REGULAR MEETING OF THE BOARD OF DIRECTORS
AGENDA
CASCADE WATER ALLIANCE
Held at Cascade's Office and Via Zoom
July 22, 2026
3:30 PM

		Page
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	3
7.	CONSENT ITEMS	
	a. Board Meeting Minutes for June 24, 2026.	19
	b. Motion to adopt Resolution No. 2026-10, authorizing a two-year extension of the independent supply production waiver.	22
8.	OTHER ACTION ITEMS	
	a. Motion to adopt Resolution No. 2026-11, declaring the intent of Cascade Water Alliance to reimburse, from proceeds of a future borrowing, capital expenditures made in connection with the acquisition, construction, and equipping of a project. Or Motion to adopt Resolution No. 2026-11A, authorizing the chief executive officer to make declarations of official intent to reimburse capital expenditures from proceeds of future borrowing.	26
	b. Motion to adopt Resolution No. 2026-12, authorizing transfer of $1,816,460 to the Cascade Water Supply Development Fund for 2026.	35

9. STAFF PRESENTATIONS

a. Cascade Supply Program Quarterly Update. 66

b. Draft Final Budget, Rates, and Regional Capital Facilities Charges. 78

c. Capital Funding Plan Update. 96

10. COMMITTEE REPORTS

a. Executive Committee – *no meeting held.*

b. Finance and Intergovernmental Committee – *July 21, 2026.* (Meeting recap to be included in the next Board Meeting packet)

c. Resource Management Committee – *July 9, 2026.* 105

d. Supply Program Oversight Committee – *July 8, 2026.* 107

11. NEW BUSINESS

12. NEXT REGULAR MEETING – *August 26, 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.

Item No. 6
July 22, 2026

MEMORANDUM

DATE: July 22, 2026

TO: Angela Birney, Chair
Board of Directors

FROM: John Taylor, Chief Executive Officer

SUBJECT: Chief Executive Officer's Report

Administration, Finance, and Economics

- Cascade has hired Tara Esteban as the new Contracts and Project Support Manager. Tara has 28 years of experience delivering and supporting public works for Seattle Public Utilities. She has an extensive background administering public works and consultant contracts, developing scopes of work and cost estimates, leading permitting and environmental compliance, and providing technical support across engineering, operations, and maintenance functions. Tara's first day is July 27.
- Cascade has also hired David Chalmers as the new Communications and Outreach Manager. David has over 20 years of experience in strategic communications, community outreach, and intergovernmental relations, shaping program delivery and outcomes. He served most recently as a Senior Advisor at Seattle Public Utilities, and before that, as a U.S. Diplomat with USAID, leading communications and stakeholder engagement for major development projects spanning South Asia, Latin America, and Africa. David's first day is July 27.
- Cascade's financial statements for the years ending December 31, 2025 and 2024 have been posted to Cascade's website and can be found at the following link: cascadewater.org/about/finance/audited-financial-statements/.
- June was the best month for Regional Capital Facilities Charges (RCFCs) in 2026 so far, with 97.5 net RCFCs, and three member reports are still outstanding. Through June there are 443.00 net Cascade Equivalent Residential Units. Cascade is still off pace to realize 2026 budget expectations of 1,150. RCFCs are variable year-to-year and accounted for in the budget. This deviation should not have an overall adverse impact on the budget or rates.
- TeamLogic IT, Cascade's Information Technology (IT) consultant, and staff met for a quarterly technical business review of Cascade's system in July. The review was a chance to look at the overall health of Cascade's systems and networks, to look at the bigger picture of Cascade's technology, security, and long-term IT strategy, and to ensure they are on track to implement all the 2026 IT improvements. Overall, Cascade's network is secure and stable.

Cascade Supply Program

- The monthly CSP Status Update is attached.
- Work Assignments WA.001 and WA.002 are closed.
- Staff are continuing to advance the hydraulic modeling, GIS mapping, heat maps, tank siting, and pipeline corridors.
- Staff are continuing to develop the Risk Register and risks for the program. Nineteen risks and opportunities have been identified at this time. A larger subject matter expert workshop will be held to further populate the risk register.
- The CSP section of the website has been revised with updated maps and information.
- Staff created a Members SharePoint site to share documentation with the Board and Member staff. Invites were sent out the week of July 13.

Capital Projects and Operations

- The Lake Tapps Reservoir level was 541.83 feet as of July 13. This is a drop of 0.94 feet in a month. This level is lower than normal due to drought conditions in the state of Washington, and these conditions are causing the flow in the White River to be lower than normal. Cascade staff and Veolia are doing their best to monitor river flow to ensure any water that is above minimum instream flow is diverted into the reservoir. Normal recreational elevation level between April 15 and September 30 is between 541.5 and 543 feet.
- White River – Lake Tapps Reservoir (WRLTR) Operations and Maintenance (O&M) Services Contract
    - Cascade began its initial contract terms negotiation session with Veolia on July 9. More sessions will be scheduled through the rest of the summer. Cascade staff anticipate seeking Board approval of the new contract in October.
- Cascade staff is working with the U.S. Army Corps of Engineers to resolve a Request for Equitable Adjustment due to a cumulative change impact by Phase 3's contractor, Kiewit.
- The Bellevue-Issaquah Pipeline Relocation at Lewis Creek project is currently progressing to final design. Washington State Department of Transportation (WSDOT) is in final review of the franchise application amendment/variances. Cascade is finalizing the State Environmental Policy Act (SEPA) determination and other applicable local permitting.
- The Annual Dike inspection was performed by Cascade and Geoengineers and assisted by Veolia on June 30 and July 1. Cascade expects to receive the report in August but does not anticipate any major issues being identified.
- The 6' valve in Wolslegal Basin is leaking more water than normal back into the White River. If not controlled properly, the water could potentially cause a fish attraction. Cascade is working with a diving company to investigate the source of the leak and plans to reduce the leak as much as possible in the short term. Cascade staff is preparing to initiate a Capital Improvement Program project to replace the aging and failing 6' valve.

Water Efficiency

- Despite the statewide drought declaration, 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 they still believe they will have enough water for people and fish this year.
- Irrigation assessments are being performed for Bridgewater Condominiums and the Issaquah Salmon Hatchery in Issaquah and Watershed Park Condominiums in Kirkland.
- Cascade was able to connect with 738 people at the Bellevue Family 4th event. Cascade's new engagement activity (the Water Draw) was a big hit, and the booth often had long lines. The Water Draw is a hands-on activity that teaches people why it is important to conserve water before talking to them about ways to conserve water and providing them with conservation tools.
- Cascade will be attending Redmond Derby Days on July 24 and 25.


Bellevue Family 4th

Intergovernmental and Communications

- In July, Cascade will present to the Bellevue City Council, the Redmond City Council, and the Sammamish Plateau Water Board of Commissioners. Presentations to the Issaquah City Council and the Skyway Water & Sewer District Board of Commissioners are scheduled for August. The presentations focus on the Cascade Supply Program, the Capital Funding Plan, budget, rates, and RCFCs.
- Lower flows in the White River have meant dropping water levels in the Lake Tapps Reservoir. Cascade staff are messaging to the community about Cascade's water rights, minimum instream flows, lack of snowpack, dry weather, and efforts to keep the reservoir levels as high as possible. Staff will continue to keep the community updated throughout the summer.

Attachments

1. Budget to Actual Expenditure Report through June 30, 2026.
2. Statement of Revenues and Expenditures through June 30, 2026.
3. Statement of Net Position as of June 30, 2026.
4. Contract Status Summary.

5. Monthly Warrants Listing.
6. Monthly Treasurer's Report as of June 30, 2026.
7. Draft 2026 Board Meeting Calendar.
8. CSP Status Update.

Cascade Water Alliance
Budget to Actual Expenditure Report
January 1- June 30, 2026
50% of the year completed

Administration		**Budget**		**Actual**		**Balance**	**% Expended**
Salaries	$	1,353,486	$	736,518		616,967	54.4%
Benefits		350,482		330,413		20,069	94.3%
Wellness program		1,000		0		1,000	0.0%
Prof. Fee (Technical)		200,000		90,489		109,511	45.2%
Prof. Fee (Legal)		697,000		474,860		222,140	68.1%
Prof. Fee (Audit)		106,000		102,907		3,093	97.1%
Prof. Fee (Other)		55,000		2,954		52,046	5.4%
Seismic Resillency		100,000		0		100,000	0.0%
Meetings Expense		12,000		3,590		8,410	29.9%
Telephone/Internet		45,000		25,919		19,081	57.6%
Office Rent		418,144		56,289		361,855	13.5%
Office Supplies Admin.		15,000		7,703		7,297	51.4%
Equip. and Furniture		338,000		60,534		277,466	17.9%
Bank Fees		500		118		382	23.6%
Dues & Subscriptions		30,000		27,128		2,872	90.4%
Taxes/Licenses		15,000		8,796		6,204	58.6%
Travel		10,000		3,060		6,940	30.6%
Professional Dev.		10,000		2,063		7,938	20.6%
Computer Equipment		20,000		4,105		15,895	20.5%
Software Licenses		72,000		39,841		32,160	55.3%
Postage & Delivery		1,500		881		619	58.7%
Printing & Repro.		3,500		855		2,645	24.4%
Insurance		251,798		127,333		124,465	50.6%
Contingency		270,000		0		270,000	0.0%
Total	$	4,375,410	$	2,106,356	$	2,269,054	48.1%

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	$	59,470	$	103,423	36.5%
Benefits		44,460		8,106		36,354	18.2%
Prof. Fee (Technical)		25,000		14,250		10,750	57.0%
Prof. Fee (Legal)		1,000		0		1,000	0.0%
Dues & Subscriptions		5,500		896		4,604	16.3%
Rebate Reimb. Com.		115,000		10,388		104,613	9.0%
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		261,451		113,549	69.7%
Misc. Serv. and Sup.		38,000		29,766		8,234	78.3%
Total	$	831,853	$	384,326	$	447,527	46.2%

Com. and Intergovern		**Budget**		**Actual**		**Balance**	**% Expended**
Salaries	$	128,199	$	60,242	$	67,957	47.0%
Benefits		39,683		8,757		30,926	22.1%
Special Events		10,000		0		10,000	0.0%
Prof. Fee (Other)		165,000		91,083		73,917	55.2%
Sponsorships		30,000		4,450		25,550	14.8%
Comm. and Public I		280,000		26,053		253,947	9.3%
Total	$	652,881	$	190,585	$	462,296	29.2%

Cascade Water Alliance
Budget to Actual Expenditure Report
January 1- June 30, 2026
50% of the year completed

Operations-General		Budget		Actual		Balance	% Expended
Wholesale Water	$	25,648,897	$	10,204,821	$	15,444,077	39.8%
Salaries		76,815		12,896		63,919	16.8%
Benefits		16,767		1,766		15,001	10.5%
BIP O&M		80,000		13,445		66,555	16.8%
Pipeline Prop. O&M		90,000		301		89,699	0.3%
Total	$	25,912,479	$	10,233,229	$	15,679,250	39.5%

Operations-Lake Tapps		Budget		Actual		Balance	% Expended
Salaries	$	925,920	$	260,549	$	665,371	28.1%
Benefits		210,861		40,301		170,560	19.1%
Prof. Fee (Technical)		934,550		299,159		635,391	32.0%
Prof. Fee (Other)		60,000		0		60,000	0.0%
Meetings Expense		4,000		94		3,906	2.4%
Telephone/Internet		3,700		3,638		62	98.3%
Office Supplies		8,000		7,711		289	96.4%
Equipment & Furn.		34,000		10,912		23,088	32.1%
Taxes/Licenses		18,000		8,937		9,063	49.6%
Travel		10,000		6,855		3,145	68.5%
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.		114,500		15,663		98,837	13.7%
LT Operator		3,063,598		1,042,452		2,021,146	34.0%
Unplanned O&M		100,000		9,878		90,122	9.9%
Misc. Facility Repairs		135,000		22,788		112,212	16.9%
USGS Joint Fund		420,000		73,953		346,048	17.6%
Milfoil Control		210,000		18,047		191,953	8.6%
Vendor Services		130,000		2,797		127,203	2.2%
Water Quality		50,000		0		50,000	0.0%
Dike and Roads		92,000		0		92,000	0.0%
Total	$	6,573,129	$	1,828,182	$	4,744,947	27.8%

Cascade Supply Program		Budget		Actual		Balance	% Expended
Salaries	$	272,333		133,555		138,777	49.0%
CSP Consultants		25,471		25,471		0	100.0%
CSP Contingency		0		0		0	#DIV/0!
Total CSP Budget	$	297,804	$	159,027	$	138,777	53.4%
Total Operating Budget	**$**	**47,868,098**	**$**	**18,504,976**	**$**	**29,363,122**	**38.7%**

Capital Projects (multi-yr bdgt not shown)		Budget		Actual		Balance	% Expended
Upper Conveyance	$	250,000		249,361		639	99.7%
Lower Conveyance		2,050,000		3,872		2,046,128	0.2%
Equipment		75,000		0		75,000	0.0%
Facilities		100,000		0		100,000	0.0%
Bellevue-issaquah		800,000		220,621		579,379	27.6%
Tacoma Agreement		6,468,033		5,856,828		611,205	90.6%
Cascade Supply		5,481,414		800,419		4,680,995	14.6%
Capital Risk		550,000		0		550,000	0.0%
IT Infrastructure		35,000		0		35,000	0.0%
Total CIP Budget	**$**	**15,809,447**	**$**	**7,131,101**	**$**	**8,678,346**	**45.1%**
Total Overall Budget	**$**	**63,677,545**	**$**	**25,636,077**		**38,041,469**	**40.3%**

Cascade Water Alliance
Statement of Revenues and Expenditures
From 1/1/2026 Through 6/30/2026

Operating Revenue		
Water sales	$	19,608,895
Administrative dues		4,366,139
Conservation program		375,024
Total Operating Revenue		24,350,058
Operating Expenses		
Cost of water sold		10,204,821
Salaries and benefits		1,974,069
Professional services		1,110,337
Conservation program		10,388
Depreciation and amortization		2,995,680
Communication and public information		282,954
Office expenses		350,287
Operations		1,133,659
Bank charges		118
Rent		56,289
Maintenance		54,252
Dues and subscriptions		32,468
Miscellaneous		17,900
Total Operating Expenses		18,223,220
Operating Income		6,126,838
Non-Operating Revenue (Expenses)		
Interest income		855,736
Other income		20,905
Interest expense, net of amount capitalized		(2,466,934)
Total Non-Operating Revenue (Expenses)		(1,590,294)
Capital Contributions		
Regional Capital Facilities Charges		1,723,941
Increase in Net Assets		6,260,485
Net Assets, Beginning of Year		179,348,460
Net Assets, End of Year	$	185,608,945

Cascade Water Alliance
Statement of Net Position
As of 6/30/2026

Assets	
Current Assets	
Cash and cash equivalents	$ 39,447,755
Accounts receivable	6,660,151
Prepaid expenses	146,011
Total Current Assets	46,253,917
Capital Assets	
Equipment and furniture	2,404,761
Seattle water contract	22,267,611
Bellevue Issaquah pipeline	22,520,490
Tacoma water contract	159,762,485
Capital Leases	2,437,423
Less accumulated depreciation and amortization	(79,561,066)
Total Capital Assets	129,831,705
Projects in process and assets not yet in service	
Lake Tapps	111,747,443
Tacoma Cascade pipeline	27,158,027
Total Projects in process and assets not yet in service	138,905,470
Restricted cash and cash equivalents	22,124,458
Total Assets	337,115,549
Liabilities	
Current liabilities	
Payables and accrued liabilities	2,577,318
Retroactive water credit	1,496,436
Accrued interest	1,702,376
Long-term debt current portion	7,355,000
Total Current liabilities	13,131,130
Long-term Liabilities	
Long-term debt	60,705,000
Tacoma contract	76,411,419
Bond premium, net of amortization	1,258,788
Total Long-term Liabilities	138,375,208
Total Liabilities	151,506,338
Net Assets	
Restricted for debt service	147,865,680
Unrestricted	37,743,531
Total Net Assets	185,609,211
Total Liabilities & Net Assets	$ 337,115,549

