



REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
Held at Cascade's Office and Via Zoom
May 27, 2026
3:30 PM

	<u>Page</u>
1. CALL TO ORDER	
2. ROLL CALL	
3. PUBLIC COMMENT - Members of the public may address the Board for a maximum of two minutes per person.	
4. EXECUTIVE SESSION	
5. APPROVAL OF AGENDA	
6. CHIEF EXECUTIVE OFFICER'S REPORT	<u>3</u>
7. CONSENT ITEMS	
a. Special Board Meeting Minutes for May 6, 2026	<u>19</u>
b. Board Meeting Minutes for April 22, 2026.	<u>21</u>
8. OTHER ACTION ITEMS	
9. STAFF PRESENTATIONS	
a. Water Supply Update	<u>25</u>
b. Draft Capital Funding Plan	<u>32</u>
c. Preliminary Budget and Rates	<u>59</u>
10. COMMITTEE REPORTS	
a. Executive Committee – <i>no meeting held.</i>	
b. Finance and Intergovernmental Committee – <i>April 21, 2026 and May 19, 2026.</i>	<u>77</u>
c. Resource Management Committee – <i>May 14, 2026.</i>	<u>81</u>

d. Supply Program Oversight Committee – *May 13, 2026.*

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11. NEW BUSINESS

12. NEXT REGULAR MEETING – *June 24, 2026 – Cascade’s Office or Via Zoom*
– *3:30 p.m.*

13. ADJOURN

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



MEMORANDUM

DATE: May 27, 2026

TO: Angela Birney, Chair
Board of Directors

FROM: Melina Thung, Interim Chief Executive Officer

SUBJECT: Chief Executive Officer's Report

Administration, Finance, and Economics

- The Cascade Board of Directors named John Taylor as its new Chief Executive Officer at its Special Board Meeting on May 6. John's first day with Cascade is May 29.
- Planning continues in May for a bond issuance later this year. Cascade's bond team began the work necessary for bringing a bond resolution to the Board for consideration in the fall to help fund the Cascade Supply Program.
- There have been 248.5 net Regional Capital Facilities Charges (RCFCs) reported through April, with one Member April report not yet received. A Member did revise a January worksheet upwards of 25 Cascade Equivalent Residential Units (CERUs), so the first quarter had 213.5 RCFCs. At this rate, Cascade would meet 2026 budget expectations.
- Clark Nuber, Cascade's outside auditing firm, is conducting a review of the first quarter of Cascade's 2026 financial transactions in May. The results of the review will be reported to the Finance and Intergovernmental Committee.
- Cascade reviewed and had no comments on the 90 percent site design of BrightNight (GREE). Cascade staff anticipate that Cascade will receive preliminary notice to proceed soon as work has already begun on other portions of their projects. Upon construction commencement, Cascade is due \$1.4M.
- The Contracts and Project Support Lead position was posted on Monday, May 4. This vacant position was previously classified as the program director for the White River – Lake Tapps Reservoir system.
- The Communications and Outreach Manager position was posted on Monday, May 18. This new position will support communications, community outreach, and intergovernmental coordination for the Cascade Supply Program as well as Cascade's general external communications and intergovernmental work.
- In April, a potential broad email phishing attempt on Cascade was detected and prevented by TeamLogic, Cascade's IT consultant.

Cascade Supply Program

- The monthly CSP Status Update is attached.
- Board Oversight
 - Staff shared the first draft of the Board Oversight Plan with member staff and the Supply Program Oversight Committee for review and comment. The plan is on track for delivery to the Board by the June deadline.
- Management and Planning
 - Staff are continuing to advance the hydraulic modeling, GIS mapping, tank siting, and pipeline routing.
 - Staff are starting to build the Risk Register and develop risks for the program.
- CMMS (Computer Maintenance Management System)
 - The project team has identified the three most probable software options. Vendor exhibits are being scheduled.

Capital Projects and Operations

- The Lake Tapps Reservoir level was 542.87 feet as of May 15. Cascade plans to keep the reservoir at full summer recreation level for the rest of the spring to hedge against the low river flows, which are expected throughout the summer.
- White River – Lake Tapps Reservoir (WRLTR) Operations and Maintenance (O&M) Services Contract
 - Cascade’s current contract with Veolia for Operation and Maintenance of the WRLTR project expires on December 31, 2026. Cascade issued the Request for Proposals and draft contract on March 2. Three firms submitted a proposal by the May 15 deadline.
 - In June, staff anticipate requesting the Board to authorize the CEO to execute an amendment with Veolia for O&M services transition support. The transition contract would be needed if Veolia is not selected for the future O&M services contract and needs to transfer O&M responsibilities to the selected contractor.
- Cascade staff is reviewing the 90 percent plan set from Stantec for the Bellevue-Issaquah Pipeline Relocation at Lewis Creek project. The plan set has been submitted to the Department of Health and Washington State Department of Transportation for review, and Cascade is currently finalizing the State Environmental Policy Act (SEPA) determination. Cascade staff will meet with impacted Member agency staff during the last week of May for feedback.

Water Efficiency

- Snowpack was extremely low this year and has almost all melted already. Seattle Public Utilities filled their reservoirs early this year and are holding them as high as possible for as long as possible. They have indicated it is too early to tell if they will have to activate their Water Shortage Contingency Plan this year. Cascade added information about the

statewide drought declaration and low snowpack to their website and social media, along with ways people can conserve water.

- Cascade provided supplies for 200 students from Pacific Cascade Middle School in Issaquah to perform water audits at their homes. Cascade also provided water-efficient fixtures to replace those identified as non-efficient. The project resulted in an estimated annual savings of 79,297 gallons of water.
- Sixteen participants from Cascade's service area were recruited for this year's Soil and Water Stewardship program. They will receive training in water-efficient gardening and participate in volunteer projects over an eight-month period.
- Cascade was able to connect with 409 people at the Issaquah Sustainability Fair on April 26.



Issaquah Sustainability Fair

Intergovernmental and Communications

- The Lake Tapps Reservoir Community Meeting is scheduled for Wednesday, June 3 from 6-8 pm at North Tapps Middle School. Vice Chair Tom McLeod is representing the Board at the meeting.
- Cascade staff presented to the Kirkland City Council on May 19. The presentation focused on the Cascade Supply Program and on Cascade's water conservation program.

Attachments

1. Budget to Actual Expenditure Report through April 30, 2026.
2. Statement of Revenues and Expenditures through April 30, 2026.

3. Statement of Net Position as of April 30, 2026.
4. Contract Status Summary.
5. Monthly Warrants Listing.
6. Monthly Treasurer's Report as of April 30, 2026.
7. Draft 2026 Board Meeting Calendar.
8. CSP Status Update.

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- April 30, 2026
 33% of the year completed

Administration		Budget		Actual		Balance		% Expended
Salaries	\$	1,353,486	\$	582,734		770,751		43.1%
Benefits		350,482		183,734		166,748		52.4%
Wellness program		1,000		0		1,000		0.0%
Prof. Fee (Technical)		200,000		58,453		141,547		29.2%
Prof. Fee (Legal)		697,000		393,040		303,960		56.4%
Prof. Fee (Audit)		106,000		73,271		32,729		69.1%
Prof. Fee (Other)		55,000		2,954		52,046		5.4%
Seismic Resiliency		100,000		0		100,000		0.0%
Meetings Expense		12,000		2,207		9,793		18.4%
Telephone/Internet		45,000		16,103		28,897		35.8%
Office Rent		418,144		136,224		281,920		32.6%
Office Supplies Admin.		15,000		4,712		10,288		31.4%
Equip. and Furniture		31,000		30,327		673		97.8%
Bank Fees		500		93		407		18.7%
Dues & Subscriptions		30,000		26,573		3,427		88.6%
Taxes/Licenses		15,000		8,796		6,204		58.6%
Travel		10,000		1,503		8,497		15.0%
Professional Dev.		10,000		2,063		7,938		20.6%
Computer Equipment		20,000		4,105		15,895		20.5%
Software Licenses		72,000		21,955		50,045		30.5%
Postage & Delivery		1,500		688		812		45.8%
Printing & Repro.		3,500		0		3,500		0.0%
Insurance		251,798		127,333		124,465		50.6%
Contingency		407,500		0		407,500		0.0%
Total	\$	4,205,910	\$	1,676,867	\$	2,529,043		39.9%

Debt Service		Budget		Actual		Balance		% Expended
Bond Debt Service	\$	9,224,541		3,603,271		5,621,271		39.1%
Total	\$	9,224,541	\$	3,603,271	\$	5,621,271		39.1%

Conservation		Budget		Actual		Balance		% Expended
Salaries	\$	162,893	\$	46,682	\$	116,211		28.7%
Benefits		44,460		8,065		36,396		18.1%
Prof. Fee (Technical)		25,000		9,850		15,150		39.4%
Prof. Fee (Legal)		1,000		0		1,000		0.0%
Dues & Subscriptions		5,500		896		4,604		16.3%
Rebate Reimb. Com.		115,000		7,163		107,838		6.2%
Irrigation Audit		15,000		0		15,000		0.0%
Turf Removal Rebates		50,000		0		50,000		0.0%
Comm. and Public I		375,000		179,009		195,991		47.7%
Misc. Serv. and Sup.		38,000		26,591		11,409		70.0%
Total	\$	831,853	\$	278,255	\$	553,598		33.5%

Com. and Intergovern		Budget		Actual		Balance		% Expended
Salaries	\$	128,199	\$	48,181	\$	80,017		37.6%
Benefits		39,683		8,757		30,926		22.1%
Special Events		10,000		0		10,000		0.0%
Prof. Fee (Other)		165,000		60,722		104,278		36.8%
Sponsorships		30,000		1,200		28,800		4.0%
Comm. and Public I		280,000		8,703		271,297		3.1%
Total	\$	652,881	\$	127,563	\$	525,318		19.5%

Cascade Water Alliance
 Budget to Actual Expenditure Report
 January 1- April 30, 2026
 33% of the year completed

Operations-General		Budget		Actual		Balance	% Expended
Wholesale Water	\$	25,648,897	\$	5,676,321	\$	19,972,576	22.1%
Salaries		76,815		10,596		66,219	13.8%
Benefits		16,767		1,775		14,992	10.6%
BIP O&M		80,000		13,415		66,585	16.8%
Pipeline Prop. O&M		90,000		201		89,799	0.2%
Total	\$	25,912,479	\$	5,702,307	\$	20,210,172	22.0%

Operations-Lake Tapps		Budget		Actual		Balance	% Expended
Salaries	\$	925,920	\$	214,949	\$	710,971	23.2%
Benefits		210,861		40,301		170,560	19.1%
Prof. Fee (Technical)		934,550		236,392		698,158	25.3%
Prof. Fee (Other)		60,000		0		60,000	0.0%
Meetings Expense		4,000		94		3,906	2.4%
Telephone/Internet		2,700		2,495		205	92.4%
Office Supplies		7,000		5,604		1,396	80.1%
Equipment & Furn.		34,000		9,928		24,072	29.2%
Taxes/Licenses		18,000		8,420		9,580	46.8%
Travel		10,000		6,211		3,789	62.1%
Professional Dev.		2,500		0		2,500	0.0%
Software Licenses		37,000		0		37,000	0.0%
Permitting Costs		9,500		4,449		5,051	46.8%
Misc. Serv. and Sup.		116,000		3,662		112,338	3.2%
LT Operator		3,063,598		838,126		2,225,471	27.4%
Unplanned O&M		100,000		8,034		91,966	8.0%
Misc. Facility Repairs		135,000		0		135,000	0.0%
USGS Joint Fund		420,000		73,953		346,048	17.6%
Milfoil Control		210,000		4,737		205,264	2.3%
Vendor Services		130,000		26,748		103,252	20.6%
Water Quality		50,000		0		50,000	0.0%
Dike and Roads		92,000		0		92,000	0.0%
Total	\$	6,572,629	\$	1,484,103	\$	5,088,526	22.6%

Cascade Supply Program		Budget		Actual		Balance	% Expended
Salaries	\$	415,000		266,553		148,447	64.2%
CSP Consultants		1,194,000		25,471		1,168,529	2.1%
CSP Contingency		161,000		0		161,000	0.0%
Total CSP Budget	\$	1,770,000	\$	292,024	\$	1,477,976	16.5%

Total Operating Budget \$ 49,170,294 \$ 13,164,391 \$ 36,005,904 26.8%

Capital Projects (multi-yr bdgt not shown)		Budget		Actual		Balance	% Expended
Upper Conveyance	\$	100,000		85,055		14,945	85.1%
Lower Conveyance		2,050,000		30,152		2,019,848	1.5%
Equipment		75,000		0		75,000	0.0%
Facilities		100,000		0		100,000	0.0%
Bellevue-issaquah		800,000		153,272		646,728	19.2%
Tacoma Agreement		6,468,033		5,856,828		611,205	90.6%
Cascade Supply		1,770,000		341,252		1,428,748	19.3%
Capital Risk		700,000		0		700,000	0.0%
IT Infrastructure		35,000		0		35,000	0.0%
Total CIP Budget	\$	12,098,033	\$	6,466,558	\$	5,631,475	53.5%

Total Overall Budget \$ 61,268,327 \$ 19,630,948 41,637,379 32.0%

Cascade Water Alliance
Statement of Revenues and Expenditures
From 1/1/2026 Through 4/30/2026

Attachment 2

Operating Revenue	
Water sales	\$ 11,329,583
Administrative dues	4,366,139
Conservation program	216,678
Total Operating Revenue	15,912,400
Operating Expenses	
Cost of water sold	5,676,321
Salaries and benefits	1,545,191
Professional services	867,188
Conservation program	7,163
Depreciation and amortization	2,434,607
Communication and public information	183,559
Office expenses	273,412
Operations	927,691
Bank charges	93
Rent	37,827
Maintenance	34,938
Dues and subscriptions	31,913
Miscellaneous	10,817
Total Operating Expenses	12,030,719
Operating Income	3,881,681
Non-Operating Revenue (Expenses)	
Interest income	559,731
Other income	7,781
Interest expense, net of amount capitalized	(1,784,432)
Total Non-Operating Revenue (Expenses)	(1,216,920)
Capital Contributions	
Regional Capital Facilities Charges	1,723,941
Increase in Net Assets	4,388,701
Net Assets, Beginning of Year	179,348,460
Net Assets, End of Year	\$ 183,737,161

Cascade Water Alliance
Statement of Net Position
As of 4/30/2026

Attachment 3

Assets	
Current Assets	
Cash and cash equivalents	\$ 39,314,659
Accounts receivable	4,812,167
Prepaid expenses	142,292
Total Current Assets	44,269,118
Capital Assets	
Equipment and furniture	2,404,761
Seattle water contract	22,267,611
Bellevue Issaquah pipeline	22,459,627
Tacoma water contract	159,762,485
Capital Leases	2,491,486
Less accumulated depreciation and amortization	(78,918,097)
Total Capital Assets	130,467,873
Projects in process and assets not yet in service	
Lake Tapps	111,742,789
Tacoma Cascade pipeline	26,880,637
Total Projects in process and assets not yet in service	138,623,426
Restricted cash and cash equivalents	21,616,128
Total Assets	334,976,545
Liabilities	
Current liabilities	
Payables and accrued liabilities	3,242,283
Retroactive water credit	714,075
Accrued interest	1,166,992
Long-term debt current portion	7,355,000
Total Current liabilities	12,478,350
Long-term Liabilities	
Long-term debt	60,705,000
Tacoma contract	76,411,419
Bond premium, net of amortization	1,339,410
Total Long-term Liabilities	138,455,830
Total Liabilities	150,934,179
Net Assets	
Restricted for debt service	147,958,733
Unrestricted	36,083,632
Total Net Assets	184,042,366
Total Liabilities & Net Assets	\$ 334,976,545

