CASCADE WATER ALLIANCE

MEETING MINUTES OF THE BOARD OF DIRECTORS VIA HYBRID SEPTEMBER 23, 2026

1. CALL TO ORDER

At 3:30 p.m. Vice-Chair McLeod called the meeting to order.

2. ROLL CALL

Board Members Present: City of Issaquah (Mullet), City of Kirkland (Pascal), City of Redmond (Birney[1]), Sammamish Plateau Water & Sewer District (Warren), Skyway Water and Sewer District (Ault), City of Tukwila (McLeod)
Board Member Absent: City of Bellevue (Hamilton)
Board Alternates Present: City of Bellevue (Bhargava), City of Kirkland (Curtis), City of Redmond (Nuevacamina), Sammamish Plateau Water & Sewer District (Hooshangi)

3. PUBLIC COMMENT

None.

4. EXECUTIVE SESSION

None.

5. APPROVAL OF AGENDA

Motion by Ms. Nuevacamina and second by Mr. Pascal 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.

7. CONSENT ITEMS

A. Board Meeting Minutes for July 22, 2026.
B. Motion to authorize the Chief Executive Officer to execute an agreement for up to $100,000 with Northwest Municipal Advisors to serve as financial advisors for the upcoming bond issuance.
C. Motion to authorize the Chief Executive Officer to amend the On-Call Civil, Mechanical, and Structural Engineering Agreement with Parametrix, Inc. to extend the contract term through December 31, 2027, amend the scope of services, and increase

[1] Alternate Board Member Nuevacamina voted on behalf of the City of Redmond.

the contract amount by up to $330,000, for a total contract maximum of $980,000.

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

8. OTHER ACTION ITEMS

A. Motion to adopt Resolution No. 2026-13, amending Cascade Water Alliance Code Sections 2.05.170, 5.05.020, 5.05.030, 5.05.070, 5.05.080, 5.10.020, and 5.65.040 and rescinding Resolution 2018-20.

Motion by Mr. Pascal and second by Ms. Nuevacamina to adopt Resolution No. 2026-13.

Andy Baker, Economist, explained that the resolution addresses three items. It renames the Rate Stabilization Fund as the Coverage Stabilization Fund to clarify that its purpose is stabilizing debt service coverage and amends the fund's target balance to support the proposed strengthened bond coverage covenant. It also makes non-substantive housekeeping corrections where the Code had not been updated to reflect prior Board actions. There were no questions from Board Members.

At the question, motion carried unanimously (7-0).

B. Motion to adopt Resolution No. 2026-14 adopting the 2026 Capital Funding Plan and amending Chapters 4.05 and 4.15 of the Cascade Water Alliance Code.

Motion by Mr. Pascal and second by Ms. Nuevacamina to adopt Resolution No. 2026-14.

Mr. Baker noted that the Capital Funding Plan is required by the Code and outlines the planned use of cash, debt, grants, and loans for the Cascade Supply Program. It will be updated at least biennially, does not bind the Board to future design decisions, and does not authorize capital expenditures. He reported no changes to the underlying numbers since the July draft; the recommended strategy still reflects 9.5 percent rate increases in 2027 and 2028. The final plan addresses member comments and adds appendices, including an updated comment log and supplemental data requested by members.

Motion by Mr. Pascal and second by Mr. McLeod to amend by substituting Resolution No. 2026-14A.

Mr. Pascal said that Resolution No. 2026-14A, developed jointly by Kirkland and Cascade staff, adds policy statements to the recitals ensuring Phases 1 and 2 are forward-compatible, so no member must reconfigure its local system to connect to the new transmission line, and that all members share the costs of future phases regardless of when they connect. He also encouraged continued conversations with Seattle and Tacoma on shared regional infrastructure.

Mr. Taylor thanked Kirkland for its collaborative approach, and Mr. Bhargava expressed Bellevue's support. Ms. Nuevacamina expressed Redmond's support for the amended resolution, noting the plan does not bind the Board to specific designs, contracts, or expenditures.

At the question, motion carried unanimously (7-0) to amend Resolution No. 2026-14 by substituting Resolution No. 2026-14A.

At the question, motion carried unanimously (7-0) to adopt Resolution No. 2026-14A.

C. Motion to adopt Resolution No. 2026-15 adopting the 2027 – 2028 Cascade Budget.

Motion by Ms. Nuevacamina and second by Mr. Pascal to adopt Resolution No. 2026-15.

Mr. Baker reported one change since July: the purchased water line item increased after Seattle Public Utilities notified Cascade of higher water treatment operating costs, which Cascade shares under its contract. The impact is minimal in 2027 and significant in 2028, continues into future years, and was already reflected in the Capital Funding Plan analyses. The Capital Improvement Program budget is unchanged.

