



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

1. CALL TO ORDER

At 3:32 p.m. Chair Birney called the meeting to order.

2. ROLL CALL

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

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

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

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

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

6. CHIEF EXECUTIVE OFFICER REPORT

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

7. CONSENT ITEMS

- A. Board Meeting Minutes for June 24, 2026.
- B. Motion to adopt Resolution No. 2026-10, authorizing a two-year extension of the independent supply production waiver.

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

8. OTHER ACTION ITEMS

- A. 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.

Andy Baker, Economist, presented two options for making declarations of official intent to reimburse capital expenditures from future bond proceeds. He explained that because capital expenditures were occurring more frequently, requiring Board approval for each reimbursement declaration would create unnecessary administrative burden. Staff recommended authorizing the Chief Executive Officer to make future declarations while providing written notification to the Board within thirty days.

Finance & Intergovernmental Committee members reported that the committee unanimously supported the recommendation after requesting the additional written reporting requirement. Board Members discussed the importance of maintaining oversight while allowing staff to administer routine procedural actions more efficiently. Staff emphasized that the authorization would not permit expenditures beyond those already approved by the Board and could be rescinded by the Board at any time.

Motion by Mr. McLeod and second by Mr. Ault 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. Motion carried unanimously (7-0).

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

Mr. Baker presented the proposed annual transfer to the Cascade Water Supply Development Fund (WSDF) and the required biennial report on the fund. He explained that the recommended transfer of \$1,816,460 consisted of budgeted contributions and shared benefits resulting primarily from operational savings. He also reviewed the current status of the fund, noting that Cascade was transitioning from accumulating reserves toward utilizing the fund to support future supply development activities.

Committee members reported that the Finance & Intergovernmental Committee unanimously recommended approval of the transfer. Board Members discussed the role of the WSDF in supporting long-term financial stability and preparing for future capital expenditures.

Motion by Mr. McLeod and second by Mr. Pascal to adopt Resolution No. 2026-12, authorizing transfer of \$1,816,460 to the Cascade Water Supply Development Fund for

2026. Motion carried unanimously (7-0).

9. STAFF PRESENTATIONS

A. Cascade Supply Program Quarterly Update

Staff presented the first quarterly Cascade Supply Program update, providing an overview of progress on program planning, cost, schedule, communications, permitting, real estate, design, and construction readiness. Staff explained that future monthly updates would focus on recent accomplishments, while quarterly updates would provide a broader look ahead at upcoming activities and Board decisions.

Board Members expressed appreciation for the new reporting format and discussed ways to improve future presentations. Members requested a high-level "blueprint" illustrating the overall program process and timing of major decisions. They also requested clearer descriptions of upcoming policy documents, including their intended purpose, expected content, and how each document would guide future Board actions.

Board Members further discussed the importance of documenting comments received from Member agencies. Several Board Members recommended creating a standardized comment tracking matrix showing each comment received, staff's response, and any resulting revisions.

Another suggestion was to include a frequently asked questions section in major policy documents to summarize recurring issues and staff responses.

Staff agreed with the recommendations and indicated they would continue refining the reporting process and document formats before bringing future policy documents to the Board.

B. Draft Final Budget, Rates, and Regional Capital Facilities Charges

Mr. Baker presented the draft final 2027–2028 operating and capital budgets, proposed wholesale water rates, and Regional Capital Facilities Charges. He reported that although Seattle Public Utilities had recently notified Cascade of substantially higher purchased water operating costs than previously anticipated, staff had developed a strategy that would allow Cascade to maintain the proposed 9.5 percent rate increases without affecting the 2027 or 2028 budgets. He explained Seattle had agreed to defer implementation of the higher operating costs until 2028 while staff completed additional financial analysis.

Board Members expressed concern regarding the timing of Seattle Public Utilities' notification, noting the information was received late in Cascade's budget development process. Members emphasized the importance of improving communication and coordination with Seattle Public Utilities to provide greater certainty during future budget development.

The Board also discussed the importance of incorporating lessons learned into Cascade's developing relationship with Tacoma Public Utilities and establishing clear communication expectations with wholesale partners. Staff indicated they intended to work with Seattle on improving communication protocols and would also incorporate similar expectations into future agreements with Tacoma.

C. Capital Funding Plan Update

Mr. Baker provided an update on the Capital Funding Plan and summarized the extensive outreach conducted with Member agencies, committees, and elected officials. He reviewed several recurring themes from stakeholder feedback, including support for maintaining financial flexibility, limiting long-term reliance on debt, continuing to update the plan as project information becomes more certain, and presenting increasingly simplified materials as planning progresses.

Staff also addressed questions regarding the plan's assumption that Cascade would receive WIFIA financing. Mr. Baker explained the recommended funding strategy intentionally reflected pursuit of federal financing while also maintaining a financially sustainable alternative should that funding not materialize. He noted that staff would continue pursuing additional grant opportunities throughout project development, although those funding sources were not expected to substantially alter the overall financial outlook.

Board Members discussed the importance of balancing conservative financial planning with maintaining eligibility for outside funding opportunities. Board Members also encouraged staff to continue simplifying future presentations and clearly identify key policy decisions for Board consideration as the program advances. They also encouraged staff to continue simplifying technical materials and clearly communicating assumptions as the project advances.

10. COMMITTEE REPORTS

- A. Executive Committee – No meetings held since the last Board meeting.
- B. Finance & Intergovernmental Committee – Meeting held July 21, 2026 (The meeting recap is to be included in the next Board Packet).
- C. Resource Management Committee – Meeting held July 9, 2026. The meeting recap was included in the Board Packet.
- D. Supply Program Oversight Committee – Meeting held July 8, 2026. The meeting recap was included in the Board Packet.

11. NEW BUSINESS

No new business was brought before the Board.

12. NEXT REGULAR MEETING

Chair Birney noted that the next regular Board meeting was scheduled for August 26, 2026; however, there were no items requiring Board action.

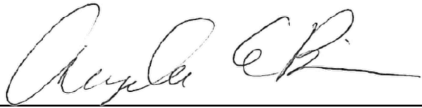
Motion by Mr. McLeod and second by Mr. Hamilton to cancel the August Board and Committee meetings. Motion carried unanimously (7-0).

The next regularly scheduled Board meeting will be held on September 23, 2026 at 3:30 p.m.

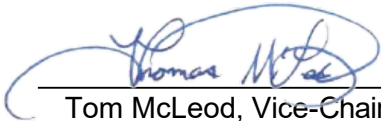
13. ADJOURN

The meeting adjourned at 4:59 p.m.

APPROVED BY:



Angela Birney, Chair



Tom McLeod, Vice-Chair