Consultant and Other Vendor Contract Status Summary

Attachment 4

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	2026 Lake Tapps Aquatic Plant Maintenance Program	P. Anderson	1/1/2026	12/31/2026	5/13/2026	5%	\$ 165,000	\$ 2,228	1%	\$ 162,772
Ballard Spahr	1	Legal Services	C. Paulucci	1/1/2026	12/31/2026	5/13/2026	65%	\$ 25,000	\$ 15,340	61%	\$ 9,660
Ben Bernstein Music	1	Podcast production	M. Brent	1/1/2026	12/31/2026	5/13/2026	0%	\$ 7,000	\$ -	0%	\$ 7,000
BHC Consulting	1	Planning & Permit Assistance	T. Richmond	1/1/2026	12/31/2026	5/13/2026	0%	\$ 45,000	\$ -	0%	\$ 45,000
Brilliant Marketing	1	We Need Water Social Media Outreach	J. Amspacher	1/1/2026	12/31/2026	5/13/2026	40%	\$ 64,000	\$ 24,082	38%	\$ 39,918
Catalyst Workplace Activation	1	Additional Workstations & Private Office	C. Paulucci	4/9/2026	N/A	5/13/2026	50%	\$ 42,577	\$ 21,288	50%	\$ 21,288
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	C. Paulucci	1/1/2026	N/A	5/13/2026	80%	\$ 89,200	\$ 57,425	64%	\$ 31,775
Clark Nuber	2	RCFC member process	C. Paulucci	10/1/2025	N/A	5/13/2026	25%	\$ 105,000	\$ 21,096	20%	\$ 83,904
Colehour and Cohen	1	Staffing for classes and events	J. Amspacher	1/1/2026	12/31/2026	5/13/2026	45%	\$ 117,525	\$ 58,318	50%	\$ 59,207
Confluence Engineering Group, LLC	1	Lake Tapps Supply & BIP Water Quality Advisory Services Project	H. Chen	12/1/2023	N/A	5/13/2026	80%	\$ 49,000	\$ 24,158	49%	\$ 24,842
Confluence Engineering Group, LLC	2	Joint Operations Protocol Manual	H. Chen		N/A	5/13/2026	80%	\$ 49,658	\$ 39,384	79%	\$ 10,274
David Evans	1	On-call Land Surveyor	H. Chen	11/18/2022	12/31/2026	5/13/2026	45%	\$ 160,000	\$ 61,259	38%	\$ 98,741
David McGrath	1	Irrigation Program Assistance	M. Brent	1/1/2026	12/31/2026	5/13/2026	0%	\$ 20,000	\$ -	0%	\$ 20,000
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	P. Anderson	1/1/2026	12/31/2026	5/13/2026	5%	\$ 49,000	\$ 2,509	5%	\$ 46,492
Fluid and Motion Control Technologies, LLC	1	Valve House Preventative Maintenance	W. Smythe	3/9/2026	12/31/2026	5/13/2026	5%	\$ 45,000	\$ -	0%	\$ 45,000
GeoEngineers	1	Dam Engineering/Hydrology/ Geotechnical Service	H. Chen	1/3/2024	12/31/2026	5/13/2026	60%	\$ 570,000	\$ 344,025	60%	\$ 225,975
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2026	12/31/2026	5/13/2026	33%	\$ 84,000	\$ 28,000	33%	\$ 56,000
Hawkins Delafield & Wood	1	Procurement and contracting for a contract operator for the WRLTR project.	M. Thung	1/1/2026	12/31/2026	5/13/2026	80%	\$ 110,000	\$ 89,854	82%	\$ 20,146
Hawkins Delafield & Wood	2	Advisory and support services for Transition Plan	M. Thung	3/23/2026	N/A	5/13/2026	0%	\$ 45,000	\$ -	0%	\$ 45,000
Herrera	1	On-Call Water Supply Modeling Services	M. Thung	11/4/2024	12/31/2027	5/13/2026	0%	\$ 40,000	\$ -	0%	\$ 40,000
Herrera	2	Bulkheads Study	M. Thung	6/5/2025	N/A	5/13/2026	75%	\$ 49,000	\$ 36,877	75%	\$ 12,123
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	5/13/2026	99%	\$ 1,518,000	\$ 1,430,941	94%	\$ 87,059
Jennergy	1	Website Maintenance	M. Brent	1/1/2026	12/31/2026	5/13/2026	25%	\$ 25,000	\$ 8,403	34%	\$ 16,597
Johansen Construction	1	2025 Winter Weather Event Emergency Repairs	H. Chen	12/29/2025	N/A	5/13/2026	85%	\$ 20,000	\$ 8,034	40%	\$ 11,966
Johansen Construction	2	Owner's Minor Construction, Repair, and Maintenance	W. Smythe	3/5/2026	N/A	5/13/2026	0%	\$ 150,000	\$ -	0%	\$ 150,000
Jon Shimada	1	On-Call Project Support Services	M. Thung	4/8/2024	12/31/2026	5/13/2026	95%	\$ 35,000	\$ 30,780	88%	\$ 4,220
Lake Tapps Construction	1	Owner's Minor Construction, Repair, and Maintenance	W. Smythe	3/3/2026	N/A	5/13/2026	0%	\$ 150,000	\$ -	0%	\$ 150,000
Langton Spieth	1	Community relations	A. Bennett	1/1/2026	12/31/2026	5/13/2026	0%	\$ 78,000	\$ 26,000	33%	\$ 52,000
Long Building Tech	1	Security Maintenance	H. Chen	1/1/2026	12/31/2026	5/13/2026	0%	\$ 78,000	\$ -	0%	\$ 78,000
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2026	12/31/2026	5/13/2026	50%	\$ 135,466	\$ 68,224	50%	\$ 67,242
Northwest Municipal Advisor	1	Financial Advisory Services	C. Paulucci	9/17/2025	12/31/2027	5/13/2026	0%	\$ 49,999	\$ -	0%	\$ 49,999
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2023	12/31/2026	5/13/2026	65%	\$ 650,000	\$ 435,818	67%	\$ 214,182
Parametrix	2	On-Call Electrical Engineering Svcs	H. Chen	4/7/2025	12/31/2027	5/13/2026	40%	\$ 600,000	\$ 255,597	43%	\$ 344,403
Performance Dimension Group	1	Organizational Performance Services	M. Thung	1/9/2026	12/31/2027	5/13/2026	10%	\$ 30,000	\$ 1,463	5%	\$ 28,538
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2026	12/31/2026	5/13/2026	50%	\$ 120,000	\$ 7,640	6%	\$ 112,360
Rok Technologies, LLC	1	Implementation of GIS Cloud Migration	H. Chen	10/10/2025	4/10/2026	5/13/2026	100%	\$ 48,627	\$ 48,627	100%	\$ -
Sammamish Plateau Water	1	GIS support services	H. Chen	12/6/2022	N/A	5/13/2026	95%	\$ 50,000	\$ 49,001	98%	\$ 999
Sazan	1	On-call value analysis/engineering	J. Shimada	10/23/2023	10/23/2025	5/13/2026	50%	\$ 250,000	\$ 98,941	40%	\$ 151,059
Seattle Public Utilities	1	Garden Hotline	J. Amspacher	1/1/2026	12/31/2026	5/13/2026	0%	\$ 17,620	\$ -	0%	\$ 17,620
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2026	12/31/2026	5/13/2026	25%	\$ 31,000	\$ 11,750	38%	\$ 19,250
Stantec	1	BIP Relocation at Lewis Creek	W. Smythe	8/27/2025	N/A	5/13/2026	35%	\$ 283,684	\$ 182,683	64%	\$ 101,001

Stantec	2	CSP - Program and Engineering Support	B. Bartle	11/4/2025	N/A	5/13/2026	45%	\$ 1,000,000	\$ 398,105	40%	\$ 601,895
Stantec	3	CMMS Evaluation Support	M. Thung	3/9/2026	N/A	5/13/2026	65%	\$ 49,500	\$ 31,190	63%	\$ 18,310
Sustainable Seattle	1	Problem-Based Learning for Water Systems	J. Amspacher	1/1/2026	12/31/2026	5/13/2026	15%	\$ 60,000	\$ 6,001	10%	\$ 53,999
Tacoma-Pierce County	1	LakeWise Program at Lake Tapps	A. Bennett	1/1/2026	12/31/2026	5/13/2026	17%	\$ 140,000	\$ 4,259	3%	\$ 135,741
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2026	12/31/2026	5/13/2026	33%	\$ 148,840	\$ 54,446	37%	\$ 94,394
TechniArt	1	Conservation Website Order page	M. Brent	1/1/2026	12/31/2026	5/13/2026	15%	\$ 17,000	\$ 2,035	12%	\$ 14,965
Terese Richmond LLC	1	On-Call Strategy, Policy and Program Support Services	M. Thung	6/9/2025	12/31/2026	5/13/2026	10%	\$ 45,750	\$ 4,479	10%	\$ 41,271
Tetra Tech	1	AWIA 2025-2026 Updates	M. Thung	12/9/2024	12/31/2026	5/13/2026	40%	\$ 350,000	\$ 150,540	43%	\$ 199,460
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2026	12/31/2026	5/13/2026	20%	\$ 65,000	\$ 11,700	18%	\$ 53,300
TITAN Earthwork	1	Owner's Minor Construction, Repair, and Maintenance	H. Chen	4/1/2026	12/31/2026	5/13/2026	0%	\$ 150,000	\$ -	0%	\$ 150,000
Transpo Group	1	On-Call GIS Support	H. Chen	1/1/2026	12/31/2026	5/13/2026	35%	\$ 49,500	\$ 16,622	34%	\$ 32,878
Upstream PBC	2	HydroForecast Subscription Service	M. Thung	10/1/2024	9/30/2026	5/13/2026	75%	\$ 49,350	\$ 23,500	48%	\$ 25,850
USGS	1	Joint Funding Agre-Streamgaging	H. Chen	1/1/2026	12/31/2026	5/13/2026	25%	\$ 352,000	\$ 73,953	21%	\$ 278,048
Vanir Construction Management, Inc.	1	On-call Construction Management	J. Shimada	5/1/2021	N/A	5/13/2026	85%	\$ 790,000	\$ 668,827	85%	\$ 121,173
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2026	12/31/2026	5/13/2026	33%	\$ 900,000	\$ 291,101	32%	\$ 608,899
Veolia	1	White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement \$2,430,226 fixed, \$50,000 variable, \$12,385 bond	H. Chen	1/1/2026	12/31/2026	5/13/2026	33%	\$ 2,492,611	\$ 837,195	34%	\$ 1,655,416

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
Marketplace Events	1	Northwest Flower and Garden Show	J. Amspacher	11/17/2025	12/31/2026	5/13/2026	100%	\$ 20,000	\$ 20,000	100%	\$ -
Confluence Engineering Group, LLC	2	Water Quality Blending Study	M. Thung	12/5/2004	N/A	5/13/2026	100%	\$ 230,000	\$ 229,918	100%	\$ 82
Sunbreak Talent	1	Recruitment assistance	M. Thung	3/27/2025	N/A	5/13/2026	100%	\$ 6,000	\$ 4,910	82%	\$ 1,090

Payment Authorization Warrants and Wire Transfers 5/27/26

Attachment 5

WHOLESALE WATER

WIRE	Seattle Contract Payment 5/26	\$1,492,522.00
33318	Tacoma Public Utilities	\$50,933.70
		<u>\$1,543,455.70</u>

CONSULTANTS

33248	Clark Nuber P.S.	\$38,358.60
33252	GeoEngineers	\$22,898.21
33256	Parametrix	\$39,042.78
33257	Stantec Consulting Services Inc. (SCSI)	\$26,189.75
33259	Van Ness Feldman, LLP	\$92,801.49
33263	Ballard Spahr LLP	\$6,488.30
33265	David Evans and Associates Inc.	\$6,879.00
33268	Herrera	\$4,506.67
33277	Tacoma Pierce County Health Department	\$4,259.08
33278	TeamLogic IT of Bellevue, WA	\$4,104.72
33283	Clark Nuber P.S.	\$5,250.00
33287	Environmental Science Associates (ESA)	\$1,953.50
33288	Gordon Thomas Honeywell Govern. Affairs	\$7,000.00
33289	Langton Public Affairs LLC	\$6,500.00
33298	Stantec Consulting Services Inc. (SCSI)	\$8,172.19
33310	Herrera	\$796.36
33317	Stantec Consulting Services Inc. (SCSI)	\$12,245.60
33319	TeamLogic IT of Bellevue, WA	\$9,827.73
33320	Transpo Group	\$582.36
33323	Van Ness Feldman, LLP	\$41,760.50
		<u>\$339,616.84</u>

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (March)	\$258,327.71
	Payroll (April)	\$249,295.82
33244	AWC Employee Benefit Trust	\$33,540.17
33250	John Holmes	\$189.44
33261	MissionSquare-107080	\$67,664.18
33262	MissionSquare-304525	\$22,231.18
33266	Paula Anderson	\$483.52
33269	HRA VEBA Trust	\$2,970.00
33306	John Holmes	\$156.24
33307	Cody Nelson	\$307.33
33308	Colleen Petilla	\$364.22
33309	Melina Thung	\$60.23
		<u>\$635,590.04</u>

CONSERVATION

33254	Marianne Binetti	\$500.00
33258	Sustainable Seattle dba Sustainability Ambassadors	\$3,137.00
33271	Nita-Jo Rountree	\$400.00
33280	BRILLIANT MARKETING LLC	\$3,641.34
33290	Makarios Communications	\$551.50
33292	Nature Vision, Inc.	\$13,523.81
33293	New Resources Group, Inc.	\$234.85
33297	Seattle Times	\$3,368.45
33305	Colehour & Cohen	\$7,680.47
33311	Jennergy	\$1,680.56
33316	SMC Consulting LLC	\$1,900.00
		<u>\$36,617.98</u>

SOFTWARE AND EQUIPMENT

33303	Abila	\$338.54
		<u>\$338.54</u>

GENERAL

33245	AT&T FirstNet	\$731.22
33246	City of Bellevue	\$2,040.16
33247	Bellevue Gateway One Equities, LLC	\$33,604.49
33255	Pacific Office Automation	\$316.59
33264	Comcast	\$612.37
33267	Greater Issaquah Chamber of Commerce	\$4,000.00
33270	Lakemont Business Services Inc.	\$200.00
33274	spot-on print & design	\$349.33
33275	Staples Advantage	\$141.90
33282	CIT	\$2,165.43
33284	CLEARFLY	\$1,112.73
33285	Code Publishing Co.	\$175.00
33294	Pacific Office Automation Inc.	\$122.94
33295	Pacific Office Automation	\$723.33
33296	Sammamish Plateau Water & Sewer Distric	\$4,195.45
33299	Verizon Wireless	\$135.03
33314	Lumen	\$115.40
33315	Pierce County Budget & Finance	\$172.03
33321	U.S. BANK	\$8,400.37
33322	Utilities Underground Location Center	\$38.12
		<u>\$59,351.89</u>

LAKE TAPPS

33249	US Geological Survey (USGS)	\$73,952.50
33251	FloHawks Plumbing & Septic	\$6,834.24
33253	Linde Gas & Equipment Inc.	\$734.83
33260	Veolia Water North America	\$226,310.27
33272	Puget Sound Energy	\$345.47
33273	Salish Sea Tree Care and Consulting, LLC	\$649.20
33276	Sunbelt Rentals	\$1,434.57
33281	Cintas Corporation	\$445.44
33286	D. M. Recycling Co.	\$178.00
33291	Murreys Disposal Co, Inc.	\$110.75
33304	Cintas Corporation	\$95.26
33312	JR Mailing Services, Inc.	\$3,465.72
33313	Linde Gas & Equipment Inc.	\$808.63
33324	Veolia Water North America	\$205,357.35
		<u>\$520,722.23</u>

CONSTRUCTION

33242	Parametrix	\$8,255.00
33243	Stantec Consulting Services Inc. (SCSI)	\$108,704.02
33279	Stantec Consulting Services Inc. (SCSI)	\$264,593.80
33300	HDR	\$2,429.12
33301	Vanir Construction Management Inc.	\$3,120.00
33302	Van Ness Feldman, LLP	\$4,400.00
		<u>\$391,501.94</u>

DESTROYED AND VOIDED CHECKS:

33091, 33189

Total Warrants	\$2,034,673.16
Total Wires	\$1,492,522.00
Total warrants/wire transfers authorized for April 2026	<u>\$3,527,195.16</u>

Approved: _____ Date: _____
 Andy Baker, Economist

Approved: _____ Date: _____
 Dave Hamilton, Secretary/Treasurer

**Cascade Water Alliance
Monthly Treasurer's Report
April 2026**

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
Beginning Balances, April 1	\$ 20,349,119	\$ 12,992,022	\$ 8,103,904	\$ -	\$ 16,204,824	\$ 2,599,632	\$ -	\$ 60,249,501
Additions:								
Cash received	\$ 3,596,963	\$ 34,913	\$ 13,015	\$ -	\$ 34,366	\$ 9,373	\$ -	\$ 3,688,629
Transfers from other Cascade funds	\$ -	\$ -	\$ 760,022	\$ -	\$ -	\$ -	\$ 249,296	\$ 1,009,318
Total additions	\$ 3,596,963	\$ 34,913	\$ 773,037	\$ -	\$ 34,366	\$ 9,373	\$ 249,296	\$ 4,697,947
Subtractions:								
Bank fees, payroll, and bond payments	\$ 1,829	\$ 688	\$ 1,021	\$ -	\$ 1,281	\$ 185	\$ 249,296	\$ 254,301
Warrants paid	\$ 1,112,696	\$ 121,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,234,665
Wire and other electronic payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (realized)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
King Co. Investment Pool impairment (retained)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers to other Cascade funds	\$ 1,009,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,009,318
Total subtractions	\$ 2,123,842	\$ 122,657	\$ 1,021	\$ -	\$ 1,281	\$ 185	\$ 249,296	\$ 2,498,283
Ending Balances, April 30, 2026	\$ 21,822,240	\$ 12,904,277	\$ 8,875,920	\$ -	\$ 16,237,909	\$ 2,608,820	\$ -	\$ 62,449,165

**DRAFT****Cascade Board Meeting Calendar**

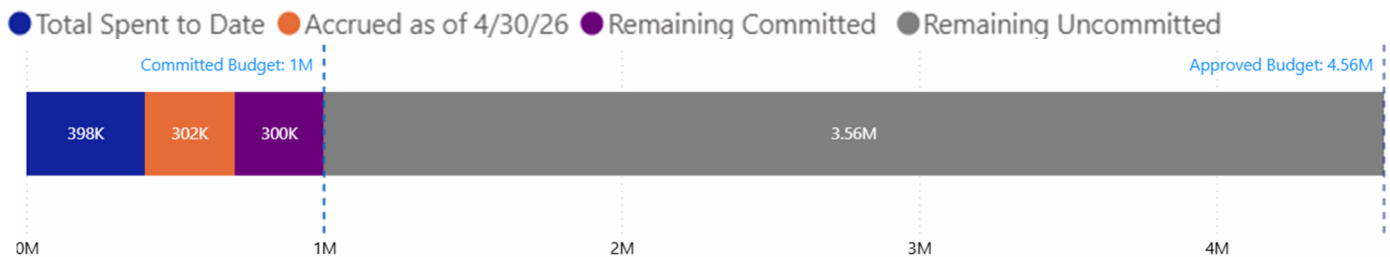
Updated 5/18/2026

January 28, 2026 <ul style="list-style-type: none"> • 2026 Sponsorships – Action • Water Supply Forum ILA - Action • On-call minor construction contracts - Action • Reimbursement resolution - Action • BrightNight easement amendment - Action • Upcoming Cascade Supply Program (CSP) workshop 	July 22, 2026 <ul style="list-style-type: none"> • CSP: Final Board Oversight Plan - Action • Budget and Rates: Final budget and rates proposal – Presentation • WSDf: Biennial Report and Annual Transfer - Action • Contract Operator Notification of Selected Firm – Presentation • CSP: Q2 Review - Presentation
February 25, 2026 <ul style="list-style-type: none"> • Annual meeting, elect officers - Action • Prep for CSP Workshop • Executive Session 	August 26, 2026 <ul style="list-style-type: none"> • Recess
March 6, 2026 (Special Meeting) <ul style="list-style-type: none"> • Cascade Supply Program: Board oversight workshop 	September 23, 2026 <ul style="list-style-type: none"> • Capital Funding Plan: Resolution adopting Plan - Action • Budget: Resolution adopting O&M and CIP budget - Action • Rates: Resolution adopting rates & RCFC – Action • CSP: Land Acquisition Strategy – Presentation • CSP: Partnership Policy – Presentation • Strategic Plan Discussion (tentative)
March 25, 2026 <ul style="list-style-type: none"> • Resolution for new committees, elect chairs and committee membership - Actions • Capital Funding Plan: Background, fiscal policies - Presentation • Executive Session 	October 28, 2026 <ul style="list-style-type: none"> • Bond Issuance Approval – Presentation • CSP: Land Acquisition Strategy – Action • CSP: Comms and Outreach Strategy - Presentation
April 22, 2026 <ul style="list-style-type: none"> • 2026 Capital Budget Amendment - Action • CSP: Approval of remaining 2026 Master Services Agreement (MSA) budget – Action • Executive Session 	November 18, 2026 <ul style="list-style-type: none"> • Bond Issuance Approval – Action • Adoption of 2027 Legislative Agenda - Action • Approval to Finalize Contract Operator Contract – Action • CSP: Approval of 2027 MSA Budget – Action • CSP: Comms and Outreach Plan – Action • CSP: Executive Session
May 6, 2026 (Special Meeting) <ul style="list-style-type: none"> • Resolution for new CEO – Action 	December 16, 2026 <ul style="list-style-type: none"> • Recess (tentative)
May 27, 2026 <ul style="list-style-type: none"> • Budget & Rates: Preliminary budget and rates - Presentation • Capital Funding Plan – Presentation • Water Supply Status Update - Presentation 	
June 24, 2026 <ul style="list-style-type: none"> • Budget & Rates: Proposed budget and rates - Presentation • CSP: Draft Board Oversight Plan – Presentation (Action if ready) • Veolia Contract Amend. for Transition – Action 	



Financials (through 04/30/2026)

