



2021-2022 Adopted Budget

December 4, 2020



Photograph courtesy of Janice Thomas.

Water for today...
and tomorrow

CASCADE WATER ALLIANCE BOARD OF DIRECTORS



John Stokes
Board Chair
Councilmember,
City of Bellevue

Mary Lou Pauly
Mayor,
City of Issaquah



Lloyd Warren
Vice President,
Sammamish Plateau Water



Penny Sweet
Board Vice Chair
Mayor,
City of Kirkland



Jon Ault
President,
Skyway Water & Sewer District



Angela Birney
Board Secretary/Treasurer
Mayor,
City of Redmond



Allan Ekberg
Mayor,
City of Tukwila



Alternate Board Members

Conrad Lee, Councilmember, City of Bellevue
Zach Hall, Councilmember, City of Issaquah
Jon Pascal, Councilmember, City of Kirkland
Jeralee Anderson, Council Vice President, City of Redmond

Ryika Hooshangi, President, Sammamish Plateau Water
C. Gary Schulz, Vice President, Skyway Water & Sewer
Kate Kruller, Councilmember, City of Tukwila

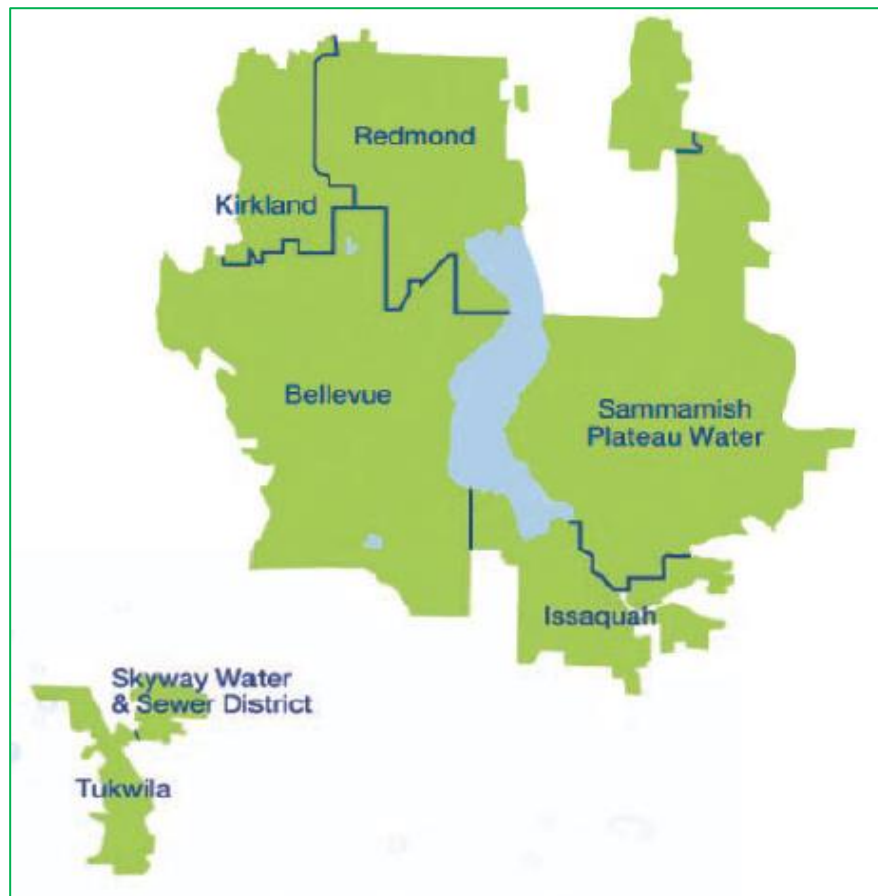
CASCADE WATER ALLIANCE AT A GLANCE

The Cascade Water Alliance (Cascade) is a municipal corporation comprised of five member cities (City of Bellevue, City of Issaquah, City of Kirkland, City of Redmond and City of Tukwila) and two water and sewer districts (Sammamish Plateau Water and Skyway Water & Sewer District). Cascade was established in 1999 to ensure safe, clean, reliable water supply for its members.

