MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA HYBRID
MAY 27, 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), Sammamish Plateau Water & Sewer District (Warren), Skyway Water and Sewer District (Ault), City of Redmond (Birney), City of Tukwila (McLeod)
Board Alternates Present: City of Bellevue (Bhargava), City of Redmond (Nuevacamina), Sammamish Plateau Water & Sewer District (Hooshangi)

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

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

6. 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.

7. CONSENT ITEM

A. Special Board Meeting Minutes for May 6, 2026

B. Board Meeting Minutes for March 25, 2026

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

8. OTHER ACTION ITEM

None.

9. STAFF PRESENTATIONS

A. Water Supply Update

James Amspacher, Cascade's Water Efficiency Director, provided an update on regional water supply conditions, highlighting concerns about extremely low snowpack and potential summer water shortages. Although precipitation levels for the 2026 water year were relatively high, warmer temperatures caused much of it to fall as rain instead of snow, resulting in the third-lowest snowpack on record. By late May, nearly all mountain snow had already melted, reducing the natural reservoir replenishment typically relied upon during peak summer demand. Mr. Amspacher reported that Seattle Public Utilities had already taken operational steps to prepare for dry conditions, including filling reservoirs earlier than normal and obtaining a waiver to raise Chester Morse Lake two feet above its usual maximum level. Reservoir storage remained stable but had begun to decline as outdoor water use increased with warmer weather. Cascade also expanded drought and conservation messaging through its website and social media platforms to encourage long-term water conservation.

B. Draft Capital Funding Plan

Andy Baker, Cascade's Economist, presented the Draft Capital Funding Plan for the Cascade Supply Program. The discussion emphasized a moderately conservative financial approach while balancing the need to fund major infrastructure investments over time. Board Members and staff discussed the importance of transparent cost tracking and documenting changes in assumptions to help future boards and member agencies understand how financial decisions evolve.

Discussion also focused on the potential impacts of future bond issuances on member agencies and the need for ongoing coordination between Cascade's bond counsel and member agency financial teams. Board Members raised concerns about long-term rate increases and the effect of higher capacity charges on housing affordability and development. In response, Mr. Baker stated Cascade plans to provide clearer member-specific cost forecasts, improve long-term financial reporting, and continue updating the funding plan as project assumptions become more certain.

Mr. Baker also discussed the federal loan program as a significant potential funding source that could reduce future rate increases if secured. However, he noted the program remains subject to federal funding uncertainty, and Cascade likely will not be eligible to apply until the project reaches approximately 30 percent design completion. The discussion concluded with Board Members requesting continued refinement of the funding plan, clearer communication tools, and measurable indicators to help track financial assumptions and project risks over time.

C. Preliminary Budget and Rates

Mr. Baker presented the Preliminary 2027–2028 Budget and Rates, explaining the budget is closely tied to the Draft Capital Funding Plan and long-term financing for the Cascade Supply Program (CSP). He outlined the proposed capital and operating budgets, projected rate increases, staffing impacts, and Regional Capital Facilities Charges (RCFCs), noting that the CSP is the primary driver of future costs and rate increases needed to support long-term regional water reliability.

Mr. Baker explained preliminary rate increases for both 2027 and 2028 are projected at 9.5 percent annually, largely driven by new debt service associated with the CSP, including a planned $60 million revenue bond. Additional cost pressures include anticipated increases in purchased water costs and future operations and maintenance expenses for the White River–Lake Tapps Reservoir system. He also noted a portion of future rate increases would support "rate smoothing" to reduce larger spikes in later years.

Board Members expressed concern about the long-term impacts of repeated rate increases and higher capacity charges on housing affordability and development. In response, Mr. Baker stated Cascade plans to provide clearer member-specific cost projections and continue updating the funding plan to improve transparency and track changing assumptions over time. Chair Birney also noted that the impacts of the proposed increases would vary among member agencies and encouraged future comparisons showing jurisdiction-specific effects.

The presentation concluded with staff explaining that feedback from the Board, committees, and member agencies would be incorporated into the Proposed Budget in June and the Draft Final Budget in July, with final budget and rate adoption anticipated in September 2026.

10. COMMITTEE REPORTS

A. Executive Committee – No meetings held since the last Board meeting.

B. Finance & Intergovernmental Committee – Meeting held April 21, 2026 and May 19, 2026. The meeting recaps were included in the Board Packet.

C. Resource Management Committee – Meeting held May 14, 2026. The meeting recap was included in the Board Packet.

D. Supply Program Oversight Committee – Meeting held May 13, 2026. The meeting recap was included in the Board Packet.

11. NEW BUSINESS

None.

12. NEXT REGULAR MEETING

The next regularly scheduled Board meeting will be held on June 24, 2026 at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 5:03 p.m.

APPROVED BY:

Angela Birney, Chair

Tom McLeod, Vice Chair