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	7/13/2026	5%	$ 165,000	$ 48,116	29%	$ 116,884
Ballard Spahr	1	Legal Services	C. Paulucci	1/1/2026	12/31/2026	7/13/2026	95%	$ 49,000	$ 26,508	54%	$ 22,492
Ben Bernstein Music	1	Podcast production	M. Brent	1/1/2026	12/31/2026	7/13/2026	0%	$ 7,000	$ -	0%	$ 7,000
BHC Consulting	1	Planning & Permit Assistance	T. Richmond	1/1/2026	12/31/2026	7/13/2026	0%	$ 45,000	$ -	0%	$ 45,000
Brilliant Marketing	1	We Need Water Social Media Outreach	J. Amspacher	1/1/2026	12/31/2026	7/13/2026	40%	$ 64,000	$ 28,991	45%	$ 35,009
Catalyst Workplace Activation	1	Additional Workstations & Private Office	C. Paulucci	4/9/2026	N/A	7/13/2026	50%	$ 42,577	$ 42,568	100%	$ 9
Catalyst Workplace Activation	2	2 Standing Desks	C. Paulucci	6/4/2026	N/A	7/13/2026	50%	$ 3,685	$ 3,685	100%	$ 0
Clark Nuber	1	Annual Financial Audit and Quarterly AUPs	C. Paulucci	1/1/2026	N/A	7/13/2026	80%	$ 89,200	$ 81,811	92%	$ 7,389
Clark Nuber	2	RCFC member process	C. Paulucci	10/1/2025	N/A	7/13/2026	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	7/13/2026	50%	$ 117,525	$ 62,898	54%	$ 54,627
Confluence Engineering Group, LLC	1	Lake Tapps Supply & BIP Water Quality Advisory Services Project	H. Chen	12/1/2023	N/A	7/13/2026	80%	$ 49,000	$ 24,158	49%	$ 24,842
Confluence Engineering Group, LLC	2	Joint Operations Protocol Manual	H. Chen	3/31/2026	N/A	7/13/2026	80%	$ 49,658	$ 8,465	17%	$ 41,194
David Evans	1	On-call Land Surveyor	H. Chen	11/18/2022	12/31/2026	7/13/2026	45%	$ 160,000	$ 61,259	38%	$ 98,741
David McGrath	1	Irrigation Program Assistance	M. Brent	1/1/2026	12/31/2026	7/13/2026	0%	$ 20,000	$ -	0%	$ 20,000
Environmental Science Assoc (ESA)	1	Aquatic Plant Management	P. Anderson	1/1/2026	12/31/2026	7/13/2026	10%	$ 49,000	$ 15,819	32%	$ 33,181
Fluid and Motion Control Technologies, LLC	1	Valve House Preventative Maintenance	W. Smythe	3/9/2026	12/31/2026	7/13/2026	5%	$ 45,000	$ -	0%	$ 45,000
GeoEngineers	1	Dam Engineering/Hydrology/ Geotechnical Service	H. Chen	1/3/2024	12/31/2026	7/13/2026	60%	$ 570,000	$ 361,854	63%	$ 208,146
Gordon Thomas Honeywell	1	State legislative outreach	A. Bennett	1/1/2026	12/31/2026	7/13/2026	42%	$ 84,000	$ 42,000	50%	$ 42,000
Hawkins Delafield & Wood	1	Procurement and contracting for a contract operator for the WRLTR project.	M. Thung	1/1/2026	12/31/2026	7/13/2026	95%	$ 110,000	$ 102,988	94%	$ 7,012
Hawkins Delafield & Wood	2	Advisory and support services for Transition Plan	M. Thung	3/23/2026	N/A	7/13/2026	35%	$ 45,000	$ 14,446	32%	$ 30,554
Herrera	1	On-Call Water Supply Modeling Services	M. Thung	11/4/2024	12/31/2027	7/13/2026	0%	$ 40,000	$ -	0%	$ 40,000
Herrera	2	Bulkheads Study	M. Thung	6/5/2025	N/A	7/13/2026	75%	$ 49,000	$ 42,311	86%	$ 6,689
HDR	1	MMD Fish Passage Design Review	H. Chen	12/1/2015	N/A	7/13/2026	99%	$ 1,518,000	$ 1,440,796	95%	$ 77,204
Jennergy	1	Website Maintenance	M. Brent	1/1/2026	12/31/2026	7/13/2026	35%	$ 25,000	$ 10,083	40%	$ 14,917
Johansen Construction	1	2025 Winter Weather Event Emergency Repairs	H. Chen	12/29/2025	N/A	7/13/2026	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	7/13/2026	0%	$ 150,000	$ -	0%	$ 150,000
Jon Shimada	1	On-Call Project Support Services	M. Thung	4/8/2024	12/31/2026	7/13/2026	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	7/13/2026	0%	$ 150,000	$ -	0%	$ 150,000
Langton Spieth	1	Community relations	A. Bennett	1/1/2026	12/31/2026	7/13/2026	42%	$ 78,000	$ 39,000	50%	$ 39,000
Long Building Tech	1	Security Maintenance	H. Chen	1/1/2026	12/31/2026	7/13/2026	5%	$ 78,000	$ 3,906	5%	$ 74,094
Nature Vision	1	Classroom Water Education	M. Brent	1/1/2026	12/31/2026	7/13/2026	50%	$ 135,466	$ 100,449	74%	$ 35,017
Northwest Municipal Advisor	1	Financial Advisory Services	C. Paulucci	9/17/2025	12/31/2027	7/13/2026	0%	$ 49,999	$ -	0%	$ 49,999
Parametrix	1	On Call Civ/Mech/Structural Eng	H. Chen	1/1/2023	12/31/2026	7/13/2026	67%	$ 650,000	$ 439,811	68%	$ 210,189
Parametrix	2	On-Call Electrical Engineering Srvs	H. Chen	4/7/2025	12/31/2027	7/13/2026	45%	$ 600,000	$ 273,632	46%	$ 326,368
Performance Dimension Group	1	Organizational Performance Services	M. Thung	1/9/2026	12/31/2027	7/13/2026	10%	$ 30,000	$ 1,463	5%	$ 28,538
Puget Sound Energy	1	Water Efficiency Rebates	M. Brent	1/1/2026	12/31/2026	7/13/2026	50%	$ 120,000	$ 10,388	9%	$ 109,613
Rok Technologies, LLC	1	Implementation of GIS Cloud Migration	H. Chen	6/23/2026	6/15/2027	7/13/2026	10%	$ 49,998	$ -	0%	$ 49,998
Seattle Public Utilities	1	Garden Hotline	J. Amspacher	1/1/2026	12/31/2026	7/13/2026	0%	$ 17,620	$ 8,810	50%	$ 8,810
Shaffer Corp.	1	Executive Coaching	M. Thung	6/18/2026	12/31/2026	7/13/2026	0%	$ 10,000	$ -	0%	$ 10,000
SMC Consulting	1	Water Efficiency Consultant	M. Brent	1/1/2026	12/31/2026	7/13/2026	38%	$ 31,000	$ 14,250	46%	$ 16,750
Stantec	1	BIP Relocation at Lewis Creek	W. Smythe	8/27/2025	N/A	7/13/2026	85%	$ 283,684	$ 243,546	86%	$ 40,138

Stantec	2	CSP - Program and Engineering Support	B. Bartle	11/4/2025	N/A	7/13/2026	68%	$ 4,179,956	$ 863,432	21%	$ 3,316,524
Stantec	3	CMMS Evaluation Support	M. Thung	3/9/2026	N/A	7/13/2026	80%	$ 49,500	$ 39,084	79%	$ 10,416
Sustainable Seattle	1	Problem-Based Learning for Water Systems	J. Amspacher	1/1/2026	12/31/2026	7/13/2026	15%	$ 60,000	$ 17,184	29%	$ 42,816
Tacoma-Pierce County	1	LakeWise Program at Lake Tapps	A. Bennett	1/1/2026	12/31/2026	7/13/2026	17%	$ 140,000	$ 13,379	10%	$ 126,621
TeamLogic IT	1	Info Technology Consulting	C. Paulucci	1/1/2026	12/31/2026	7/13/2026	38%	$ 148,840	$ 76,356	51%	$ 72,484
TechniArt	1	Conservation Website Order page	M. Brent	1/1/2026	12/31/2026	7/13/2026	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	7/13/2026	10%	$ 45,750	$ 4,479	10%	$ 41,271
Tetra Tech	1	AWIA 2025-2026 Updates	M. Thung	12/9/2024	12/31/2026	7/13/2026	45%	$ 350,000	$ 167,498	48%	$ 182,502
Tilth Association	1	Garden Water Efficiency	M. Brent	1/1/2026	12/31/2026	7/13/2026	48%	$ 65,000	$ 30,501	47%	$ 34,499
TITAN Earthwork	1	Owner's Minor Construction, Repair, and Maintenance	H. Chen	4/1/2026	12/31/2026	7/13/2026	0%	$ 150,000	$ 45,480	30%	$ 104,520
Transpo Group	1	On-Call GIS Support	H. Chen	1/1/2026	12/31/2026	7/13/2026	38%	$ 49,500	$ 18,883	38%	$ 30,617
Upstream PBC	2	HydroForecast Subscription Service	M. Thung	10/1/2024	9/30/2026	7/13/2026	75%	$ 49,350	$ 23,500	48%	$ 25,850
USGS	1	Joint Funding Agre-Streamgaging	H. Chen	1/1/2026	12/31/2026	7/13/2026	25%	$ 352,000	$ 73,953	21%	$ 278,048
Vanir Construction Management, Inc.	1	On-call Construction Management	J. Shimada	5/1/2021	N/A	7/13/2026	85%	$ 790,000	$ 670,387	85%	$ 119,613
VanNess Feldman	1	General Counsel	R. Hoffman	1/1/2026	12/31/2026	7/13/2026	38%	$ 900,000	$ 373,384	41%	$ 526,616
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	7/13/2026	42%	$ 2,492,611	$ 1,041,010	42%	$ 1,451,601

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	7/13/2026	100%	$ 20,000	$ 20,000	100%	$ -
Confluence Engineering Group, LLC	2	Water Quality Blending Study	M. Thung	12/5/2004	N/A	7/13/2026	100%	$ 230,000	$ 229,918	100%	$ 82
Sunbreak Talent	1	Recruitment assitance	M. Thung	3/27/2025	N/A	7/13/2026	100%	$ 6,000	$ 4,910	82%	$ 1,090

Payment Authorization Warrants and Wire Transfers /26

Attachment 5

WHOLESALE WATER

WIRE	Seattle Contract Payment 7/26	$2,985,044.00
33395	Tacoma Public Utilities	$50,933.70
		$3,035,977.70

CONSULTANTS

33381	GeoEngineers	$17,830.46
33382	Hawkins Delafield & Wood LLP	$27,580.00
33389	Pacifica Law Group	$1,253.50
33393	Stantec Consulting Services Inc. (SCSI)	$7,893.98
33394	Tacoma Pierce County Health Department	$3,282.24
33396	TeamLogic IT of Bellevue, WA	$10,351.66
33397	Transpo Group	$2,260.44
33399	Van Ness Feldman, LLP	$41,650.50
33403	Clark Nuber P.S.	$24,386.25
33415	Ballard Spahr LLP	$3,137.20
33418	Environmental Science Associates (ESA)	$11,033.90
33419	Herrera	$5,434.31
33427	Tetra Tech	$3,345.34
33430	Gordon Thomas Honeywell Govern. Affairs	$7,000.00
33432	Langton Public Affairs LLC	$6,500.00
33435	Parametrix	$2,588.75
		$175,528.53

SALARY, BENEFITS AND EXPENSE REIMBURSEMENTS

	Payroll (June)	$272,868.84
33379	Paula Anderson	$213.85
33401	MissionSquare-107080	$9,743.58
33405	Inslee, Best, Doezie & Ryder	$112.00
33412	MissionSquare-107080	$66,949.84
33413	MissionSquare-304525	$24,539.25
33414	AWC Employee Benefit Trust	$35,876.19
33420	HRA VEBA Trust	$3,168.00
		$413,471.55

CONSERVATION

33375	BRILLIANT MARKETING LLC	$4,908.95
33378	Colehour & Cohen	$4,580.39
33380	Erica Browne Grivas	$350.00
33383	Jennergy	$1,680.56
33387	Lisa Taylor	$3,785.40
33388	Marianne Binetti	$800.00
33392	Resource innovations, Inc.	$696.25
33406	Le Jardinet LLC	$661.80
33423	Resource innovations, Inc.	$708.40
33425	Sustainable Seattle dba Sustainability Ambassadors	$5,801.00
33429	Erica Browne Grivas	$350.00
33433	Nature Vision, Inc.	$17,150.79
		$41,473.54

SOFTWARE AND EQUIPMENT

33376	Catalyst Workplace Activation	$3,684.80
33417	Catalyst Workplace Activation	$21,279.57
33436	TeamLogic IT of Bellevue, WA	$11,557.81
		$36,522.18

GENERAL

33384	King County Fire District 20	$500.00
33385	Lakemont Business Services Inc.	$310.00
33390	Pacific Office Automation Inc.	$100.98
33391	Pacific Office Automation	$386.90
33398	U.S. BANK	$11,564.71
33402	AT&T FirstNet	$731.22
33404	Comcast	$2,069.15
33407	Lumen	$230.80
33408	Pacific Office Automation	$316.59
33409	Sound Publishing Inc.	$4,367.00
33416	Bellevue Gateway One Equities, LLC	$34,794.34
33424	Staples Advantage	$122.05
33426	Lake Tapps 4th of July Fireworks Show	$500.00
33428	CLEARFLY	$1,115.28
33431	Justifacts Credential Verification, Inc.	$228.79
		$57,337.81

LAKE TAPPS

33377	Cintas Corporation	$443.52
33386	Linde Gas & Equipment Inc.	$784.03
33400	Veolia Water North America	$203,815.74
33421	Linde Gas & Equipment Inc.	$11.23
33422	North Coast Electric Company	$672.27
33434	North Coast Electric Company	$955.62
		$206,682.41

CONSTRUCTION

33373	Stantec Consulting Services Inc. (SCSI)	$50,713.65
33374	Van Ness Feldman, LLP	$2,485.00
33410	Stantec Consulting Services Inc. (SCSI)	$10,149.50
33411	Vanir Construction Management Inc.	$1,560.00
		$64,908.15

DESTROYED AND VOIDED CHECKS:

Total Warrants	$1,046,857.87
Total Wires	$2,985,044.00
Total warrants/wire transfers authorized for July 2026	**$4,031,901.87**

Approved: ______________________ **Date:** ____________
Andy Baker, Economist

Approved: ______________________ **Date:** _________
Dave Hamilton, Secretary/Treasurer

Cascade Water Alliance
Monthly Treasurer's Report
June 2026

	Operating Fund	Construction Fund	Bond Fund	RCFC Fund	Water Supply Development Fund	Rate Stabilization Fund	US Bank Payroll Account	All Funds
Beginning Balances, June 1	**$ 21,964,363**	**$ 12,670,261**	**$ 9,679,298**	**$ -**	**$ 16,346,563**	**$ 2,617,811**	**$ -**	**$ 63,278,295**
Additions:								
Cash received	$ 5,373,260	$ 45,524	$ 38,025	$ -	$ 34,266	$ 9,286	$ -	$ 5,500,361
Transfers from other Cascade funds	$ -	$ -	$ -	$ -	$ -	$ -	$ 272,869	$ 272,869
Total additions	$ 5,373,260	$ 45,524	$ 38,025	$ -	$ 34,266	$ 9,286	$ 272,869	$ 5,773,229
Subtractions:								
Bank fees, payroll, and bond payments	$ 1,564	$ 901	$ 1,124	$ -	$ 1,275	$ 184	$ 272,869	$ 277,917
Warrants paid	$ 638,856	$ 328,104	$ -	$ -	$ -	$ -	$ -	$ 966,960
Wire and other electronic payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
King Co. Investment Pool impairment (realized)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
King Co. Investment Pool impairment (retained)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Transfers to other Cascade funds	$ 272,869	$ -	$ -	$ -	$ -	$ -	$ -	$ 272,869
Total subtractions	$ 913,289	$ 329,005	$ 1,124	$ -	$ 1,275	$ 184	$ 272,869	$ 1,517,746
Ending Balances, June 30, 2026	**$ 26,424,334**	**$ 12,386,780**	**$ 9,716,198**	**$ -**	**$ 16,379,554**	**$ 2,626,913**	**$ -**	**$ 67,533,779**

Attachment 7

DRAFT
Cascade Board Meeting Calendar

Updated 7/21/2026

January 28, 2026

- 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

February 25, 2026

- Annual meeting, elect officers - **Action**
- Prep for CSP Workshop
- Executive Session

March 6, 2026 (Special Meeting)

- Cascade Supply Program: Board oversight workshop

March 25, 2026

- Resolution for new committees, elect chairs and committee membership - **Actions**
- Capital Funding Plan: Background, fiscal policies - Presentation
- Executive Session

April 22, 2026

- 2026 Capital Budget Amendment - **Action**
- CSP: Approval of remaining 2026 Master Services Agreement (MSA) budget – **Action**
- Executive Session

May 6, 2026 (Special Meeting)

- Resolution for new CEO – **Action**

May 27, 2026

- Budget & Rates: Preliminary budget and rates - Presentation
- Capital Funding Plan – Presentation
- Water Supply Status Update - Presentation

June 24, 2026

- Budget & Rates: Proposed budget and rates - Presentation
- CSP: Draft Board Oversight Plan – Presentation (Action if ready)

July 22, 2026

- Budget and Rates: Draft final budget and rates proposal – Presentation
- Draft final Capital Funding Plan - presentation
- WSDF: Biennial Report and Annual Transfer – **Action**
- Bond Reimbursement Declaration - **Action**
- CSP: Q2 Review – Presentation
- Independent Supply Production Waiver - **Action**

August 26, 2026

- *Recess*

September 23, 2026

- 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
- Bond Issuance Approval – **Action**
- Strategic Plan Discussion (tentative)

October 28, 2026

- CSP: Final Board Oversight Plan - **Action**
- CSP: Land Acquisition Strategy – **Action**
- CSP: Comms and Outreach Strategy - Presentation

