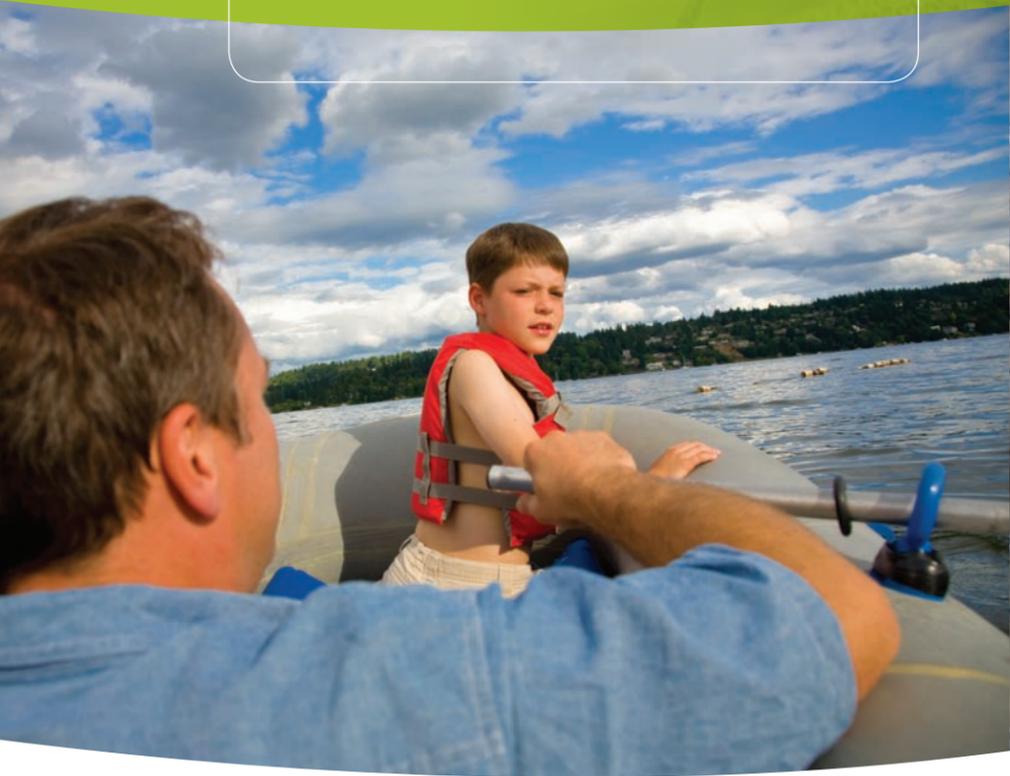


Cascade's Mission

Cascade's mission is to provide water supply to meet current and future needs of our members in a cost-effective and environmentally responsible manner. To accomplish this mission, Cascade will:

- Purchase wholesale water from other suppliers;
- Coordinate conservation and supply management;
- Acquire, construct and manage water supply infrastructure; and
- Foster regional water planning that provides adequate drinking water supply in a manner that protects and enhances fisheries habitat and the environment.



Water for today...
and tomorrow



11400 SE 8th Street, Suite 440
Bellevue, WA 98004

t: 425.453.0930
f: 425.453.0953

cascadewater.org

Ensuring a clean, safe, reliable water supply
for the next 50 years...

and beyond



water

for people, water for fish, water for fun



LLOYD WARREN
Chair, Board of Directors

Cascade's mission is to provide water to its members...today and tomorrow. Today, working closely with our regional partners—Seattle and Tacoma—and carefully managing our supplies, we are able to meet current needs. But the demands of our region's growing population and economy on our water supply will continue to increase over the next few decades. To meet future needs, Cascade has purchased Lake Tapps, which will be the first new regional water supply developed in this region in decades.

Although we don't anticipate using Lake Tapps for a drinking water supply until the mid-2020s

or later, our ongoing stewardship of this valuable water resource remains paramount. That is why Cascade is committed to providing recreational lake levels for the public and improved habitat for fisheries in the White River, the source of Lake Tapp's water. Use of Lake Tapps for recreation and water supply plus restoration of the White River fishery requires a balanced, cooperative approach.

We have also reached an historic agreement with the Muckleshoot Indian Tribe and the Puyallup Tribe of Indians to maintain adequate flows in the White River as well as a partnership as stewards for the river basin.

This is truly an exciting time for all of us. The purchase of Lake Tapps marks a turning point for Cascade and the Lake Tapps community. Our focus now turns to the broader and complex issues surrounding the management of this much loved community resource for the benefit of many stakeholders.

Lloyd Warren

Chair, Board of Directors
Commissioner, Sammamish Plateau
Water & Sewer District



Our regional vision



As our magnificent region continues to grow, so do the demands for clean, safe, reliable drinking water. The time to begin planning for tomorrow is today.

Cascade works in partnership with its members and Seattle and Tacoma for current water supplies, and, for future needs, Cascade purchased Lake Tapps in 2008 as a much needed regional municipal water supply.

To bring this glacier-fed water to homes and businesses, Cascade will begin developing the infrastructure, including a state-of-the-art treatment facility and transmission pipeline. It is expected that the system's full capacity will not be utilized until sometime after 2050, but planning for this resource has already begun. The public and key stakeholders are encouraged to join in our planning process. We look forward to hearing from all interested parties.

An equally important part of Cascade's long term water supply plan is to use our current water supply efficiently and to ensure its quality through a variety of conservation programs.