Program Engineering Support (PES) Contract



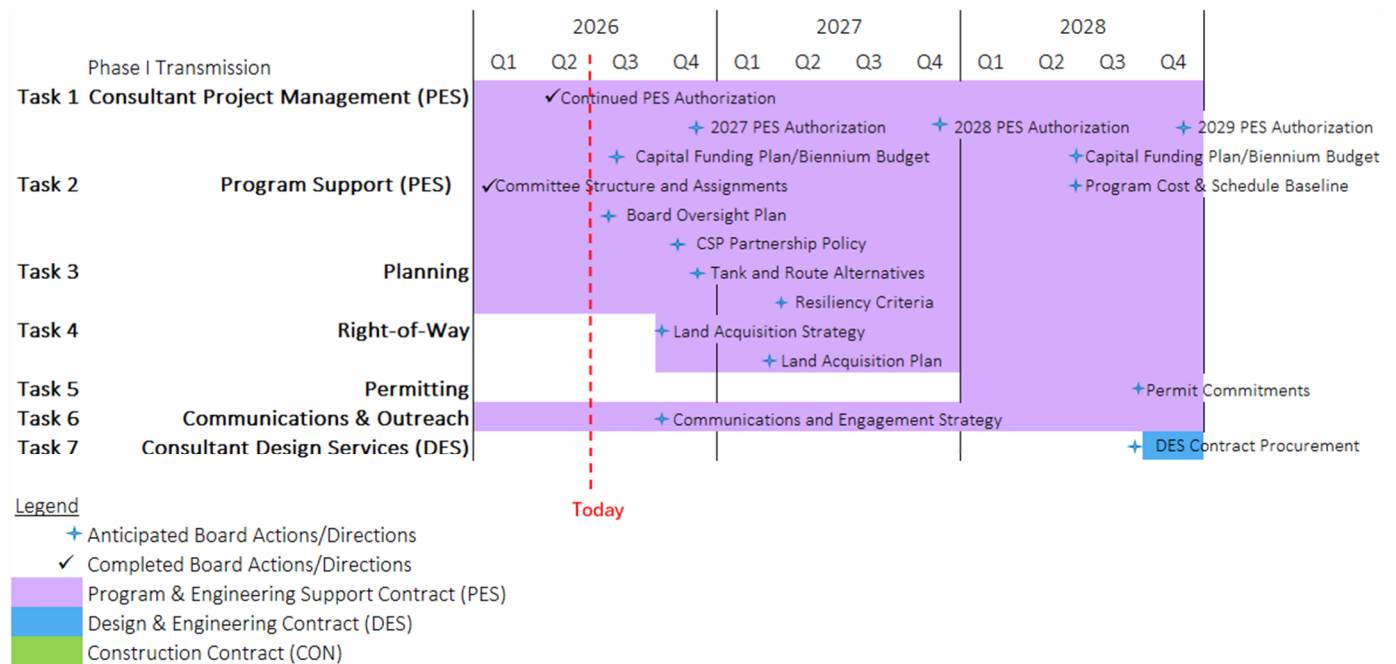
Board Authorized Amount: \$4,563,000

Amount committed in current Work Assignments: \$1,000,000

Work Assignment 001: 99% Spent (with accrued) – Forecasted finish: May 2026 – On Track

Work Assignment 002: 68% Spent (with accrued) – Forecasted finish: June 2026 – On Track

Schedule



3-Month Activity Lookahead

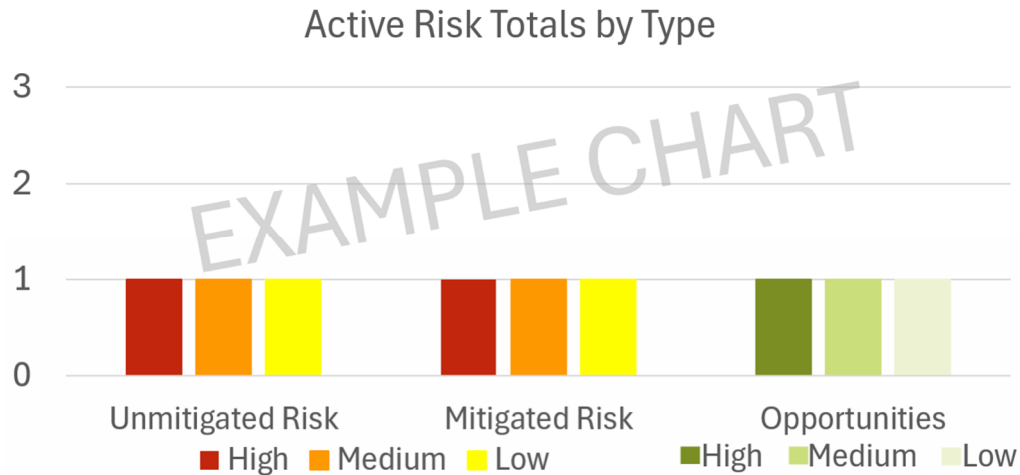
- **CSP Team:**
 - Program management:
 - Continue populating risk register
 - Scoping and negotiating WA.003
 - Begin developing draft CSP Partnership Policy
 - Developing cost communication and overall program messaging with communications consultants, drafting edits for website updates
 - Continue refining program schedule, synthesize input from Task Leads and hold scheduling workshop
 - Alternative analysis:
 - Review Subject Matter Expert input on pipeline corridors and potential tank sites
 - Develop “heat maps” to define the potential least impact corridors and tank sites
 - Continued GIS development
 - Preliminary hydraulic analyses to confirm member demand phasing assumptions and evaluate flow allocation scenarios to determine planning-level capacity requirements for the Phase I Tacoma Cascade Transmission Line (TCTL)
- **Upcoming Board Actions and Discussions:**
 - Capital Improvement Plan/Budget review (Discussion, May)
 - Draft Board Oversight Plan (Discussion, June)
 - Board Oversight Plan (Action, July)
 - CSP Partnership Policy (Discussion, July)

Accomplishments

- Completed draft Board Oversight Plan, routed to Member Staff and SPOC for review
- Continued alternatives analysis to help identify tank sites and pipeline corridors with input from Subject Matter Experts
- Continued developing tools for program management
 - Continued development of risk register and Issues, Decisions, Actions and Changes log and user manuals
 - Lesson Learned survey sent to Member Staff and MST to gain overall sense of process and planning gaps based on their experience delivering and working on capital projects
 - Schedule refinement meetings focused on detailed SME input and adjustments and scaling of durations and milestones

Risks

An example risk chart is provided below. The risks in the Monthly Board Report will continue to be discussed with the Supply Program Oversight Committee. The risk chart will be populated after CSP-specific risks have been identified for further discussion in the Monthly Board Report.



Risk categories:

- **Unmitigated Risk:** Risk currently has no identified mitigation to reduce/eliminate the risk. High risks are concerns to review with SPOC and the Board. Medium and Low risks will be addressed by CSP staff.
- **Mitigated Risks:** The CSP team has identified mitigation measures to reduce the risk. High risks should be reviewed with SPOC and the Board. Medium and Low risks will be addressed by CSP staff.
- **Opportunities:** Items identified that could reduce risk or benefit the program if they are fulfilled. Opportunities are discussed with SPOC but only elevated to the Board if there is a need for Board member assistance to fulfill the opportunity.



SPECIAL MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
Held at Cascade's Office and Via Zoom
May 6, 2026
1:45 PM

1. CALL TO ORDER

At 1:48 p.m. Chair Birney called the meeting to order.

2. ROLL CALL

Board Members Present: City of Bellevue (Hamilton), City of Redmond (Birney), Skyway Water and Sewer District (Ault), City of Tukwila (McLeod)

Board Member Absent: City of Issaquah (Mullet), City of Kirkland (Pascal), Sammamish Plateau Water & Sewer District (Warren)

Board Alternates Present: City of Kirkland (Curtis), Sammamish Plateau Water & Sewer District (Hooshangi), City of Tukwila (Martinez)

3. PUBLIC COMMENT

None.

4. APPROVAL OF AGENDA

Motion by Mr. McLeod and second by Mr. Hamilton to approve the meeting agenda as presented. Motion carried unanimously (6-0).

5. OTHER ACTION ITEMS

- A. Motion to adopt Resolution No. 2026-09 authorizing the Chair of the Board to execute an Employment Agreement with the Chief Executive Officer beginning on May 29, 2026.

Motion by Mr. Ault and second by Ms. Curtis to adopt Resolution No. 2026-09 authorizing the Chair of the Board to execute an Employment Agreement with the Chief Executive Officer beginning on May 29, 2026. Motion carries unanimously (6-0).

6. NEXT REGULAR MEETING

The next regularly scheduled Board meeting will be held on May 27, 2026 at 3:30 p.m.

7. ADJOURN

The meeting adjourned at 1:53 p.m.

APPROVED BY:

Angela Birney, Chair

Tom McLeod, Vice-Chair



MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA HYBRID
APRIL 22, 2026

1. CALL TO ORDER

At 3:30 p.m. Chair Birney called the meeting to order.

2. ROLL CALL

Board Members Present: City of Bellevue (Hamilton), City of Issaquah (Mullet), City of Kirkland (Pascal), Skyway Water and Sewer District (Ault), City of Redmond (Birney), City of Tukwila (McLeod)

Board Member Absent: Sammamish Plateau Water & Sewer District (Warren)

Board Alternates Present: City of Bellevue (Bhargava), City of Kirkland (Curtis), City of Redmond (Nuevacamina), Sammamish Plateau Water & Sewer District (Hooshangi), City of Tukwila (Martinez)

3. PUBLIC COMMENT

None.

4. APPROVAL OF AGENDA

Motion by Mr. Mullet and second by Mr. McLeod to approve the meeting agenda as presented. Motion carried unanimously (7-0).

5. CHIEF EXECUTIVE OFFICER REPORT

Ms. Thung reviewed the Chief Executive Officer's Report that was included in the Board Packet, and responded to questions from Board Members.

6. CONSENT ITEM

A. Board Meeting Minutes for March 25, 2026.

Motion by Mr. McLeod and second by Mr. Mullet to approve Consent Action Item A as presented. Motion carried unanimously (7-0).

7. ACTION ITEM

- A. Motion to adopt Resolution No. 2026-08, amending the 2026 Budget and the 2025-2030 Capital Improvement Program.

Andy Baker, Economist, explained that Resolution No. 2026-08 is primarily an accounting and procedural adjustment: it shifts unspent funds from the 2025 budget into 2026 and reallocates some expenditures from operating to capital accounts to reflect actual project progress, particularly for the Cascade Supply Program. Importantly, he emphasized this amendment does not change total spending for the biennium, nor does it affect current or future rates or the agency's financial capacity. The proposal had already been reviewed with member staff and discussed in detail by the Finance & Intergovernmental Committee.

Motion by Mr. McLeod and second by Mr. Mullet to adopt Resolution No. 2026-08, amending the 2026 Budget and the 2025-2030 Capital Improvement Program. Motion carried unanimously (7-0).

- B. Motion to authorize the Chief Executive Officer to amend the current contract with Stantec Consulting Services, Inc., to provide program and engineering support services for the Cascade Supply Program, to increase maximum compensation by \$3,563,000, from \$1,000,000 to \$4,563,000

Brian Bartle, Program Executive, provided a detailed explanation of why the increase to the Stantec Consulting Services Inc. contract was necessary and how the funds would be used. He explained that the original \$1 million authorization was primarily for early planning and Board oversight work and would be fully spent by June. The additional \$3.563 million would allow the program to expand significantly in the second half of the year by bringing on new teams and advancing key components of the Cascade Supply Program.

Mr. Bartle said the added funding would support several major work areas, including developing permitting strategies, initiating a real estate and land acquisition strategy, continuing technical planning such as pipeline routing, facility sizing, and modeling, and launching a communications and outreach effort. He emphasized that these efforts are foundational—focused on strategy development and early planning rather than final implementation—and are necessary to prepare for major decisions like selecting a tank site and pipeline route.

Board Members discussed the scope and timing, noting the goal is to make significant decisions by the end of 2026. There was also discussion about ensuring better detail in future work plans, aligning upcoming work with Board oversight expectations, and clarifying how communication and land acquisition strategies would be developed before engaging the public. Staff confirmed that while the strategies would be completed this year, actual implementation would extend over a longer timeline.

Motion by Mr. Hamilton and second by Mr. Mullet to authorize the Chief Executive Officer to amend the current contract with Stantec Consulting Services, Inc., to provide program and engineering support services for the Cascade Supply Program, to increase maximum compensation by \$3,563,000, from \$1,000,000 to \$4,563,000. Motion carried unanimously (7-0).

8. STAFF PRESENTATIONS

None.

9. COMMITTEE REPORTS

- A. Executive Committee – No meetings held since the last Board meeting.
- B. Finance & Intergovernmental Committee – Meeting held April 21, 2026. The meeting recap will be included in next month's Board Packet.
- C. Resource Management Committee – Meeting held April 9, 2026. The meeting recap was included in the Board Packet.
- D. Supply Program Oversight Committee – Meeting held April 8, 2026. The meeting recap was included in the Board Packet.

10. EXECUTIVE SESSION

At 4:00 p.m., Chair Birney announced that there would be an Executive Session to evaluate the qualifications of an applicant for public employment. The executive session was expected to last 50 minutes.

At 4:50 p.m., the Executive Session was extended an additional 10 minutes.

At 5:00 p.m., the Executive Session was extended an additional 10 minutes.

The Executive Session adjourned at 5:10 p.m.

11. NEW BUSINESS

An item for new business was introduced by Chair Birney.

Motion by Mr. McLeod and second by Mr. Hamilton to appoint Candidate A to the position of Chief Executive Officer, subject to the Executive Committee of the Board successfully negotiating terms of an employment agreement with the finalist candidate that may take effect on a mutually agreeable date. Motion carried unanimously (7-0).

12. NEXT REGULAR MEETING

The next regularly scheduled Board meeting will be held on May 27, 2026 at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 5:12 p.m.

APPROVED BY:

Angela Birney, Chair

Tom McLeod, Vice-Chair

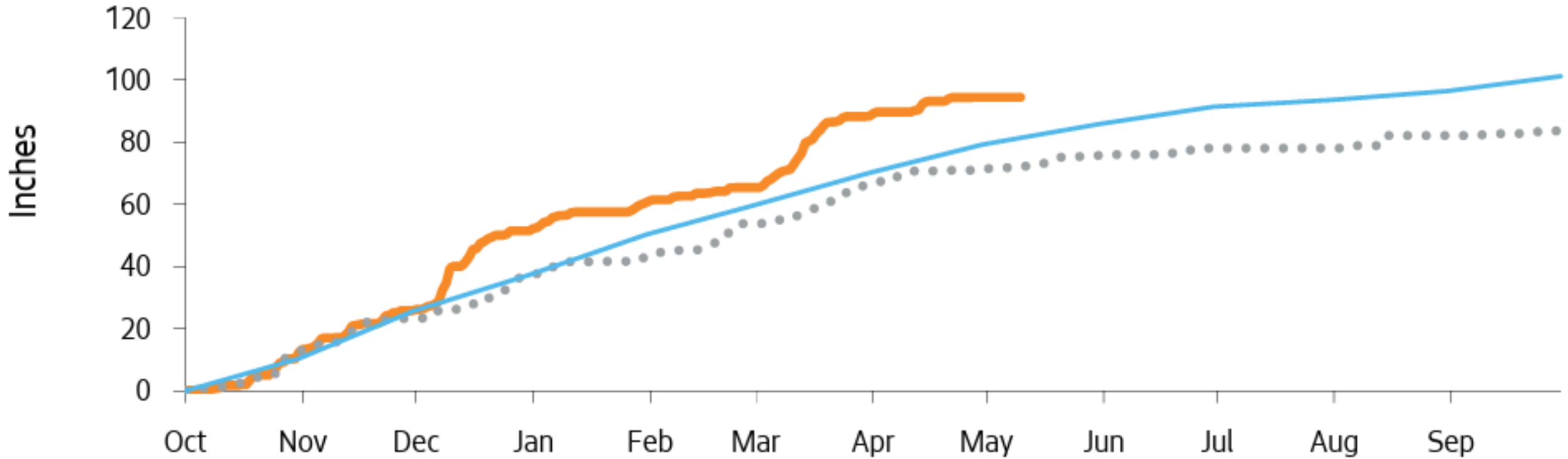
Water Supply Update

Cascade Board Meeting
May 27, 2026

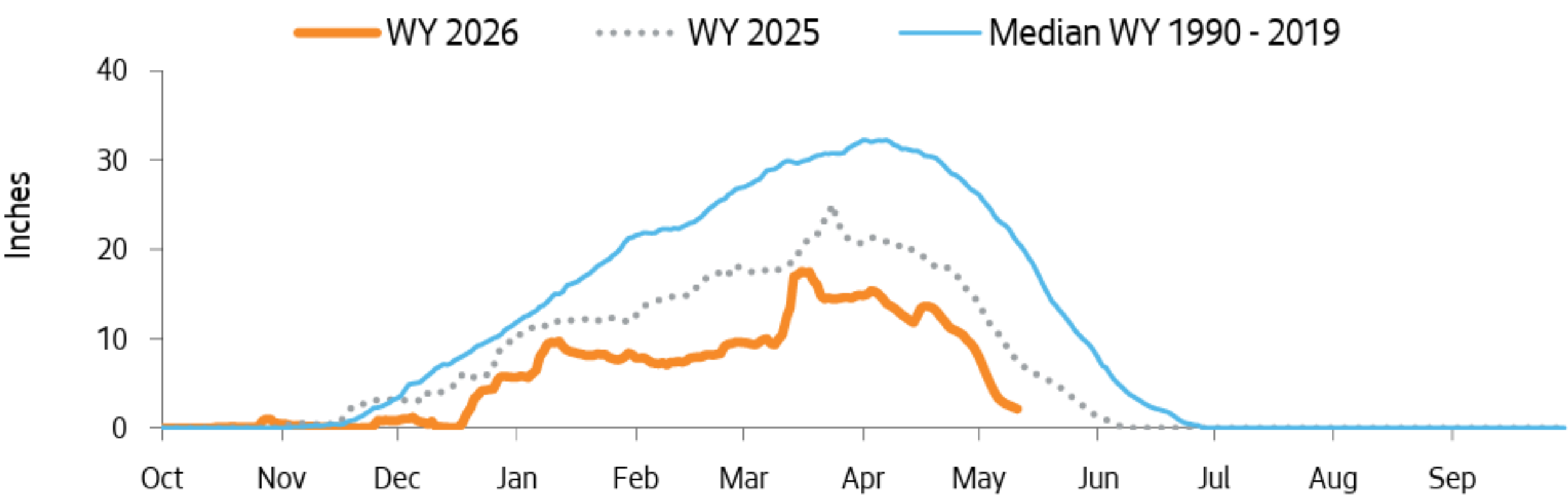


Cumulative Precipitation Weighted Average Cedar/Tolt

— WY 2026 ••••• WY 2025 — Average WY 1990-2019

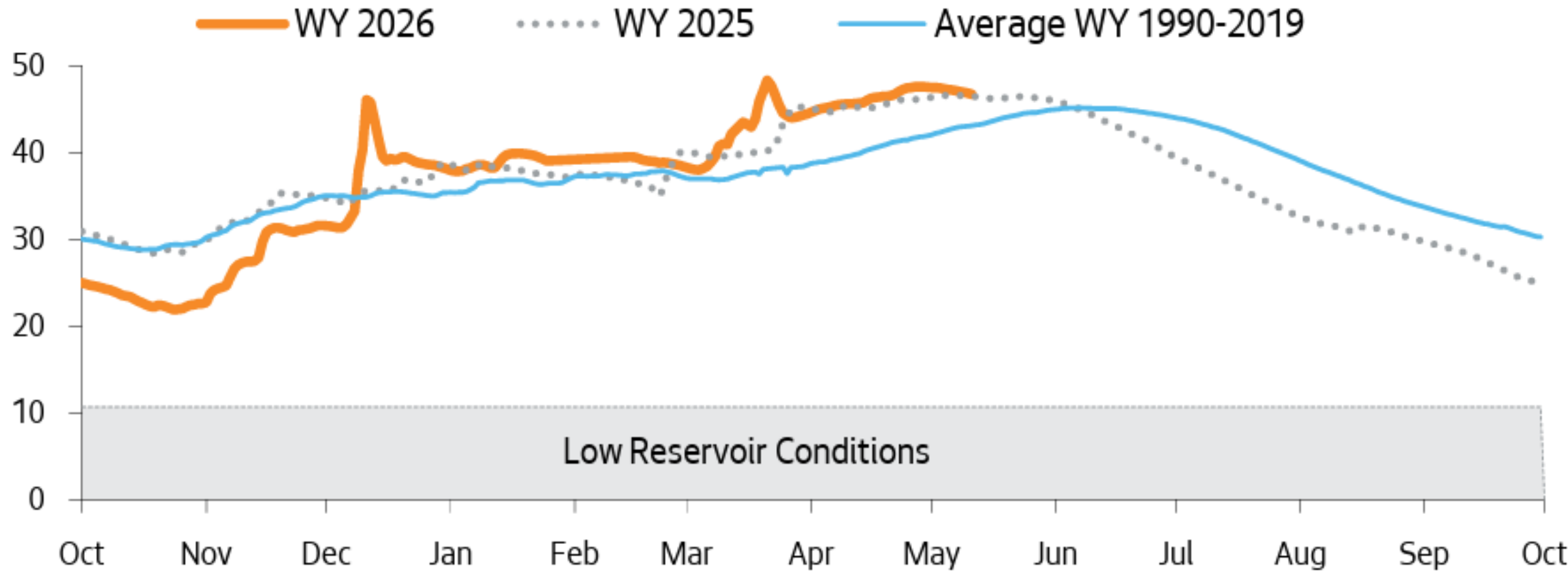


Snowpack (Snow Water Equivalent) Weighted Average Cedar/Tolt



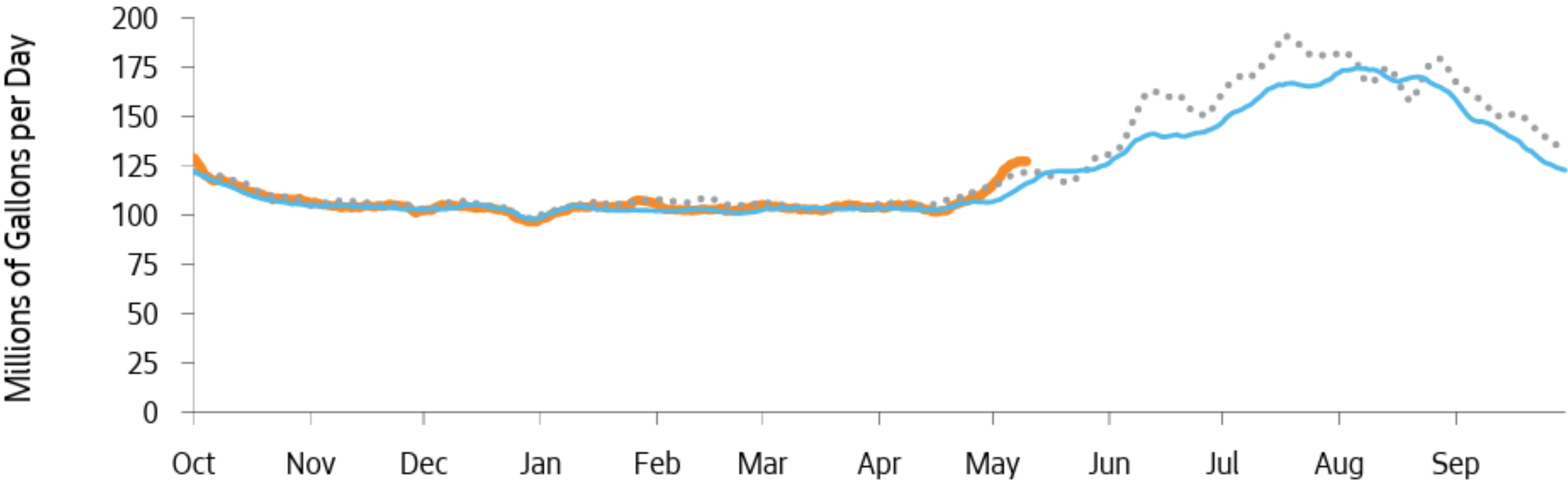
Combined Reservoir Storage

Billions of Gallons of Active Storage



Average 7-Day Water Consumption

— WY 2026 ···· WY 2025 — Average WY 2010-2019



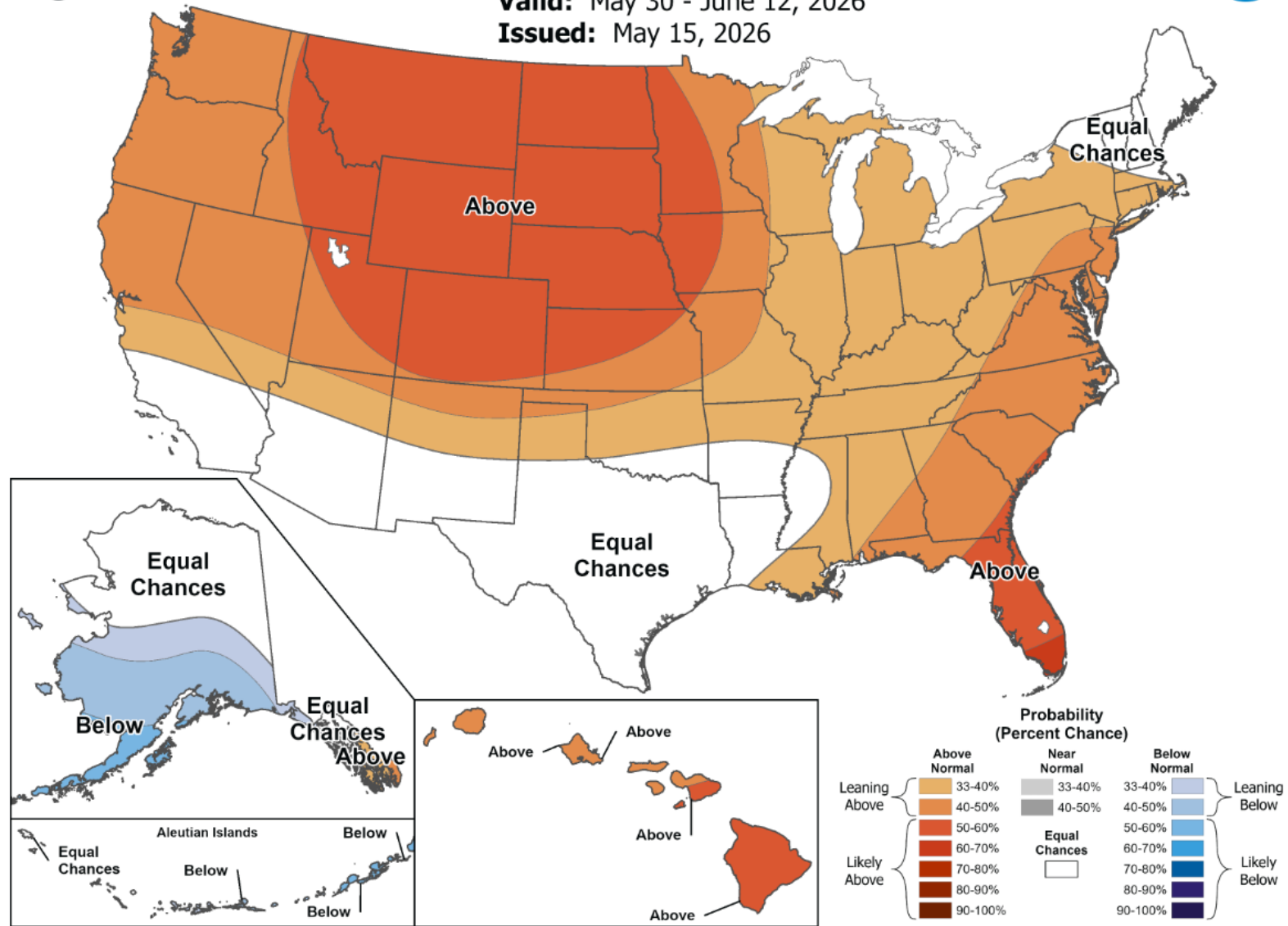


Week 3-4 Temperature Outlook



Valid: May 30 - June 12, 2026

Issued: May 15, 2026



Drought Response

- Reservoir Storage and Consumption
- Alignment with Cascade Members and Seattle Public Utilities
- Increased Messaging
 - Website
 - Social Media
- Fall Rains

Capital Funding Plan: Draft Plan & Recommendations

Presentation to Cascade Board
May 27, 2026



Overview

- Today's Purpose: To present the Draft Capital Funding Plan, discuss the evaluations Cascade staff have conducted as part of the Plan, present the draft staff recommendations, and to seek feedback from the Board.
- Desired Feedback:
 - Is there additional information that would help you understand the analysis and recommendations?
 - Do you support the draft recommendations?
 - Any other feedback regarding the Funding Plan, Recommendations, or how they pertain to the rate proposals?

Why is there a Capital Funding Plan?

Mandated in Code to provide a roadmap for funding any major project and assess risk related to funding and rates:

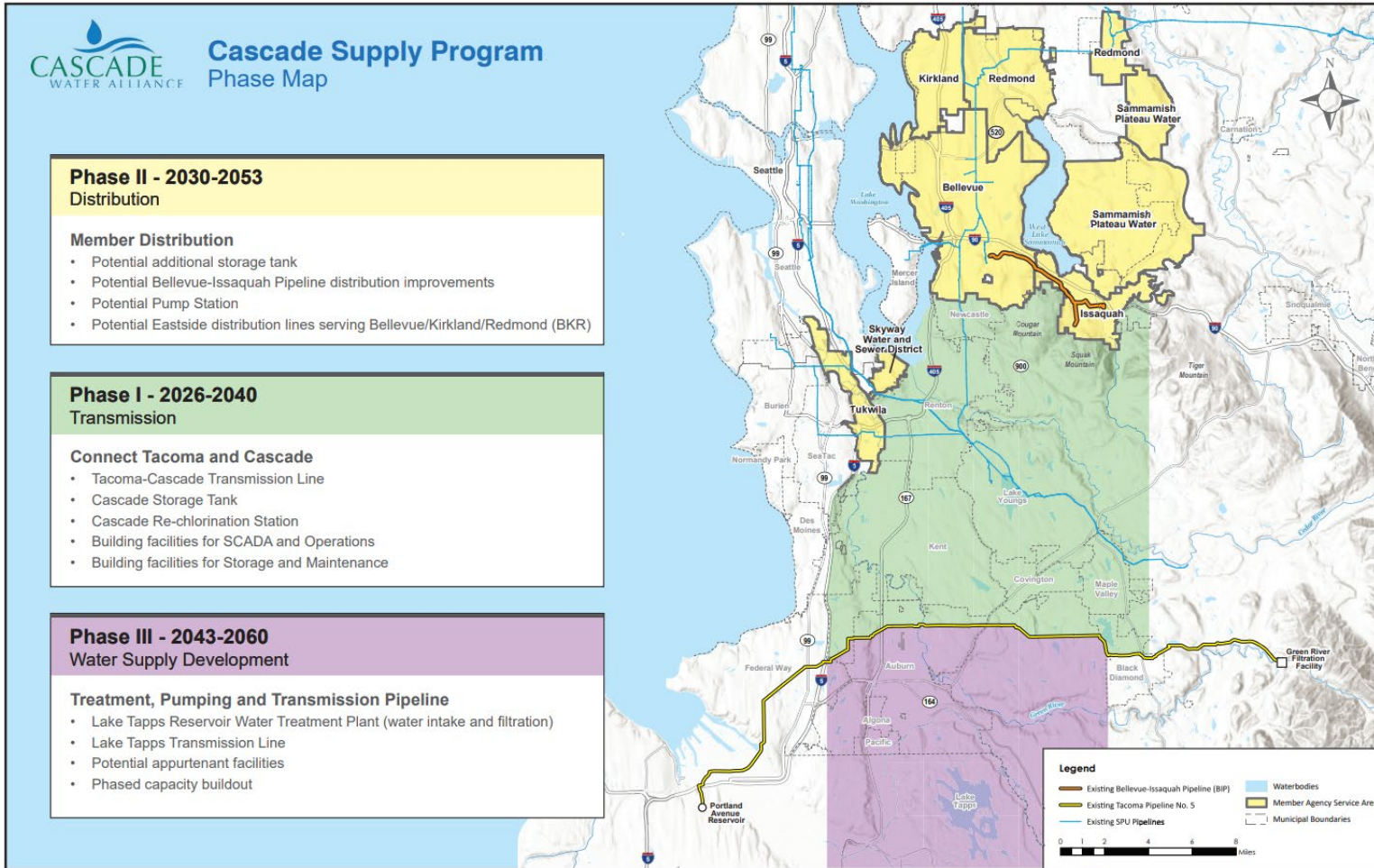
- Project planning encompasses financial as well as engineering elements
- Water Supply Development Fund (WSDF) creation established oversight safeguards regarding its accumulation and use
- Prudent for large projects with large potential impacts

Purpose of the Capital Funding Plan

Provide a roadmap for funding any major project and assess risk related to funding and rates:

- ❖ Identify potential funding sources and establish a strategy for project funding
- ❖ Assess rate and financial impacts and confirm compliance with fiscal policies
- ❖ Establish a rate and RCFC strategy
- ❖ Assess project risks and opportunities
- ❖ Provide a flexible framework for near- and longer-term decision-making

CSP Phase Map



What does the Funding Plan cover?

Phase I of the CSP, including:

- *Uncertainty around cost, schedule, and funding alternatives*

What does the Financial Forecast cover?

The total financial outlook for Cascade, including:

- Phase I of the CSP
- Other current capital needs for Lake Tapps Reservoir, other existing infrastructure
- Phases II and III of the CSP
- All Cascade's operating costs, both current and forecasted

Areas of Uncertainty Evaluated

Cost (2026\$)

- Low: \$1.13B
- High: \$1.35B
- High +20%: \$1.62B
- +100% Construction: \$1.94B

Schedule

- Complete in 2040
- Accelerate & Front-load
- Delay to 2045

Funding

- Cash & Revenue Bonds
- Add WIFIA plus small state loans & grants

Decision Timing

- Conservative, then lower cost
- Optimistic, then higher cost

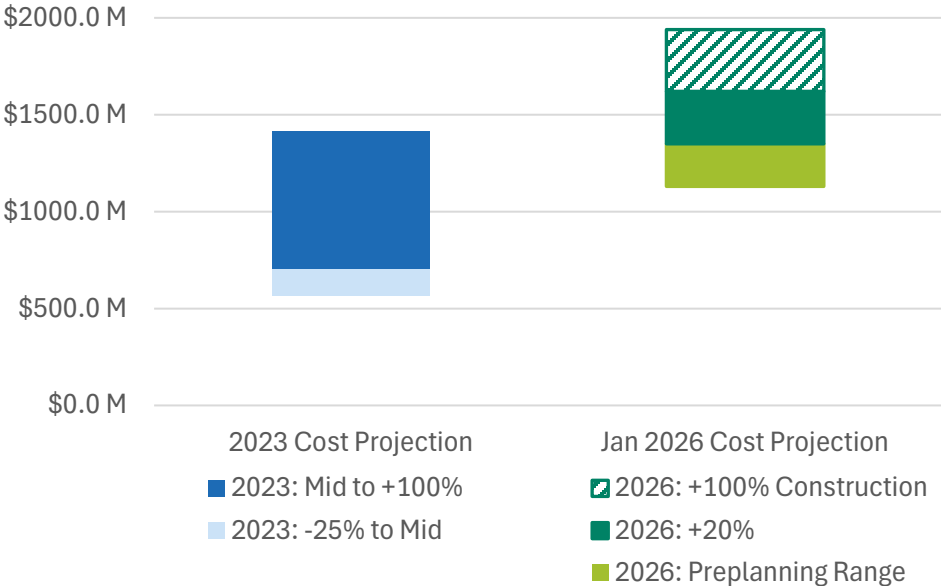
- ✓ Evaluated broad range of scenarios using permutations of each of the above factors
- ✓ Additional evaluation of external economic factors such as growth rates, inflation, interest rates

Uncertainty: Cost Projections

Summary of CSP Phase I Cost Projections, 2026\$

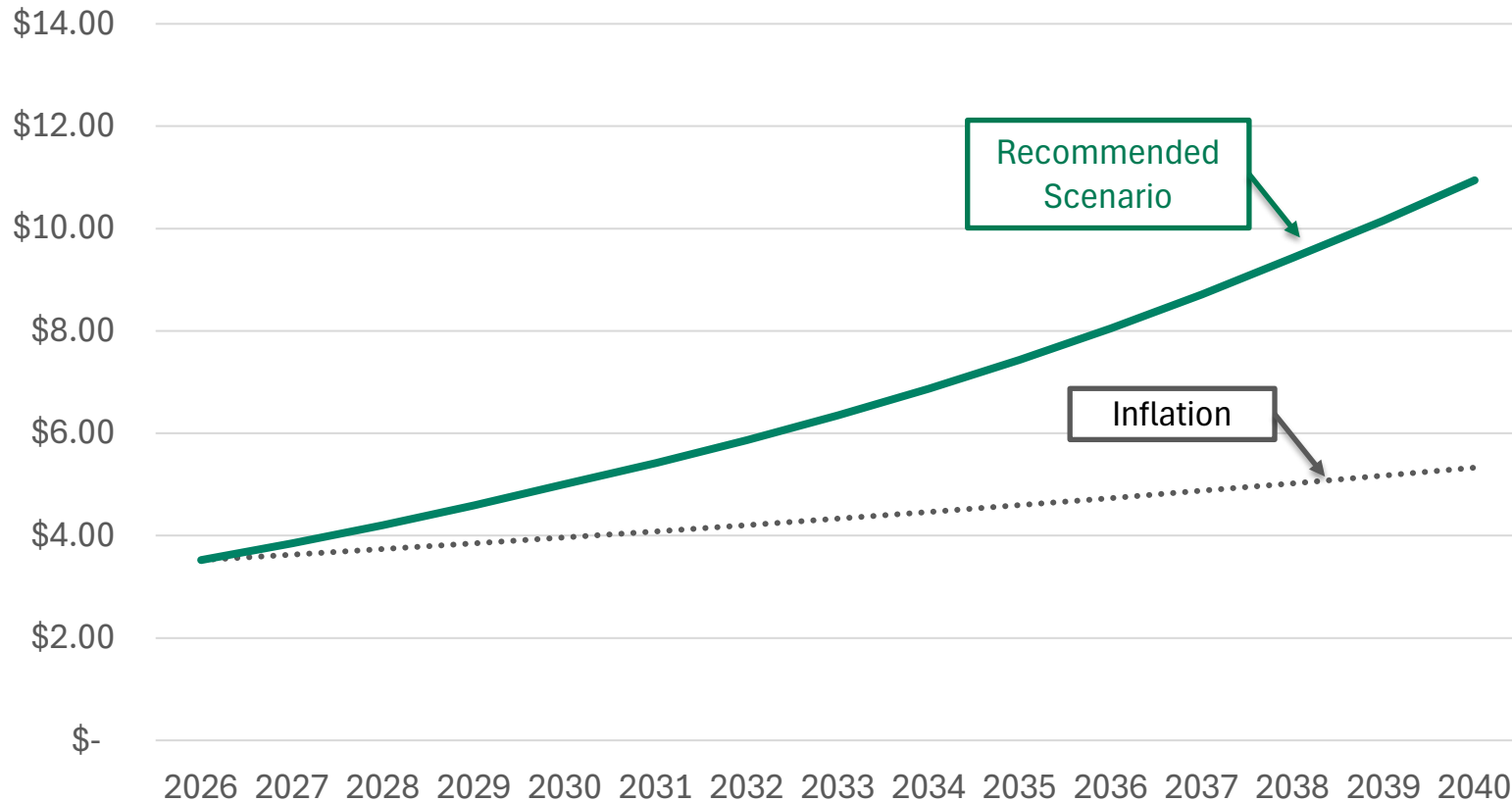
	2023 Cost Projection	Jan 2026 Capital Funding Plan
-25%	\$566.3 M	
Mid	\$707.9 M	
+100%	\$1.42 B	
Preplanning Projection		\$1.13 B
+Board Management Reserve		\$1.35 B
+20% 'Cost Over-run' Scenario		\$1.62 B
+100% Construction Cost		\$1.94 B

Comparison of CSP Phase I Cost Projections, 2026\$



What Are the Results?

