	<b>81,170</b>	<b>63,044</b>	<b>64,141</b>	<b>877,242</b>

Summer	Winter
373,009	504,233
<b>373,009</b>	<b>504,233</b>

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	65,882	57,615	63,693	63,635	81,513	101,072	102,391	92,359	95,446	89,478	85,142	64,288	962,514
<b>Total</b>	<b>65,882</b>	<b>57,615</b>	<b>63,693</b>	<b>63,635</b>	<b>81,513</b>	<b>101,072</b>	<b>102,391</b>	<b>92,359</b>	<b>95,446</b>	<b>89,478</b>	<b>85,142</b>	<b>64,288</b>	<b>962,514</b>

Summer	Winter
391,268	571,245
<b>391,268</b>	<b>571,245</b>

2025 Demand Share	
2021 - 2023 Average Wholesale Demand (mgd):	
Annual	1.8787
Summer	2.3979
<b>Maximum Wholesale Capacity Required</b>	<b>2.3979</b>

## **AGENDA MEMORANDUM**

### **SUBJECT**

Motion to adopt Resolution No. 2024-12, establishing the 2025 and 2026 rates and charges.

### **BACKGROUND**

Initial planning for the 2025 - 2026 Cascade Budget began in January 2024 with a review by the Board of the strategic plan and an update to work plans. Cascade developed an initial draft budget in March and from March to July refined the budget by incorporating feedback from the Finance Committee, Board, and member staff and including updated cost information.

At the March and April Finance and Management Committee meetings, the Committee discussed elements of the proposed budget that Cascade staff had developed, and in May, the Committee reviewed high-level variances from the last budget. At its Board meetings on June 26 and July 24, the Board held discussions about the proposed 2025 - 2026 budget. Member staff have received and discussed updated budget and rates information monthly since April 2024.

At today's Board meeting, the Board will consider three related resolutions:

- the 2025 - 2026 Cascade Budget (Resolution No. 2024-11),
- the 2025 - 2026 Rates and Charges (Resolution No. 2024-12), and
- the 2025 - 2026 Regional Capital Facility Charge (Resolution No. 2024-13).

This agenda memorandum addresses only Resolution No. 2024-12, Attachment 1. The other two resolutions are discussed in separate agenda memoranda.

Cascade has proposed a recommended a 3.5% rate increase per year for 2025 and 2026, and that is presented in Proposed Resolution No. 2024-12.

With a zero-based budget, the operating budget increased slightly in 2025 and 2026. The largest driver of the proposed 2025 - 2026 rate increase is the Tacoma Cascade Pipeline project.

Estimated historical demands and trends have been used for 2026 rates but actual member charges are determined by actual member growth and water demands. A true-up of 2026 rates will occur as part of 2027-2028 rates process.

### **PROCUREMENT PROCESS**

Not applicable.

### **FISCAL IMPACT**

The fiscal impact of the 2025 and 2026 rates and charges is described in the attached Resolution No. 2024-12 and in Attachment 1 (Resolution 2024-11) of Item No. 7a. In brief, a 3.5% increase in

2025 and a 3.5% increase in 2026 with the assumption that the proposed RCFC changes are adopted.

**OPTIONS**

1. Adopt Resolution No. 2024-12, establishing the 2025 and 2026 rates and charges.
2. Do not adopt Resolution No. 2024-12 and provide alternate direction to staff.

**RECOMMENDED ACTIONS**

Adopt Resolution No. 2024-12, establishing the 2025 and 2026 rates and charges.