November 18, 2026

- 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

December 16, 2026

- *Recess (tentative)*

July CSP Status Update

Financials (through 06/30/2026)

Program Engineering Support (PES) Contract

Board Authorized Amount: $4,563,000
Amount committed in current Work Assignments: $4,180,000
Work Assignment 001: 99% Spent (with accrued) – Forecasted finish: May 2026 – Closing
Work Assignment 002: 99% Spent (with accrued) – Forecasted finish: June 2026 – Closing
Work Assignment 003: 04% Spent (with accrued) – Forecasted finish: December 2026 - Active

Schedule

3-Month Anticipated Board Engagement Lookahead

Phase I Transmission	August *Anticipated Recess*	September	October
Task 1 Consultant Project Management (PES)			
Task 2 Program Support (PES)		◆ Capital Funding Plan/Biennium Budget ✦ CSP Partnership Policy	✦ Board Oversight Plan ◆ CSP Partnership Policy
Task 3 Planning			
Task 4 Right-of-Way		✦ Land Acquisition Strategy	◆ Land Acquisition Strategy
Task 5 Permitting			
Task 6 Communications & Outreach			✦ Communications and Outreach Strategy
Task 7 Design Support			

Legend
- ◆ Anticipated Board Actions/Directions
- ✦ Presentation
- Program & Engineering Support Contract (PES)
- Design & Engineering Contract (DES)
- Construction Contract (CON)

3-Month Activity Lookahead

- **<u>CSP Team:</u>**
    - Program management:
        - Continue populating risk register; develop documentation and reporting method for mitigation measures
        - Internal review and discussion on draft CSP Partnership Policy
        - Program Management Plan development strategy and chapter prioritization
        - Board Oversight Plan revision, Board Oversight workshop with Member staff
        - Risk register workshop with Task leads and subject matter experts
    - Continue refining program schedule, defining program and project milestones
    - Draft and present Land Acquisition Strategy
    - Draft Regulatory Requirements and Permit Acquisition Strategy
    - Draft Communications and Outreach Strategy
    - Begin developing Design Standards and Guidelines, Design Criteria and other design support documentation
    - Alternatives analysis:
        - Develop and verify "heat maps", identify potential tank sites based on hydraulics, elevation and limited parcel criteria
        - Develop relative weighting of discipline criteria with Subject Matter Experts
        - Develop composite, weighted maps to define the potential least impact corridors and tank sites
        - Continued GIS development; importing jurisdictional utility data
        - 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)
        - Begin ROW and Permitting evaluations of potential corridors and tank sites
    - New employee onboarding – Cascade Communications and Outreach Manager

- **<u>Upcoming Board Actions and Discussions:</u>**
    - Capital Funding Plan (Action, September)
    - CSP Partnership Policy (Discussion, September; Action October)
    - Land Acquisition Strategy (Discussion, September; Action October)
    - Revised Board Oversight Plan (Presentation and Direction, October)

Accomplishments

- Closure of PES WA.001 and WA.002
- Held WA.003 Kick-off meeting
- Delivered draft Board Oversight Plan to the Board by the requested due date
- Hired Communications and Outreach Manager position; staff will start in late July
- Created a Members SharePoint site to share documentation with the Board and Member staff. (Invites going out soon!)
- Continued alternatives analysis to help identify tank sites and pipeline corridors with input from Subject Matter Experts
- Continued developing tools for program management
    - Development of risk register and Issues, Decisions, Actions and Changes log
    - Schedule analysis and adjustments based on clarified scope definition
    - Implemented the strategy to develop the Program Management Plan documentation

Risks

The risk register is currently being populated by staff. Approximately 70% of the information is populated for the 18 preliminary risks. Staff will be holding a risk identification and review workshop in August to review risks that are currently being collected as well as the procedure for risk management planning.

This month, staff shared four preliminary risks with SPOC. The format for sharing high likelihood and/or high impact risks was reviewed and discussed, including the process to elevate risks to the Board. Opportunities will be tracked similarly; however, the process and tracking log is not yet fully developed.

Below is the risk matrix showing the total number of risks and opportunities within each ranking: High (probable), Medium (possible), Low (rare).

<table>
<tr><th colspan="4">Legend</th></tr>
<tr><th colspan="2">Risk</th><th colspan="2">Opportunity</th></tr>
<tr><td>9</td><td>High</td><td>0</td><td>High</td></tr>
<tr><td>8</td><td>Medium</td><td>0</td><td>Medium</td></tr>
<tr><td>1</td><td>Low</td><td>1</td><td>Low</td></tr>
</table>

MEETING MINUTES OF THE
BOARD OF DIRECTORS
VIA HYBRID
JUNE 24, 2026

1. CALL TO ORDER

At 3:30 p.m. Mr. McLeod called the meeting to order.

2. ROLL CALL

Board Members Present: City of Bellevue (Hamilton), City of Kirkland (Pascal), Sammamish Plateau Water & Sewer District (Warren), Skyway Water and Sewer District (Ault), City of Tukwila (McLeod)
Board Members Absent: City of Issaquah (Mullet), City of Redmond (Birney)
Board Alternates Present: City of Bellevue (Bhargava), City of Issaquah (Joe), City of Redmond (Nuevacamina)

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

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

6. CHIEF EXECUTIVE OFFICER REPORT

John Taylor delivered his first CEO report since assuming leadership of Cascade Water Alliance. He 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. Board Meeting Minutes for May 27, 2026

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

8. OTHER ACTION ITEM

None.

9. STAFF PRESENTATIONS

A. Proposed Budget, Rates, and Regional Capital Facilities Charges (RCFCs)

Andy Baker, Economist, presented the proposed 2027–2028 budget, wholesale water rates, Regional Capital Facilities Charges (RCFCs), and long-term funding strategy for the Cascade Supply Program. He reviewed updates since the preliminary budget, including the removal of a one-time contingency for Lake Tapps operations and the addition of a modest water quality budget. These changes did not affect the proposed 9.5 percent wholesale water rate increase. Final Seattle Public Utilities costs, CPI adjustments, and updated member demand data are still pending but are not expected to significantly change the budget or rates.

Mr. Baker reviewed the six-year Capital Improvement Program, noting that capital spending will increase as the Cascade Supply Program advances into design and construction. He explained that the program will be funded through a combination of wholesale water rates, RCFCs, bond issuances, and anticipated state and federal funding.

He also summarized Cascade's cost allocation methodology, explaining that administrative and conservation costs are allocated by Cascade Equivalent Residential Units, while demand-based charges are based on each member's rolling three-year average water demand. As a result, individual member rate increases will vary. Mr. Baker reviewed the proposed RCFCs, noting they ensure new development pays its share of regional infrastructure costs. Although RCFC revenues are below projections, they remain within long-term financial planning assumptions. Staff will return in July with the draft final budget and seek Board adoption in September.

B. Cascade Supply Program Draft Board Oversight Plan

Brian Bartle, Program Executive, presented the Draft Cascade Supply Program (CSP) Board Oversight Plan, which establishes the governance framework for Phase I planning and design of the program. He explained that the plan was developed following the Board's March 2026 oversight workshop and is intended to provide clear accountability, transparent decision-making, and defined roles as the program advances. The plan focuses on three primary elements: establishing the Supply Program Oversight Committee (SPOC), adopting decision criteria to guide Board consideration of major program issues, and implementing an authorization matrix that defines decision-making responsibilities between the Board and the CEO.

Mr. Bartle reviewed the proposed governance structure, explaining that the Board will retain overall oversight authority while the SPOC will provide more detailed review of program progress, risks, budgets, policies, and recommendations before matters are brought to the full Board. Member agency staff and a newly formed Member Staff Technical Subgroup (MST) will provide technical input and coordination throughout planning and design, with other Board committees continuing to review topics within their respective areas of responsibility, such as finance and resource management.

He also summarized the decision criteria and authorization matrix, noting that the framework is intended to ensure the Board remains engaged on significant policy, budget, property acquisition, contractual, and strategic decisions while delegating routine implementation and day-to-day project management to the CEO. The oversight plan emphasizes early communication of major decisions, schedule changes, risks, and issues affecting cost, schedule, or Cascade's reputation. Mr. Bartle responded to questions from Board Members and noted that the plan will be updated periodically as the Cascade Supply Program progresses beyond Phase I. The plan will be reviewed with Member staff (tentatively set for August) and is scheduled to return to the Board in October for adoption.

10. COMMITTEE REPORTS

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

B. Finance & Intergovernmental Committee – Meetings held June 16, 2026 and May 19, 2026. The meeting recaps were included in the Board Packet.

C. Resource Management Committee – Meeting held June 11, 2026. The meeting recap was included in the Board Packet.

D. Supply Program Oversight Committee. Meeting held June 10, 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 July 22, 2026 at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 4:52 p.m.

APPROVED BY:

____
Angela Birney, Chair

____
Tom McLeod, Vice-Chair

Item No. 7b
July 22, 2026

AGENDA MEMORANDUM

PROPOSED BOARD ACTION

Motion to adopt Resolution No. 2026-10, authorizing a two-year extension of the independent supply production waiver.

SUMMARY OF CURRENT PROPOSED BOARD ACTION

Cascade Code requires Members with independent water supply meet minimum production requirements. Cascade staff currently project there will be sufficient contract water supply capacity in the upcoming biennium, so these production requirements may be waived, consistent with Cascade's practice since 2014.

Cascade Code provides for a process by which the Board may adopt a waiver of these requirements as part of the biennial budget process.

BACKGROUND

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

Cascade has waived independent production requirements since 2014, although they were informally waived or relaxed for an even longer period of time. At present, Cascade has ample contract water supply, and independent production is not critical. Even during the drought conditions of 2015 and recent hot, dry summers, Cascade used less than 90 percent of its available capacity. While we now also have a temporary water block contract, this is only for about 0.5 mgd, or less than two percent of our contract capacity. Cascade continues to project a supply surplus for the short- to mid-term. Given this, there is no need to require compliance with independent supply production benchmarks.

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

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

Next Steps
N/A

PRIOR BOARD ACTIONS

Board Action	Date	Resolution No. (if Applicable)
Production Waiver for 2025 and 2026	2024-09-25	2024-15

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

The Board could choose not to adopt this resolution and provide alternate direction to staff. Failing to waive independent supply production requirements could require Members with independent supply to produce more water than they otherwise would, which could increase their pumping costs, and result in shifting Cascade demand share costs to other Members.

PROCUREMENT PROCESS

N/A

FISCAL IMPACT

Total Cost: N/A – No anticipated cost to Cascade.

RECOMMENDED ACTION

Motion to adopt Resolution No. 2026-10, authorizing a two-year extension of the independent supply production waiver.

ATTACHMENTS

1. Resolution No. 2026-10

Attachment 1

CASCADE WATER ALLIANCE
RESOLUTION NO. 2026-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION
WAIVING FOR 2027 AND 2028 THE PRODUCTION REQUIREMENT FOR EACH MEMBER WITH INDEPENDENT SUPPLY PURSUANT TO CASCADE WATER ALLIANCE CODE 4.20, THE WATER AUDIT METHODOLOGY

WHEREAS, the Cascade Water Alliance ("Cascade") is a Washington municipal corporation formed under authority of the Joint Municipal Utilities Authority Act (Chapter 39.106 RCW) to provide water supply to its members; and

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

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

WHEREAS, in anticipation of the forthcoming biennial budget, the Board wishes to waive the independent supply production requirements for the biennial budget period 2027 - 2028;

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

Section 1. Waiver of Independent Supply Production Requirement. Pursuant to CWAC 4.20, the Board waives the independent supply production requirement for each Member with independent supply from January 1, 2027, through December 31, 2028.

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

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a meeting thereof, held the 22nd day of July 2026.

CASCADE WATER ALLIANCE

____
Angela Birney, Chair

____
Attest – John Taylor, Chief Executive Officer

____
Thomas McLeod, Vice Chair

____
David Hamilton, Secretary/Treasurer

Members

Yes ________

No _________

Demand Share

Yes ________%

No _________%

Item No. 8a
July 22, 2026

AGENDA MEMORANDUM

PROPOSED BOARD ACTION

Motion to adopt Resolution No. 2026-11, declaring the intent of Cascade Water Alliance to reimburse, from proceeds of a future borrowing, capital expenditures made in connection with the acquisition, construction, and equipping of a project.

Or

Motion to adopt Resolution No. 2026-11A, authorizing the chief executive officer to make declarations of official intent to reimburse capital expenditures from proceeds of future borrowing.

SUMMARY OF CURRENT PROPOSED BOARD ACTION

Bond reimbursement declarations are a mechanism that permits Cascade to use a portion of proceeds from a future bond issuance to reimburse capital expenditures that have already been made. These declarations must be made by the Board, unless the authority to make such declarations is delegated to the chief executive officer.

Cascade staff forecasts that it would be beneficial to make bond reimbursement declarations on a monthly basis between July and October.

The proposed board action presents these options to the Board.

Staff recommends that this authority be delegated to the chief executive officer.

BACKGROUND

The proceeds of a municipal revenue bond are, generally, to be used for funding capital expenditures, refinancing existing bonds, and for the costs of issuing the bonds. Bond proceeds must be spent within three years to avoid arbitrage penalties. In recognition of the ongoing nature of many capital projects, proceeds can be used to reimburse the issuer for capital expenditures which have already occurred so long as the intent to make that reimbursement has been formally declared, either in a reimbursement resolution or by a designee authorized to make such declarations.

The Cascade Supply Program will rely in part on bond issuances to fund the capital expenditures. Cascade staff anticipate issuing a revenue bond in late 2026. Prior to issuing a bond, Cascade will use existing available funds for its capital needs, including payments to Tacoma for water supply commitments, improvements at the Lake Tapps Reservoir, and expenditures in support of the Cascade Supply Program.

Cascade has already made one reimbursement declaration in anticipation of this bond issuance. On January 28, 2026, Cascade declared the intent to reimburse $5,769,828 of capital expenditures. Declaring the intent to reimburse does not create an obligation to do so once the bond is ultimately issued, but it is a required step in order to have the option of using bond proceeds for past expenditures.

Key components of a reimbursement declaration include:

- **Intent, but not obligation**: The declaration records Cascade's intent to reimburse from a future bond issuance but does not create a binding obligation.
- **60-day lookback**: The declaration can only reflect capital expenditures incurred up to 60 days prior to the date the declaration is made.
- **Reimbursement timeframe**: The bond issuance must be made within 18 months of the project being put into service, and no more than three years after the expenditure is made.

Because of the limitations on the lookback period for when a reimbursement declaration may be made, and the level of anticipated expenditures over the upcoming months, Cascade staff anticipate that it would be beneficial to make reimbursement declarations on a bimonthly or monthly frequency, until issuance of the 2026 bond.

<u>Next Steps</u>
Cascade staff will work to prepare for a bond issuance, with anticipated timing of late 2026.

Neither of the resolution options authorize Cascade to issue bonds. Cascade staff will return to the Finance and Intergovernmental ("FIG") Committee and Board throughout 2026 regarding the anticipated bond issuance to provide more information on that process and to request bond issuance authorization.

If the Board elects to delegate the authority to make reimbursement declarations, Cascade staff will report any such declarations to the Board as part of the monthly CEO report.

PRIOR BOARD ACTIONS

Board Action	Date	Resolution No. (if Applicable)
Declaration of intent to reimburse	2026-01-28	2026-01

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

Option 1: Declare the intent to reimburse, from proceeds of a future borrowing, capital expenditures in the amount of $684,311.

Option 2: Authorize the chief executive officer to make such declarations of intent regarding capital reimbursements.

Option 3: Provide alternate direction to staff. If reimbursement declarations are not made, Cascade will have reduced flexibility for use of bond proceeds from a future bond issuance.

PROCUREMENT PROCESS

N/A

FISCAL IMPACT

This resolution does not obligate Cascade to incur any cost.

RECOMMENDED ACTION

Motion to adopt Resolution No. 2026-11, declaring the intent of Cascade Water Alliance to reimburse, from proceeds of a future borrowing, capital expenditures made in connection with the acquisition, construction, and equipping of a project.

Or

Motion to adopt Resolution No. 2026-11A, authorizing the chief executive officer to make declarations of official intent to reimburse capital expenditures from proceeds of future borrowing.

ATTACHMENTS

1. Resolution No. 2026-11 declaring the intent to reimburse.
2. Resolution No. 2026-11A authorizing the Chief Executive Officer to make reimbursement declarations.

CASCADE WATER ALLIANCE
RESOLUTION NO. 2026-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, A WASHINGTON MUNICIPAL CORPORATION, DECLARING THE OFFICIAL INTENT OF CASCADE WATER ALLIANCE TO REIMBURSE, FROM PROCEEDS OF A FUTURE BORROWING, CAPITAL EXPENDITURES MADE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF PROJECTS

WHEREAS, Cascade Water Alliance ("Cascade") is a Washington Municipal Corporation composed of seven Members, which are municipal corporations and special purpose districts that are party to the Joint Municipal Utilities Services Agreement ("JMUSA") under the authority of Chapter 39.106 RCW for the purpose of providing water supply to meet the growing demands of its Members; and

WHEREAS, Section 5.3.A. of JMUSA authorizes the issuance of Bonds to finance the acquisition of new capital facilities and other Water Supply Assets; and

WHEREAS, Cascade has made expenditures within the last 60 days in connection with the acquisition, construction, and equipping of new capital facilities and other Water Supply Assets, including long term water supply capacity from Tacoma Water ("Projects"), from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis, or otherwise set aside for those expenditures,

WHEREAS, Cascade reasonably expects to be reimbursed for those recent expenditures for the Projects from proceeds of future bonds or other obligations ("Bonds") issued to finance those expenditures.