Cascade's conservation measures have saved millions of gallons of water, delaying the need to develop new sources of water supply well into the future. To be prepared for that need, in 2009 Cascade purchased the White River-Lake Tapps Reservoir system for use as a future municipal drinking water supply.

Today Cascade provides water to 380,000 people and more than 20,000 businesses in a cost-effective and environmentally responsible manner.

Cascade is governed by a board of directors consisting of representatives appointed by resolution from each member's legislative authority. Members may similarly appoint alternate board members. Additionally, each board member and each alternate board member must be elected officials of the members.



Cascade Members

- Bellevue. Bellevue is the fifth largest city in Washington, with a population of 151,709. It is the Eastside's high-tech and retail center.
- Issaquah. This one-time logging and mining village has become the northwest destination for living, working, playing and doing business in the 21st Century. Issaquah serves a population of 32,600.
- Kirkland. Kirkland is a place of history, nature and metro 'lifestyling' in which to live, work, visit and play, serving over 61,356.
- Redmond. Redmond is known for its natural beauty, 34 parks, over 25 miles of trails and first-class places to shop or stay and dine. It serves a population of 84,900.
- Sammamish Plateau Water. The District serves more than 64,843 residents in Sammamish, Issaquah and areas of unincorporated King County.
- Skyway Sewer & Water District. Located in the West Hill area of unincorporated King County, Skyway serves water to over 11,128 residences and sewer to over 18,186.
- Tukwila. Tukwila's central location at the crossroads of Interstate 5 and 405 makes it an ideal site for commerce. The city serves a population of over 9,460.

This document was prepared by Christopher Paulucci, Finance and Administration Manager, and Melina Thung, Chief of Staff, with special thanks to Ray Hoffman, Ed Cebon and Paula Anderson. Questions or requests for information should be addressed to:

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INTRODUCTORY SECTION

TRANSMITTAL LETTER

December 4, 2020

Cascade Water Alliance Board Members, Alternate Board Members and Member Staff:

We are pleased to present to you the 2021-2022 Cascade Water Alliance (Cascade) budget that was adopted by the Cascade Board on September 23, 2020 by Resolution No. 2020-10. The budget establishes the financial plan to continue the delivery of safe, reliable and clean water in a cost-effective and environmentally responsible way to Cascade's members.

Cascade's 2021-2022 budget was built from the "ground-up", starting with the Board-approved goals and strategies listed in Cascade's [2020-2024 Strategic Plan](#). Staff identified projects and activities that would help achieve the goals and allocated budget resources to ensure their success. These projects and activities have also been included in Cascade's annual work plan along with performance measures to track progress towards the strategic goals. The Departmental Information section of this Budget Book shows the interconnection of the Strategic Plan, performance measures, annual work plans and budget.

The 2021-2022 budget also funds Cascade's ongoing core services, many of which are not specifically called out in the Strategic Plan:

- Operation and maintenance of the White River-Lake Tapps Reservoir system, the Bellevue-Issaquah Pipeline and meters
- Investments in infrastructure replacement and improvements
- Engagement with member communities and schools to provide information, tools and resources to promote water efficiency
- Management of Cascade's external affairs programs, legislative activities and general community relations and outreach with the Tribes, Lake Tapps community, government agencies and other stakeholders
- Provision of core support services including fiscal management, economic analysis, property management and general administration
- Payments to Seattle and Tacoma for water supply

Although the budget did not drive the 2021-2022 rate increases, Cascade took several steps to reduce costs while maintaining service levels. In developing the initial budget proposal, staff identified nearly \$700,000 of reductions in the operations and maintenance (O&M) budget in the following areas: water quality, milfoil treatment, conservation, succession planning, economic services and seismic resiliency. In addition, staff reduced the 2021 Capital Improvement Program (CIP) budget by \$786,000, deferred large

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capital projects to 2023 and later and reduced the Capital Risk Program by \$400,000 over six years. After getting feedback from the Board, Cascade made a few additional O&M reductions, such as freezing the Lake Tapps' operator's 2021 contract budget.

Cascade's 2021-2022 budget identifies sources and amounts of anticipated revenue, allocates revenues to Cascade's five funds and establishes the 2021-2022 expenditure authority (appropriation authority). Expenditures from the funds support Cascade's anticipated activities during 2021 and 2022. The adopted 2021-2022 budget's estimated resources and expenditure authority is shown in Table 1.

