



# Cascade Water Alliance

Informational Briefing to Redmond City Council  
February 13, 2024

# Agenda

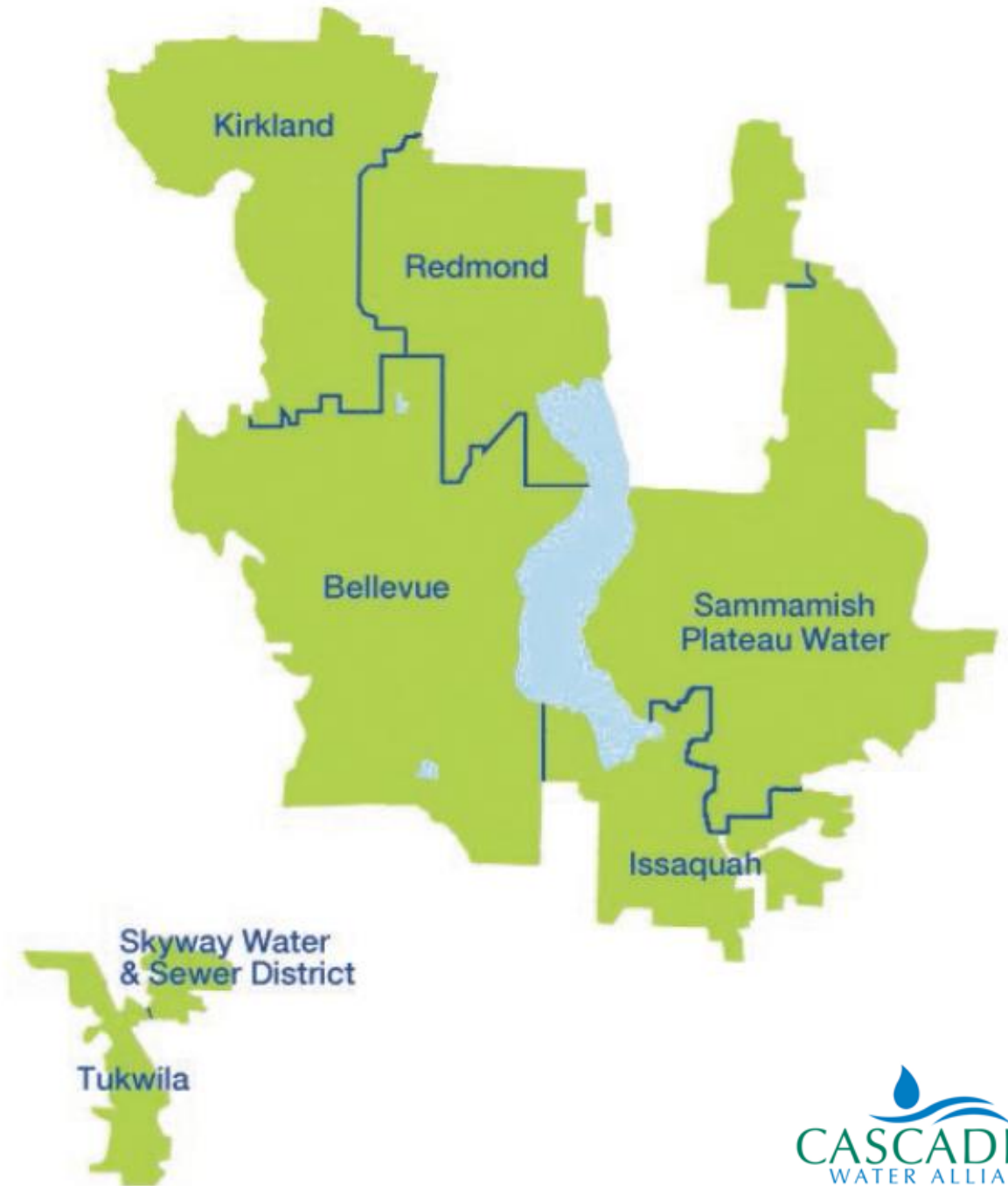
1. Overview of Cascade Water Alliance and current water supply.
2. Summary of Seattle's and Tacoma's water supply proposals.
3. Timeline and next steps.