WHEREAS, certain federal regulations relating to the use of proceeds of tax-exempt Bonds to reimburse Cascade for certain expenditures made before the issue date of the Bonds require, among other things, that not later than 60 days after payment of the original expenditure the Board of Directors for Cascade ("Board"), or any person designated by the Board to do so on its behalf, declare a reasonable official intent to reimburse those expenditures from proceeds of Bonds.

WHEREAS, Cascade has made, not more than 60 days before the date of this declaration, expenditures in the amount of $684,311, and reasonably expects to reimburse itself for these expenditures from proceeds of Bonds, for the Projects.

WHEREAS, Cascade expects that the maximum principal amount of Bonds that will be issued to finance the Projects will be $60,000,000.

WHEREAS, Cascade will not, within one year after the expected reimbursement, use amounts corresponding to the proceeds received from Bonds issued in the future to reimburse Cascade for previously paid expenditures for the Projects in any manner that results in those amounts being treated as replacement proceeds of any tax-exempt Bonds, for example, as a result of being deposited in a reserve fund, pledged fund, sinking fund, or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax-exempt Bonds, nor will Cascade use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

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

Section 1. Declaration of Official Intent to Reimburse Capital Expenditures from Proceeds of Future Bonds. The Board declares the official intent of Cascade is to reimburse expenditures made within the last 60 days in connection with acquisition, construction, and equipping the Projects from proceeds of future issuance of Bonds to finance such expenditures.

Section 2. Ratification of Prior Actions. Any actions of Cascade or its officers prior to the date of this resolution and consistent with the terms thereof are ratified and confirmed.

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

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 22nd day of July 2026.

CASCADE WATER ALLIANCE

____
Attest – John Taylor
Chief Executive Officer

____
Angela Birney, Chair

____
Thomas McLeod, Vice-Chair

____
Dave Hamilton, Secretary/Treasurer

Members
Yes __________
No ___________
Demand Share
Yes __________%
No ___________%

Include in CWAC?
☐ Yes
☒ No

CASCADE WATER ALLIANCE
RESOLUTION NO. 2026-11A

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, A WASHINGTON MUNICIPAL CORPORATION, AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO MAKE DECLARATIONS OF OFFICIAL INTENT TO REIMBURSE CAPITAL EXPENDITURES FROM PROCEEDS OF FUTURE BORROWING

WHEREAS, Cascade Water Alliance ("Cascade") is a Washington Municipal Corporation composed of seven Members, which are municipal corporations and special purpose districts that are party to the Joint Municipal Utilities Services Agreement ("JMUSA") under the authority of Chapter 39.106 RCW for the purpose of providing water supply to meet the growing demands of its Members; and

WHEREAS, Section 5.3.A. of JMUSA authorizes the issuance of bonds, notes, warrants, certificates of indebtedness, or other obligations ("Bonds") to finance the acquisition of new capital facilities and other Water Supply Assets ("Capital Expenditures"); and

WHEREAS, Cascade issues tax-exempt or other tax-advantaged Bonds from time to time for the purpose of financing Capital Expenditures; and

WHEREAS, federal Treasury Regulations section 1.150-2 imposes certain requirements in connection with the ability of Cascade to use the proceeds of tax-exempt or other tax-advantaged Bonds for reimbursement of prior Capital Expenditures including, among other things, that not later than 60 days after payment of the original expenditure the Board of Directors for Cascade ("Board"), or any person designated by the Board to do so on its behalf, declare a reasonable official intent to reimburse those expenditures from proceeds of Bonds; and

WHEREAS, federal Treasury Regulations section 1.150-2 permits Cascade to appoint one or more officials for the purpose of identifying and qualifying Capital Expenditures for reimbursement purposes; and

WHEREAS, the Board now desires to delegate authority to Cascade's Chief Executive Officer to make declarations of official intent on behalf of Cascade to reimburse Cascade for Capital Expenditures made by Cascade before the issue date of tax-exempt or other tax-advantaged Bonds.

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

Section 1. Delegation of Authority to Chief Executive Officer to Make Declarations of Official Intent. Pursuant to Treasury Regulations section 1.150-2(e)(1), the Board hereby designates and authorizes Cascade's Chief Executive Officer as the responsible official for the purpose of making declarations of official intent in compliance with Treasury Regulations section 1.150-2.

Section 2. Declarations of Official Intent. Upon a determination by Cascade's Chief Executive Officer that the costs of a particular capital project or acquisition may be reimbursed from the proceeds of tax-exempt or other tax-advantaged obligations of Cascade, Cascade's Chief Executive Officer is authorized and directed to execute a declaration of official intent substantially in the form attached hereto as Exhibit A, provided that the Board receives notice of the declaration in writing within 30 days of execution. Each declaration so executed shall become a part of the official records of Cascade available for public inspection and review. No capital projects or acquisition may be undertaken unless previously approved in the customary manner by the Board, and the execution of any declaration of official intent shall not obligate Cascade to issue any debt.

Section 3. Ratification and Confirmation. Any actions of the Board or officers of Cascade taken prior to the date hereof and consistent with the terms of this Resolution are ratified and confirmed.

Section 4. Effect. This Resolution shall be in full force and effect on the date of its adoption.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 22nd day of July 2026.

CASCADE WATER ALLIANCE

____
Angela Birney, Chair

____
Attest – John Taylor, CEO

____
Tom McLeod, Vice Chair

____
Dave Hamilton, Secretary/Treasurer

Members

Yes ______

No ______

Demand Share

Yes ______%

No ______%

Include in CWAC?

__ Yes

_X_ No

EXHIBIT A

FORM OF DECLARATION OF OFFICIAL INTENT

I, the undersigned, am the duly appointed and qualified chief executive officer of the Cascade Water Alliance ("Cascade") and, as such, have been designated by the Board of Directors of Cascade to make declarations of official intent on behalf of Cascade when necessary or appropriate for any purpose under, and in compliance with, the requirements of section 1.150-2 of the Treasury Regulations promulgated by the United States Department of the Treasury (the "federal reimbursement regulations") relating to the use of proceeds of tax-exempt or other tax-advantaged bonds or other obligations ("bonds") to reimburse Cascade for capital expenditures (and certain extraordinary working capital expenditures) made by Cascade before the issue date of the bonds. On behalf of Cascade, I make the following declaration of official intent under the federal reimbursement regulations:

1. <u>Description of Project for Which Expenditures are to be Made</u>. Cascade intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, for Cascade's regional water transmission and supply system, including the following components (the "Project"):

[Describe Project]

2. <u>Maximum Principal Amount of Bonds Expected to be Issued for the Project</u>. Cascade expects that the maximum principal amount of bonds that will be issued to finance the Project will be $__________.

3. <u>Declaration Reasonable</u>. I have reviewed the existing and reasonably foreseeable budgetary and financial circumstances of Cascade and have determined that Cascade reasonably expects to reimburse itself for expenditures for the Project from proceeds of bonds.

4. <u>Limitations on Uses of Reimbursement Amounts</u>. Cascade will not, within one year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse Cascade for previously paid expenditures for the Project in any manner that results in those amounts being treated as replacement proceeds of any bonds, for example, as a result of being deposited in a reserve fund, pledged fund, sinking fund, or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on bonds, nor will Cascade use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

5. <u>Date of Declaration</u>. This declaration of official intent is dated _______________.

CASCADE WATER ALLIANCE

____
Chief Executive Officer

AGENDA MEMORANDUM

PROPOSED BOARD ACTION

Motion to adopt Resolution No. 2026-12, authorizing transfer of $1,816,460 to the Cascade Water Supply Development Fund for 2026.

SUMMARY OF CURRENT PROPOSED BOARD ACTION

Consistent with Board direction for the implementation of the Water Supply Development Fund (WSDF), Cascade Code provides for annual transfers based on both planned transfers and unplanned opportunities under a “Shared Benefit” concept. This resolution authorizes the 2026 transfers consistent with Code.

BACKGROUND

In November 2021, by Resolution No. 2021-10, the Board authorized creation and implementation of the Water Supply Development Fund (WSDF), including new chapter 5.70 of the Cascade Water Alliance Code (CWAC). CWAC 5.70.020 provides for annual transfers to the WSDF based on both planned transfers and for unplanned opportunities under the Shared Benefit concept. For 2026, there are budgeted transfers based on the adopted 2026 budget and Shared Benefit transfers based on 2025 financial performance.

The following table summarizes the basis for the proposed 2026 transfer. Under the Shared Benefit concept, the benefit of both new revenues identified and savings realized in the prior year are shared equally between funding the WSDF and reducing the pressure on current rates. The transfers derive from the operating and construction funds as follows:

Operating Fund	$1,283,710
Construction Fund	$ 532,750

The balance in the WSDF as of January 1, 2026 is $16,072,175.

Description	Revenue / Savings	WSDF Share of Benefit	Current Share of Benefit
Budgeted Transfers			
Construction Fund Balance		$500,000	
Demand Share Transfer *(from rates)*		$471,255	
Recurring Benefits			
2020 Bond Refunding Savings *(benefit realized in 2026)*	$575,490	$287,745	$287,745
2025 Temporary Water Sale Demand Shares *(Issaquah)*	$84,630	$42,315	$42,315
2025 Temporary Water Sale RCFC Surcharge *(Issaquah)*	$65,500	$32,750	$32,750
New Benefits			
2025 Underspent Operating Fund *(excludes expenses deferred but not avoided)*	$964,791	$482,395	$482,396
2025 Underspent CIP *(excludes projects deferred but not avoided)*	$0	$0	$0
2024 SPU True-Up *(Adjustment to 2025 Block Payments)*	$0	$0	$0
Total	**$1,690,411**	**$1,816,460**	**$845,206**

<u>Next Steps</u>
N/A

PRIOR BOARD ACTIONS

Board Action	Date	Resolution No. (if Applicable)
2025 Annual WSDF Transfer	2025-03-26	2025-06
2025-2026 Biennial Budget	2024-09-25	2024-11
Establishing the Water Supply Development Fund	2021-11-30	2021-10

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

Other options: Do not adopt Resolution No. 2026-12 and provide alternative direction to staff.

PROCUREMENT PROCESS

N/A

FISCAL IMPACT

The action is consistent with the CWAC and represents a combination of budgeted transfers and "shared benefit" of unbudgeted windfalls. Relative to adopted budgets and financial plans, there is a net beneficial fiscal impact from the current portion of shared benefits net of the transfer and a long-term beneficial impact from providing funds for major supply project construction.

RECOMMENDED ACTION

Adopt Resolution No. 2026-12 authorizing a transfer of $1,816,460 to the Cascade Water Supply Development Fund for 2026.

ATTACHMENTS

1. Resolution No. 2026-12

Attachment 1

CASCADE WATER ALLIANCE
RESOLUTION NO. 2026-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION
AUTHORIZING A TRANSFER OF $1,816,460 TO THE WATER SUPPLY DEVELOPMENT FUND

WHEREAS, the Cascade Water Alliance ("Cascade") is a Washington Municipal Corporation composed of seven Members, which are municipal corporations and special purpose districts that are party to the Joint Municipal Utilities Services Agreement under the authority of Chapter 39.106 RCW for the purpose of providing water supply to meet the growing demands of its Members;

WHEREAS, Cascade Water Alliance Code ("CWAC") 5.70.020 provides for planned and unplanned transfers to the Water Supply Development Fund ("WSDF"); and

WHEREAS, the Board now desires to authorize a transfer for 2026 consistent with CWAC 5.70.020.

NOW THEREFORE BE IT RESOLVED BY THE BOARD as follows:

Section 1. Authorization of Fund Transfer to the Water Supply Development Fund

The Board authorizes the following transfers totaling $1,816,460 to the WSDF for 2026 consistent with CWAC 5.70.020:

A. Transfer of $1,283,710 from the Operating Fund to the WSDF.

B. Transfer of $532,750 from the Construction Fund to the WSDF.

Section 2. Effect.

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

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held the 22nd day of July 2026.

CASCADE WATER ALLIANCE

____

Angela Birney, Chair

____

Attest – John Taylor, Chief Executive Officer

____

Thomas McLeod, Vice-Chair

____

Dave Hamilton, Secretary/Treasurer

Members

Yes __________

No ___________

Demand Share

Yes __________%

No ___________%

Include in CWAC?

☐ Yes

☒ No

Attachment 2

Water Supply Development Fund (WSDF) Update & Biennial Report

Presentation to Cascade Board

July 22, 2026

CASCADE WATER ALLIANCE

Objectives & Agenda

Informational Briefing and Requested Action on 2026 Transfer

Agenda

1. Review WSDF Background & Policies
2. Review Proposed 2026 Transfer
3. Present WSDF Biennial Report

CASCADE WATER ALLIANCE

WSDF Biennial Process

Annual WSDF Transfer → Biennial / Annual WSDF Report → Biennial Budget & Rates

CASCADE WATER ALLIANCE

WSDF Policies

5.70.020 (A): Board Oversight:

- Contributions to WSDF are subject to Board approval during biennial budget; and
- Will be managed, monitored, and adjusted by the Board based on periodic review of WSDF status and shared benefits.

5.70.020 (B): Planned Sources of Funding:

- Contribution from RCFCs shall be determined based on anticipated excess RCFC funds over the six-year capital funding forecast.
- Demand Share contributions shall be based on a 20-year financial forecast to meet both equity funding and rate smoothing objectives.
- Investment earnings in the fund are credited to and accumulate in the fund.

5.70.020 (C): Shared Benefits:

- Unplanned or unanticipated benefits shall provide benefit to members both through offsetting near-term member charges (50%) and through offsetting long-term Water Supply Development Fund needs (50%).

Summary of Proposed 2026 Transfer

Description	Revenue / Savings Realized	WSDF Share of Benefit	Current Share of Benefit
Budgeted Transfers			
Construction Fund Surplus Balance		$500,000	
Demand Share Transfer		$471,255	
Recurring Benefits			
2020 Bond Refunding Savings	$575,490	$287,745	$287,745
2025 Temporary Water Sale Demand Shares	$84,630	$42,315	$42,315
2025 Temporary Water Sale RCFC Surcharge	$65,500	$32,750	$32,750
New Benefits			
2025 Underspent Operating Fund	$964,791	$482,395	$482,396
2025 Underspent CIP	$0	$0	$0
2024 SPU True-Up	$0	$0	$0
Total	**$1,690,411**	**$1,816,460**	**$845,206**

CASCADE WATER ALLIANCE

WSDF Biennial Report

Biennial Report Component	Status	Notes
Fund Balance	↑	Projected $18.5M by Year End
Proposed Actions in Budget	●	In Active Supply Development, so no ongoing budgeted transfers
Planned Changes	●	Proposed transfers to Management Reserve Account
Forecast of Activity	●	Included in packet
Evaluation of Sufficiency	○	Forecasted to meet funding requirements for project
Remedial Steps	○	None needed
Potential Changes	●	Discussed in Capital Funding Plan

Legend

↑ Improvement from last report

● Changed from last report - Neutral

○ Unchanged from last report

↓ Declined from last report

Moving in to Active Supply Development

WSDF Strategy: *Accumulate funds prior to Supply Development. Draw down funds once in development.*

2021-2024	2025-2026	2027-2043
Accumulating funds through budgeted contributions and shared benefits *Investing in long-term "Pool Plus"*	*Accumulating funds through budgeted contributions and shared benefits*	*Accumulating funds through shared benefits* *Transferring funds to Management Reserve Account*

Thank You

Attachment 3

WSDF Update & Biennial Report

Cascade Water Alliance
Finance and Intergovernmental Committee

July 21, 2026

CASCADE WATER ALLIANCE

Objectives & Agenda

Informational Briefing and Requested Action on 2026 Transfer

Objectives

- Review Proposed 2026 Transfer
- Review Biennial WSDF Report
- Discuss WSDF strategy as part of Capital Funding Plan
- Gather Committee feedback to inform next steps

Agenda

1. Review WSDF Background & Policies
2. Review Proposed 2026 Transfer
3. Discuss Biennial Report and Forecasted WSDF Plan

WSDF Background

- Introduced during 2021-2022 budget planning process
- WSDF Purposes include:
  - Support future supply development
  - Mitigate rate impacts of major projects
  - Satisfy Cascade fiscal policies
- Established and codified by Board in December 2021
- Now contained in Cascade Code (Ch. 5.70)
- Code provides for Board reviews with each biennial budget
  - Optional annual review with FMC in non-budget years

WSDF Biennial Process

Annual WSDF Transfer → **Biennial / Annual WSDF Report** → **Biennial Budget & Rates**

Either:

- Matches the transfer established in biennial budget; or
- Reflects additional transfers based on Cascade Code for Shared Benefits

1. WSDF balance & status vs. prior forecast;
2. Changes to planned WSDF contributions for proposed budget;
3. Changes to forecasted WSDF balance for biennium;
4. Forecast of WSDF through Water Supply Project;
5. Any remedial steps to satisfy policy requirements; and
6. Change assessment.