Table 1. Appropriation Authority

Fund	2021 Appropriation Authority	2022 Appropriation Authority
Operating	\$57,276,157	\$57,991,966
Regional Capital Facilities Charge (RCFC)	\$6,806,931	\$6,950,366
Rate Stabilization	\$2,147,452	\$2,185,033
Construction	\$21,458,906	\$22,635,550
Bond	\$21,735,264	\$21,688,503
Total	\$109,424,710	\$111,451,418

Cascade's authorized estimated revenues for 2021 and 2022 are shown in Table 2 below alongside the 2020 authorized revenue estimate. Administrative dues, conservation charges and demand share charges are assessed to members and total \$42,654,281 in 2021 and \$43,592,677 in 2022, an average rate increase of 2.2% per year. Members also pay regional capital facilities charges (RCFCs), which are variable and based on actual, new connections. The 2021 and 2022 RCFCs increased from \$6,607 to \$6,807 and \$6,950, respectively. Despite these increases, Cascade lowered its 2021 and 2022 RCFC revenue estimates to reflect the continued slower pace of development in members' service areas. The 2020 RCFC revenue is only projected to be \$5,285,600, markedly lower than the original estimate of \$9,910,500.

Table 2. Revenue Summary

Revenue Source	2020 Estimated Revenue	2021 Estimated Revenue	2022 Estimated Revenue
Administrative Dues	\$3,339,859	\$3,382,456	\$3,741,337
Conservation Charges	\$829,230	\$737,121	\$744,873
Demand Share Charges	\$37,567,001	\$38,534,704	\$39,106,467
Regional Capital Facilities Charge (RCFC)	\$9,910,500	\$6,808,697	\$6,952,254
Interest Earnings	\$726,464	\$576,853	\$692,866
Other	\$1,982,298	\$959,805	\$959,805
TOTAL REVENUE	\$54,355,352	\$50,999,636	\$52,197,602

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Cascade's 2021 and 2022 adopted budgets are summarized in Table 3. The priorities center on continuing to provide Cascade's core services as efficiently as possible and investing in infrastructure improvements. They also include funding a few one-time activities in the O&M budget, such as the Flowline Outage Project and the Transmission Supply Plan.

Table 3. Budget Summary

Program	2020 Adopted Budget	2021 Adopted Budget	2022 Adopted Budget
Administration	\$3,414,859	\$3,322,456	\$3,931,337
Conservation	\$804,229	\$737,121	\$744,874
Debt Service	\$11,835,253	\$9,787,231	\$9,779,981
Operations	\$5,667,952	\$5,837,432	\$5,454,685
Water	\$23,811,499	\$21,351,878	\$22,980,886
Total Operations & Maintenance (O&M) Budget	\$45,533,792	\$41,036,118	\$42,891,763
Capital Improvement (CIP)	\$8,648,428	\$9,027,297	\$9,135,463
TOTAL BUDGET	\$54,182,220	\$50,063,415	\$52,027,226

Note: Due to rate smoothing, reserve requirements, interfund transfers, and prior year adjustments, revenue in any year will not exactly match the budget.

As Table 3 shows, the 2021 and 2022 O&M budgets are significantly less than the 2020 O&M budget. The major differences between the three years are listed below.

- **Administration:** Cascade's Bellevue office is scheduled for demolition within the next few years. 2022 includes a contingency for moving costs and anticipated higher rent payments. 2022 also includes additional professional services dollars to support Cascade in developing its Transmission Supply Plan.
- **Conservation:** Cascade cut costs in 2021 and 2022 in its water efficiency program without impacting services to members.
- **Debt Service:** The Board's approval to refinance the 2009B bonds resulted in significant cost savings to debt service payments in 2021 and 2022.
- **Operations:** Cascade added funds in 2021 for the Flowline Outage Project. This major project entails dewatering the flowline to conduct inspections, make necessary repairs and remove sediment from Wolslegal Basin.
- **Water:** Seattle's true-up costs have been in Cascade's favor, resulting in substantially lower water payments in both 2021 and 2022.