**ATTACHMENTS**

1. Proposed Resolution No. 2024-12.



CASCADE WATER ALLIANCE  
RESOLUTION No. 2024-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER  
ALLIANCE, A WASHINGTON MUNICIPAL CORPORATION, ADOPTING RATES AND  
CHARGES FOR THE YEAR 2025 AND 2026

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, the Joint Municipal Utility Services Agreement provides for the payment of Administrative Dues by Cascade Members; and

WHEREAS, the Joint Municipal Utility Services Agreement provides for the Board of Directors (the Board) to set Rates and Charges according to the rate calculation methodology, which includes a calculation of demand shares and a uniform pricing structure with a commodity charge and fixed charges allocated by demand share; that the Board may adopt wholesale charges in addition to normal demand share charges to encourage resource conservation; and that the Board must set Rates and Charges at levels sufficient for all expenses of Cascade; and

WHEREAS, the Board adopted a Rate Calculation Methodology, codified at Chapter 5.20 of the Cascade Water Alliance Code; and

WHEREAS, by Resolution 2010-08, the Board established a two-year fiscal biennium budget that will consist of the adopted two consecutive annual budgets, which together shall be referred to as “the biennial budget.” By Resolution 2018-13, the Board further established that Member Charges for both years will be approved biennially when the biennial budget is adopted.

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

**Section 1. Cascade Equivalent Residential Units (CERUs) for 2025 and 2026.**

CERUs for each Member for 2025 and 2026 are as follows:

TABLE 1

Member	2025 Adopted CERUs	2026 Adopted CERUs
Bellevue	70,757.00	71,027.00
Issaquah	14,636.50	14,761.50
Kirkland	20,873.00	21,053.00
Redmond - City	29,987.00	30,277.00
Redmond - Novelty Hill	4,473.50	4,483.50
Sammamish Plateau Water	24,827.50	25,072.50
Skyway WSD	3,923.50	3,933.50
Tukwila	8,500.50	8,520.50
<b>Total</b>	<b>177,978.50</b>	<b>179,128.50</b>

**Section 2. 2025 and 2026 Demand Shares.**

Adopted demand shares for each Member for 2025 and 2026 are as follows:

TABLE 2

Member	2025 Demand Shares	2025 Demand Share percentage	2026 Demand Shares	2026 Demand Share percentage
Bellevue	19.6045	51.60%	19.2384	50.97%
Issaquah	1.7622	4.64%	1.7665	4.68%
Issaquah Temporary	0.0876	0.23%	0.1809	0.48%
Kirkland	5.5637	14.64%	5.5434	14.69%
Redmond - City	5.6633	14.91%	5.8076	15.39%
Redmond - Novelty Hill	1.2116	3.19%	1.1955	3.17%
Sammamish Plateau Water	1.3220	3.48%	1.2840	3.40%
Skyway WSD	0.3785	1.00%	0.3684	0.98%
Tukwila	2.3979	6.31%	2.3600	6.25%
<b>Total</b>	<b>37.9912</b>	<b>100%</b>	<b>37.7446</b>	<b>100%</b>

Except that, in accordance with the Interlocal Contract, no Member shall have a Weighted Vote of less than one.

**Section 3. Summary of Member Charges.**

2025 and 2026 Adopted Member Charges (excluding RCFC) are hereby established as shown in Table 3 below.

Administrative dues shall be assessed against each Member for the years 2025 and 2026 at the rates of \$23.99 and \$24.53 per CERU respectively multiplied by 100% of that Member's CERUs.

The demand share charge for the years 2025 and 2026 shall be \$420,578 and \$435,753 respectively per Demand Share percentage.

The conservation program charge for the years 2025 and 2026 shall be \$4.67 and \$4.68 respectively per CERU. The charge is applicable to 100% of a Member's CERUs.

TABLE 3

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

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

**Section 4. 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 25h day of September 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  
 No

