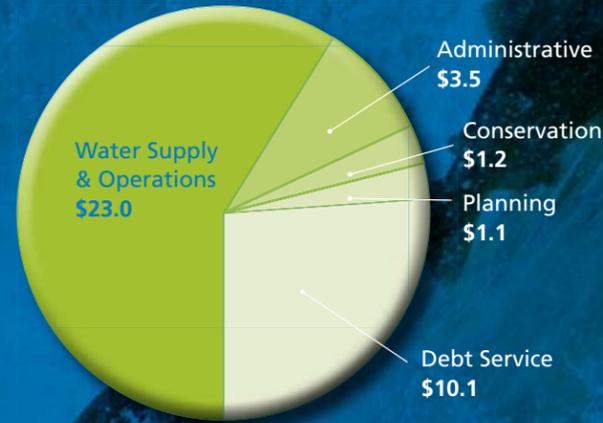


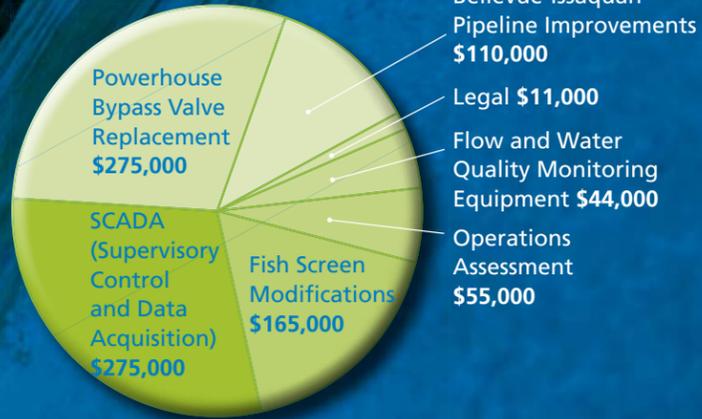
2011 Finance and Budget

Cascade sells water wholesale to its members, which sell water to individual residents and businesses. The Board adopts a biennial budget and sets rates annually.

2011 Operating and Debt Service Budget \$ in millions (\$38.9 million total)



2011 Capital Budget (\$935,000 total)



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520 112th Street, Suite 400
Bellevue, WA 98004

cascadewater.org



2011 REPORT TO THE COMMUNITY

A Message from Our Chair

With this report I complete my second term as Chair of Cascade. It has been an honor to serve Cascade since its beginning 12 years ago and be part of such phenomenal accomplishments as:



- Creating Cascade as a collaborative governance structure to deliver water to the region;
- Establishing a supply strategy ensuring this region has enough water for the 21st Century;
- Buying Lake Tapps for future water supply;
- Securing a water right for Lake Tapps so we can utilize regional water supplies efficiently and responsibly for people and the environment;
- Partnering with the Muckleshoot Indian Tribe and the Puyallup Tribe of Indians to enhance water flows and the environment in the White and Puyallup River watersheds; and
- Developing outstanding, enduring relationships with the neighborhoods and cities around Lake Tapps.

I will remain on the board representing the Sammamish Plateau Water and Sewer District, as water is in my blood and there is still much to do.

Lloyd Warren
Lloyd Warren
Chair, Cascade Water Alliance



Water for today...
and tomorrow

2011 Accomplishments



Cascade is creating a legacy for our future. Clean, safe and reliable water today, tomorrow and for the next century takes planning and investments today.

In 2011, we:

- Adopted a new strategic plan, comprehensive performance measures and work plans;
- Completed our Transmission and Supply Plan;
- Established a Water Shortage Management Plan;
- Created the authority to establish a new municipal utilities services authority under state law;
- Improved and enhanced the entire operation of the White River project;
- Further controlled milfoil;
- Enhanced Fish Passage Dam Barrier;
- Met agreements by maintaining in-stream flows and lake levels;
- Selected a new operator for the lake;
- Adopted a new reallocation formula to ensure equity in charges to our members;
- Worked with all partners around Lake Tapps to clarify roles and responsibilities as we work together to ensure the health and safety of Lake Tapps;
- Allowed the City of Bonney Lake to use Cascade's Dike 13 as a public park;
- Implemented a variety of conservation programs that saved 250,000 gallons of water per day, helping us put off the need to obtain or create additional water supplies for many years;
- Proposed a policy to protect our dike integrity and public safety around the lake;
- Celebrated 100 years of the White River Project with 500 neighbors; and
- Participated in the Central Puget Sound Water Suppliers Forum to ensure coordinated water planning for the entire region's future to make sure every drop of available water is used before a new supply is developed.

As we look ahead to 2012, our members will continue to work with our partners, local governments, the Lake Tapps community, and the Tribes. Cascade is proud of its regional governance structure that is working to establish a model of regional cooperation and effective public resource management that ensures safe, clean and reliable water to our members in a cost effective and environmentally responsible manner.