Projected Cost per CCF, Recommended Scenario vs. Inflation



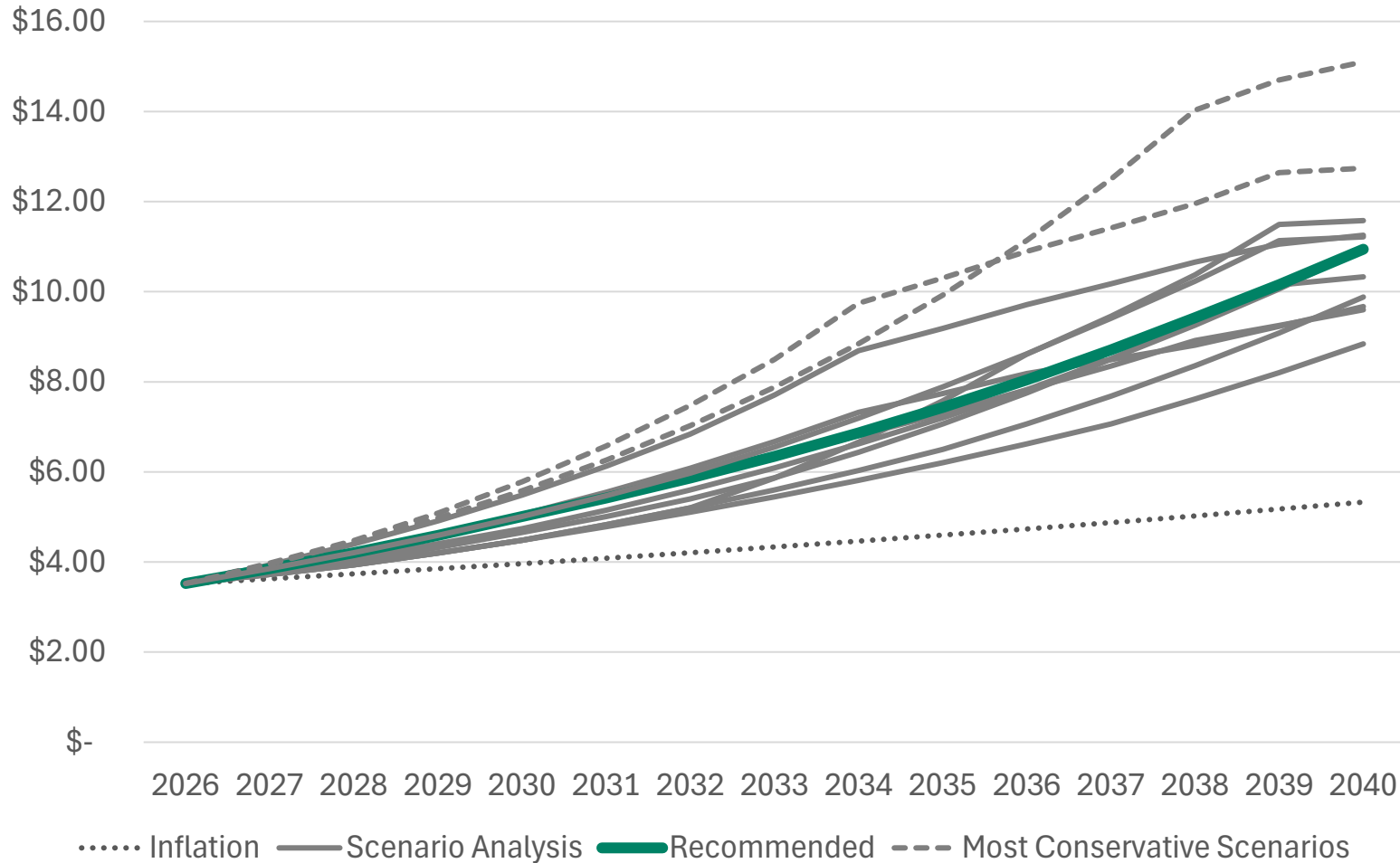
Cumulative Average Cost of Water Charts:
Shows the long-term impact of rate increases over time.

A typical household uses between 5 and 8 CCF per month.

Water cost will increase significantly above inflation.

What Are the Results?

Projected Cost per CCF, CFP Scenarios

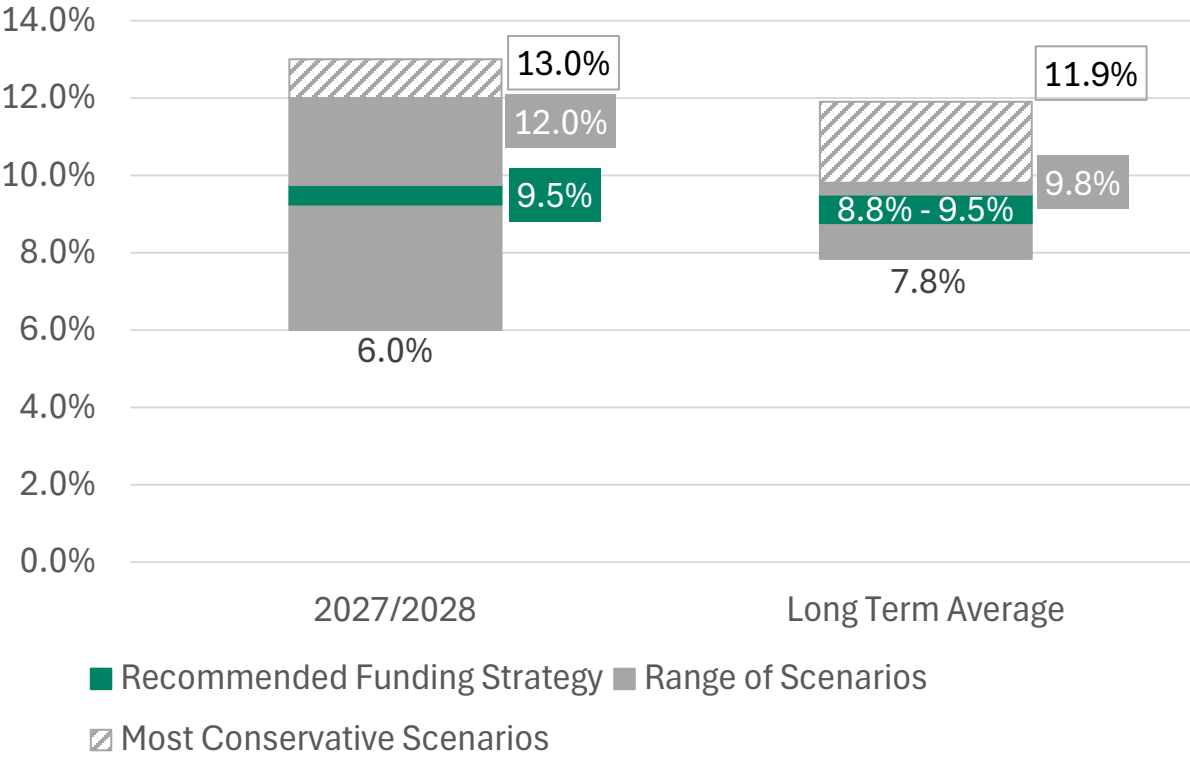


Significant increases: well above inflation both this biennium and for duration.

These increases will not over-shoot: Under even the most optimistic scenarios, the cumulative need is much higher than the increases recommended in 2027/2028.

Moderately Conservative approach: the Recommended strategy balances conservatism in the face of risk and uncertainty, and preserves flexibility without sacrificing fiscal management.

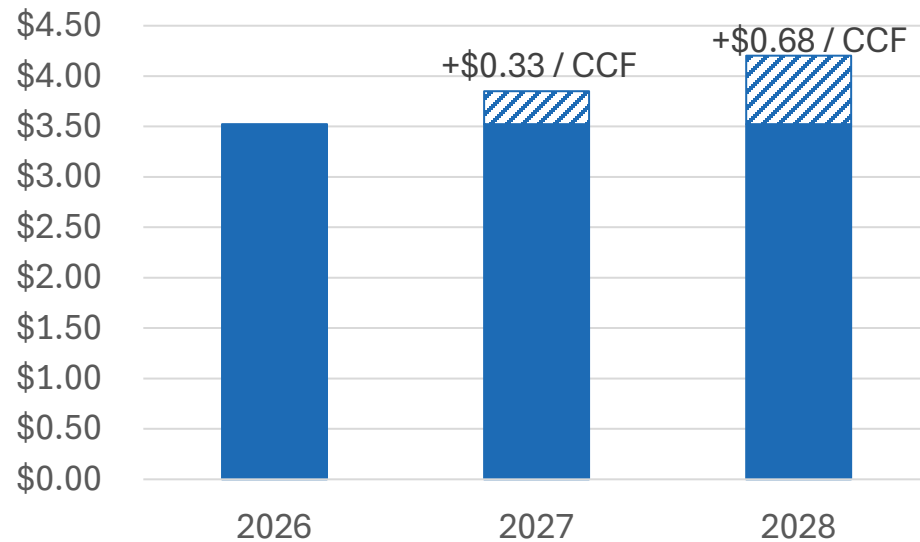
Recommended Funding Strategy



Uncertainty remains high – most critically in overall project cost and availability of outside funding assistance.

The Recommended Funding Strategy takes the key steps to put Cascade on the right path to mitigate that uncertainty, without putting the most conservative scenario on the Members to pay up front.

Preliminary Average Cost of Water



The preliminary rate increases translate to increases in the average cost of water of \$0.33 and \$0.68 per ccf.

Exact amounts will vary slightly by member.

Typical monthly household use is between 5 and 8 CCF per month

What Are Staff Recommendations?

- ❖ Adopt the Capital Funding Plan
- ❖ Aggressively pursue funding assistance, particularly the federal WIFIA loan program
- ❖ Mitigate risk through meaningful first steps:
 - ❖ 9.5% increases for 2027 and 2028 Member Charges
 - ❖ 20% annual increases for RCFCs
 - ❖ \$60 million initial bond issue
- ❖ Regularly review and update the CFP, at least with biennial budget exercises

Want More Information?

The CFP Executive Summary (9 pages) provides a more complete summary of methods, findings and recommendations

The CFP body (60 pages) provides substantive detail regarding methods, assumptions, alternatives, impacts and recommended approaches

[Link to full report](#)

Staff is prepared to provide a “deep dive” into any or all of this for interested Board members

Next Steps

- ✓ Jan 29: Initial Draft Capital Funding Plan transmitted for Member Staff review
- ✓ Feb 5: Member Staff discussion of Draft Capital Funding Plan
- ✓ Feb 12 & Feb 17: Member Staff Capital Funding Plan Deep Dives
- ✓ March 17 & 25: Capital Funding Plan Policies & Background presented to FIG & Board
- ✓ May 7: Member Staff presentation of revisions to Draft Capital Funding Plan
- ✓ May 19: present Draft Capital Funding Plan and Recommendations to FIG
- May 27: present Draft Capital Funding Plan and Recommendations to Board
- ❑ June: Incorporate feedback from Member Staff, Committee, & Board
- ❑ July 16: present *Draft Final* Capital Funding Plan to FIG
- ❑ July 24: present *Draft Final* Capital Funding Plan as part of Budget & Rates Package
- ❑ September 23: Anticipated adoption

Discussion & Feedback

- ❖ Is there additional information that would help you understand the analysis and recommendations?
- ❖ Feedback on the draft recommendations?
- ❖ Any other feedback regarding the Funding Plan, Recommendations, or how they pertain to the rate proposals?

Thank You





CAPITAL FUNDING PLAN

Cascade Supply Program:
Phase I

DRAFT

2026-05-06

Abbreviations, Acronyms, Key Terms

Abbreviation, Acronym, or Term	Definition
Board	Cascade Water Alliance Board of Directors
Cascade	Cascade Water Alliance
CCF	Hundred Cubic Feet
CERU	Cascade equivalent residential units
CIP	Capital Improvement Program, a 6-year program adopted as part of Cascade's biennial budget
CSP	Cascade Supply Program, or "Program", including all phases
DWSRF	Drinking Water State Revolving Fund
Funding Plan	Also: "Capital Funding Plan", "Plan" This document, the Funding Plan for Phase I of the Cascade Supply Program
PWB	Washington Public Works Board loan program
RCFC	Regional Capital Facilities Charge
MGD	Millions of gallons per day
SDC	System Development Charge
SPU	Seattle Public Utilities
Supply Project	Also: "Water Supply Project", "Phase I" Phase I of the Cascade Supply Program
TCTL	Tacoma-Cascade Transmission Line
TPU	Tacoma Public Utilities
WIFIA	U.S. EPA Water Infrastructure Finance and Innovation Act loan program
WSDF	Water Supply Development Fund
WRLTR	White-River Lake Tapps Reservoir, or "Lake Tapps Reservoir"

Executive Summary

Cascade is embarking on a major supply program to deliver Tacoma water to Cascade members. For projects of this scale, Cascade code requires Board adoption of a Capital Funding Plan designed to fulfill capital funding needs while satisfying applicable fiscal policies, mitigating risks, and limiting rate impacts on Members and their customers. This document provides a funding plan structured to satisfy these objectives, to document the policy decisions of the Board, and to define the long-term rate strategy guiding future budget and rate development.

A. The Water Supply Project

This Capital Funding Plan (“Funding Plan”) is for Phase I of the Cascade Supply Program (“CSP”, “Program”). The CSP is discussed in depth in Cascade’s 2025 Water System Plan, and in Section 1 of this report. The CSP began with Board authorization of two supply contracts with Tacoma Water to replace the Seattle Public Utilities (“SPU”) supply contract scheduled to ramp down beginning in 2040. Phase I of the CSP provides the transmission infrastructure needed to deliver Tacoma supply. The existing conceptual Phase I plans include a pipeline from Tacoma’s Second Supply Pipeline in the Covington area extending to the Cascade service area (Tacoma-Cascade Transmission Line). It will also incorporate related features such as storage and re-chlorination facilities.

Phase I of the Program is anticipated to begin with detailed facility planning, followed by design and then construction, with anticipated completion by 2041. At present, the White River-Lake Tapps Reservoir (“WRLTR”) supply is projected to be needed at or near the termination of the Tacoma Water temporary supply agreement in 2062; the water supply infrastructure built to convey Tacoma supply may also convey water from WRLTR in the future.

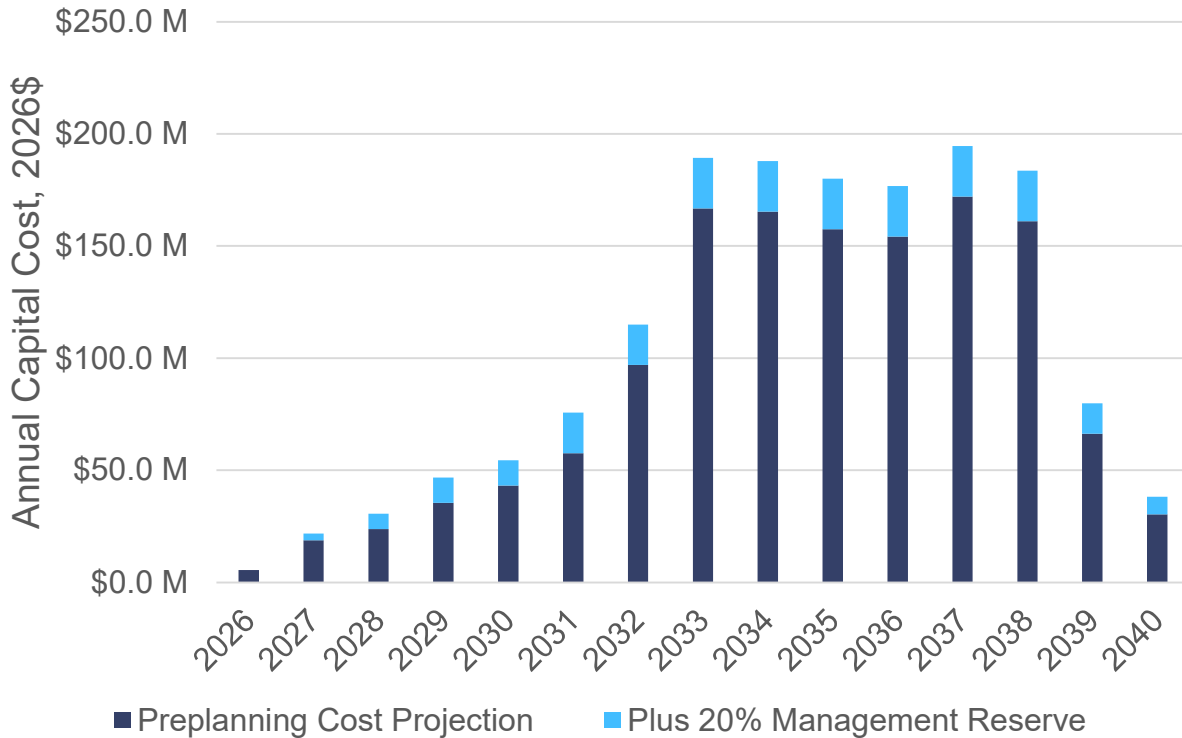
While some initial costs are incurred in 2026, the Funding Plan addresses the 2027-2040 timeframe. The CSP team developed preplanning cost projections in February 2026. These projections define a recommended cost range, rather than a single number, given the level of uncertainty at the initiation of the supply project. Based on those ranges, the cost range for Phase I of the CSP is currently projected at \$1.13 billion to \$1.35 billion in 2026 dollars, and actual outlays with inflation are projected to total between \$1.53 billion and \$1.84 billion. Cost

Key Takeaways:

- **CSP Phase I** delivers Tacoma water when needed due to Seattle contract decline; project completion by 2041.
- **Recommended funding strategy** improves rate outcomes but requires earlier rate and borrowing decisions.
 - Cascade should pursue **WIFIA** funding from EPA, including actions to support the program
 - A **\$60 million bond issue** is needed in the next 12 months.
 - Annual **rate increases of 9.5%** for the next biennium.
 - Funding **risk centers on Phase I cost and success of outside funding assistance.**
- **Biennial Capital Funding Plan updates**, in addition to when conditions change significantly.
- **Board Action** required to adopt Funding Plan and implement key elements such as rate and borrowing decisions.

projections will continue to be updated throughout the supply project. The current cost projection and schedule of outlays for Phase I is summarized in **Exhibit ES-1**.