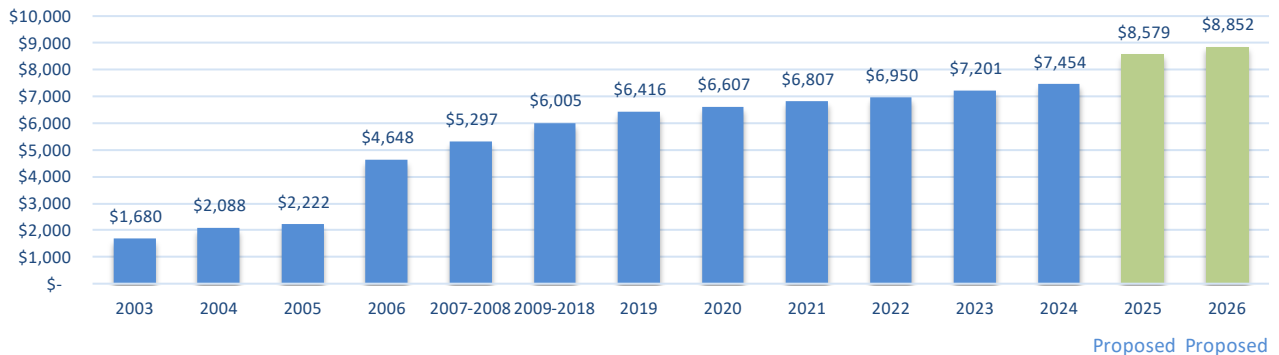
## AGENDA MEMORANDUM

### **SUBJECT**

Motion to adopt Resolution No. 2024-13, establishing the Regional Capital Facilities Charge for 2025 and 2026, at \$8,579 and \$8,852 per Cascade Equivalent Residential Unit respectively.

### **BACKGROUND**

Regional Capital Facilities Charges (RCFC) are charges for new water connections and are based on a pro rata share of Cascade’s Capital Investment Program costs. RCFC revenues are used to fund capital projects. The methodology for calculating the RCFC was adopted by the Board and is codified as Chapter 5.24 of the Cascade Water Alliance Code. A history of RCFC rates is shown below:



During the 2025 - 2026 budget development process, Cascade analyzed its capital projects requirements and rate structure and developed an RCFC recommendation for the current biennium.

Cascade staff recommends an increase in the RCFC charge to \$8,579 per Cascade Equivalent Residential Unit (CERU) in 2025 and to \$8,852 per CERU in 2026. The RCFC charge is based on existing and future infrastructure divided by the customer base. Future water supply infrastructure is the primary reason RCFC rate increases are recommended. RCFC revenue contributes to Cascade’s infrastructure capital funding for existing infrastructure and the proposed increases have been factored into the proposed budget biennium budget for 2025 - 2026.

### **FISCAL IMPACT**

The RCFC rate is a key component of the 2025 - 2026 Cascade budget and capital improvement plan. The 2025 - 2026 Cascade budget was developed consistent with the proposed RCFC rate increases in 2025 and 2026. Cascade budgets and plans are based on an expected number of new connections (1,150/yr this biennium) but Cascade Members real obligations are based on actual growth.

**OPTIONS**

1. Adopt Resolution No. 2024-13, establishing the Regional Capital Facilities Charge for 2025 and 2026, at \$8,579 and \$8,852 per Cascade Equivalent Residential Unit respectively.
2. Do not adopt Resolution No. 2024-13 and provide alternate direction to staff.

**RECOMMENDED ACTION**

Adopt Resolution No. 2024-13, establishing the Regional Capital Facilities Charge for 2025 and 2026, at \$8,579 and \$8,852 per Cascade Equivalent Residential Unit respectively.

**ATTACHMENT**

1. Proposed Resolution Number 2024-13.





CASCADE WATER ALLIANCE  
RESOLUTION No. 2024-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,  
A WASHINGTON MUNICIPAL CORPORATION,  
SETTING THE REGIONAL CAPITAL FACILITIES CHARGE FOR THE YEARS 2025 AND 2026

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, the Joint Municipal Utility Services Agreement authorizes Cascade to adopt a Regional Capital Facilities Charge (“RCFC”), and in furtherance of that Agreement the Board of Directors (“Board”) has adopted a methodology for calculating the RCFC which has been used to calculate the RCFC; and

WHEREAS, by Cascade Water Alliance Code 5.55.020, the Board established a two-year fiscal biennium budget that will consist of the adopted two consecutive annual budgets, which together shall be referred to as “the biennial budget.” By Resolution 2018-13, the Board further established that the RCFC will be approved biennially when the biennial budget is adopted.

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

**Section 1. Determination of the RCFC for 2025 and 2026**

The RCFC effective January 1, 2025, shall be \$8,579 per Cascade Equivalent Residential Unit (CERU).