# Cascade Water Alliance

- One of the “big four” water suppliers.
- Seven member agencies.
- Serves 380,000 people, 20,000 businesses.
- Governed by Board of Directors of members’ elected officials.
- Created to provide members with a voice and a vote.
- Contracted water with Seattle.
- Lake Tapps acquired as future source.



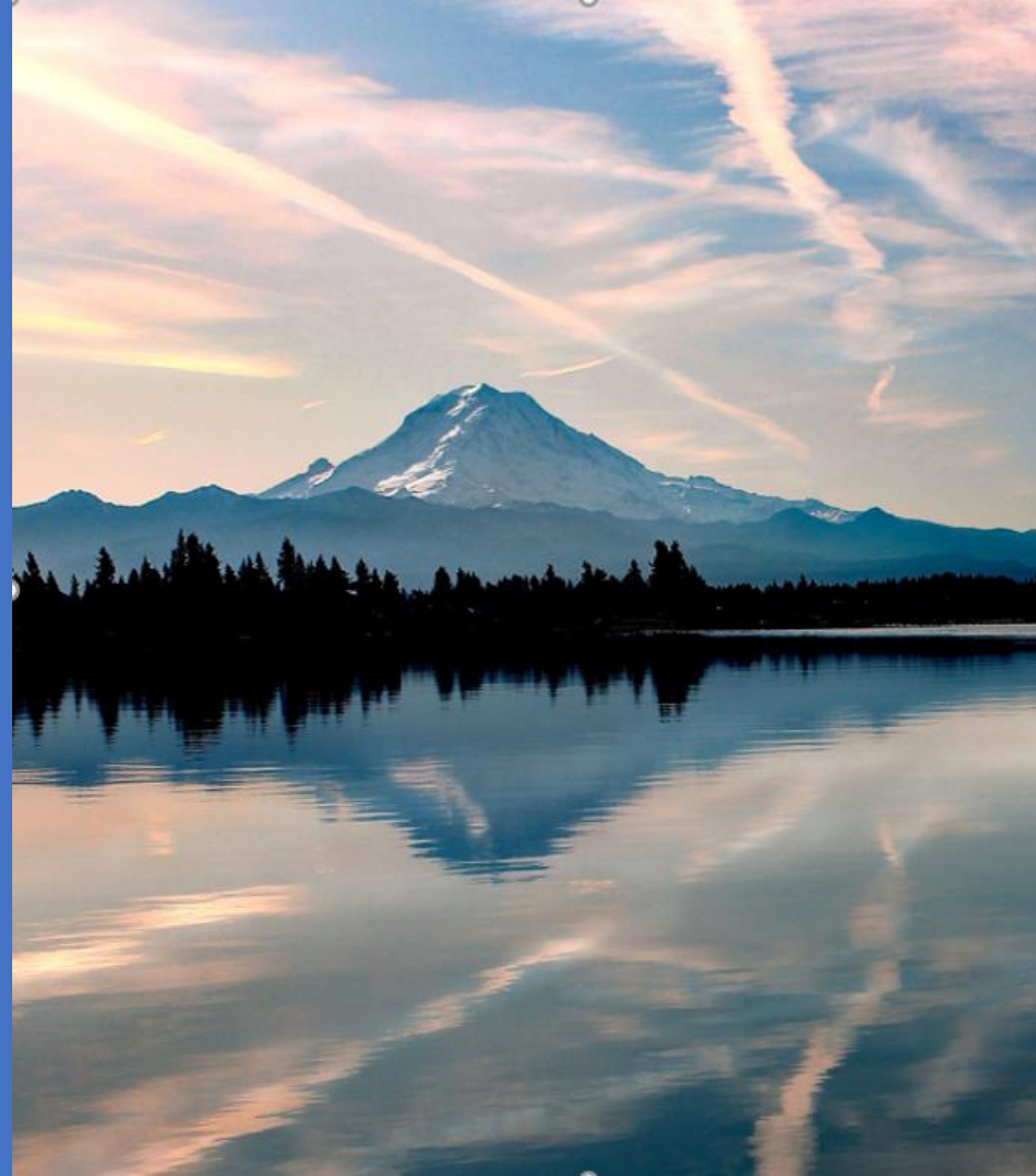