Budget & Rates process involves development, review, and adoption of:

- Budgeted transfers to WSDF in upcoming biennium
- Rates to satisfy Cascade fiscal policies, including WSDF plan.

CASCADE WATER ALLIANCE

WSDF Policies

5.70.020 (A): Board Oversight:
- Contributions to WSDF are subject to Board approval during biennial budget; and
- Will be managed, monitored, and adjusted by the Board based on periodic review of WSDF status and shared benefits.

5.70.020 (B): Planned Sources of Funding:
- Contribution from RCFCs shall be determined based on anticipated excess RCFC funds over the six-year capital funding forecast.
- Demand Share contributions shall be based on a 20-year financial forecast to meet both equity funding and rate smoothing objectives.
- Investment earnings in the fund are credited to and accumulate in the fund.

5.70.020 (C): Shared Benefits:
- Unplanned or unanticipated benefits shall provide benefit to members both through offsetting near-term member charges (50%) and through offsetting long-term Water Supply Development Fund needs (50%).

CASCADE WATER ALLIANCE

Proposed 2026 WSDF Transfer

Budgeted Transfers

- 1% of Operating
- $500K of Capital

Recurring Shared Benefits

- Bond Refunding savings
- Temporary Water

New Shared Benefits

- 2025 Budget vs. Actual savings

Summary of Proposed 2026 Transfer

Description	Revenue / Savings Realized	WSDF Share of Benefit	Current Share of Benefit
Budgeted Transfers			
Construction Fund Balance Transfer		$500,000	
Demand Share Transfer		$471,255	
Recurring Benefits			
2020 Bond Refunding Savings	$575,490	$287,745	$287,745
2025 Temporary Water Sale Demand Shares	$84,630	$42,315	$42,315
2025 Temporary Water Sale RCFC Surcharge	$65,500	$32,750	$32,750
New Benefits			
2025 Underspent Operating Fund	$964,791	$482,395	$482,396
2025 Underspent CIP	$0	$0	$0
2024 SPU True-Up	$0	$0	$0
Total	$1,690,411	$1,816,460	$845,206

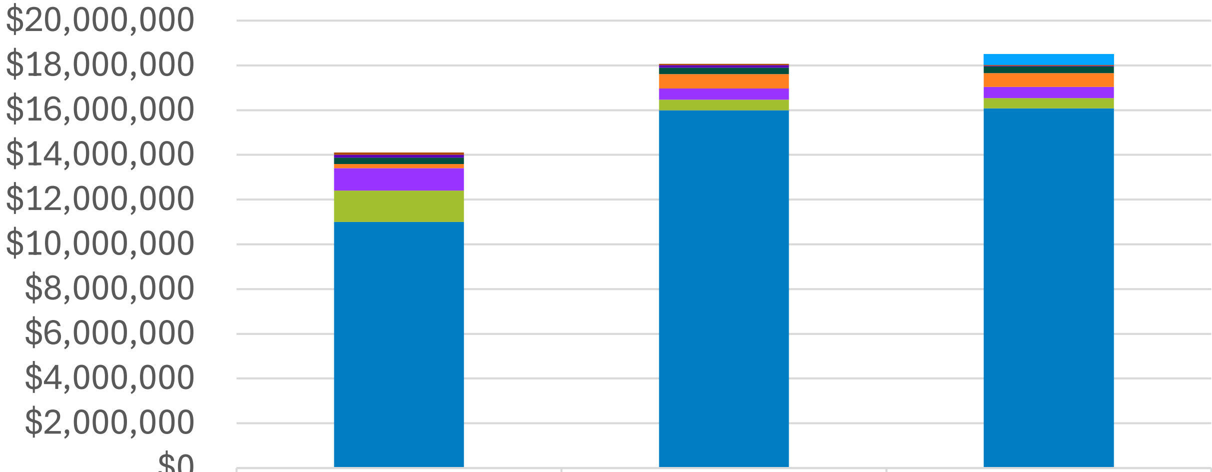
CASCADE WATER ALLIANCE

WSDF Biennial Report

Per Cascade code, the report reviews:

1. Fund balance vs. prior forecast
2. Actions proposed in biennial budget:
   a. Upcoming planned contributions via budgeted transfers
   b. Planned changes to the fund balance
3. Forecast of WSDF activity through development of the planned supply project(s)
4. Supply project changes that could alter funding requirements and related proposed actions, if any
5. Assessment of fund adequacy
6. Proposed remedial actions, if any

WSDF Fund Balance (projected 2026 year-end)



	Original Forecast	Prior Report	Current Estimate
2026 Shared Benefit Transfer	$0		$482,395
RCFCs over Estimate	$0		
Temporary Sales RCFC Surcharge	$100,000	$62,500	$32,750
Temporary Sales Rates	$119,799	$104,464	$42,315
SPU True-up Credit	$0		
Bond Refunding Savings	$287,745	$287,745	$287,745
Interest Earnings	$192,431	$640,009	$614,950
Construction Fund Surplus	$1,000,000	$500,000	$500,000
Operating Fund (Rate) Transfer	$1,406,934	$471,255	$471,255
Beginning Balance	$10,996,049	$16,000,224	$16,072,175
Projected Total	**$14,102,958**	**$18,066,197**	**$18,503,585**

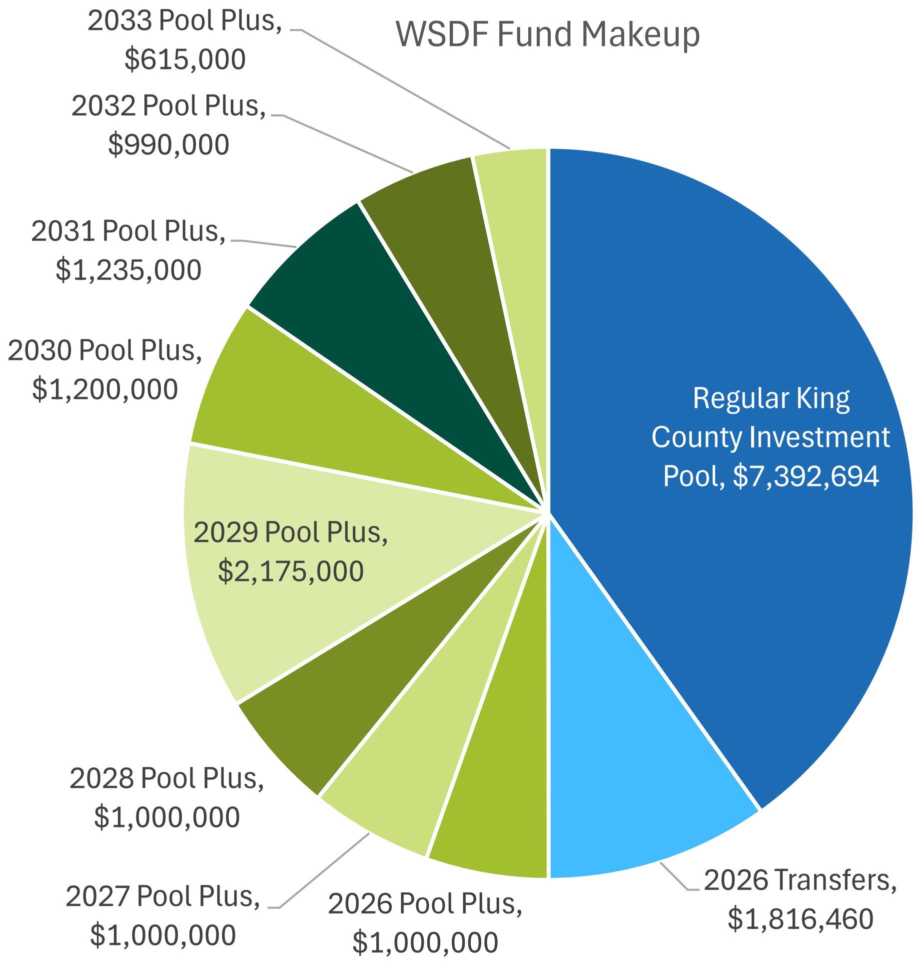
Shared benefits and improved interest rate climate have resulted in greater WSDF accumulation without budgeting for higher transfers from rates

Moving in to Active Supply Development

WSDF Strategy: *Accumulate funds prior to Supply Development.*
Draw down funds once in development.

2021-2024	2025-2026	2027-2043
Accumulating funds through budgeted contributions and shared benefits *Investing in long-term "Pool Plus"*	*Accumulating funds through budgeted contributions and shared benefits*	*Accumulating funds through shared benefits* *Transferring funds to Management Reserve Account*

Preparing for Use of WSDF

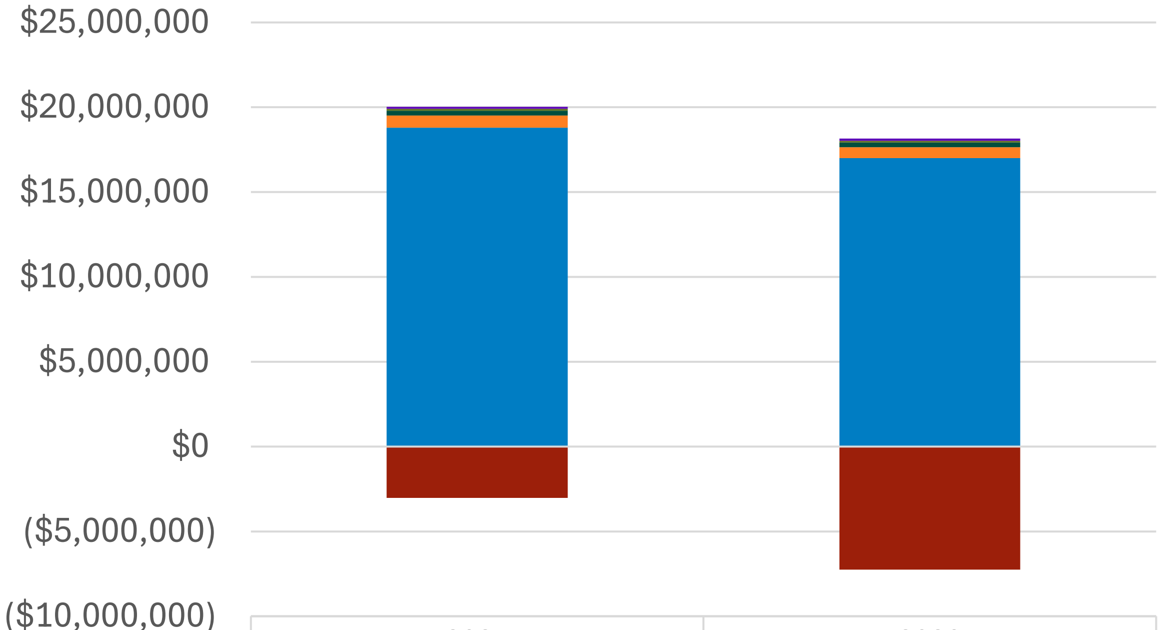


$9 Million is currently in the 'pool plus' King County Investment Pool.

We are no longer rolling forward these as they mature, to maximize flexibility as we move in to spending on the project

CASCADE WATER ALLIANCE

Planned 2027-2028 WSDF Fund Activity

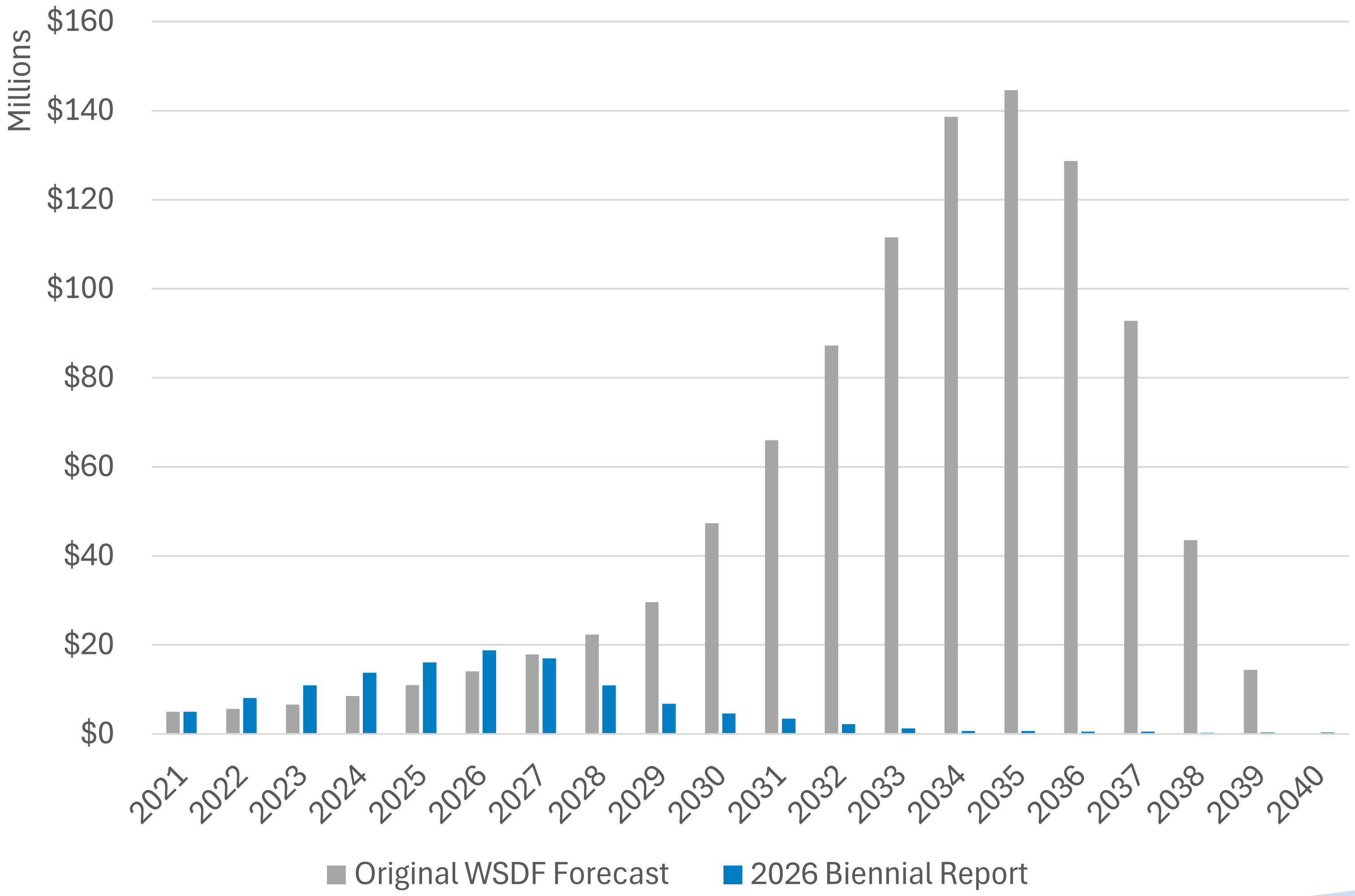


	2027	2028
Transfer to Mgmt Reserve	($3,030,000)	($7,250,000)
Temporary Sales RCFC Surcharge	$127,500	$127,500
Temporary Sales Rates	$98,268	$102,419
Bond Refunding Savings	$286,945	$287,645
Interest Earnings	$712,206	$640,003
Budgeted Transfers	$0	$0
Beginning Balance	$18,805,150	$17,000,069
Projected Total	**$17,000,069**	**$10,907,636**

In 2027-2028 we are in active Water Supply Development.

Rate Contributions are eliminated; withdrawals from WSDF begin.