EXHIBIT ES-1. CSP PHASE I PREPLANNING COST PROJECTION RANGE AND SCHEDULE, 2026 COSTS



B. Key Fiscal Policies

Cascade’s fiscal policy structure is designed to be stable and predictable. This is manifested in policies guiding capital reinvestment, stable revenues, direction of funds toward capital purposes, and limits on capital structure to avoid over-leveraging. In anticipation of this and other supply projects, Cascade established a Water Supply Development Fund (“WSDF”) to accumulate cash funding for major projects and to help ensure that a strong financial structure is maintained. Other policies include a debt limit, capital reinvestment, establishment of a Regional Capital Facilities Charge (“RCFC”), and more. These policies become rate-setting rules that drive necessary rate increases. Financial forecasts are structured to satisfy all applicable fiscal policies.

C. Key Funding Sources

Traditionally, funding would derive from direct cash funding and revenue bond debt. There also are many state and federal assistance programs oriented towards infrastructure that could help fund the supply project, although in most cases the scale of assistance is small relative to the anticipated supply project costs. However, even in these cases, the availability of grants or

below-market loans can be beneficial to rate outcomes. Further, some sources can be substantial and materially improve projected financial performance. Among the available programs, the Water Infrastructure Finance and Innovation Act (“WIFIA”) loan program administered by the U.S. Environmental Protection Agency is both substantial and could be extremely beneficial. The program can fund up to 49% of supply project costs for approved projects. For Phase I of the CSP, the total available financing could be between \$700 and \$850 million through this source.

Other grant and loan opportunities also remain available and while on a smaller scale, they can help lower project cost impacts. There are also opportunities for partnership with local and regional water utilities to increase regional resilience and may provide investment or revenue opportunities for Cascade as the project proponent and owner.

Cascade should pursue WIFIA loans as a central funding vehicle and other assistance programs in parallel.

D. The Recommended Funding Strategy

The recommended funding strategy uses financial forecasts to develop actionable and specific rate and funding decisions. This provides specific steps to initiate the funding program and tools for adapting the funding strategy as assumptions and conditions change. It relies on revenue bonds as a significant source of financing, while using public assistance programs and potential partnering opportunities to enhance financial performance and help constrain rate impacts. In all cases, elements that enhance cash funding are preferred, as they reduce debt burden and improve flexibility for meeting future capital needs.

The key components of Cascade’s Recommended Funding Strategy are:

- Assume successful pursuit of federal and state funding assistance,
- Plan conservatively, using the high end of the projected cost range in the near term while overall uncertainty is higher, to preserve flexibility and avoid worse rate outcomes in the future, and
- Adopt a policy of smoothing rates over the term of the supply project, rather than only the five-year smoothing of Cascade’s current policy.

The Recommended Funding Strategy reflects Cascade’s total anticipated operating and capital needs, including both Phase I of the CSP and other known or anticipated capital costs. The components of Cascade’s capital program between 2027 and 2040 are summarized in **Exhibit ES-2**.

EXHIBIT ES-2. TOTAL CASCADE CAPITAL COST SUMMARY: 2027-2040

Cost Component	2026\$ Cost Range	Inflated Cost Range
CSP Phase I	\$1.13 B to \$1.35 B	\$1.53 B to \$1.84 B
Tacoma Water Supply Capital Costs	\$95,431,000	\$95,431,000
Preliminary 6 year CIP (2027-2032) - Excludes Costs Shown Elsewhere	\$25,060,000	\$25,060,000
Forecasted Long-term Other Capital Costs (2033-2040)	\$32,400,000	\$50,111,000
Total	\$1.28 B to \$1.51 B	\$1.70 B to \$2.05 B

The Recommended Funding Strategy includes a WIFIA loan and limited other loans and grants, along with cash and revenue bond funding. If successful, it yields a capital funding structure summarized below in **Exhibit ES-3**.

EXHIBIT ES-3. CAPITAL FUNDING SOURCES FOR RECOMMENDED FUNDING STRATEGY

	Inflated Dollars	Percentage
Total Capital Program Expenditures, 2027-2040	\$2,005,000,000	
Cash Funding	\$493,000,000	24.6%
Revenue Bond Funding (net of issue and reserve costs)	\$572,000,000	28.5%
Federal (WIFIA) Loans	\$900,000,000	44.9%
State Loans	\$20,000,000	1.0%
Grants and Partner Contributions	\$20,000,000	1.0%
Total Capital Funding	\$2,005,000,000	

The totals shown above reflect all components of Cascade’s anticipated capital program, including both the supply project and other anticipated capital needs.

Although a supply project of this scale will stress financial and rate capacity, Cascade fiscal policies and financial objectives remain satisfied. Cash funding is also increased, providing improved debt structures and overall financial outcomes. The key metrics projected under current assumptions for the supply project cost and schedule are summarized in **Exhibit ES-4**:

EXHIBIT ES-4. KEY FINANCIAL METRICS FOR RECOMMENDED FUNDING STRATEGY

Average Annual Rate Increase (2027-2040):	8.77%			
Maximum Debt to Fixed Asset Ratio (2027-2040):	70.1%	(2038)		
	2025	2030	2035	2040
Total Debt Outstanding	\$71 M	\$61 M	\$0.692 B	\$1.404 B
Debt Service as % of Member Charges	20.2%	18.7%	39.7%	57.0%
Cost per CCF (Member Charges / Total Sales)	\$3.41	\$5.01	\$7.43	\$10.94

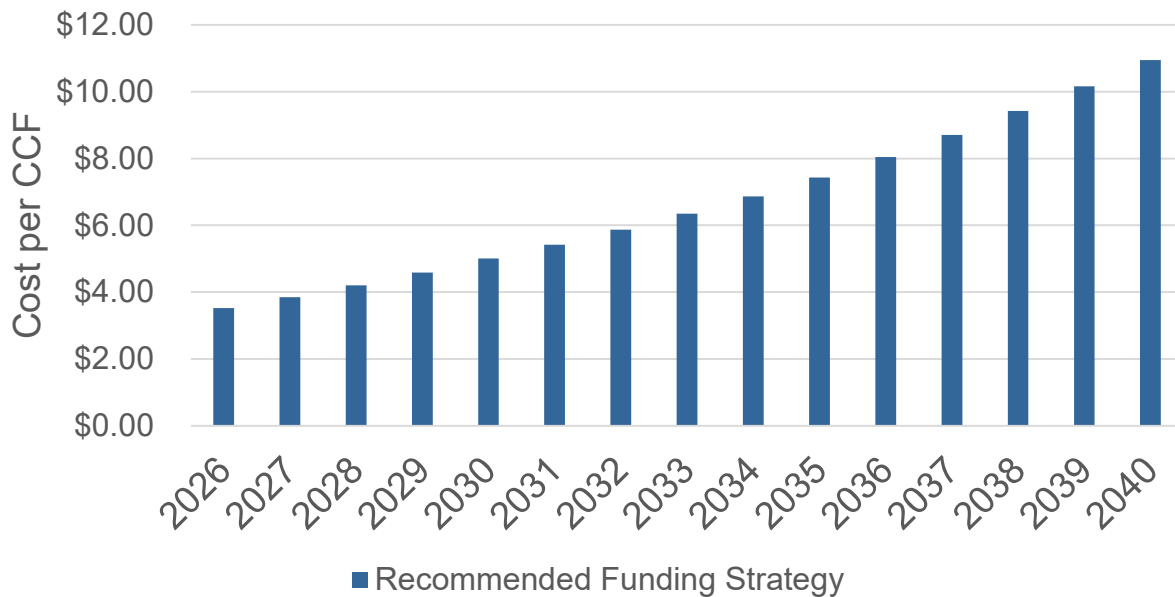
The recommended strategy mitigates rate trends and reduces total debt burden as compared to traditional funding or reduced rate smoothing. **Exhibit ES-5** summarizes annual rate increases for the 2027-2040 period. The recommended strategy results in smoothed rates and longer loan terms, which spread the impact of rate increases more evenly across the period of the supply project and avoid short term rate spikes, relative to less conservative rate strategies.

EXHIBIT ES-5. ANNUAL RATE INCREASES FOR RECOMMENDED FUNDING STRATEGY



The cumulative impact of these rate increases on the average cost of Cascade water is shown in **Exhibit ES-6** in terms of cost per hundred cubic feet per month (“CCF”). Cost impacts on members varies based on the proportion of independent vs Cascade water supply.

EXHIBIT ES-6. PROJECTED COST PER CCF OF SUPPLY FOR RECOMMENDED FUNDING STRATEGY



E. Risks and Uncertainty

This Funding Plan relies on the existing projections of the supply project cost and schedule, as well as related forecasts of other Cascade costs, growth and inflation rates, and other factors. Assumptions related to the supply project costs and cost trends over the next 15 years are central to longer-term expectations for project financing and rate impacts. While forecasts were developed to continue to meet Cascade fiscal policies, unanticipated adverse trends could worsen the financial forecast and increase volatility.

The Funding Plan examines various factors and evaluates risks and consequences for those factors through sensitivity analyses. The sensitivity analyses suggest a range of outcomes, rather than a single expectation, and initial decisions as summarized in this Plan can be made based on a broader understanding of potential outcomes.

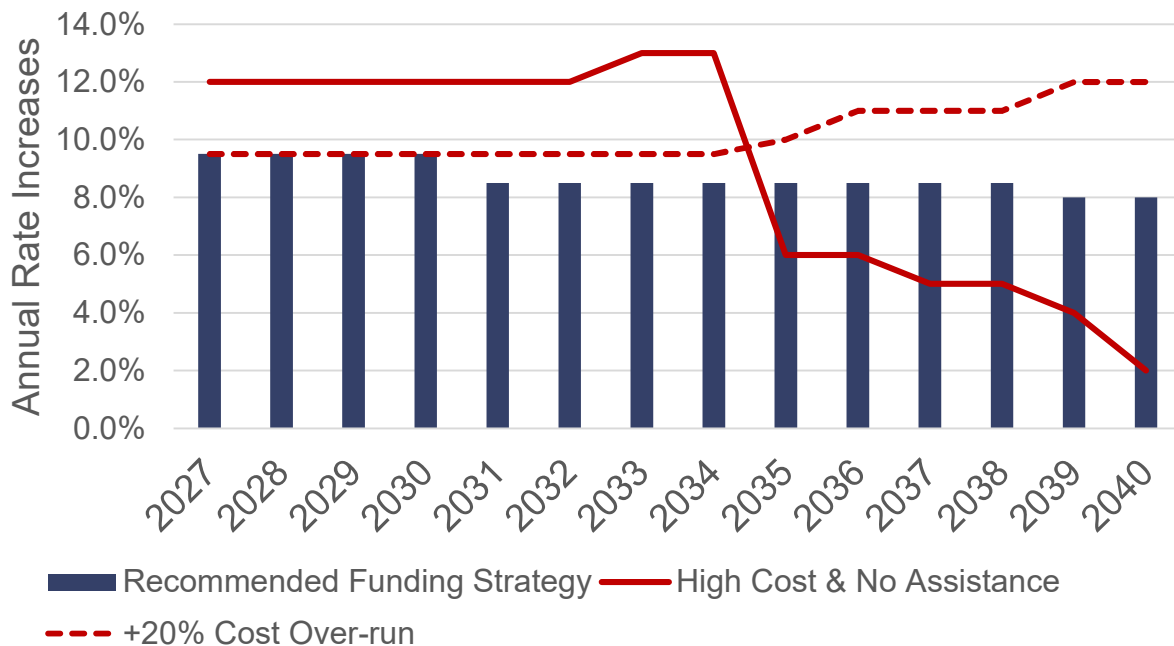
Four groups of sensitivity analyses were developed:

- Major risk factors: these scenarios evaluate the sensitivity of the outcomes to supply project cost and schedule.
- Demonstrating financial capacity: these scenarios test extreme negative scenarios to demonstrate that Cascade has the financial capacity to respond to those conditions without violating covenants or other financial policies, as required by the Cascade Code.
- Evaluating conservatism: these scenarios recognize that there is a range of uncertainty today, and test what happens if assumed conditions changed for better or worse during the course of the supply project.
- Other sensitivity reviews: these reviews evaluate underlying economic assumptions such as inflation, growth rate, or water demand.

In all cases tested, fiscal policies were satisfied regarding debt burden, debt coverage, and financial performance. However, unanticipated impacts or trends can materially increase necessary rates and destabilize financial outcomes.

To illustrate the potential impacts of a series of adverse outcomes, the two scenarios testing Cascade’s financial capacity show the impact of high ranges of cost with failure to secure funding assistance, and the impact of an even further cost over-run of 20 percent over the high end of the projected cost range. **Exhibit ES-7** summarizes the annual rate increases that would be necessary under such extreme outcomes, as compared to the Recommended Funding Strategy.

EXHIBIT ES-7. ANNUAL RATE INCREASES FOR TESTING FINANCIAL CAPACITY SCENARIOS



Finally, we examined the consequence of recommended initial actions with a favorable cost and funding outcome and optimistic initial actions with adverse cost and funding results. These can be summarized as follows:

- Adopting an optimistic rate path and having a negative outcome could result in a rate spike of between 13% and 14% per year for four years. By 2040, the cost per CCF would rise to \$11.58 per CERU per month, or \$0.64/CCF more than the Recommended Funding Strategy.
- Adopting a conservative rate path and having a positive outcome could result in annual rate increases between 7% and 8%. By 2040, the cost per CCF would rise to \$9.60 per CCF per month, or \$1.34/CCF less than the Recommended Funding Strategy.

F. Recommended Policies and Actions

According to the Cascade code, the Board must adopt a capital funding plan before materially embarking on a project of this scale. Budget and rate planning should then reflect financial needs identified by the plan.

There are three primary areas for policy input and action related to the Funding Plan for the Supply project. The recommended policy actions reflected in the strategy discussed above are:

- Adopt a policy of pursuing outside funding assistance, and direct Cascade staff to take actions necessary to pursue federal and state funding, including coordination with Members regarding support for Cascade's applications and for program funding.
- Direct Cascade staff to develop budgets, rate proposals, and forecasts using a level of cost conservatism that is consistent with the Recommended Funding Strategy.
- Adopt a policy of smoothing rates over the duration of the supply project.

In adopting the Capital Funding Plan, the Board should anticipate the following near-term actions to implement the Plan:

- For the 2027-2028 biennium, implement rate increases of 9.5% annually.
- Charge the full RCFC as determined by the adopted methodology, but with a phasing in of the charges to prevent extreme impacts. This results in recommended charges of \$10,622 for 2027 and \$12,747 for 2028. The 2026 RCFC is \$8,852. Update the RCFC methodology and forecast with major changes to project configuration, cost and schedule.
- Plan and execute a revenue bond issue in late 2026 or early 2027 on the order of \$60 million, intended to meet two years of projected capital costs. Consider expanding the bond issue to take advantage of opportunities for refunding or restructuring existing debt (revenue bonds and Tacoma capacity payments).
- Vigorously pursue funding through the WIFIA program and maximize use of this program.
- Initiate applications for other state and federal grant and loan programs according to program guidelines, as well as pursuit of legislative appropriations.
- Pursue regional partnerships to enhance the regional value of the project and Cascade's financial outcomes.
- Periodically update the Funding Plan and adopt a revised version when material changes in costs, schedule or other assumptions occur.

G. Future Actions and Board Role

The Capital Funding Plan will be periodically updated and revised as supply project information evolves. The Board will be asked to periodically adopt the updated Funding Plan to supersede this initial Funding Plan. It is anticipated that this may initially occur as frequently as annually, perhaps later slowing to biennial updates linked to budget, rate, and funding cycles.

In adopting the Plan, the Board is directing staff to take actions consistent with implementing the Recommended Action. The Board retains authority related to issuing new revenue bond debt, adopting Cascade budgets and rates, accepting terms for public grants and loans, and all major Phase I funding decisions. Separately, the Board will be engaged in project oversight and authorization related to planning, design, and construction-related activities required to implement Phase I of the Cascade Supply Program.

Link to Full Report: cascadewater.org/wp-content/uploads/2026/05/Capital-Funding-Plan-DRAFT-for-Committee-Review-2026-05-06.pdf

AGENDA MEMORANDUM

PROPOSED BOARD ACTION

No action is requested at this time. This item is for discussion only.

SUMMARY OF CURRENT PROPOSED BOARD ACTION

N/A – no action is proposed at this time.

The purpose of this discussion item is to provide a preliminary review of Cascade’s 2027-2028 operating budget and 2027-2032 capital budget. Staff will present the preliminary budget, address questions, and seek feedback. Feedback received will be incorporated into the proposed budgets, which will be presented to the Board in June 2026.

BACKGROUND

Cascade’s Preliminary 2027-2028 Budget has been developed to support Cascade’s mission, vision, and values; to meet the requirements of State law and Cascade Water Alliance Code; to support Cascade’s strategies and goals; and to sustain Cascade’s ongoing core services.

The budget development process for this biennium is more complex than in previous years, due to the initiation of the Cascade Supply Program (“CSP”). A number of interrelated elements will be developed, reviewed, and ultimately brought to the Board for approval as part of this budget process:

- ❖ **Capital Funding Plan** – this Plan defines the long-term funding strategy and rate plan to support delivery of Phase I of the CSP. It covers the period from 2027 to 2040. It informs the CSP component of the capital budget, and the rate smoothing strategy informs the 2027-2028 rates.
- ❖ **2027–2032 Capital Improvement Plan (“CIP”) Budget** – the capital budget represents the cash needs for Cascade’s planned capital projects for the upcoming six-year period. This includes the CSP, projects associated with Cascade’s existing infrastructure, and fixed capital payments.
- ❖ **2027-2028 Operating Budget** – the operating budget represents the operating and maintenance expenditures needed to sustain core services and support Cascade’s strategies and goals. It is a two-year budget, grouped by department. It supports the capital budget through planned debt service in support of capital projects and through transfers for cash funding of the capital budget.
- ❖ **2027-2028 Rates** – the 2027-2028 rates are made up of the administrative, conservation, and demand charges that Members will be assessed based on Cascade’s adopted rate methodology. The rates are set at the level necessary to support the operating and capital budgets and are informed by the rate smoothing strategy established in the Capital Funding Plan.

- ❖ **2027-2028 Regional Capital Facilities Charges (“RCFCs”)** – the 2027-2028 RCFCs are charges on new connections based on a proportional share of the capacity needed to serve them. They are calculated based on Cascade’s adopted RCFC methodology, which reflects the cost of both existing and new infrastructure.

Today’s presentation is focused on the capital budget and operating budget but will briefly discuss the other related budget elements.

2027-2028 Budget Process

- ✓ January: Member Staff – Draft Capital Funding Plan
- ✓ March: Finance and Intergovernmental Committee (“FIG”) & Board – Capital Funding Plan – Background & Fiscal Policies
- ✓ May 7: Member Staff – Preliminary Budget & Rates, Draft Capital Funding Plan
- ✓ May 13: Supply Program Oversight Committee – CSP portion of Capital Budget
- ✓ May 19: FIG – Preliminary Budget & Rates, Draft Capital Funding Plan
- May 27: Board – Preliminary Budget & Rates, Draft Capital Funding Plan
- ❖ June: Proposed Budget, Rates, RCFCs - incorporating feedback from May
- ❖ July: Draft Final Budget, Rates, RCFCs, Capital Funding Plan
- ❖ September: Anticipated Budget Adoption

Next Steps

The next steps for this process are for the committees and Board to provide feedback to Cascade staff regarding the Preliminary Budget. Staff will incorporate this feedback into the Proposed Budget and Rates.

