CASCADE WATER ALLIANCE AGREEMENT

February 2025

Tacoma Water is negotiating a proposed wholesale water supply agreement in partnership with the Cascade Water Alliance (Cascade). Under this proposed wholesale water supply agreement, Tacoma Water would deliver water to the edge of our service territory, and Cascade would then deliver this water to their members. Under the agreement, Cascade would receive a small portion of water in 2041 and steadily increase their delivery to 24 million gallons per day on average by 2060. After 2062, delivery to Cascade would be reduced to 12 million gallons per day (MGD) on an average day.

Currently, there is no infrastructure connecting the Tacoma and Cascade systems. Cascade would need to finance, construct, operate, and maintain a water transmission main from Tacoma's pipeline 5 to Cascade's infrastructure to deliver water to their service territory.

Tacoma Water will use revenues from this supply agreement to fund improvements to the Tacoma Water system and mitigate future rate increases. Tacoma Water will continue to adhere to stringent water quality requirements as specified by the Environmental Protection Agency, the Washington State Department of Health, and the Tacoma Pierce County Health Department.

B E N E F I T S FOR OUR CUSTOMERS =



Use surplus infrastructure capacity and supply **efficiently**.



Position us for future regional water projects and shared investments in infrastructure.



Generate revenue and stabilize rates. Help to **keep rates lower** for residential, wholesale and business customers over time.



Support regional conservation efforts and coordinate more effective water management practices.



Diversify our customer base and sources of revenue to **enhance financial resiliency**.



Enhance our supply resiliency through broader access to regional supply to mitigate regional climate change, drought, wildfire, quality, and seismic vulnerabilities.

PROJECT TIMELINE

Cascade begins design and construction of their transmission system.

2030

Temporary supply to Cascade ends. Deliveries to Cascade will not exceed 12 MGD*-Average Day and 15 MGD-Peak Day.

2062

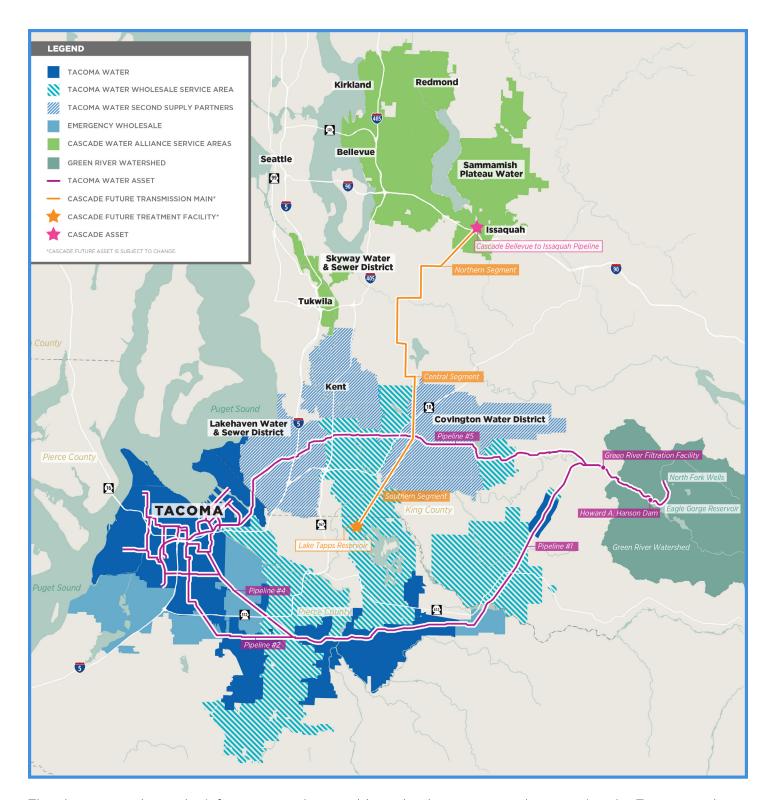
2025-2026

Contract agreement between Tacoma Water and Cascade Water Alliance is approved by Tacoma City Council and Tacoma Public Utilities Board. Cascade begins payments to Tacoma Water.

2041

Cascade's Transmission system is completed and water delivery from Tacoma begins.

*Million gallons per day



The above map shows the infrastructure that would need to be constructed connecting the Tacoma and Cascade systems. Cascade would need to finance, construct, operate and maintain a water transmission main from Tacoma's pipeline 5 to Cascade's customers.