Chuck Clarke
CEO, Cascade Water Alliance



Conservation

Saving water today means less will have to be developed tomorrow.

Cascade programs resulted in savings of more than 250,000 gallons of water per day every day, which:

- Keeps water in streams and aquifers;
- Delays building new water supplies; and
- Continues to support the Northwest's ethic of resource stewardship.

How did Cascade and its 400,000 residents, 22,000 businesses and eight member agencies accomplish this?

- Repaired toilet leaks with Cascade's leak detection kits;
- Installed new WaterSense toilets;
- Improved the efficiency of sprinkler systems at homes and businesses;
- Installed water saving fixtures at businesses and apartment complexes; and
- Shared information with the public at events, farmers markets and on-line.

More information—and free conservation items—are available at cascadewater.org.



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Follow us on Twitter!



2011 Cascade Board Members

LLOYD WARREN
Board Chair

Commissioner, Sammamish Plateau
Water and Sewer District

JOHN MARCHIONE
Board Vice Chair

Mayor, City of Redmond

JIM HAGGERTON
Board Secretary/Treasurer
Finance and Management
Committee Chair
Mayor, City of Tukwila

GRANT DEGGINGER
Board Member
Public Affairs Committee Chair
Councilmember, City of Bellevue

DAVID KNIGHT
Board Member

Resource Management Committee
Chair

Commissioner, Covington Water
District

JON AULT
Board Member

President, Skyway Water and Sewer
District

PENNY SWEET
Board Member

Deputy Mayor, City of Kirkland

JOHN TRAEGER
Board Member

President, Issaquah City Council

Alternate Board Members

Robert Brady
Commissioner, Sammamish Plateau
Water and Sewer District

Jeff Clark
Commissioner, Covington Water
District

Joyce Clark
Vice President, Skyway Water and
Sewer District

Don Davidson
Mayor, City of Bellevue

Doreen Marchione
Councilmember, City of Kirkland

Hank Margeson
Councilmember, City of Redmond

Stacy Goodman
Councilmember, City of Issaquah

Verna Seal
Councilmember, City of Tukwila

Yesterday, Today and Tomorrow...

One hundred years ago, water was diverted from the White River creating Lake Tapps.

One hundred years ago a powerhouse was built, carved out of a desolate plateau with the promise of sustainable resources for the future.

That powerhouse still stands, and, in October 2011, more than 500 residents of the well-populated plateau came together as a community to celebrate the centennial of the marvel that is today the White River/Lake Tapps Reservoir Project.

What was begun a century ago at Lake Tapps has had a new beginning with Cascade ownership. Agreements with neighbors, the local tribes and neighboring cities mean a future rich with sustainable water for people, water for fish and water for fun—yesterday, today and tomorrow.

Cascade Water Alliance—Creating a lasting legacy by establishing a model for regional cooperation and effective public resource management.

Yesterday...

A century ago, Stone & Webster built the White River Project for the Pacific Coast Power Company to create a hydroelectric power plant. Four small lakes, Crawford, Kirtley, Church and Tapps were flooded to create the Lake Tapps reservoir. The facility was operated for power by Puget Sound Energy (PSE) until it became no longer economically feasible in 2004, and then the project was put up for sale.

Cascade provides safe, clean and reliable water to our members in a cost effective and environmentally responsible manner.

Today...

In need of future water supply, Cascade Water Alliance purchased the White River Project from PSE in late 2009. In 2011, one century after the project was completed; Cascade repaired the tailrace wall and maintained the lake at levels agreed upon by the community. Cascade entrusted Dike 13 to the City of Bonney Lake for use as a public park.

Working with the Puyallup Tribe of Indians and Muckleshoot Indian Tribe, Cascade enhances fish habitat, in-stream flows and the environment. Milfoil eradication efforts continue. At the end of 2011, Cascade selected a new operator for the system, Veolia Water North America.

Tomorrow...

Cascade continues its commitment to water for people, water for fish and water for fun today and tomorrow.

As outlined in its 2011 Transmission and Supply Plan, Cascade has sufficient water for the next century, so Cascade will not need to build a municipal water system at Lake Tapps for years. Cascade will continue to work with Seattle, Tacoma and Covington for future water supply, while helping communities around the lake make sure they have water for the future. A new policy on property management is intended to protect the long term water quality and public safety around the lake. It will require residents to obtain licenses from Cascade and all appropriate permits when constructing new docks, bulkheads and other improvements on Lake Tapps.

As a member of the Central Puget Sound Water Supply Forum, Cascade looks at water resources from a broad perspective—ensuring every available drop of water will be used before new supply is developed.

Future planning will help move water to where it is needed as all water suppliers are working together for efficient and cost-effective use of this precious resource—today and for the next century.