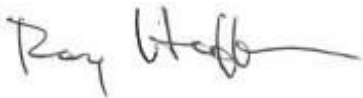
The CIP is funded by bond proceeds and RCFC revenue. It covers the costs of water contract payments to Tacoma, a contingency for emergencies and unforeseen needs and specific projects. The majority of project funds in the 2021-2022 CIP are allocated to the Headworks Intake Modifications Project in the Upper Conveyance Program and the SCADA and Security Upgrades Project.

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In terms of staff expenses, Cascade's staffing for 2021-2022 is projected to remain at the 2020 level of 11 employees. This translates to 9.85 full-time equivalents since several employees work on a part-time basis. A continued small organization enables Cascade to remain nimble and adapt to emerging issues while meeting members' priority needs.

Preparing the budget is a difficult task. We would like to thank the Board of Directors for its careful review, thoughtful participation, and guidance throughout the budget development process.

Respectfully submitted,

A handwritten signature in black ink that reads "Ray Hoffman".

Ray Hoffman
Chief Executive Officer

A handwritten signature in black ink that reads "Christopher N. Paulucci".

Christopher N. Paulucci CPA CGMA
Finance and Administration Manager

CASCADE'S HISTORY

In 1999, several cities and water districts in the eastside of King County joined together to create Cascade Water Alliance (Cascade) via an Interlocal Contract. The Interlocal Contract was amended in 2004 and superseded by a Joint Municipal Utilities Services Agreement (JMUSA) in 2012. Cascade's primary mission was to acquire water to meet the current and future demand of its members and it was given the responsibility to:

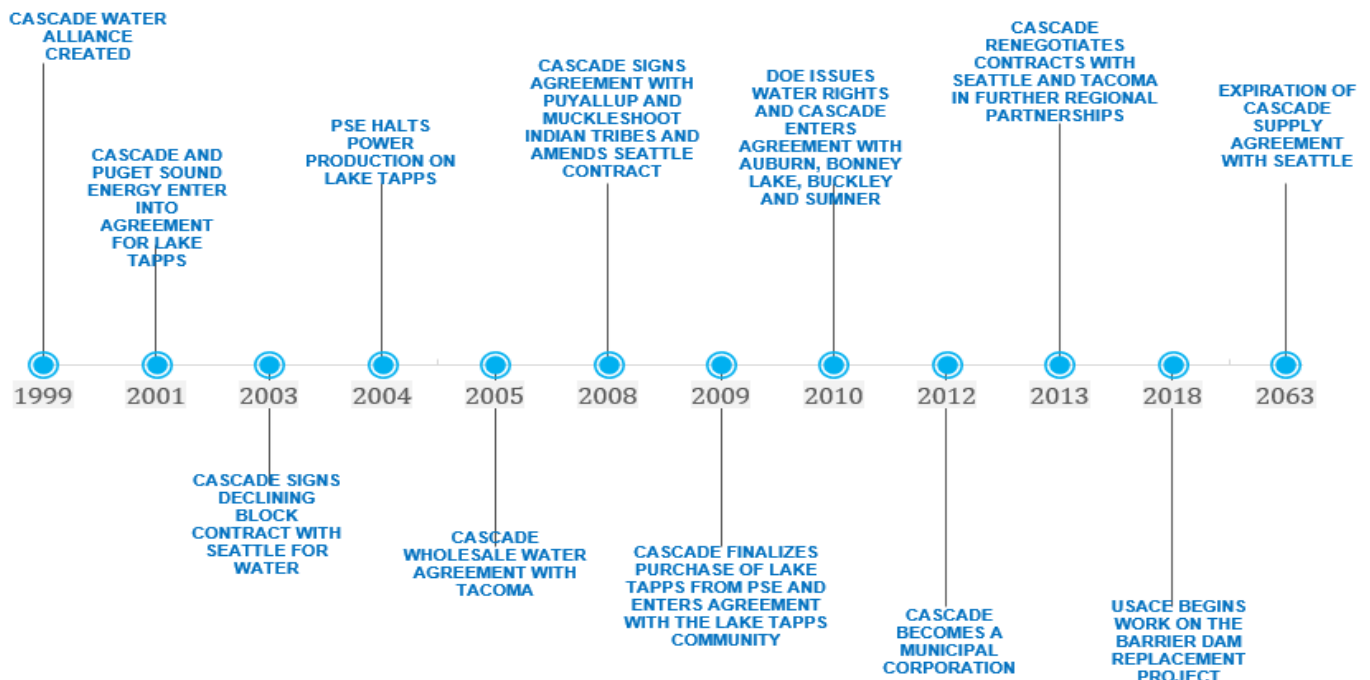
- Purchase wholesale water from other regional suppliers
- Coordinate conservation and supply management
- Acquire, construct, and manage water supply infrastructure
- Foster regional water planning that provides adequate water for both people and fish