The RCFC effective January 1, 2026, shall be \$8,852 per Cascade Equivalent Residential Unit (CERU).

**Section 2. Effect**

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

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

No



**EXECUTIVE COMMITTEE**

Penny Sweet, Chair, City of Kirkland  
Angela Birney, Vice Chair, City of Redmond  
Mary Lou Pauly, Secretary/Treasurer, City of Issaquah

**Meeting Recap  
Tuesday, August 27, 2024  
1:30 PM – 2:00 PM  
Held via Zoom**

**Discussion Items.**

- A. Water Supply Contract Negotiations – Next Steps with Seattle.** This item is for the Executive Committee to discuss next steps with Seattle given Seattle Public Utilities' rejection of wheeling.

***Recap:** The committee discussed strategies to pursue wheeling, including the development of a letter to Mayor Harrell from all Board members expressing interest in collaboration on wheeling. The letter would also request a follow-up meeting with the Executive Committee and Mayor Harrell to discuss wheeling, a joint blending study, and continue discussion of Seattle's latest water supply proposal. The committee agreed that the Public Affairs Committee will be the lead committee for this item.*



## 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 RECAP**  
**Tuesday, September 17, 2024**  
**1:30 PM – 3:00 PM**  
**Held at Cascade's office and via Zoom**

### Call to Order

1. Chair Comments.
2. Executive Session.
3. Items Recommended for Action at the September 25, 2024 Board Meeting.

**A. Budget and Rates.** Three resolutions will be presented at the Board meeting this month. A resolution to establish the 2025-2026 budget, a resolution to establish the 2025 and 2026 Rates and Charges, and a resolution to establish the 2025 and 2026 RCFC rates. No changes have been made since the budget was presented to the Board in July. (Attachments)

*Recap: Cascade staff discussed with the Committee the 2025 - 2026 budget and rates resolutions, and the Committee suggested a broader discussion in early 2025 of how Cascade can respond to and align with the financial situations of the members. The Committee recommended approval by the Board of the three resolutions on the "other action" agenda.*

**B. Small Works Roster.** Staff will present a motion to adopt Resolution 2024-14 amending Section 5.60.050 of the Cascade Water Alliance Code related to public works contracting procedure. (Attachments)

*Recap: Cascade staff discussed with the Committee the proposed changes to the Code related to public works contracting procedures. Most of the changes are a result of legislative changes and grammar. All the changes and the reason for the changes are presented in the annotated version. The Committee recommended approval by the Board of the resolution on the "consent" agenda.*

### 4. Discussion Items

**A. Wholesale Contracts Update.** Staff will update the committee on recent activities related to Cascade's wholesale contract negotiation as well as the August 27 Executive Committee meeting. (Attachment)

*Recap: Staff updated the committee regarding progress in the Tacoma contract negotiations, including new permanent supply terms, and provided a draft schedule for completion. Staff also*

*discussed the August Executive Committee meeting and next steps for engagement with Seattle.*

**5. Other Issues.**

**6. Next Meeting Date and Location.**

The next meeting will be held Tuesday, October 15, 2024, 1:30 p.m. – 3:00 p.m. at Cascade's office and via Zoom.



**PUBLIC AFFAIRS COMMITTEE**  
Angela Birney, Chair, City of Redmond  
Penny Sweet, City of Kirkland  
John Stokes, City of Bellevue  
Ryika Hooshangi, Sammamish Plateau Water  
Russell Joe, City of Issaquah  
Dennis Martinez, City of Tukwila

**Meeting RECAP**  
**Wednesday, September 4, 2024**  
**9:00 AM – 10:00 AM**  
**Held at Cascade's Office and via Zoom**

- 1. Chair Comments.**
- 2. Executive Session.**
- 3. Items Recommended for Action at the September 25, 2024 Board Meeting.**
- 4. Discussion Items.**
  - A. Legislative Update and Priorities.** Staff will provide an update on legislative activities and preparation for the 2025 legislative session. This item is an opportunity for the committee to discuss legislative priorities for 2025. Cascade's 2024 Legislative and Public Policy Agenda is attached for reference. (Attachment)  
  