PRIOR BOARD ACTIONS

Board Action	Date	Resolution No. (if Applicable)
N/A	N/A	N/A

OTHER OPTIONS AND ANTICIPATED RESULTS IF THE BOARD DOES NOT APPROVE THIS ACTION

N/A – no action is proposed at this time.

PROCUREMENT PROCESS

N/A

FISCAL IMPACT

N/A

RECOMMENDED ACTION

N/A – no action is proposed at this time.

ATTACHMENTS

1. Presentation – 2027-2028 Preliminary Budget

2027-2028 Preliminary Budget

Presentation to Cascade Board

May 27, 2026



Overview

- Today's Purpose: To present the Preliminary Budget and Rates, discuss the major projects and programs, explain the key rate drivers, and to seek feedback from the Board.
- Desired Feedback:
 - Is there additional information that would help you understand the preliminary budget and how it drives the preliminary rates?
 - Any other feedback?

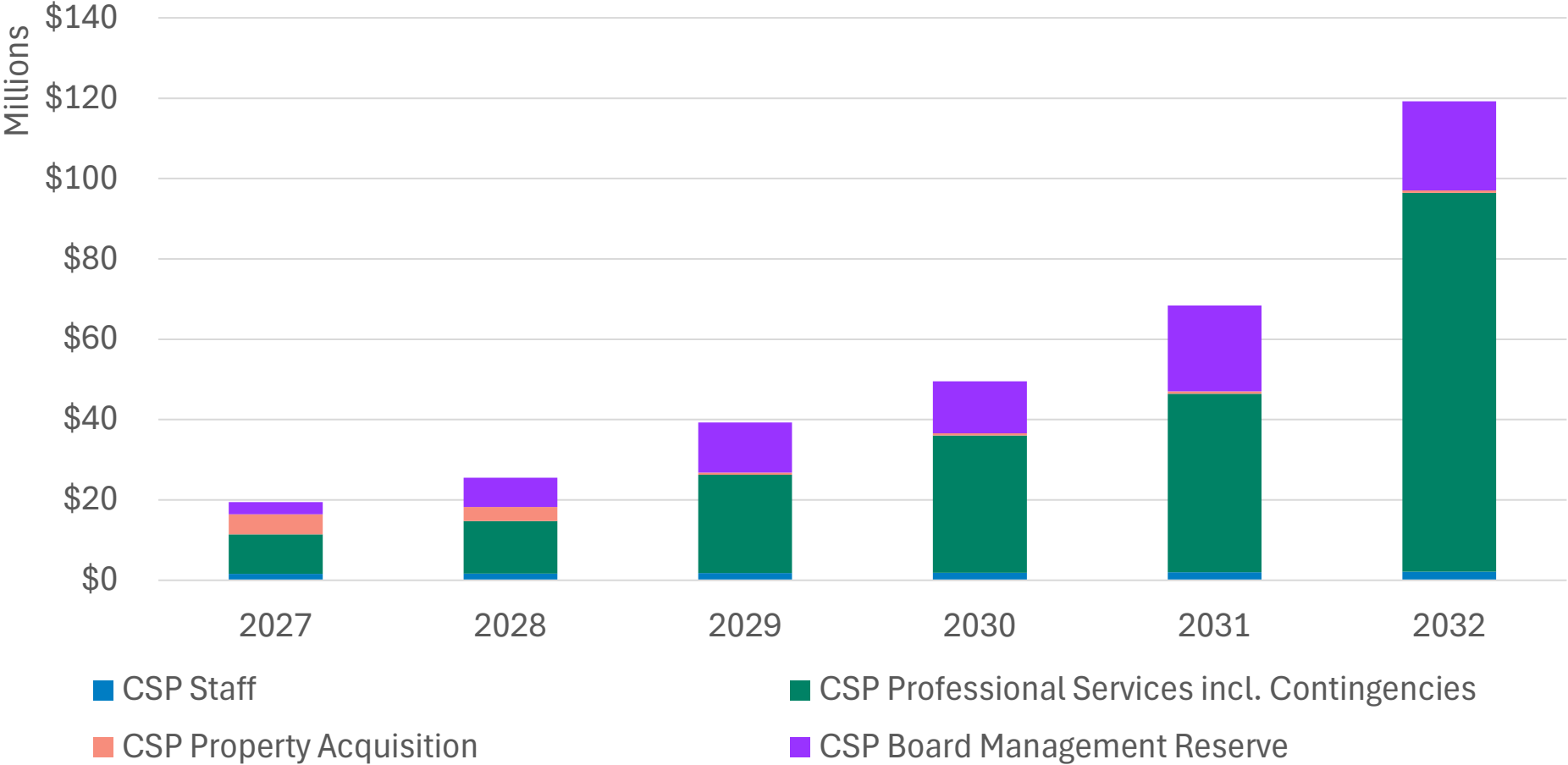
Agenda

- How the Budget Pieces Connect
- Preliminary CIP Budget
 - Cascade Supply Program
 - Major Projects for Existing Infrastructure
- Preliminary Operating Budget & Rate Drivers
- Cascade Staffing – Current and Proposed
- Key Rate Drivers – Known and Anticipated
 - Water Costs
 - Lake Tapps Operator Contract
 - Debt Service
- Rates Recap & RCFCs
- Next Steps

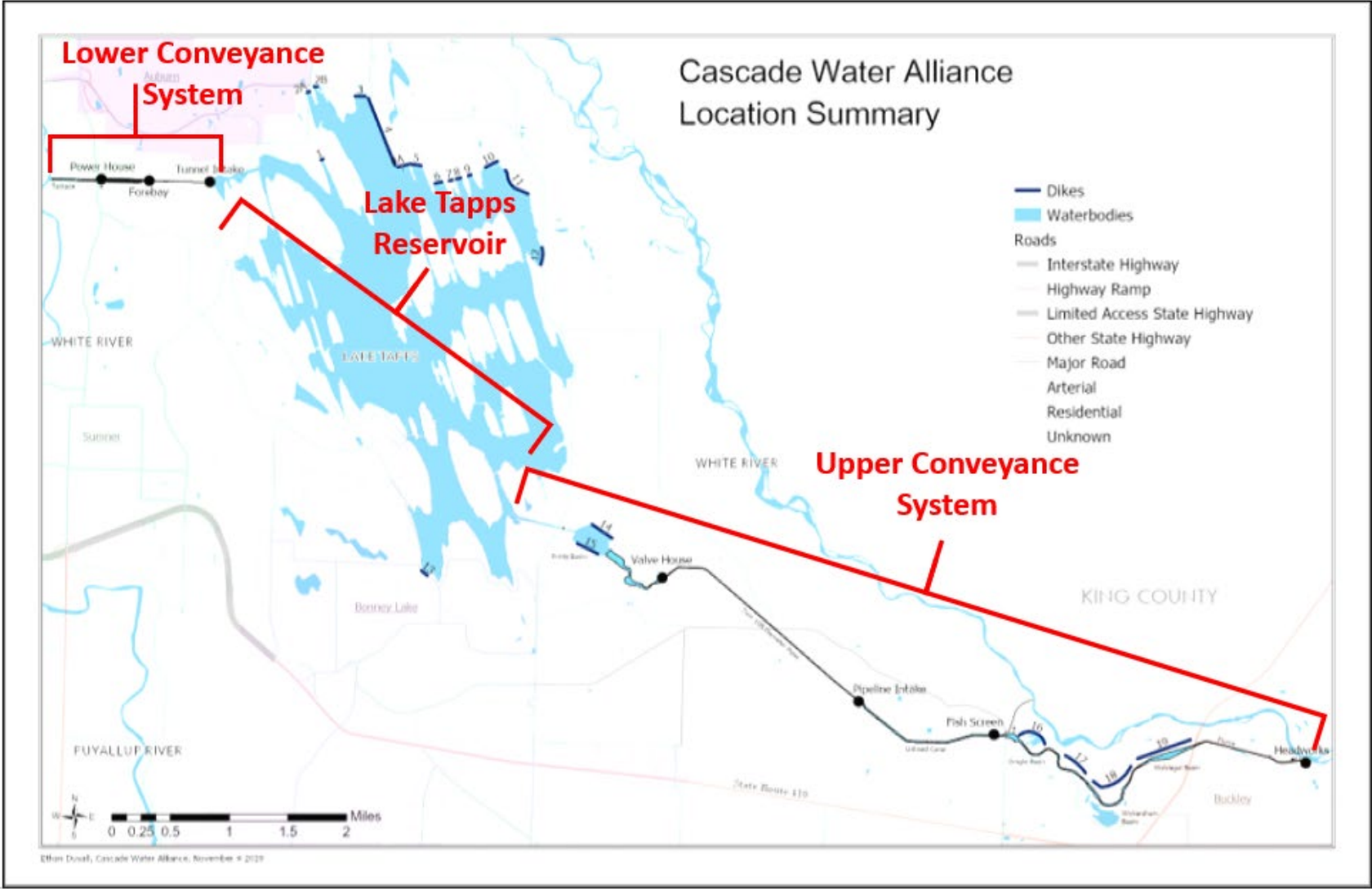
Preliminary 2027-2032 CIP Budget

Program Area	2027	2028	2029	2030	2031	2032
Upper Conveyance	\$750,000	\$650,000	\$1,350,000	\$1,200,000	\$240,000	\$250,000
Lower Conveyance	2,200,000	1,770,000	2,110,000	1,650,000	1,190,000	1,230,000
Lake Tapps Reservoir	260,000	270,000	280,000	290,000	300,000	310,000
Facilities	100,000	110,000	110,000	110,000	120,000	120,000
Equipment	30,000	30,000	30,000	30,000	30,000	30,000
BIP	2,600,000	50,000	60,000	60,000	60,000	60,000
IT Infrastructure	70,000	70,000	70,000	70,000	70,000	70,000
Subtotal - Non-CSP Projects	\$6,010,000	\$2,950,000	\$4,010,000	\$3,410,000	\$2,010,000	\$2,070,000
Capital Risk	\$600,000	\$600,000	\$700,000	\$800,000	\$900,000	\$1,000,000
Tacoma Agreements	5,955,629	6,055,488	6,156,383	6,944,870	6,973,870	6,973,870
Cascade Supply Program						
CSP Staff	\$1,588,052	\$1,641,518	\$1,780,000	\$1,880,000	\$1,980,000	\$2,110,000
CSP Property Acquisition	5,000,000	3,560,000	560,000	560,000	560,000	560,000
CSP Professional Services	9,830,000	13,080,000	24,470,000	34,150,000	44,460,000	94,350,000
CSP Management Reserve	3,030,000	7,250,000	12,500,000	12,940,000	21,430,000	22,180,000
Subtotal - CSP	\$19,448,052	\$25,531,518	\$39,310,000	\$49,530,000	\$68,430,000	\$119,200,000
Total CIP	\$32,013,681	\$35,137,006	\$50,176,383	\$60,684,870	\$78,313,870	\$129,243,870

Cascade Supply Program



White River Lake Tapps Reservoir Infrastructure



Major Projects identified in 2027-2028

Lower
Conveyance

Tunnel Intake: currently in design. Construction planned for 2027.
Powerhouse Valve 2: Planned for 2029-2030

Lake Tapps
Reservoir

No major projects scheduled at this time.

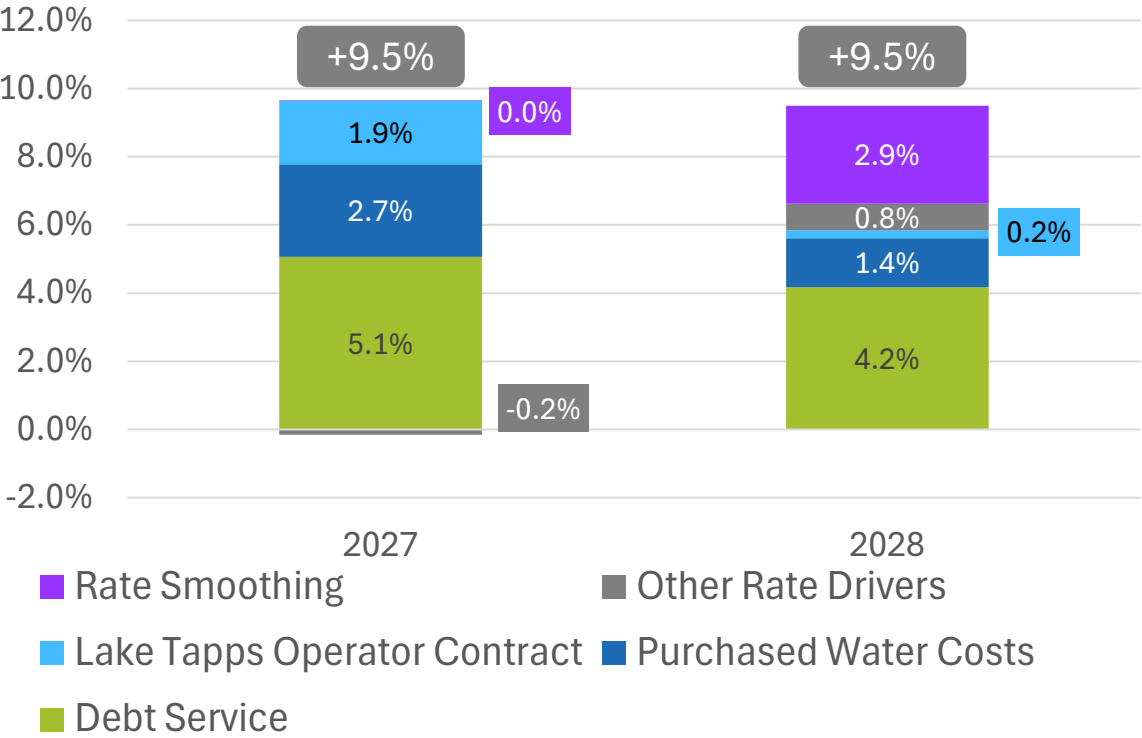
Upper
Conveyance

Fish screen improvements: Planning and design in 2027/2028, Construction in 2029-2030.

Other
Infrastructure

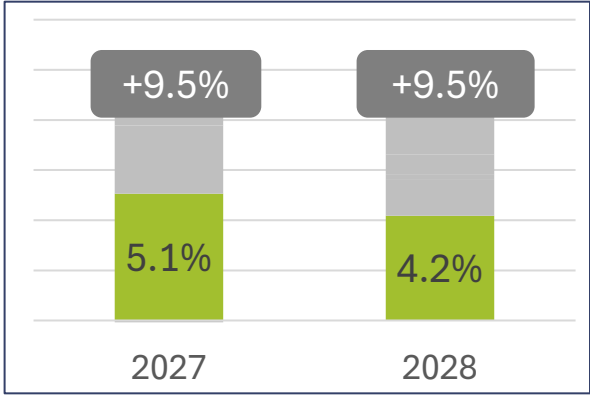
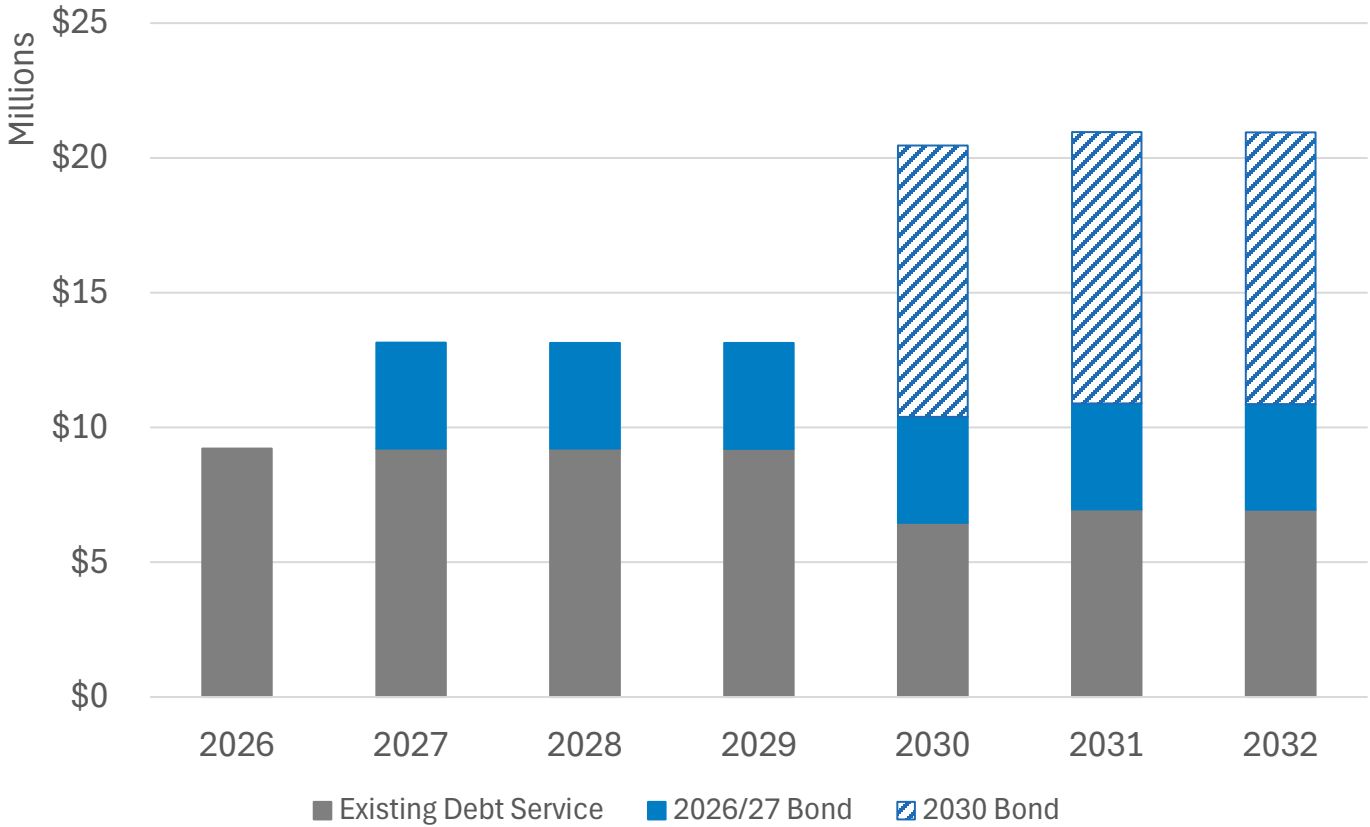
Bellevue Issaquah Pipeline - Lewis Creek (WSDOT) Relocation: currently in design. Construction planned for 2027.

Preliminary 2027-2028 Rate Drivers



- Four Major Rate Drivers in 2027-2028:
- *The Cascade Supply Program is the main rate driver due to new debt service*
 - *Purchased Water costs includes contingency for potential adjustments*
 - *Contract Operator increase anticipated due to new contract*
 - *Rate smoothing in 2028 will reduce rate increases in future years.*

Preliminary Debt Service



Preliminary Budget uses conservative debt assumptions

- \$60 million revenue bond in late 2026, early 2027
- Interest Rate: 4.5%
- Term: 30 years
- Level debt – no shaping of payments at this time

Debt service for 2030 bond is very preliminary at this time – shown for context

Preliminary Operating Expenditure Budget 2027-2028

Department	<i>Amended</i> 2026	<i>Preliminary</i> 2027	<i>Preliminary</i> 2028
Administration	\$4,289,000	\$5,094,000	\$5,138,000
Conservation	\$832,000	\$1,009,000	\$1,049,000
Operations	\$7,406,000	\$8,853,000	\$8,559,000
Cascade Supply Program	\$198,000		
Purchased Water	\$25,649,000	\$26,974,000	\$27,743,000
Debt Service	\$9,225,000	\$12,905,000	\$12,899,000
	\$47,599,000	\$54,835,000	\$55,388,000

Values rounded for presentation. Totals may differ due to impact of rounding.