Four main sources of water supply are described in Cascade's 2012 Transmission and Supply Plan:

- The Block Contract with Seattle
- Purchase of water from Tacoma
- Development of the Lake Tapps Reservoir as a municipal water supply source
- Independent water supplies

Cascade's water supply plan also heavily relies on cost-effective conservation efforts to reduce regional demand and the development of new water sources.

A summarized chronology of Cascade's history is shown below.



STRATEGIC FRAMEWORK

Cascade's 2020-2024 Strategic Plan (Plan) is a guide to meet Cascade and members' priorities over a five-year period. The Plan was developed with input from the Board of Directors, member staff and Cascade staff. The Board formally adopted the Plan on February 26, 2020, after several review sessions and ahead of developing the 2021-2022 budget.

The foundations of the Plan are Cascade's mission, vision and value statements.

Mission

Cascade provides safe, clean and reliable water to our members in a cost-effective and environmentally responsible way. To accomplish this, Cascade will:

- Invest in Cascade's assets and infrastructure
- Protect, enhance and steward water resources
- Lead, influence and convene regional issues and maintain strong relationships
- Ensure Cascade's financial efficiency and stability

Vision

Create a lasting legacy by establishing a model for regional cooperation and effective public resource management.

Values

1. Provide high quality member service
2. Foster forward-thinking and innovation
3. Commit to teamwork, collaboration and transparency
4. Commit to a sustainable business and environmental strategy
5. Promote public trust



Photo courtesy of Janice Thomas.



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The pillars of the Plan are long-term goal statements in six focus areas. Each focus area includes several outcome-based strategies to meet defined goals over the five-year period. The 2020-2024 Strategic Plan can be found in its entirety on [Cascade's website](#).

1. **Focus Area 1: Asset Management**

Goal: Optimize Cascade's assets to support current and future needs.

2. **Focus Area 2: Water Resources**

Goal: Ensure flexibility, certainty and resiliency of Cascade's future drinking water supply for the region.

3. **Focus Area 3: Environmental Stewardship**

Goal: Protect the natural environment by advancing water resource stewardship and sustainable business practices.

4. **Focus Area 4: Regional Leadership**

Goal: Lead, influence and serve as a convener on regional water-related issues and proactively maintain strong relationships to achieve the priorities of Cascade and its members.