WSDF Fund Projection (escalated dollars)

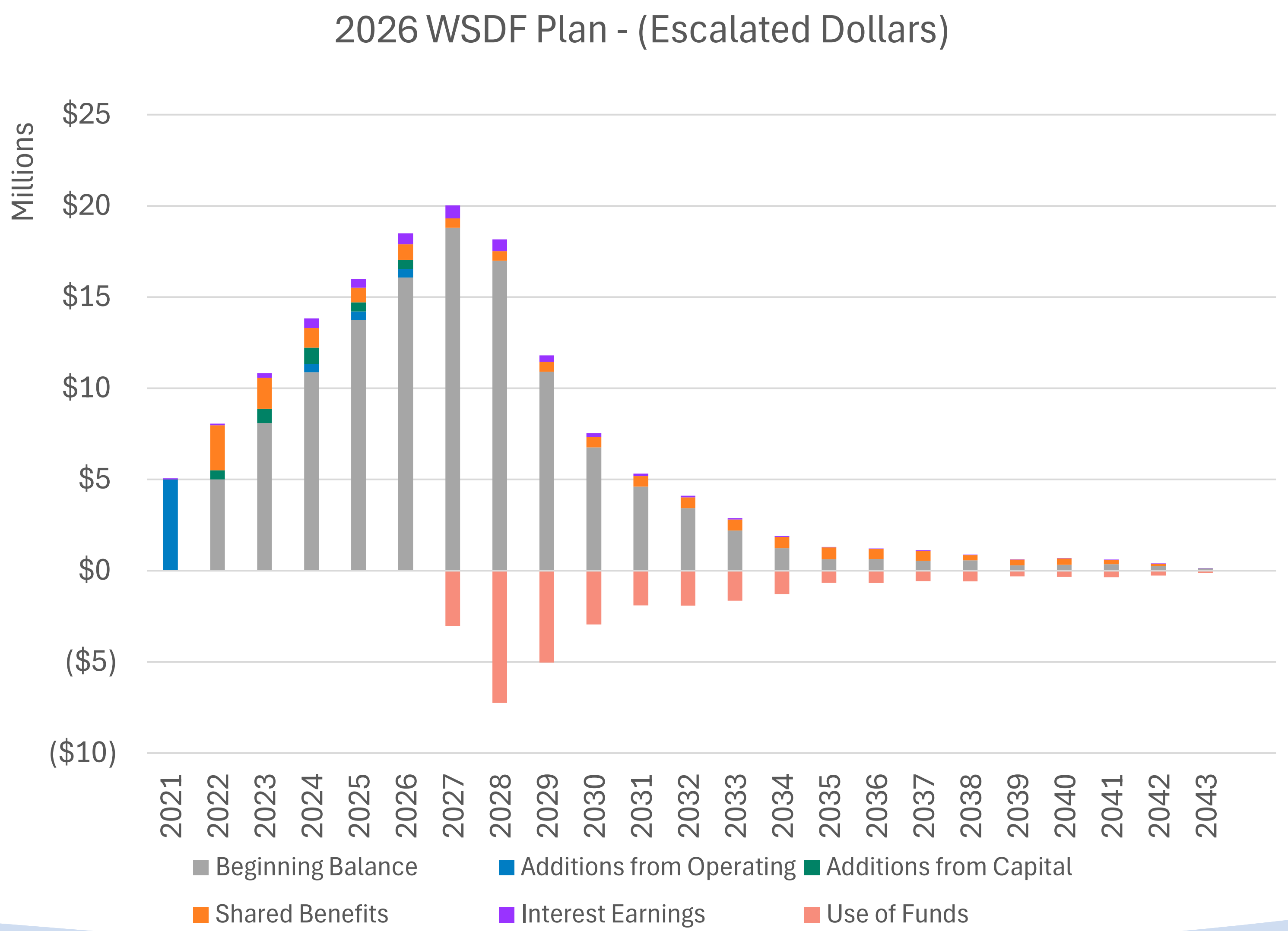


How we use the WSDF as a tool changes in response to the different capital needs.

With capital spending underway, we do not build up as much total WSDF fund balance.

CASCADE WATER ALLIANCE

Sources & Uses of WSDF Funds



Current Plan:

- Begin using WSDF funds in 2027 to fund Management Reserve.
- Ongoing Shared Benefits continue flowing to WSDF per Code

CASCADE WATER ALLIANCE

Potential Supply Project Changes

Upcoming milestones that are likely to prompt updates to the funding strategy:

- 2029/2030
  - Design phase will establish formal cost estimate
  - WIFIA funding for construction
- 2032
  - Construction phase will further refine costs

Assessment of WSDF Adequacy

- Entering into a mode of directly funding planning and design activities for the Water Supply Project removes the need to ramp up budgeted contributions to WSDF.

Staff Recommendation: use WSDF to fund the Management Reserve.

CASCADE WATER ALLIANCE

Proposed Remedial Actions

- No remedial actions necessary
- Continue to capture “shared benefits” when they arise

Thank You

Cascade Supply Program

July 22, 2026

CASCADE WATER ALLIANCE

Quarterly Update

Monthly Update

- Recap of the past month's activities
- Update on current financials
- 3-month Board schedule graphic
- Risk Register summary

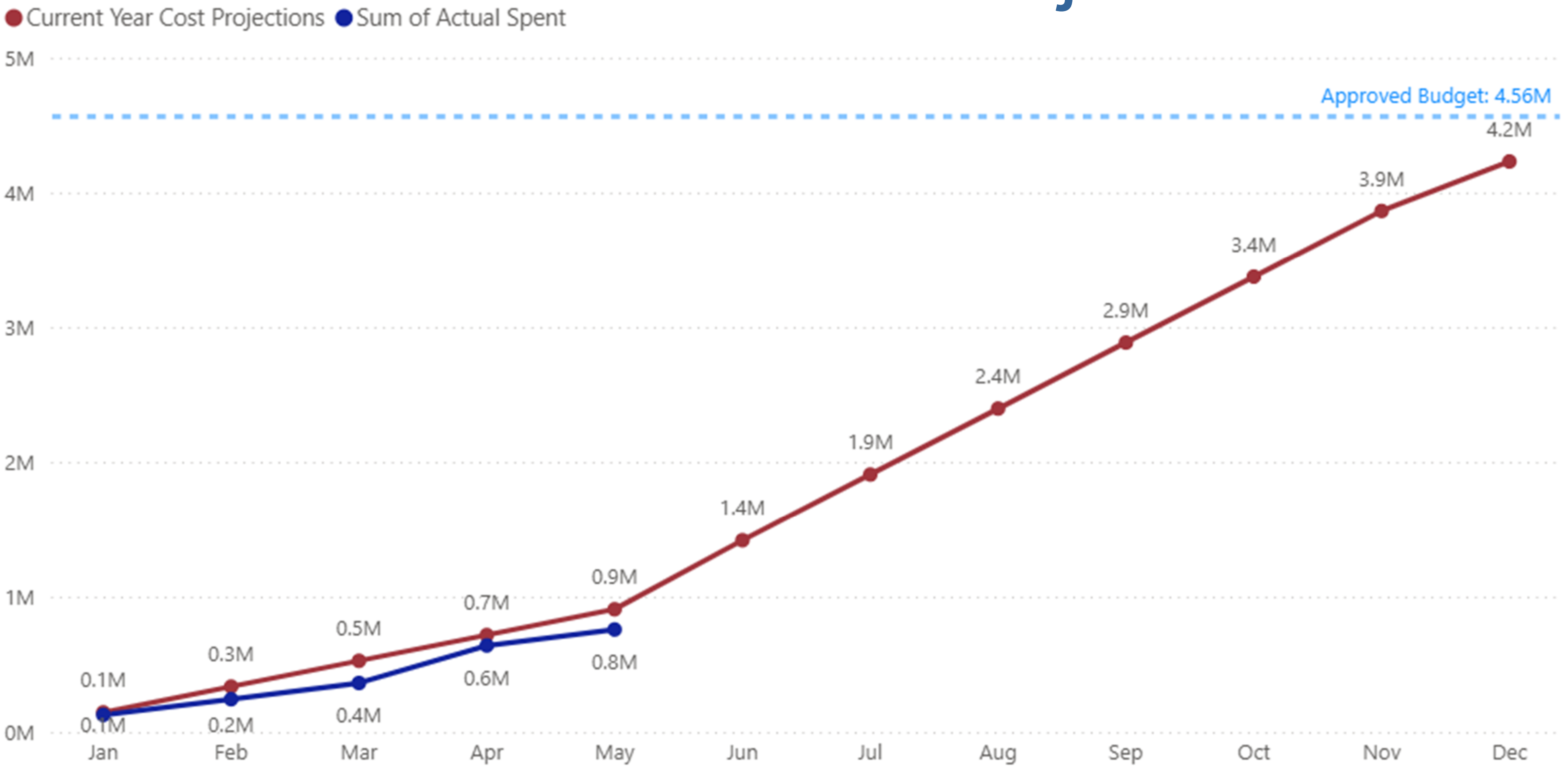
PDF, attached to the Board Packet

Quarterly Update

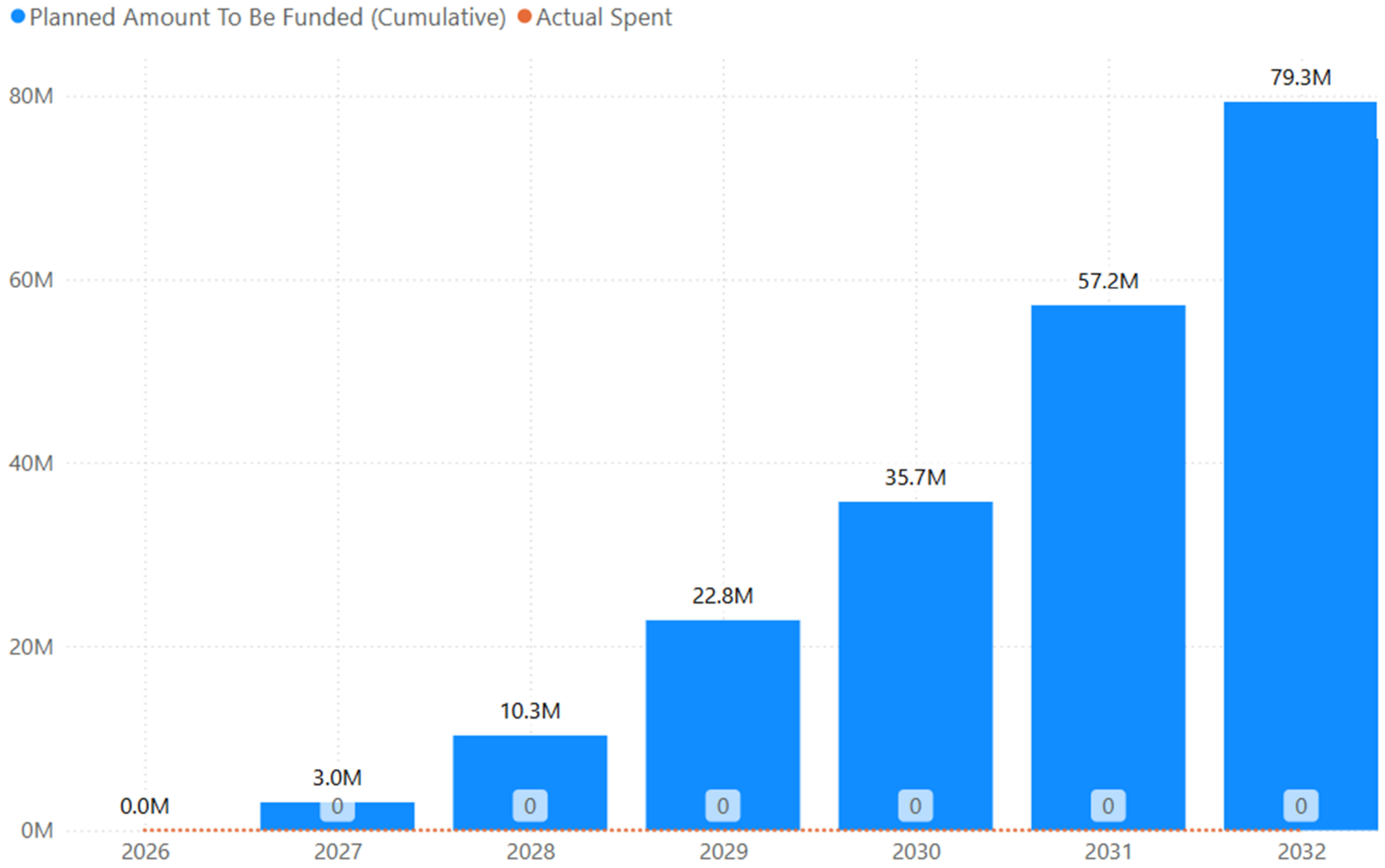
- Looking ahead, not recapping backward
- Focusing on 8 big topics, aligned with the Program Tasks: Cost, Schedule, Planning, Real Estate, Permitting, Communications and Outreach, Design, Construction

Presentation and discussion quarterly, to SPOC and the Board

Cost: PES Current Year Projections



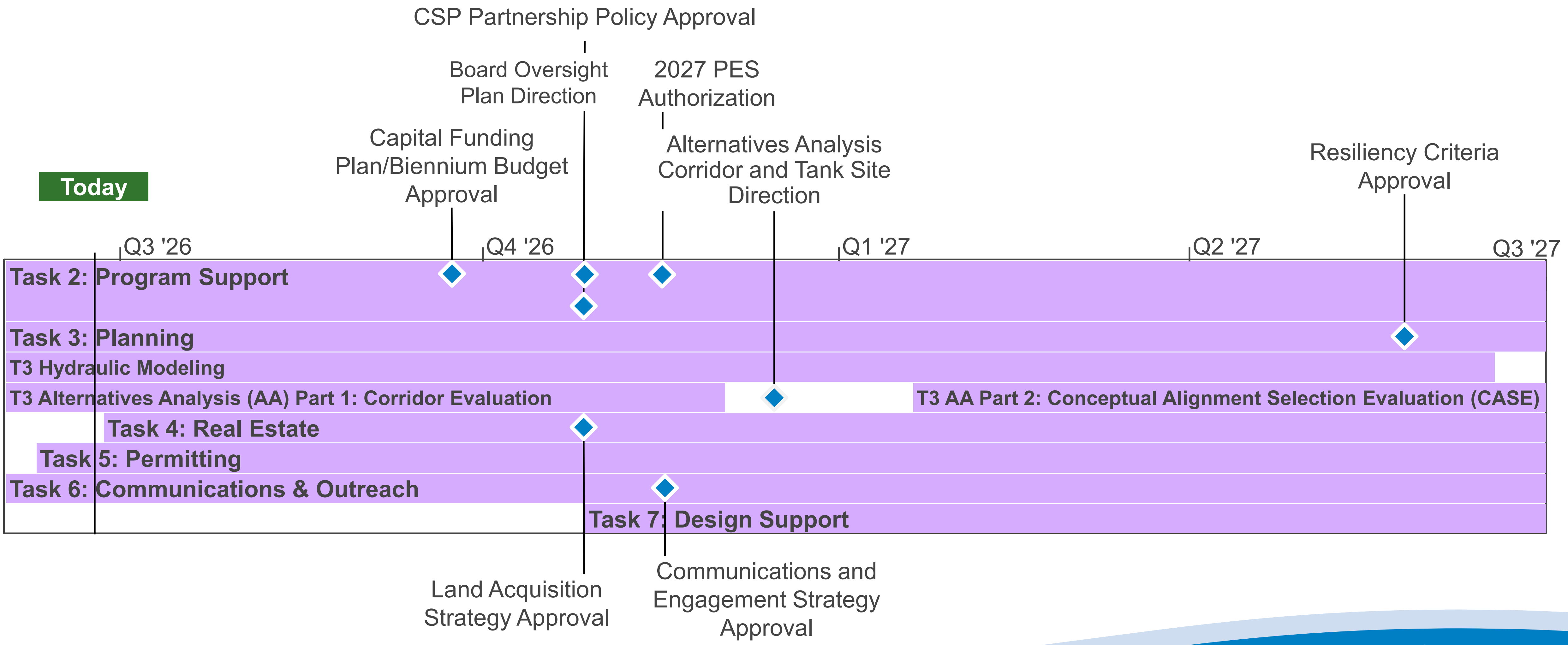
Cost: Management Reserve



$79.33M
2027-2032 Planned Funded Total

$0
Actual Spent

Schedule – 1 year look-ahead



Planning

Task and Work Product	Expected Timing	Member Presentation	Board Direction
Part 1: Corridor Evaluation • Draft Alternatives Analysis Report Part 1	December	MST MS SPOC Board	December Board Direction on Corridor
Part 2: Conceptual Alignment Selection Evaluation (CASE) • Draft Alternatives Analysis Report Part 2	2027 Q3	MST MS SPOC Board	Board Direction on Alignment & Facilities

Real Estate

Task and Work Product	Expected Timing	Member Presentation	Board Direction
Land Acquisition Strategy • Draft Land Acquisition Strategy	September	MS SPOC Board	October Board Approval
Corridor Alternatives ROW Evaluation • Risks and opportunities • Relative cost info for tank sites	ongoing	MST MS SPOC	--

CASCADE WATER ALLIANCE

Permitting

Task and Work Product	Expected Timing	Member Presentation	Board Direction
Regulatory Requirements and Permit Acquisition Strategy • Overview and Draft Strategy • Permit Matrix	September	MS FIG SPOC	--
Corridor Alternatives Permitting Evaluation • Risks and opportunities	ongoing	MST MS SPOC	--
Agency Stakeholder Consultation • Jurisdictional Coordination meetings • Tribal consultation	ongoing	--	--

Communications and Outreach

Task and Work Product	Expected Timing	Member Presentation	Board Direction
Communications and Outreach Strategy • Overview and Draft Strategy	October	MS FIG SPOC Board	November Board Approval
Hiring Communications and Outreach manager	Complete	--	--
Finalizing program purpose statement	September	MS SPOC	--
Updates to program website	Ongoing	--	--

CASCADE WATER ALLIANCE

Design

Task and Work Product	Expected Timing	Member Presentation	Board Direction
Begin Program Design Standards & Guidelines Planning: • Program CAD Standards • Design Deliverable expectations by milestone • Design Criteria • Survey and Mapping Standards and Accuracy • Cost Estimating Guidelines	ongoing	MST MS SPOC	--

Construction

N/A

Future highlights:

- Cost specifics
- Construction timelines
- Potential Change Orders
- Risks and mitigation
- Community Impacts and outreach
- Potential for Board engagement

Questions?

