

Update on Negotiations between the Cascade Water Alliance and Tacoma Water

Public Utility Board Study Session
2/12/25

Cascade Water Alliance



Alliance Members

Includes several Puget Sound Water Purveyors

Cascade & Tacoma Water Contract

Wholesale water contract created in 2005 and the agreement was restated in 2012

Cascade & Seattle Public Utilities Contract

Currently contracted with Seattle Public Utilities (SPU) for 33.3 MGD* through 2040 (Take-or-Pay). Allocation from SPU begins to decrease in 2040 by 1 or 2 MGD per year until it reaches 5.3 MGD.

Cascade Owned Water Supply

Cascade owns water rights to Lake Tapps and has future plans for Lake Tapps to be a municipal water supply.

*Millions of Gallons per Day

Key Contract Terms and Volumes



| Revenue Stream | | Average Supply (MGD) | Peak Supply (MGD) | Term |
|-----------------------------------|--|----------------------|-------------------|------------|
| Permanent Agreement | <ul style="list-style-type: none"> • System Development Charge • Volumetric Charge • Monthly Fixed Charge | 12.0 | 15.0 | Perpetual* |
| Temporary Market Agreement | <ul style="list-style-type: none"> • Capacity Reservation Fee • Volumetric Charge • Monthly Fixed Charge • 2012 Restated Agreement | 12.0 | 17.5 | 2041-2062 |
| Total | | 24.0 | 32.5 | |

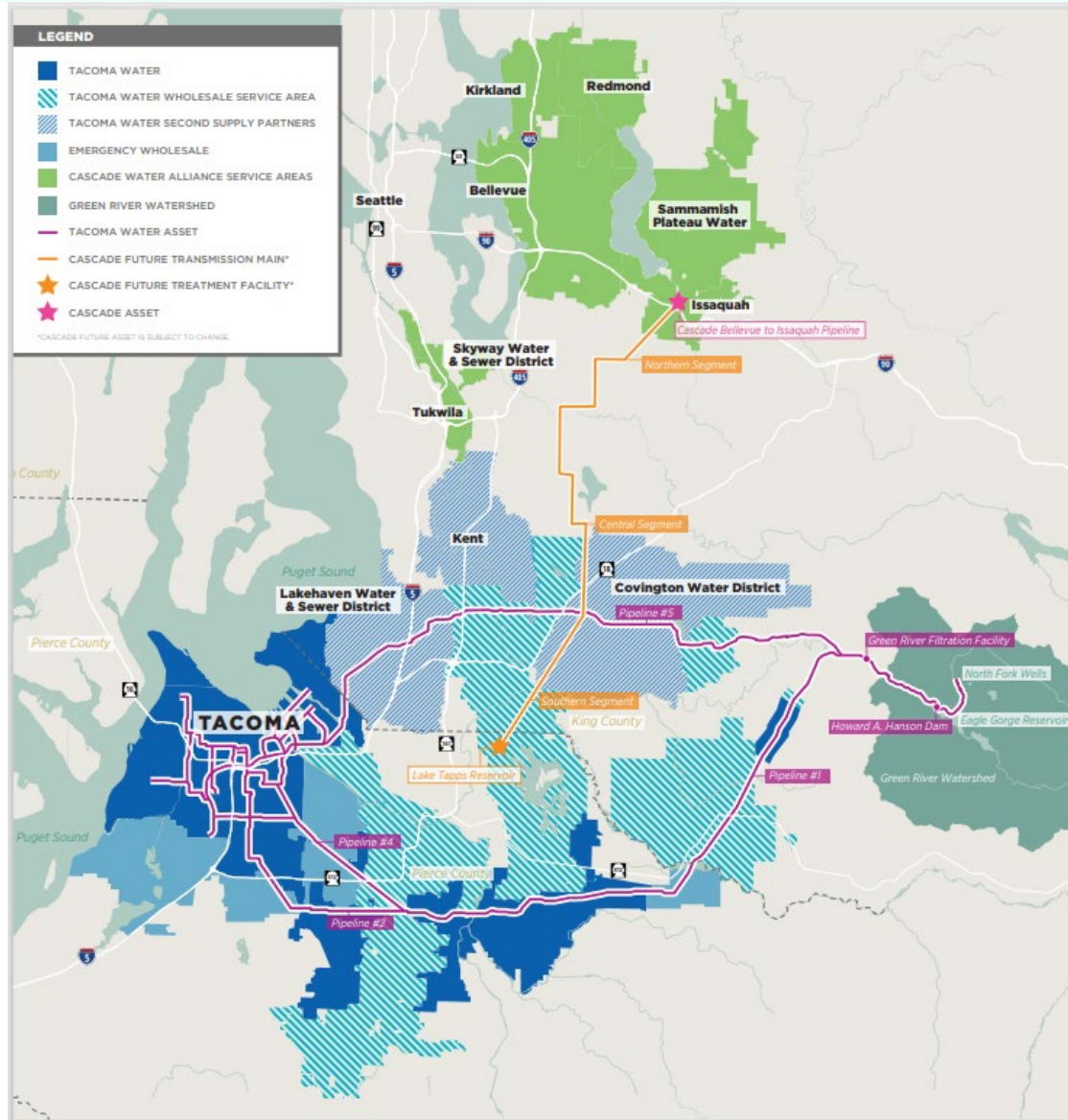
Notes for Comparison Purposes:

- WestRock Pulp and Paper Mill used roughly **16 MGD prior to closure**
- 2024 Tacoma System Peak Day Demand was **73 MGD on July 8th**

Source: Tacoma Water Annual Consumption Dashboard

*Begins when signed

Appendix: Map of Future Infrastructure



Timeline



| Meeting | Date |
|--|-----------|
| Joint Study Session* | 2/11/2025 |
| Infrastructure Planning and Sustainability Session* (Council Subcommittee) | 2/12/2025 |
| Board Study Session* | 2/12/2025 |
| Government Planning & Finance Committee Session (Council Subcommittee)* | 2/18/2025 |
| Board Meeting: (Board Approval)* | 2/26/2025 |
| City Council meeting (First Reading) | 3/11/2025 |
| City Council meeting for (Second Reading) | 3/25/2025 |

*Meeting Has Been Scheduled.

Both Temporary and Permanent Agreements Must be Approved Together.