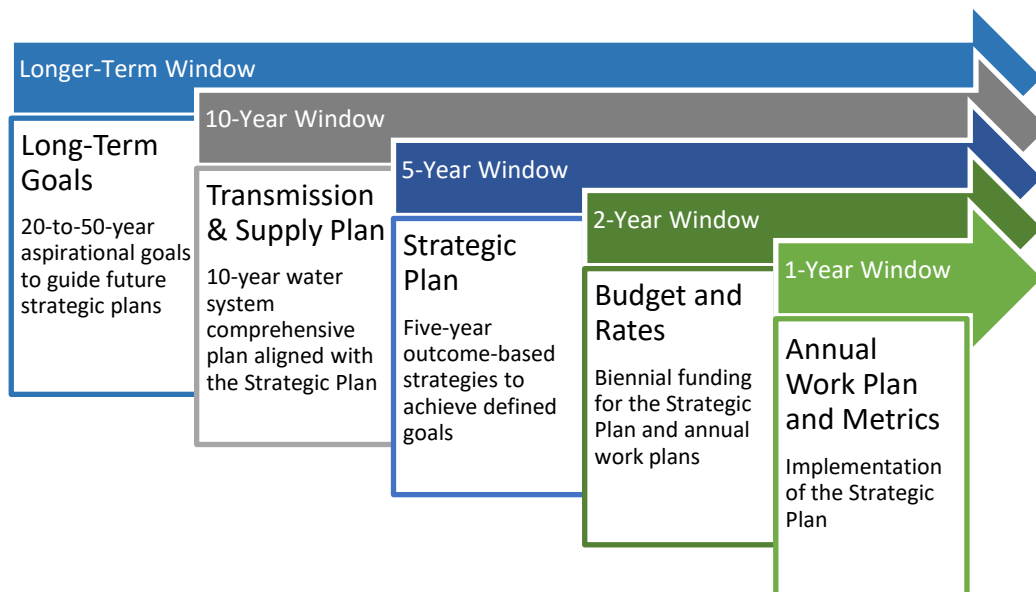
5. **Focus Area 5: Good Governance**

Goal: Provide the most cost-effective services possible through Cascade's governance model of a small, efficient and nimble organization with engaged members and Board of Directors.

6. **Focus Area 6: Emerging Issues**

Goal: Support members in addressing emergent priority issues while maintaining accountability to ratepayers.

The Plan is aligned with near-term activities and long-range planning to serve members today and tomorrow. Specific actions that implement the focus area strategies, as well as performance measures to track the Plan's progress, are included in Cascade's work plan, found in the Appendix.