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 present Cascade's 2027-2028 operating budget and 2027-2032 capital budget for review by the Committee. Staff will present the draft final budget, identify changes from the proposed budget materials in June, address questions, and seek feedback. Feedback received will be incorporated into the final budgets, which will be presented to the Committee and Board for consideration in September 2026.

BACKGROUND

Cascade's Draft Final 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 have been developed, reviewed, and will ultimately be 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.
- **2026 Bond Issuance** – the Capital Funding Plan reflects an assumed bond issuance of $60 million for capital expenditures and up to $50 million of refunding and prepayment of capital capacity payments.
- **2027–2032 Capital Improvement Program ("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 Facility 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 covers the draft final capital and operating budgets, rates, and regional capital facility charges. The capital funding plan will be presented under a separate agenda item.

2027-2028 Budget Appropriation

The 2027-2028 proposed budget estimated resources and expenditure authority are as follows:

	Appropriation Authority	
Fund	**2027**	**2028**
Operating	$71,236,086	$69,763,071
Water Supply Development	$19,728,504	$17,856,071
Coverage Stabilization	$4,311,071	$5,326,281
Construction	$93,100,255	$89,861,940
Bond	$22,796,432	$22,828,832
Total	**$211,172,347**	**$205,636,194**

2027-2028 Operating Budget

The 2027-2028 proposed operating budget by department is as follows:

	Amended	*Proposed*	*Proposed*
Department	**2026**	**2027**	**2028**
Administration	$4,289,292	$4,842,078	$5,135,728
Conservation	$831,853	$1,008,340	$1,048,646
Operations	$7,405,711	$7,420,089	$8,384,721
Cascade Supply Program	$197,804		
Purchased Water	$25,648,897	$26,973,808	$27,742,523
Debt Service	$9,224,531	$12,904,634	$12,899,234
	$47,598,088	**$53,148,949**	**$55,210,852**

027-2032 Capital Budget

The 2027-2028 appropriation reflects the following 2027-2032 Capital Improvement Plan expenditures:

Program Area	2027	2028	2029	2030	2031	2032
Upper Conveyance	$800,000	$1,600,000	$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	**$6,060,000**	**$3,900,000**	**$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						
Staff	$1,564,193	$1,616,942	$1,760,000	$1,850,000	$1,960,000	$2,080,000
Property	5,000,000	3,560,000	560,000	560,000	560,000	560,000
Professional Svcs	9,850,000	13,100,000	24,500,000	34,180,000	44,490,000	94,380,000
Mgmt Reserve	3,030,000	7,250,000	12,500,000	12,940,000	21,430,000	22,180,000
Subtotal - CSP	**$19,444,193**	**$25,526,942**	**$39,320,000**	**$49,530,000**	**$68,440,000**	**$119,200,000**
Total CIP	**$32,059,822**	**$36,082,430**	**$50,186,383**	**$60,684,870**	**$78,323,870**	**$129,243,870**

2027-2028 Rates and Charges

The 2027-2028 proposed rates and charges are as follows:

2027 Member Charges

Member	Admin Dues	Conserv. Charges	Demand Share	Total	% Increase over 2026	2026 True-Up (50%)	Total Payments	% w/ True-Up
Bellevue	$1,897,293	$398,005	$24,048,629	$26,343,927	8.51%	($76,407)	$26,267,520	9.19%
Issaquah	403,794	84,706	2,286,319	2,774,819	12.48%	100,591	2,875,410	16.20%
Issaquah Temporary			217,819	217,819	4.29%	(12,980)	204,839	4.22%
Kirkland	569,805	119,531	6,741,365	7,430,701	6.01%	(67,452)	7,363,249	5.26%
Redmond City	814,524	170,867	7,472,873	8,458,264	11.58%	6,529	8,464,793	8.17%
Redmond Novelty Hill	119,534	25,075	1,540,905	1,685,514	11.56%	(3,665)	1,681,849	11.02%
Sammamish Plat Water	666,978	139,915	1,616,867	2,423,760	9.79%	9,802	2,433,562	9.99%
Skyway WSD	105,916	22,219	477,066	605,201	12.10%	4,626	609,827	14.44%
Tukwila	228,918	48,021	3,191,529	3,468,468	16.67%	38,955	3,507,423	18.24%
Total	**$4,806,762**	**$1,008,339**	**$47,593,372**	**$53,408,473**	**9.50%**	**($1)**	**$53,408,472**	**9.50%**

2028 Member Charges

Member	Admin Dues	Conserv. Charges	Demand Share	Total	% Increase over 2027	2026 True-Up (50%)	Total Payments	% w/ True-Up
Bellevue	$2,055,171	$412,615	$26,275,083	$28,742,869	9.11%	($76,407)	$28,666,462	9.13%
Issaquah	443,352	89,011	2,393,303	2,925,666	5.44%	100,591	3,026,257	5.25%
Issaquah Temporary			267,569	267,569	22.84%	(12,980)	254,589	24.29%
Kirkland	621,006	124,679	7,306,136	8,051,821	8.36%	(67,452)	7,984,369	8.44%
Redmond City	886,242	177,930	8,316,074	9,380,246	10.90%	6,529	9,386,775	10.89%
Redmond Novelty Hill	129,062	25,912	1,687,262	1,842,236	9.30%	(3,665)	1,838,571	9.32%
Sammamish Plat Water	725,634	145,685	1,860,108	2,731,427	12.69%	9,802	2,741,229	12.64%
Skyway WSD	114,648	23,018	533,947	671,613	10.97%	4,626	676,239	10.89%
Tukwila	248,032	49,797	3,571,003	3,868,832	11.54%	38,955	3,907,787	11.41%
Total	**$5,223,147**	**$1,048,647**	**$52,210,485**	**$58,482,279**	**9.50%**	**($1)**	**$58,482,278**	**9.50%**

2027-2028 Regional Capital Facility Charge

Regional Capital Facilities Charges (RCFCs) are charges for new water connections and are based on a pro rata share of Cascade's Capital Investment Program costs. The methodology for calculating the RCFC was adopted by the Board and is codified as Chapter 5.24 of the Cascade Water Alliance Code. During the 2027-2028 budget development process, Cascade analyzed its capital project requirements and rate structure and developed an RCFC recommendation for the upcoming biennium.

Cascade staff recommends an increase in the RCFC to **$10,622** in 2027, and **$12,747** in 2028. The RCFC charge is based on existing and future infrastructure divided by the customer base. Future water supply infrastructure is the primary reason RCFC rate increases are recommended. RCFC revenue contributes to Cascade's infrastructure capital funding for existing infrastructure and the proposed increases have been factored into the proposed budget biennium budget for 2027-2028.

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 Committee and Board to provide feedback to Cascade staff regarding the Draft Final Budget. Staff will incorporate this feedback in preparation of the materials for adoption in September.

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

The fiscal impact of the proposed budget package is described above.

RECOMMENDED ACTION

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

ATTACHMENTS

1. Presentation – 2027-2028 Draft Final Budget, Rates, and RCFCs

Attachment 1

2027-2028 Draft Final Budget, Rates, and RCFCs

Presentation to Cascade Board

July 22, 2026

CASCADE
WATER ALLIANCE

Overview

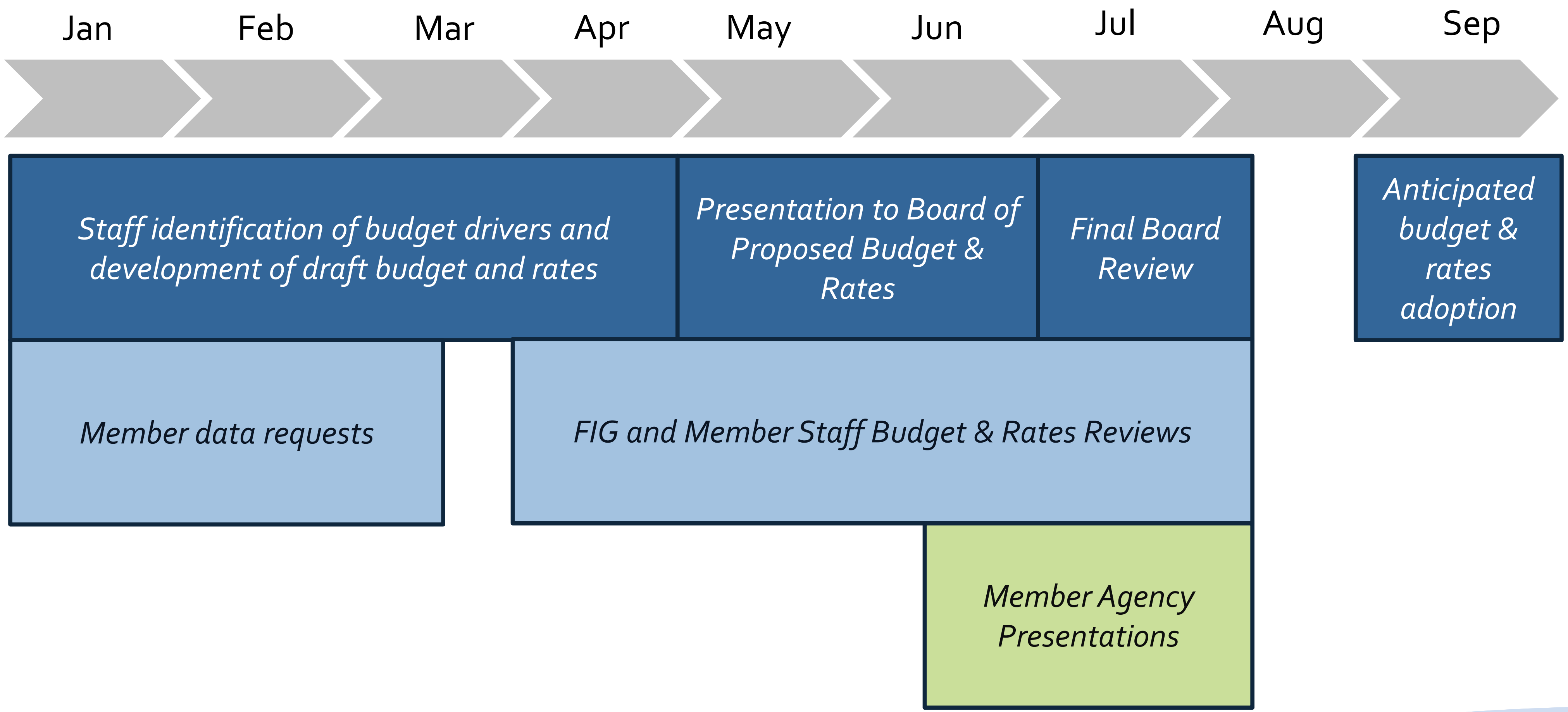
- Today's Purpose: To present the Draft Final Budget and Rates Package.
- Desired Feedback:
  - Any feedback regarding the proposed budget, rates, and RCFCs.

Key Takeaways

- Draft Final Proposed Budget
  - Operating Budget: minimal changes from June presentation.
  - CIP Budget: one addition – Wolslegal Basin Outlet Valve Replacement (est. $1.6M)
- Draft Final Rates & RCFCs*
  - No changes to the proposed 9.5% rate increases for 2027-2028
  - Minor changes to individual member charges based on updated demand data
  - No changes to the proposed RCFCs

**Regional Capital Facilities Charges*

General Process Calendar



Operating Expenditure Budget 2027-2028

	Amended	*Draft Final*	*Draft Final*
Department	**2026**	**2027**	**2028**
Administration	$4,289,000	$4,842,000	$5,136,000
Conservation	$832,000	$1,008,000	$1,049,000
Operations	$7,406,000	$7,420,000	$8,385,000
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	**$53,149,000**	**$55,212,000**

Key Changes

- ✓ Added Water Quality
- ✓ Reduced some of Preliminary Contingencies – Purchased Water contingencies remain
- ✓ Updated CPI Information

Subject to change based on 2026 SPU Rate Study

CASCADE WATER ALLIANCE

2027-2032 CIP Budget

Program Area	2027	2028	2029	2030	2031	2032
Upper Conveyance	$800,000	$1,600,000	$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	**$6,060,000**	**$3,900,000**	**$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						
Staff	$1,564,193	$1,616,942	$1,760,000	$1,850,000	$1,960,000	$2,080,000
Property	5,000,000	3,560,000	560,000	560,000	560,000	560,000
Professional Svcs	9,850,000	13,100,000	24,500,000	34,180,000	44,490,000	94,380,000
Mgmt Reserve	3,030,000	7,250,000	12,500,000	12,940,000	21,430,000	22,180,000
Subtotal - CSP	**$19,444,193**	**$25,526,942**	**$39,320,000**	**$49,530,000**	**$68,440,000**	**$119,200,000**
Total CIP	**$32,059,822**	**$36,082,430**	**$50,186,383**	**$60,684,870**	**$78,323,870**	**$129,243,870**

CASCADE WATER ALLIANCE

Changes to CIP Budget

- Wolslegal Basin 6 Foot Valve Replacement:
  - Replacement project for a valve that controls outflow from Wolslegal Basin into White River.
  - Necessary outlet for draining the upper flowline for flood control and maintenance activities.
  - Cost estimated at $1.6 million across 2027 & 2028.

CASCADE
WATER ALLIANCE

Fund Activity Summary

Fund Activity - 2027	Operating	Water Supply Development	Coverage Stabilization	Construction	Bond	Total
Estimated beginning balance January 1, 2027	$16,242,230	$18,503,585	$2,662,250	$70,002,547	$8,492,385	$115,902,997
Revenue	$54,993,856	$712,206	$93,179	$14,920,551	$314,998	$71,034,789
Transfers in		$512,713	$1,555,642	$8,177,157	$13,989,049	$24,234,561
Total Resources	**$71,236,086**	**$19,728,504**	**$4,311,071**	**$93,100,255**	**$22,796,432**	**$211,172,347**
Expenditures	$40,244,315			$29,033,681	$12,904,634	$82,182,630
Transfers Out	$21,077,061	$3,030,000		$127,500		$24,234,561
Ending Balance December 31, 2027	$9,914,710	$16,698,504	$4,311,071	$63,939,074	$9,891,798	$104,755,156
Total Uses	**$71,236,086**	**$19,728,504**	**$4,311,071**	**$93,100,255**	**$22,796,432**	**$211,172,347**

Fund Activity - 2028	Operating	Water Supply Development	Coverage Stabilization	Construction	Bond	Total
Estimated beginning balance January 1, 2028	$9,914,710	$16,698,504	$4,311,071	$63,939,074	$9,891,798	$104,755,156
Revenue	$59,848,361	$640,003	$150,887	$17,045,372	$361,477	$78,046,100
Transfers in		$517,564	$864,323	$8,877,494	$12,575,557	$22,834,938
Total Resources	**$69,763,071**	**$17,856,071**	**$5,326,281**	**$89,861,940**	**$22,828,832**	**$205,636,194**
Expenditures	$42,311,618			$28,837,006	$12,899,234	$84,047,858
Transfers Out	$15,457,438	$7,250,000		$127,500		$22,834,938
Ending Balance December 31, 2028	$11,994,015	$10,606,071	$5,326,281	$60,897,434	$9,929,598	$98,753,398
Total Uses	**$69,763,071**	**$17,856,071**	**$5,326,281**	**$89,861,940**	**$22,828,832**	**$205,636,194**

CASCADE WATER ALLIANCE

Summary of Proposed Member Charges

2027 Member Charges

Member	Administrative Dues	Conservation Charges	Demand Share Charges	Total	% Increase over 2026	2026 True-Up (50%)	Total Payments	% Increase with True-Up
Bellevue	$1,897,293	$398,005	$24,048,629	$26,343,927	8.51%	($76,407)	$26,267,520	9.19%
Issaquah	403,794	84,706	2,286,319	2,774,819	12.48%	100,591	2,875,410	16.20%
Issaquah Temporary			217,819	217,819	4.29%	(12,980)	204,839	4.22%
Kirkland	569,805	119,531	6,741,365	7,430,701	6.01%	(67,452)	7,363,249	5.26%
Redmond City	814,524	170,867	7,472,873	8,458,264	11.58%	6,529	8,464,793	8.17%
Redmond Novelty Hill	119,534	25,075	1,540,905	1,685,514	11.56%	(3,665)	1,681,849	11.02%
Sammamish Plat Water	666,978	139,915	1,616,867	2,423,760	9.79%	9,802	2,433,562	9.99%
Skyway WSD	105,916	22,219	477,066	605,201	12.10%	4,626	609,827	14.44%
Tukwila	228,918	48,021	3,191,529	3,468,468	16.67%	38,955	3,507,423	18.24%
Total	**$4,806,762**	**$1,008,339**	**$47,593,372**	**$53,408,473**	**9.50%**	**($1)**	**$53,408,472**	**9.50%**