*Recap: Diana Carlen, Gordon Thomas Honeywell, provided an overview of items of interest, including the upcoming election and committee chair changes for the next legislative session. Both the House and Senate will have new chairs for the committees that address water issues. Staff reviewed several items for inclusion in the 2025 legislative agenda and will bring a redlined version for committee review in October.*
  - B. Wholesale Contracts Update.** Staff will update the committee on recent activities related to Cascade's wholesale contract negotiation as well as the August 27 Executive Committee meeting.  
  
*Recap: Staff updated the committee regarding progress in the Tacoma contract negotiations, including new permanent supply terms, and provided a draft schedule for completion. Staff also discussed the August Executive Committee meeting and next steps for engagement with Seattle.*
  - C. Annual Member Survey.** Each year Cascade surveys Board members and alternates seeking input on the evaluation of Cascade's intergovernmental, communications and outreach programs and planning for the next year. (Attachment)

**Recap:** Staff noted the proposed survey in the packet and asked for any feedback. The survey will be sent to Board members and alternates early the following week for completion by the September Board meeting.

**D. Water Conservation Teacher Fellows Update.** This item is a presentation of a video update of the Teacher Fellows program.

**Recap:** Staff presented a short video of teachers who participate in the program, discussing the value of the program and how it affects their students.

**5. Other Issues.**

**6. Next Meeting Date and Location.**

The next meeting will be Wednesday, October 2, 2024, 9:00 a.m. – 10:00 a.m. at Cascade's office and via Zoom.



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

**Meeting RECAP**  
**Thursday, September 12, 2024**  
**2:00 PM – 3:30 PM**  
**Held at Cascade’s office and via Zoom**

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

**A. Seattle Public Utilities (SPU) – Water Supply Status.** SPU staff will join the committee meeting to provide a water supply status update. The attached document outlines the plan for future SPU briefings. Current SPU water supply information can be found [here](#). (Attachment)

*Recap: Elizabeth Garcia, SPU, attended and updated the committee on this year’s water supply status. She or one of her team will be attending each month in the summer season to provide updates. The next and final update for this year will be in November, when they will provide an in-depth review of the season.*

**B. Reclaimed Water Update.** This item will provide staff updates and committee discussion of King County’s RWSP update and reclaimed water policies, including the September 4 RWQC meeting and Cascade’s role in providing input and proposed policies. (Attachment)

*Recap: The committee discussed the status of King County’s Regional Wastewater Services Plan (RWSP) update. The process is moving slowly but the committee and member staff will continue to work on reclaimed water policies to address impacts to water utilities. In the meantime, Ray Hoffman will be reaching out to Kamuron Gurol, King County Wastewater Treatment Division Director, to inquire about restarting the small group water utility discussions on reclaimed water.*

**C. Wholesale Contracts Update.** Staff will update the committee on recent activities related to Cascade’s wholesale contract negotiation as well as the August 27 Executive Committee meeting.

*Recap: Staff updated the committee regarding progress in the Tacoma contract negotiations, including new permanent supply terms, and provided a draft schedule for completion. Staff also*



*discussed the August Executive Committee meeting and next steps for engagement with Seattle.*

- D. Update on Phase 3 Project and Flowline Outage.** Staff will provide an update on the Phase 3 Project and the flowline outage.

***Recap:** Staff updated the committee on the status of the Phase 3 Project. At the request of the U.S. Army Corps of Engineers (USACE) and its contractor, Cascade shut off the diversion flow to the Lake Tapps Reservoir on September 3, initiating the 2024 flow outage in support of the contractor's cofferdam construction and fish rescue. The contractor completed the fish rescue three days later. The contractor plans to spend the next four weeks constructing the cofferdam and plans to work six days a week with 10-hour shifts. There is one owner-issued change order request in process. The current budget at completion is estimated to be within the Board approved amount to USACE. Staff described the process for dewatering the flow line in support of fish rescue and offered to provide a future presentation to the RMC to share the projects previously completed in support of the flow outage, as well as on-going projects to be completed before the flowline is placed back into service on January 30, 2025.*