Mr. Pascal explained that Resolution No. 2026-15A, also developed with Cascade staff, directs a study of member systems' local connection points and other key information to inform Phase 1 decisions and Phase 2 routing, with the goal of avoiding costly local system reconfiguration. The report will be presented in time for Board discussion of the 2029–2030 biennial budget. Staff expressed support.

Motion by Mr. Pascal and second by Ms. Nuevacamina to amend by substituting Resolution No. 2026-15A.

At the question, motion carried unanimously (7-0) to amend by substituting Resolution No. 2026-15A.

Mr. Warren presented two amendments proposed by Sammamish Plateau Water. The first would identify and segregate costs related to the Seattle and Tacoma contracts and the Cascade Supply Program capital program, providing more clarity in how costs and resources are allocated without requiring a segregated demand charge. Mr. Warren did not move this amendment after staff committed to undertaking this work with member staff.

The second amendment builds on the Kirkland amendment and directs a Strategic Options Paper to continue evaluating supply and infrastructure opportunities as Phase 1 is implemented. The objective is to identify options that could save costs, delay expenditures, and provide flexibility for the future. Mr. Warren noted it is a paper, not a plan, and does not bind the Board. Mr. Taylor expressed support, noting it reflects what he has heard from most member jurisdictions, and Mr. Pascal asked that it also inform continued conversations with Seattle Public Utilities and Tacoma.

Motion by Mr. Warren and second by Ms. Nuevacamina to amend Resolution No. 2026-15A to add Section 6, directing the Chief Executive Officer to develop a Strategic Options Paper by the end of 2027 and update it annually through Phase 1 of the Cascade Supply Program.

At the question, motion carried unanimously (7-0) to amend Resolution No. 2026-15A.

At the question, motion carried unanimously (7-0) to adopt Resolution No. 2026-15A, as amended.

D. Motion to adopt Resolution No. 2026-16 adopting the 2027 and 2028 rates and charges.

Motion by Ms. Nuevacamina and second by Mr. Pascal to adopt Resolution No. 2026-16.

Mr. Baker reported no changes from July. The rates reflect Cascade-wide average increases of 9.5 percent in each year, with individual member increases varying based on demand and equivalent residential units. The finalized derivation of member charges memorandum reflects discussions with member staff since the May draft.

At the question, motion carried unanimously (7-0).

E. Motion to adopt Resolution No. 2026-17 establishing the Regional Capital Facilities Charge for 2027 and 2028, at $10,622 and $12,747 per Cascade Equivalent Residential Unit respectively.

Motion by Ms. Nuevacamina and second by Mr. Mullet to adopt Resolution No. 2026-17.

Mr. Baker reported the charges are unchanged from July and are based on Cascade's adopted methodology, which uses a proportional share of existing and planned infrastructure costs. Staff is coordinating with member staff on outreach to the development community.

At the question, motion carried unanimously (7-0).

F. Motion to adopt Resolution No. 2026-18, authorizing the borrowing of money and the issuance and sale of water system improvement and refunding revenue bonds.

Motion by Ms. Nuevacamina and second by Mr. Pascal to adopt Resolution No. 2026-18.

Mr. Baker explained that the resolution authorizes up to $50 million for Tacoma long-term supply capacity payments, up to $50 million for Capital Improvement Program projects, and up to $2.4 million to refund the 2014 bonds, with closing anticipated November 5, 2026. Given current market conditions, staff plans to issue about $52 million for current needs and defer the refunding and Tacoma prepayments. The resolution also strengthens the debt service coverage covenant to align with Cascade's policy and industry practice.

Board Members asked about call provisions, the revised covenant, and timing. Staff explained the bonds will be 30-year bonds with a 10-year call. Mr. Mullet questioned the advice to close before the November election, and staff acknowledged market uncertainty while relying on the bond team's advice. Staff confirmed that any additional issuance would require Board authorization and will keep the Board informed through weekly reports.

At the question, motion carried unanimously (7-0).

9. STAFF PRESENTATIONS

A. Cascade Supply Program Land Acquisition Strategy

Brian Bartle presented the draft Land Acquisition Strategy, including an opportunity for member

agencies to provide public land for a future tank site and options for delegating settlement authority to the Chief Executive Officer. Staff recommended allowing the Chief Executive Officer to approve settlements up to $150,000 and 50 percent over the initial offer. Comments are due September 30, with Board action planned for October.

10. COMMITTEE REPORTS

A. Executive Committee – No meeting held.

B. Finance & Intergovernmental Committee – Meetings held July 21, 2026 and September 15, 2026. The meeting recaps were included in the Board Packet.

C. Resource Management Committee – Meeting held September 10, 2026. The meeting recap was included in the Board Packet.

D. Supply Program Oversight Committee – Meeting held September 9, 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

The next regularly scheduled Board meeting will be held on October 28, 2026 at 3:30 p.m.

13. ADJOURN

The meeting adjourned at 5:12 p.m.

APPROVED BY:

Angela Birney, Chair

Tom McLeod, Vice-Chair