



2008 RCFC Fact Sheet

At the September 26, 2007 meeting, the Board of Directors unanimously approved a 7.5 percent increase in Cascade's Regional Capital Facilities Charge (RCFC), from \$5,297 per Cascade Equivalent Residential Unit (CERU) in 2007 to \$5,674 per CERU, effective January 1, 2008.

A CERU represents a typical single-family residence. (Customers with larger meters are assigned higher CERUs to reflect relative demand.)

What is the RCFC?

- The RCFC is the Cascade connection charge to Member agencies for new customers connecting to their water distribution systems. Each Member is responsible for collecting the RCFC for each new connection.
- The basis of the charge is a combination of past and future capital costs related to meeting the demands of new growth (i.e., growth pays for growth).
- The RCFC provides a source of funding for capital financing and it recovers an equitable level of investment in the system from new customers.

Why the increase?

- The 2008 increase is largely driven by a combination of:
 - Increased construction costs associated with the Tacoma-Cascade Regional Transmission Line. Design of the Central Segment has been completed and construction should begin next year.
 - The amount of the increase reflects a combination of increasing construction costs and inflation (4 percent).
- Cascade's fiscal policies are designed to promote financial integrity, stability, capital funding, rate equity, and direct the Board to adjust the RCFC to recover increased costs.

For more information contact: Michael Gagliardo, General Manager or Steven Call, Director of Finance at 425-453-0930