# Cascade's Work

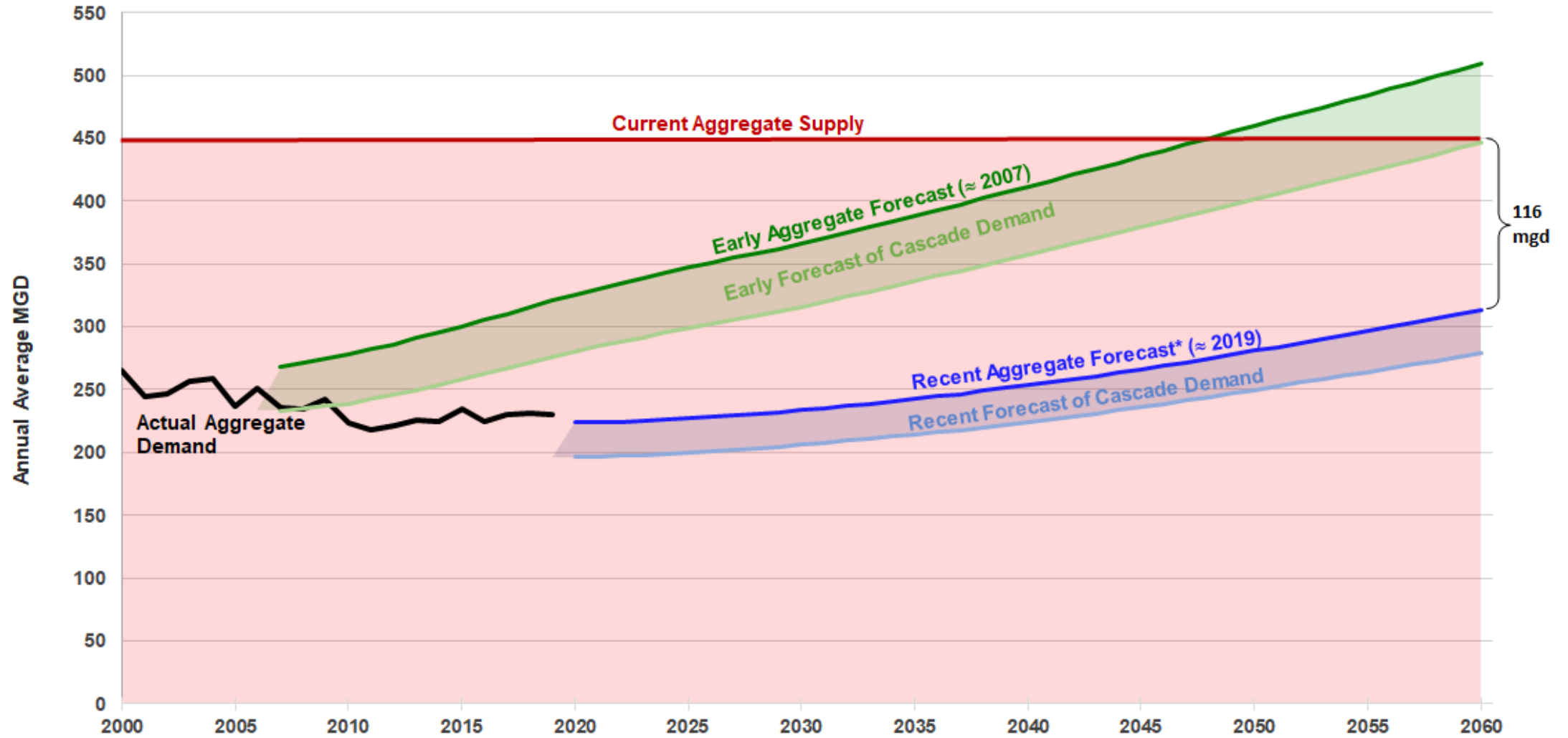
- Operation, maintenance, and capital improvements of Lake Tapps Reservoir assets and Bellevue-Issaquah Pipeline.
- Water efficiency programs.
- Member, Lake Tapps, and stakeholder communications and outreach.
- Financial management.
- Property management.
- Long-term planning.
- Water supply contract management.