CSP Budget is 100% in Capital for 2027 and 2028.

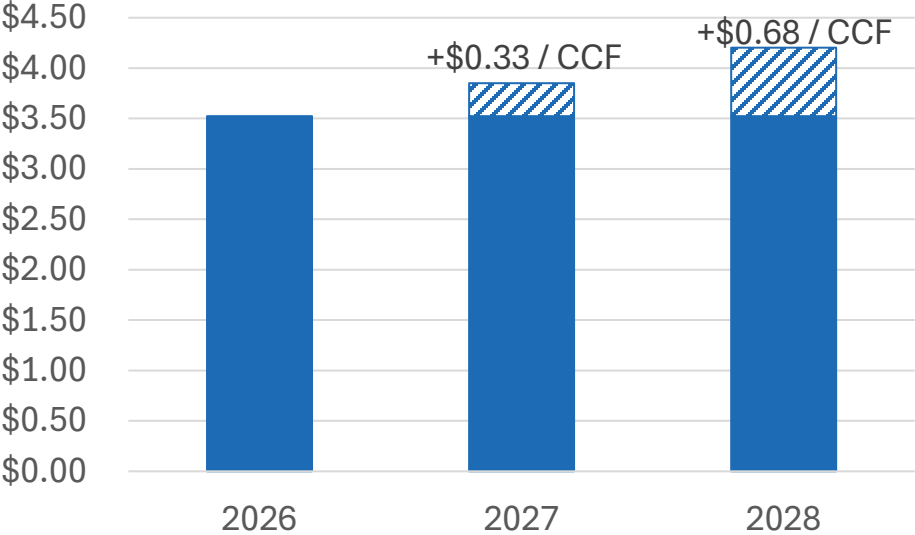
Cascade Staffing – Current & Proposed

Department	Amended 2026	Preliminary 2027	Preliminary 2028
Operating Staff			
Administration	6	7	7
Conservation	1	1	1
Operations	5	5	5
Cascade Supply Program*	0	0	0
Subtotal - Operating Staff	12	13	13
Capital Staff			
Cascade Supply Program*	5	6	6
Subtotal - Capital Staff	5	6	6
Total - Cascade Staff	17	19	19

* Determination to capitalize CSP staff effective March 1, 2026

- Admin: New position: Accounting Support
- Cascade Supply Program:
 - New position: Real Estate Lead
 - Reflects repurposing the General Counsel position in 2026 for CSP Communications & Outreach Manager role.

Preliminary Average Cost of Water

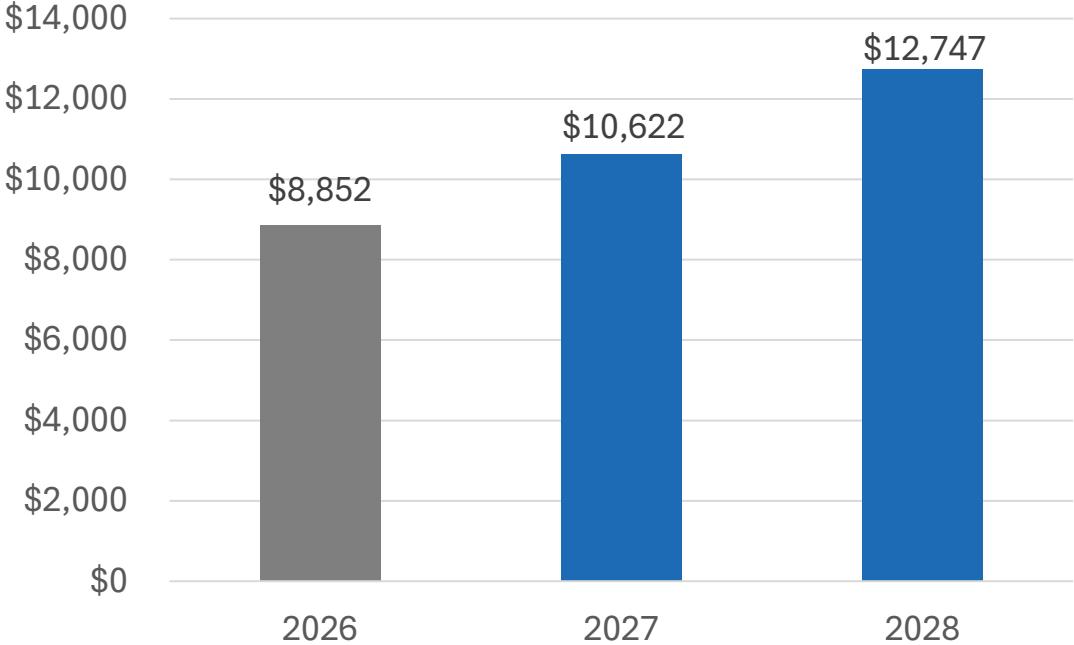


The preliminary rate increases translate to increases in the average cost of water of \$0.33 and \$0.68 per ccf.

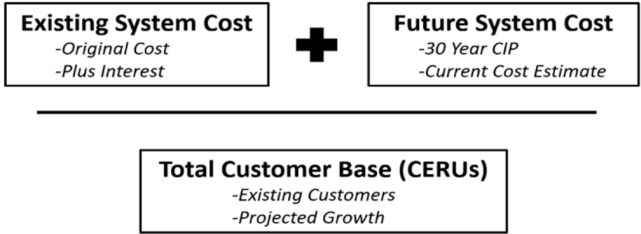
Exact amounts will vary slightly by member.

Typical monthly household use is between 5 and 8 CCF per month

Regional Capital Facilities Charges



Calculated based on RCFC methodology:



based on a proportional share of both existing and planned infrastructure costs.

Increase limited to +20% per year consistent with historical Cascade practice.

Next Steps

- ✓ Member Staff (May 7): Preliminary Budget & Rates
- ✓ SPOC (May 13): CSP Budget
- ✓ FIG (May 19): Preliminary Budget & Rates
- Board (May 27): Preliminary Budget & Rates
- June: Proposed Budget & Rates
(incorporating feedback from May, with Member-specific Charges)
- July: Draft Final Budget
- September: Anticipated Budget Adoption

Thank You





FINANCE & INTERGOVERNMENTAL COMMITTEE

Thomas McLeod, Chair, City of Tukwila
Dave Hamilton, City of Bellevue
Ryika Hooshangi, Sammamish Plateau Water
Russell Joe, City of Issaquah

Meeting Recap
Tuesday, April 21, 2026
1:30 PM – 3:00 PM

Held at Cascade's office and via Zoom

Attendance: Thomas McLeod, Dave Hamilton, Russell Joe

- 1. Call to Order.**
- 2. Public Comment** - Members of the public may address the committee for a maximum of two minutes per person.
- 3. Executive Session.**
- 4. Items Recommended for Action at the April 21, 2026 Board Meeting**
 - A. 2026 Budget Amendment.** Motion to adopt a resolution to amend the 2026 Budget and the 2025-2030 Capital Improvement Program. This action shifts expenditure authority from 2025 to 2026, and from operating to capital. It is a necessary procedural and accounting change with no impact to rates that will allow funding of Cascade Supply Program activities under its program and engineering support (PES) contract in 2026. The proposed increase in authorization for the PES contract has been reviewed by the Supply Program Oversight Committee (SPOC). SPOC is recommending approval by the Board in April, contingent upon the Finance and Intergovernmental Committee's recommendation to approve the 2026 budget amendment.

Recap: Staff presented the 2026 budget amendment and addressed questions from the committee regarding the details of the budget process, Cascade's biennial budget structure, and the differences between the operating and capital components. The committee voted to recommend approval of the amendment to the Board.
- 5. Discussion Items.**
 - A. State Legislative Update.** Diana Carlen, Cascade's contract state lobbyist, and staff will provide a wrap-up report on the recently concluded state legislative session.

Recap: *Diana Carlen provided an overview of the recently concluded state legislative session. It was a short session and primarily focused on the large budget shortfall. Unfortunately, the legislature diverted over \$700 million from the Public Works Assistance Account for 2026-2027 to help balance the budget. One win for utilities was a bill that passed requiring the state Department of Transportation to do a better job of coordinating with utilities on its culvert replacement projects. Additionally, the threshold for use of the small works roster will increase over time. Finally, a budget proviso was included that requires the Department of Ecology to study water and electricity usage of data centers.*

6. Other Issues.

7. Next Meeting Date and Location.

The next meeting will be held Tuesday, May 19, 2026, 1:30 p.m. – 3:00 p.m. at Cascade’s office and via Zoom.



FINANCE & INTERGOVERNMENTAL COMMITTEE

Thomas McLeod, Chair, City of Tukwila
Dave Hamilton, City of Bellevue
Ryika Hooshangi, Sammamish Plateau Water
Russell Joe, City of Issaquah

Meeting Recap
Tuesday, May 19, 2026
1:30 PM – 3:00 PM

Held at Cascade's office and via Zoom

Attendees: Thomas McLeod, Dave Hamilton, Ryika Hooshangi, Russell Joe

- 1. Call to Order.**
- 2. Public Comment** - Members of the public may address the committee for a maximum of two minutes per person.
- 3. Executive Session.**
- 4. Items Recommended for Action at the May 27, 2026 Board Meeting**
- 5. Discussion Items.**
 - A. Draft Capital Funding Plan.** The Capital Funding Plan defines a roadmap for funding Phase I of the Cascade Supply Program. It includes evaluations of potential funding sources; assesses risks, uncertainties, and opportunities; demonstrates compliance with fiscal policies; establishes a long-term rate strategy; and provides a flexible framework for decision-making related to funding. Staff will present the Draft Capital Funding Plan, discuss the key recommendations, and seek feedback regarding the plan and recommendations.

***Recap:** Staff presented the Draft Capital Funding Plan, which establishes the long-term rate strategy for Phase I of the Cascade Supply Program. Draft staff recommendations include aggressively pursuing outside funding assistance (particularly federal WIFIA loans); mitigating uncertainty and risk by taking meaningful first steps of 9.5 percent rate increases in 2027 and 2028, increasing RCFs by 20 percent in 2027 and 2028, and issuing a \$60 million revenue bond; and regularly reviewing and updating the Funding Plan, at least biennially.*

The committee discussed the plan and recommendations and asked for additional information regarding the WIFIA program, the level of rate impact that would occur with

and without funding assistance, and what actions Members can take to improve the likelihood of funding assistance. Additionally, the committee asked for more information about the long-term impact of the debt levels forecasted in the plan and how those debt levels could impact the Members.

- B. Preliminary Budget and Rates.** Cascade staff will present the Preliminary 2027-2028 Budget, including the operating budget, capital budget, and rate drivers. Staff are seeking feedback in May, to be incorporated in the Proposed Budget in June.

Recap: *Staff presented the Preliminary Budget and Rates. The biggest driver of the 2027-2028 budget is the Cascade Supply Program, with new debt service driving the majority of rate increases. Based on the recommended strategy from the Draft Capital Funding Plan, the preliminary rate increases for 2027 and 2028 are 9.5% per year, which translates to an increase of \$0.33 per hundred cubic feet (CCF) in 2027, and \$0.68 per CCF in 2028.*

The 2027-2028 budget process will continue with incorporating feedback from the committee, Board, and Member staff into the proposed budget in June and into the draft final budget in July. Budget adoption is anticipated in September.

6. Other Issues.

Added item: Washington's Water Future.

Recap: *Cascade's state lobbyist, Diana Carlen, provided a report about the recently announced statewide initiative called Washington's Water Future. Governor Ferguson announced the initiative in May to help Washington prepare for its growing water challenges in light of the recent years of drought declarations. The Department of Ecology will lead regional roundtables to identify shared priorities and shape future policy, planning, and on-the-ground actions. Topics to discuss include strategies such as aquifer recharge, reclaimed water, conservation and other strategies to build resilience. The roundtables will include utilities, and Cascade has requested to be included as a stakeholder in the appropriate discussions.*

7. Next Meeting Date and Location.

The next meeting will be held Tuesday, June 16, 2026, 1:30 p.m. – 3:00 p.m. at Cascade's office and via Zoom.



RESOURCE MANAGEMENT COMMITTEE
Lloyd Warren, Chair, Sammamish Plateau Water
Jon Ault, Skyway Water & Sewer District
Dennis Martinez, City of Tukwila
Angie Nuevacamina, City of Redmond

Meeting Recap
Thursday, May 14, 2026
10:00 AM – 11:30 AM

Held at Cascade's office and via Zoom

Attendance: Lloyd Warren, Jon Ault, Dennis Martinez, Angie Nuevacamina

- 1. Call to Order.**
- 2. Public Comment** - Members of the public may address the committee for a maximum of two minutes per person.
- 3. Executive Session.**
- 4. Discussion Items.**
 - A. Seattle Public Utilities (SPU) – Water Supply Status.** SPU staff will join the committee meeting to provide a water supply status update. Current SPU water supply information can be found [here](#).

Recap: SPU provided an update on current water supply conditions. Snowpack has almost all melted already, but they received a waiver from the Washington State Department of Ecology to raise Chester Morse Lake Reservoir two feet above the normal maximum elevation. SPU filled both reservoirs early this year due to low snowpack and are holding them as high as possible for as long as possible. They are concerned about the forecast for warmer than normal temperatures this summer and the potential for a Super El Niño, which could potentially delay the fall rains. SPU said, however, that it is too early to tell if they will need to activate their Water Shortage Contingency Plan this year.

Staff explained that conservation messaging around the drought and low snowpack was discussed at the last Member Staff meeting and consensus was reached around increased “soft” conservation messaging. Cascade will add information around the drought and snowpack, along with ways to conserve water, to their website and social media. Careful wording will be used to make sure there is not confusion if Cascade ends up going into voluntary curtailment later this year. The committee was supportive of the decisions made by Member staff.

B. White River-Lake Tapps Reservoir (WRLTR) Operations and Management (O&M) Contracted Services Request for Proposals (RFP) Update. Staff will provide an update on the RFP process, including the transition plan with the current contract operator if a different firm is selected for the new contract.

Recap: Proposals are due May 15, and interviews will be conducted during the week of June 22. Cascade expects to receive at least three proposals. In the event Cascade's current contract operator, Veolia, is not selected for the new contract, Cascade and Veolia are currently negotiating an amendment to the current contract for a smooth transition. Staff will seek Board approval of the amendment in June.

C. Lewis Creek Bellevue-Issaquah Pipeline (BIP) Relocation Project. Staff will provide a status update on the BIP Relocation Project, which is currently in its design phase.

Recap: Staff provided a status update on the design progress (currently at 90 percent design) and permitting review processes for the State Environmental Policy Act, Washington State Department of Transportation, and Department of Health. Staff updated the committee on the expected construction costs, timeline, and impacts to Member agencies during construction. A 90 percent review meeting will be held with impacted Member staff (Issaquah and Sammamish Plateau Water) by the end of May.

D. Temporary Water Agreements – Background. Staff will provide background information on temporary water agreements, in anticipation of consideration of a temporary water agreement at a future meeting

Recap: Staff provided information on temporary water agreements, including the policy rationale, code requirements, and discussing the one current temporary water agreement in effect with Issaquah. The committee observed that temporary water agreements provide a win-win, both for the member requesting temporary water and by reducing the revenue requirements for other members.

5. Items Recommended for Action at the May 27, 2026 Board Meeting.

6. Other Issues.

7. Next Meeting Date and Location.

The next meeting will be Thursday, June 11, 2026, 10:00 a.m. – 11:30 a.m. at Cascade's office and via Zoom.



SUPPLY PROGRAM OVERSIGHT COMMITTEE

Dave Hamilton, Chair, City of Bellevue
Jon Ault, Skyway Water & Sewer District
Vishal Bhargava, City of Bellevue
Kelli Curtis, City of Kirkland
Ryika Hooshangi, Sammamish Plateau Water
Mark Mullet, City of Issaquah
Jon Pascal, City of Kirkland

Meeting Agenda Wednesday, May 13, 2026 2:00 PM – 3:30 PM

Held at Cascade's Office and via Zoom

Attendees: Dave Hamilton, Jon Ault, Vishal Bhargava, Ryika Hooshangi, Mark Mullet, Jon Pascal

- 1. Call to Order.**
- 2. Public Comment** - Members of the public may address the committee for a maximum of two minutes per person.
- 3. Executive Session.**
- 4. Member Staff and Member Staff Technical (MST) Recap** – Summary of the previous Member staff and MST subgroup meetings.

Recap: Staff provided information on the alternatives analysis “heat map” process that will be completed by the Program and Engineering Support team and subject matter experts. The map will break down the Phase I service area into one-mile square grids and rank each section on eight different topics. This map will help identify preferred routes.

5. Monthly Key Performance Indicators Review

A. Cost Performance

Recap: Staff provided an update of the Program and Engineering Support contract financial performance.

6. Discussion Items and Presentations

A. Draft Board Oversight Plan

Recap: *A draft copy of the Board Oversight Plan was attached to the meeting packet. Staff reviewed information presented in the Board Oversight Plan and attachments. Staff asked for comments from Member Staff and Supply Program Oversight Committee (SPOC) by May 15. There were no questions following the presentation.*

B. Use of Executive Sessions

Recap: *At a previous SPOC meeting, there was a request to provide information on how Executive Sessions would be used for the Cascade Supply Program (CSP) at Board and SPOC meetings. Staff presented on the use of Executive Sessions, specifically around land use and potential litigation. Discussion and questions followed on how information would be shared.*

C. Tank and Route Alternative Communication Process

Recap: *Staff presented two options for discussion focused on timing of Board input and public engagement with respect to development of the route and site alternatives. Specifically, the committee discussed when SPOC and the Board are informed of route and site alternatives versus when the CSP engages the public and performs preliminary site work and investigations. The committee unanimously felt the Board and committee should be informed prior to community engagement or site work. This means that when potential routes and sites are presented, they will be preliminary and based on office research only. Once a decision is made to engage on a potential site or route, then the CSP team will begin public outreach efforts and preliminary site work. This could result in additional elimination of sites or routes once further information is gathered. This also delays when the final site and route are chosen by the Board.*

D. SPOC Calendar Review

Recap: *Staff presented the three-month lookahead for the SPOC meetings. No questions or comments were received following the presentation.*

E. CSP Preliminary Capital Improvement Project (CIP) Budget

Recap: *Staff presented the preliminary CIP budget for the CSP. The presentation detailed the budget line by line and discussed the components. The committee had questions about the timeframe, when reserves are held and invested, and about future bonds. There was discussion about what happens when or if reserves are exceeded and about the future temptation to stop funding reserves once it reaches a large amount. The CIP budget will be presented to the Board for action later in the year.*

7. Items Recommended for Action at the May 27, 2026 Board Meeting

8. Risk Register Review

Recap: Staff presented a revised method of sharing risks, based on high/medium/low for mitigated risks, unmitigated risks, and opportunities. The intent will be to share high risks with the committee and Board going forward and to share any opportunities for Board engagement and assistance. There was discussion around how risks move through the log and differing opinions on this methodology. Further discussion and refinement will be reviewed by staff.

9. Other Items

10. Next Meeting Date and Location

The next meeting will be Wednesday, June 10, 2026, 2:00 p.m. – 3:30 p.m. at Cascade's office and via Zoom.