Conservation

For the last four years, Cascade's conservation activities were successful in reducing customer water usage by approximately 100 million gallons since 2004. Members adopt their own savings goals and Cascade provides the programs to achieve these peak season and annual demand reduction targets. Conservation activities are focused on showerhead replacements, high-efficiency clothes washers, WaterSense toilet replacements, irrigation system audits and upgrades and public education. Just by installing efficient water fixtures and practicing good conservation habits, a residence can reduce daily household water use by up to 30 percent—and special incentive programs are available to businesses, schools and apartment complexes.

Water Quality

The water Cascade purchases from Seattle and Tacoma continues to meet or exceed all federal and state drinking water standards. Cascade will continue to provide the highest quality water to its members when Lake Tapps is developed. A key to ensuring that water quality remains high is on-going water quality testing and monitoring. Cascade, Pierce County, the Muckleshoot Indian Tribe, the Puyallup Tribe of Indians and Washington State Department of Ecology have been and will continue to cooperatively monitor the water quality of Lake Tapps and the White River.

Further, Cascade will employ state of the art technology when building the Lake Tapps treatment facility and our new transmission system to ensure a safe, reliable water supply.

Historic Partnerships

In an historic action, the Muckleshoot Indian Tribe, the Puyallup Tribe of Indians and Cascade adopted agreements that provide for the protection of fish, habitat, water supply and recreation in the White River and Lake Tapps. The agreements were four years in the making and were signed in June 2008.



Cascade members

Cascade Water Alliance is a non-profit corporation comprised of eight municipalities (five cities and three water and sewer districts) in the Puget Sound region that joined together in 1999 to provide a safe, clean, reliable water supply for the next 50 years and beyond. Collectively, the membership of Cascade serves over 370,000 residents and 22,000 businesses. Membership is open to any public water utility within the region.

- City of Bellevue
- Covington Water District
- City of Issaquah
- City of Kirkland
- City of Redmond
- Sammamish Plateau Water and Sewer District
- Skyway Water and Sewer District
- City of Tukwila



Finance and Budget

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

Revenues

Administrative Dues and Conservation Charge—assessed based on a member's total water use.

Demand Share Charge—assessed based on the greater of a member's past three years' average daily demand or peak season demand.

New Water Surcharge—charged for water use above the historical Seattle "old water allowance" (to expire in 2012).

Regional Capital Facilities Charge—assessed for each new connection to a member's water system and used to fund capital programs and for debt repayment.

Bond Proceeds—tax exempt bonds issued by Cascade for eligible purposes.

Loans and Grants—from members or other entities such as the State Public Works Trust Fund.

Other Income—such as investment earnings.

Expenditures

Purchased Water—water purchased under contract from Seattle and Tacoma.

Operating Expenses—costs associated with operation of regional transmission pipelines and other water resources.

Administrative Expenses—costs associated with the administration of the water utility including staff, financial management and legal services, office rent, etc.

Conservation Expenses—funds Cascade's water conservation program and services including washing machine rebates, irrigation audits, and public education.

Capital Investment Program—includes various resource acquisition and capital construction projects such as construction of major regional transmission pipeline and the purchase of Lake Tapps.

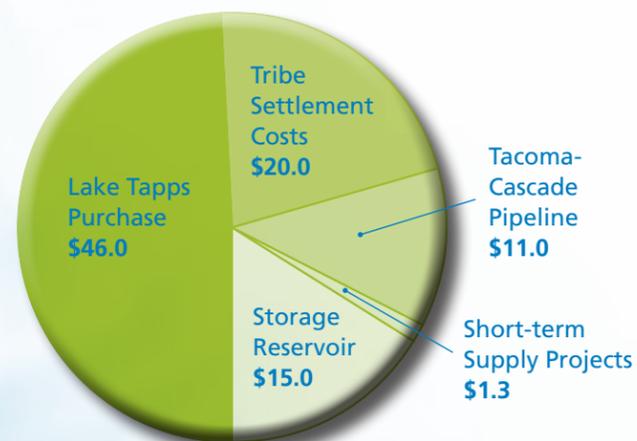
2009 Operating Budget

\$ in millions (\$26.7 million total)



2009 Capital Budget

\$ in millions (\$93.3 million total)



Cascade Board Members



1



2



3



4



5



6



7



8

1 Lloyd Warren
Chair
Commissioner, Sammamish Plateau Water & Sewer District

2 Mary-Alyce Burleigh
Vice Chair
Councilmember, City of Kirkland

3 Jim Haggerton
Secretary-Treasurer
Mayor, City of Tukwila

4 Grant Degginger
Public Affairs Committee Chair
Mayor, City of Bellevue

5 David Knight
Resource Management Committee Chair
Commissioner, Covington Water District

6 Jon Ault
Director
President, Skyway Water & Sewer District

7 David Kappler
Director
Councilmember, City of Issaquah

8 John Marchione
Director
Mayor, City of Redmond

ALTERNATE BOARD MEMBERS

Don Davidson
Councilmember, City of Bellevue

Jeff Clark
Commissioner, Covington Water District

John Traeger
Councilmember, City of Issaquah

Jim Lauringer
Mayor, City of Kirkland

Nancy McCormick
Councilmember, City of Redmond

Steve Stevlingson
President, Sammamish Plateau Water & Sewer District

Joyce Clark
Vice President, Skyway Water & Sewer District

Verna Griffin
Councilmember, City of Tukwila