# Water Supply

- Contracted water supply from Seattle declines in 2039, ends in 2063.
- Independent supplies from Redmond and three other member agencies.
- Business model: Use regional water to bridge demand until Lake Tapps is operational.
- Ample regional water through 2060.
- Seattle extension or new Tacoma contract allows build out of Lake Tapps to be delayed past 2042:
  - Estimated cost of \$2B for transmission pipes, treatment plant, other facilities for Lake Tapps



## Seattle-Tacoma-Everett Aggregate Supply and Projected Demand



\* The sum of the forecasts from each supplier's most recent water system plan





# Board Direction

Contracts should produce these benefits:

- 20-year or longer term to delay build out of Lake Tapps.
- Reasonable and predictable costs.
- Improved financial outlook over building Lake Tapps by 2042.
- Flexibility to adapt to changing circumstances.
- Regional partnership opportunities.

# Water Supply Proposals

## Seattle

- 10-year guaranteed extension (2040-2049)
  - \$14M additional payment
- Two five-year conditional extensions (2050-2054 and 2055-2059)
  - Potential additional \$20M for first extension
- 40-year conditional contract for individual members (2060-2099)
  - 25% rate premium
  - Requires intertie agreement with another utility by 2044 for additional supply
- 40-year option potentially avoids building out Lake Tapps; other options result in building out Lake Tapps in a compressed timeframe

## Tacoma

- 20-year guaranteed contract (2040-2059)
  - Rates about 20% below Seattle
- Five-year likely extension (2060-2064)
- Allows Lake Tapps to be built out in two phases:
  - 2/3 of transmission pipes in 2030s to connect to Tacoma and later used for Lake Tapps
  - 1/3 of transmission pipes to connect to Lake Tapps plus treatment plant in 2050s



# Water Supply Proposals - Financials

## Seattle

- 10-year guaranteed extension
  - \$53M savings versus building out Lake Tapps by 2042
  - Major rate spike in 2040s during Lake Tapps construction
- Two five-year conditional extensions
  - \$132M savings versus building out Lake Tapps by 2042
  - Major rate spike in 2050s during Lake Tapps construction
- 40-year conditional contracts
  - \$907M savings (assumes no Lake Tapps)
  - Steady upward rate trend

## Tacoma

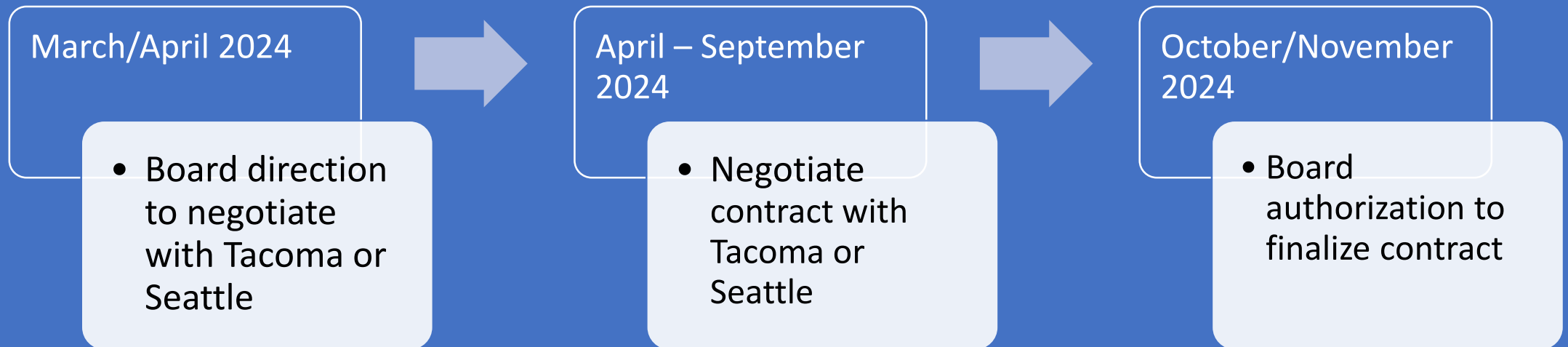
- 25-year contract
  - \$299M savings versus building out Lake Tapps by 2042
  - Moderate rate increases spread out over more time



# Benefits of Tacoma's Proposal

- Longer supply certainty plus flexibility.
- More cost-effective and lower rate profile (except versus Seattle's 40-year conditional option, which has low probability of occurring).
- Lower construction risk because two phases to build out Lake Tapps.
- Opportunity for regionalism and improved resiliency.

# Timeline for Cascade's Board Decision





Thank you for  
your time.

Any questions?