CASCADE WATER ALLIANCE

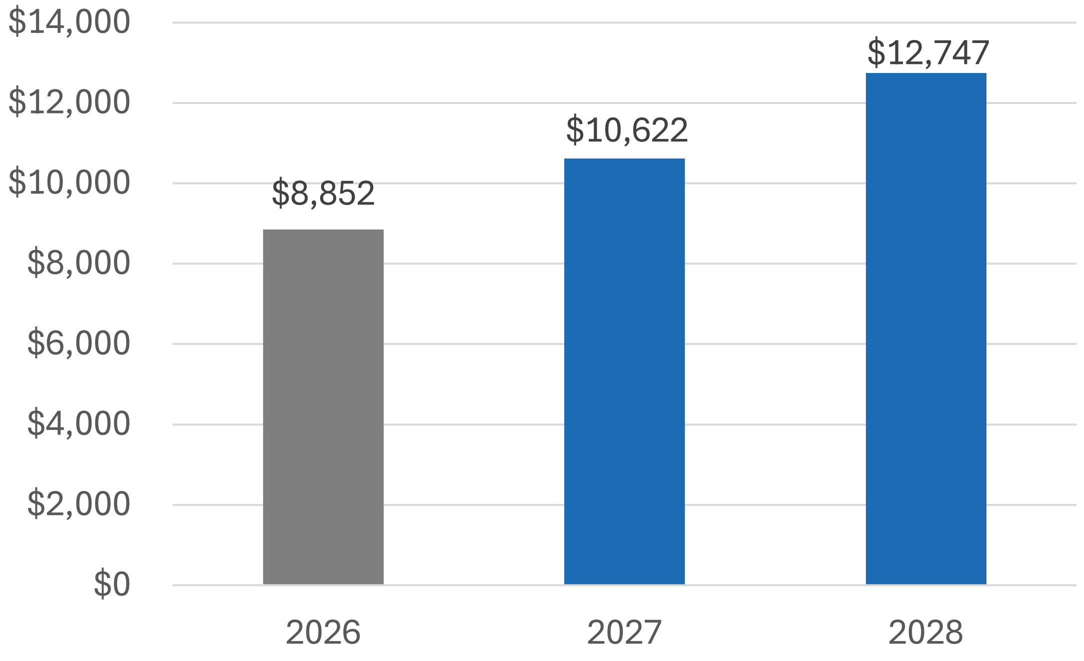
Summary of Proposed Member Charges

2028 Member Charges

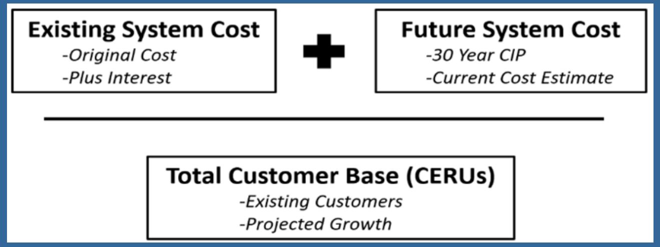
Member	Administrative Dues	Conservation Charges	Demand Share Charges	Total	% Increase over 2027	2026 True-Up (50%)	Total Payments	% Increase with True-Up
Bellevue	$2,055,171	$412,615	$26,275,083	$28,742,869	9.11%	($76,407)	$28,666,462	9.13%
Issaquah	443,352	89,011	2,393,303	2,925,666	5.44%	100,591	3,026,257	5.25%
Issaquah Temporary			267,569	267,569	22.84%	(12,980)	254,589	24.29%
Kirkland	621,006	124,679	7,306,136	8,051,821	8.36%	(67,452)	7,984,369	8.44%
Redmond City	886,242	177,930	8,316,074	9,380,246	10.90%	6,529	9,386,775	10.89%
Redmond Novelty Hill	129,062	25,912	1,687,262	1,842,236	9.30%	(3,665)	1,838,571	9.32%
Sammamish Plat Water	725,634	145,685	1,860,108	2,731,427	12.69%	9,802	2,741,229	12.64%
Skyway WSD	114,648	23,018	533,947	671,613	10.97%	4,626	676,239	10.89%
Tukwila	248,032	49,797	3,571,003	3,868,832	11.54%	38,955	3,907,787	11.41%
Total	**$5,223,147**	**$1,048,647**	**$52,210,485**	**$58,482,279**	**9.50%**	**($1)**	**$58,482,278**	**9.50%**

CASCADE WATER ALLIANCE

Proposed 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 (higher level)
- ✓ June: Proposed Budget & Rates
  (incorporating feedback from May, with Member-specific Charges)
- ➢ July: Draft Final Budget
- ❑ September: Anticipated Budget Adoption

Thank You

CASCADE WATER ALLIANCE

Capital Funding Plan Update

Presentation to Cascade Board

July 22, 2026

CASCADE WATER ALLIANCE

Agenda

- Summary of Feedback Received
- Selected Common Questions
- Recommended Funding Strategy
- Next Steps

Summary of Feedback

6 Member Staff Discussions this year, two full Draft reviews

Policy, Analysis, and Recommendation presentations to FIG and Board

Engagement with Member Leadership

Ongoing

Presentation to Member Councils & Boards

CASCADE WATER ALLIANCE

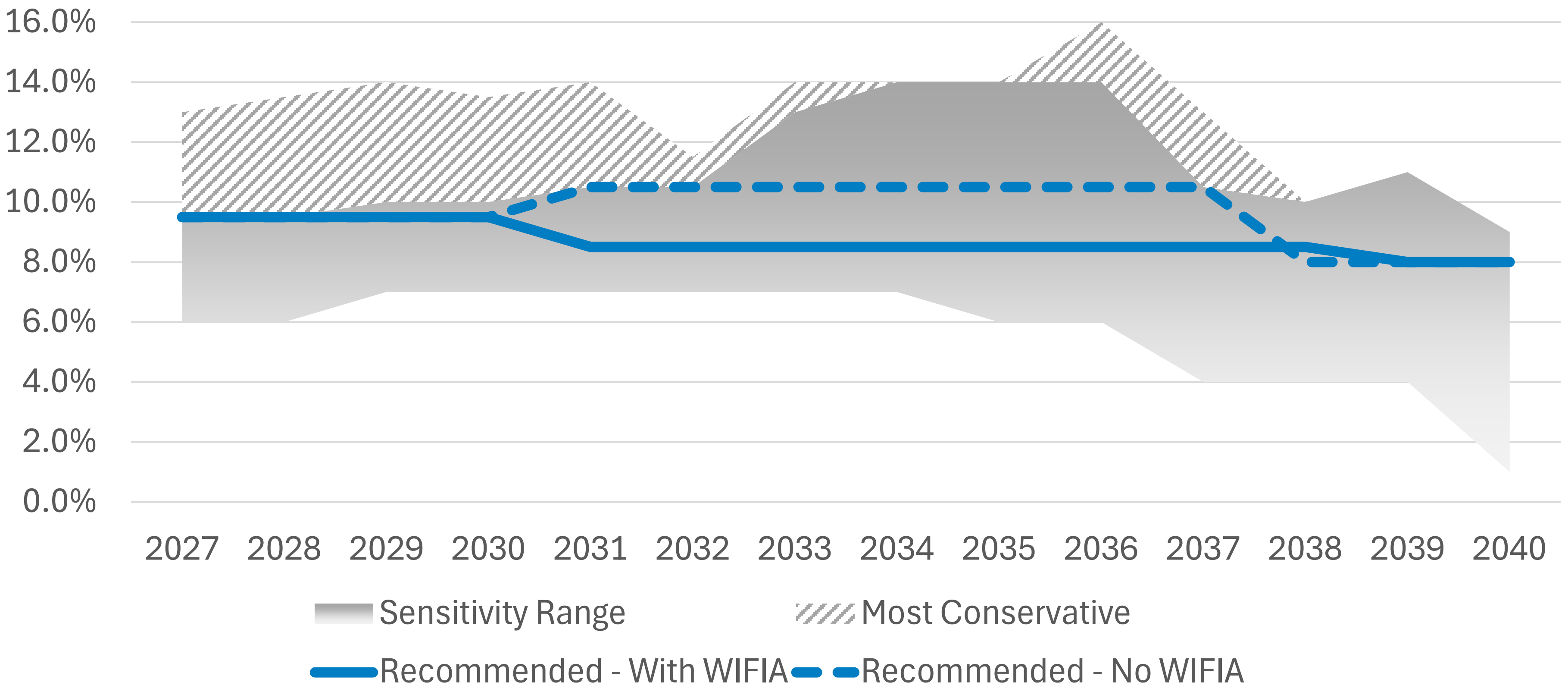
Key Themes

- ❖ Robust analysis, but need to keep updating as we learn more
- ❖ Preserve financing flexibility by avoiding overreliance on debt
- ❖ Recognizing the range of uncertainty and supporting fiscal conservatism
- ❖ Appreciating complexity but wanting clearer summaries

CASCADE WATER ALLIANCE

Selected Questions: WIFIA and Conservatism

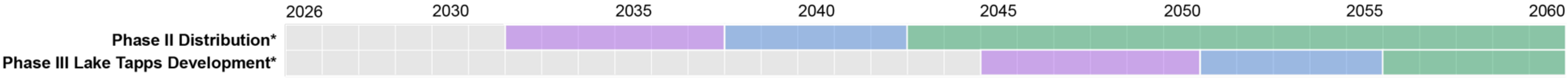
WIFIA is not guaranteed. Is it a problem that the Recommended Funding Strategy assumes that we get it? Should we be more conservative?



The recommended funding strategy sets us up to benefit from WIFIA, but to still have a reasonable outcome if it is unavailable.

Selected Questions:
What about Phase II and Phase III?

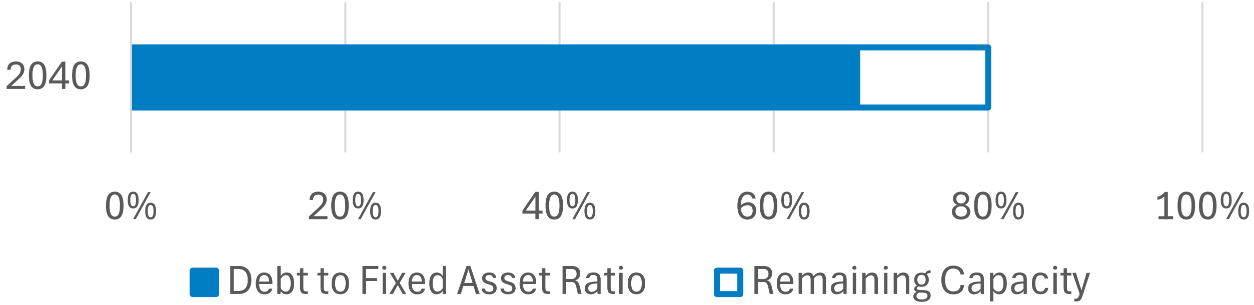
There isn't much discussion of Phase II and Phase III. What will those cost? How does the plan account for them?



- Phase II and Phase III are conceptual – they don't have formal project definitions necessary to develop the type of cost projection we have for Phase I
- The work necessary to define those costs will be done in the coming years
- Financial model includes conceptual-level cost assumptions

Recommended Strategy:

Preserve capacity in Phase I for what comes next



Plan Update Activities & Recommended Funding Strategy

Staff are:

❖ Updating the Funding Plan analyses so that all aspects match the 2027-2028 Budget materials

❖ Incorporating feedback received into the Plan

❖ Preparing supplemental information that has been requested

Based on updated analysis and feedback received, we are not proposing changes to the Recommended Funding Strategy that was presented in May.

CASCADE WATER ALLIANCE

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 & July: Incorporate feedback from Member Staff, Committee, & Board
- ❑ July 31: transmit *Draft Final* Capital Funding Plan to Board & Member Staff
- ❑ September 1: Requested deadline for final comments on Plan
- ❑ September 23: Anticipated adoption of Plan

Thank You

CASCADE
WATER ALLIANCE

CASCADE
WATER ALLIANCE

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, July 9, 2026
10:00 AM – 11:30 AM
Held at Cascade's office and via Zoom

Attendance: Jon Ault, Dennis Martinez

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: *Seattle Public Utilities provided an update on water supply conditions. Due to the cool, wet weather we experienced in late June, water consumption was lower than it was during the same time period last year, which has led to reservoir levels being higher than they were this time last year. Seattle Public Utilities expects to have enough water for people and fish this year.*

   B. **Milfoil Update.** Staff will provide an update on milfoil treatment in the Lake Tapps Reservoir.

   Recap: *Staff presented an update on the aquatic plant treatment program at the Lake Tapps Reservoir. Milfoil is treated to keep the reservoir healthy. It was treated with Procellacor on June 22, and the next phase of treatment is anticipated in August.*

5. **Items Recommended for Action at the July 22, 2026 Board Meeting.**

   A. **Independent Supply Production Waiver.** Cascade staff recommend adoption of a resolution waiving independent supply production requirements for 2027 and 2028.

Recap: *Staff presented the independent supply production waiver for consideration by the committee. As a result of Cascade's block contract with Seattle and the success of ongoing conservation efforts, Cascade currently has sufficient capacity to waive the independent supply production requirements that Members are obligated to meet. Consistent with Cascade Code, the current waiver applies only to the upcoming biennium. The Board has formally waived these production requirements since 2014. The committee considered the waiver and recommended it be placed on the Board consent agenda this month.*

6. Other Issues.

A. Project Added to the Capital Improvement Program (CIP).

Recap: *Staff notified the committee that an additional CIP project has been identified since the committee last received a CIP presentation. The project is to a permanent solution to eliminate the leakage in the 6' valve located in Wolslegal Basin, part of the White River-Lake Tapps Reservoir system.*

7. Next Meeting Date and Location.

The next meeting will be Thursday, August 13, 2026, 10:00 a.m. – 11:30 a.m. at Cascade's office and via Zoom.

CASCADE WATER ALLIANCE

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 Recap
Wednesday, July 8, 2026
2:00 PM – 3:30 PM
Held at Cascade's Office and via Zoom

Attendance: Dave Hamilton, Jon Ault, Vishal Bhargava, Mark Mullet

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 an update on the alternatives analysis "heat map" process that is underway by the Program and Engineering Support team and subject matter experts. Criteria developed by subject matter experts from eight disciplines are being developed into GIS layers, which will be overlayed to identify potential least-impact corridors and tank sites. There was additional discussion on how GIS identifies the least impact pathway for both the corridor and tank sites based on future weighting of criteria.*

   Flow allocation and demand analysis were introduced as a topic that will result in development of the Member flow allocation strategy, transmission system sizing, and decisions that may impact long-term conveyance, resiliency criteria, and operational independence from Seattle Public Utilities over time. Staff conveyed that engagement with Members will be necessary over the coming year and a half to fully develop this strategy.

   Lastly, staff shared an update on the Board Oversight Plan and future Member Staff workshop.

5. **Monthly Key Performance Indicators Review.**

A. **Three-month SPOC lookahead**

Recap: *Staff presented the three-month lookahead for the SPOC meetings. Committee Chair Dave Hamilton noted that the Board will decide if there will be an August recess for Board and Committee meetings.*

B. **Program & Engineering Services (PES) Cost Performance.**

Recap: *Staff provided an update on the PES contract financial performance.*

C. **Risk Discussion**

Recap: *Staff described the format for risk presentation and presented four risks with either a high likelihood or impact for the SPOC to review. The description, consequences, preliminary response plan, and anticipated Board action, if any, were discussed in detail. Individual risks may be brought forth multiple times throughout the life of the program as the risk evolves or the mitigation strategy changes. In future meetings, staff will ask for direction on which risks to bring to the Board each month. Staff also noted an upcoming risk workshop with subject matter experts to identify and define potential risks. Committee members recommended quantifying risk impacts as soon as possible, noting who owns the actions, and providing reminders of the risk score in future discussions.*

6. **Discussion Items and Presentations.**

A. **Member SharePoint.** Staff are developing a SharePoint site for all MST, Member staff, and Board members to access program documents. Invites will be going out soon, this will serve as an introduction to what can be found on the site.

Recap: *Staff provided an update and sneak preview of the Member SharePoint site.*

B. **Quarterly Update.** During the Board Oversight Workshop, there was a request for a more in-depth review of the program on a quarterly basis. The monthly Board reports are a recap of the past month, the Quarterly Update will provide a program lookahead. This discussion will serve as a preview for what will be presented to the Board as the Quarterly Update.

Recap: *Staff reviewed the eight topics that may be presented in each quarterly update: Cost, Schedule, Planning, Real Estate, Permitting, Communications and Outreach, Design, and Construction. At this time, cost included a review of PES spending and projections for the remainder of the year as well as the plan for funding program management reserve. Schedule focused on the timing of anticipated Board direction or action for upcoming work. The concept of a two-part alternatives analysis and timing of reports/decisions was discussed for the planning task. Other topics included a* *description of upcoming work for the remainder of the year and highlighted which Member groups will be engaged in each topic. Committee feedback was positive and included a request for a timeline on each topic slide, any significant changes, and kudos.*

C. **Bond Overview.** Staff will provide background information on utility revenue bonding and provide a tentative schedule for the 2026/2027 bond process.

Recap: *Staff provided a high-level review of the utility revenue bonding process, including background on why bonding is used and the anticipated uses for the proceeds of the upcoming bond.*

7. **Items Recommended for Action at the July 22, 2026 Board Meeting.**

   A. **None.**

8. **Other Items.**

9. **Next Meeting Date and Location.**

The next meeting will be Wednesday, August 12, 2026, 2:00 p.m. – 3:30 p.m. at Cascade's office and via Zoom.

Recap: *Committee Chair Dave Hamilton noted that the Board will decide at the July Board Meeting if there will be a recess for the Board and Committee meetings in August.*