**4. Items Recommended for Action at the September 25, 2024 Board Meeting.**

- A. **Production Waiver.** The independent production requirement helps provide adequate supply for Cascade and is a contractual obligation of members with independent supply. However, current active contract capacity comfortably exceeds demand and is projected to remain in surplus for at least 10 years. Per Cascade Code, Cascade may waive the production requirement for one or two years by Board action. A two-year waiver for the upcoming biennium is recommended. (Attachments)

***Recap:** The committee recommended support for the two-year waiver on the Board's consent agenda.*

**5. Other issues.**

**6. Next Meeting Date and Location.**

The next meeting will be Thursday, October 10, 2024, 2:00 p.m. – 3:30 p.m. at Cascade's office and via Zoom.



September 10, 2024

Sent Via Email Only

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

Dear Cascade Water Alliance Board Members,

I want to thank you for meeting with me this past spring. I appreciated you alerting me to your decision to move away from purchasing Seattle water and discussing options for implementing your likely new contract with Tacoma Public Utilities (TPU). The City of Seattle has been a key partner with Cascade Water Alliance (Cascade) for more than 20 years and we look forward to the continued relationship through our existing service contract.

As Cascade determines its long-term water supply future, we've discussed how Seattle could continue to provide high quality water to Cascade residents. While we were hopeful for an extension to our current contract, as was done in 2008 and 2012, we respect Cascade's decision to move away from the Seattle water system when our contracted amount begins to decline in 2040.

As a result of our meeting, I directed SPU to look for additional, mutually beneficial, opportunities. We were disappointed Cascade rejected a combined TPU-SPU option that would benefit our region. Instead, Cascade has again suggested it may go to the Legislature to advance legislation that would impede management of our own water supply, requiring SPU to transmit non-Seattle water through our pipelines, adversely affecting our customers.

We understand Cascade's desire to be in control of its future water supply. However, that decision must not negatively impact Seattle residents or our other customers. We remind Cascade that our existing water supply contract, which extends until 2064, forbids Cascade from wheeling water through the Seattle regional system without our approval. Washington State's Constitution prohibits passing any law that impairs the obligations of existing contracts. Decision-making should remain at the local level and should honor existing agreements.

SPU strongly opposes being forced to transmit water from another source, whether Tacoma or Cascade's future water supply, Lake Tapps, due to significant water quality challenges, land ownership and system management control differences, and customer equity issues. Seattle has spent decades protecting our water supply, consolidating watershed ownership that is unmatched by either Tacoma or Lake Tapps sources, carefully managing and controlling access to our water sources and our water system. Our customers know they can count on this oversight and water quality.

There would also be significant equity concerns with mandated wheeling; water from other sources would flow through SPU pipelines to our customers in South King County and southern parts of Seattle, including disadvantaged communities, while Cascade's customers on the Eastside would continue to receive higher quality Seattle water. As we look to the future, we are committed to continuing Seattle's efforts to vigorously protect our water supply and ensure that all our residents and customers continue to have access to the highest quality drinking water possible.

Seattle remains open to further discussions. However, Cascade should not seek to leverage the Legislature to overrule our existing contract and attempt to force us to transmit water that lacks our management and quality control. The City of Seattle will actively oppose any legislation that seeks to do so.

Despite our differences on this matter, I look forward to working together on many important regional issues in the future. Please do not hesitate to reach out to me if you have any questions. Thank you.

Sincerely,



Bruce A. Harrell  
Mayor of Seattle

Cc: Andrew Lee, CEO/GM, Seattle Public Utilities  
Ray Hoffman, CEO, Cascade Water Alliance  
Seattle Water Operating Board  
Bellevue Mayor and City Council  
Issaquah City Council  
Kirkland Mayor and City Council  
Redmond City Council  
Tukwila City Council  
Sammamish Plateau Water and Sewer District Commission  
Skyway Water & Sewer District Commission