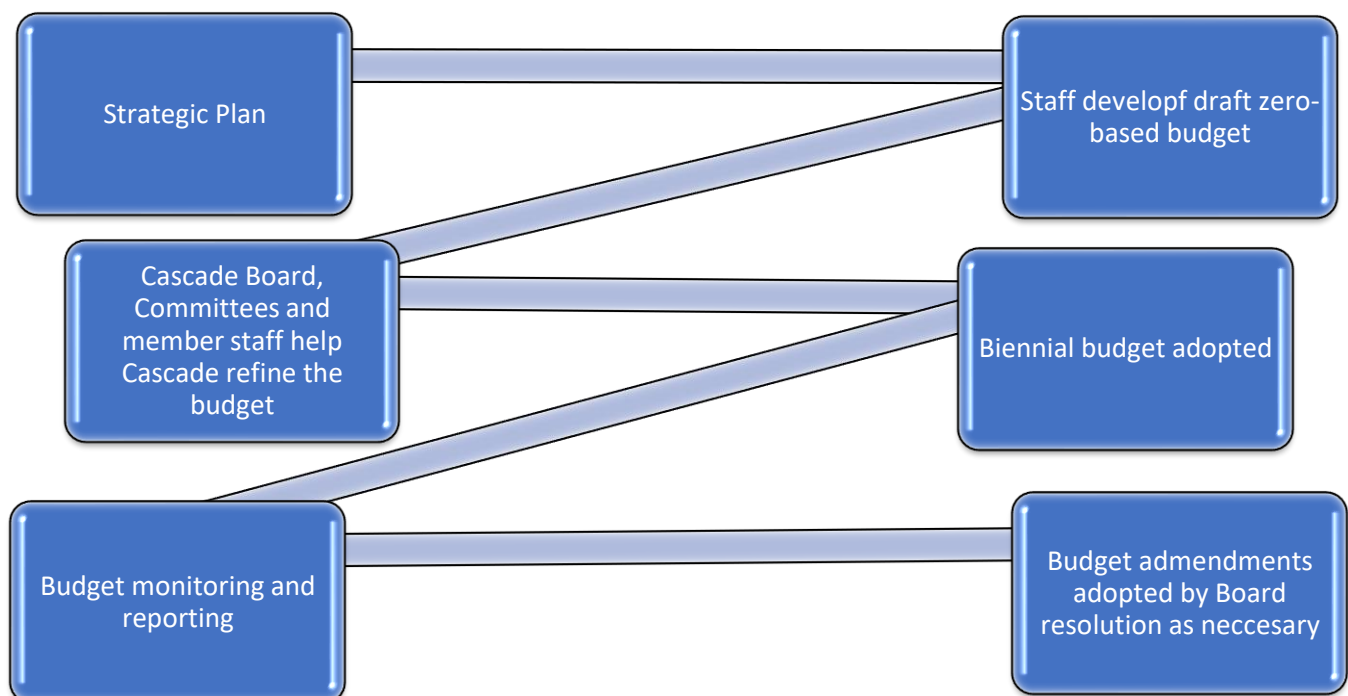


2021-2022 BUDGET PROCESS

The 2021-2022 budget process began in 2019 when Cascade staff began the process of updating its strategic plan. On February 26, 2020, Cascade Board adopted the 2020-2024 Strategic Plan (Plan). Upon adoption, Cascade staff began a zero-based budget process using the Plan as a guide for the Board's priorities. Budget resources were allocated to ensure the success of the strategic goals identified in the Plan. Then, other work plan resources, not specifically listed in the Plan, related to short-term operational needs at the White River project and other exigencies were added. Finally, budget resources were added for overhead required to support the programmatic functions.

Cascade staff refined the budget and discussed it with the Board, the Finance & Management Committee, and member staff, multiple times. Draft proposals were presented to the Board and Finance & Management Committee in June and July and their feedback was incorporated into the final proposed budget. Because Cascade does not have direct retail customers, the public was not involved in the budget review process. However, the Board and Finance Committee meetings were open to the public and were consistently attended by Board and alternate Board members, Cascade staff and member agency staff.

Typically, the budget is in its final form by July, but due to the COVID-19 pandemic affecting everyone's budget, this year the Board held a special meeting in August to methodically review the budget and ensure that it was in line with Cascade's strategic goals. The Strategic Framework section of this Budget Book describes the interconnection between the Strategic Plan and budget.



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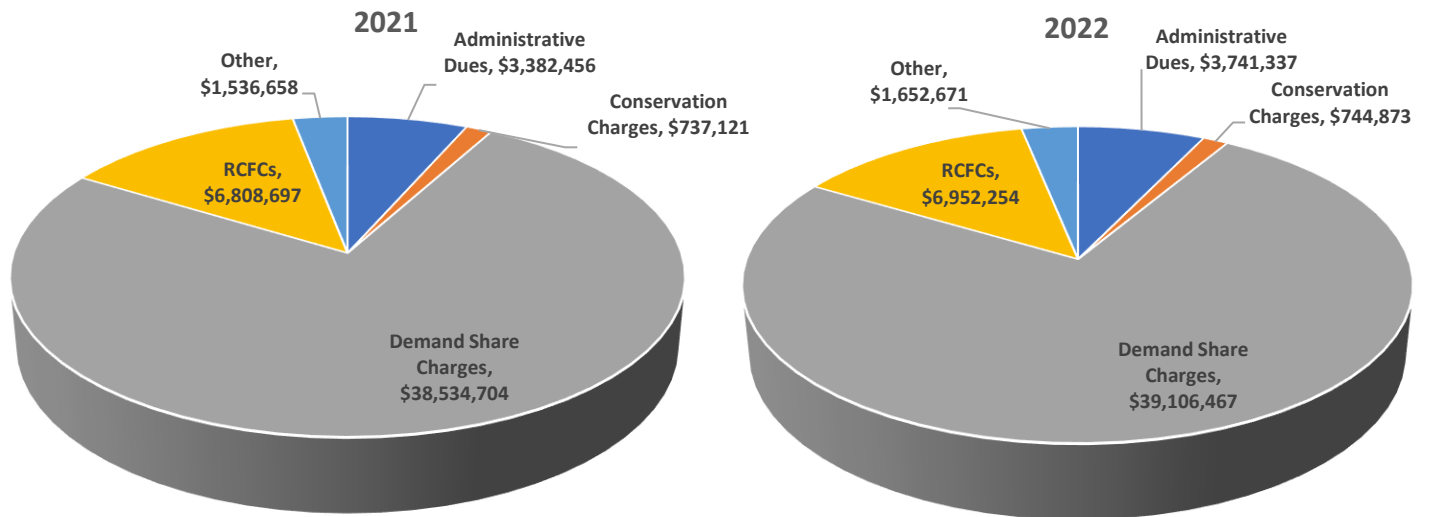
Between July and September, Cascade visited the councils of several member agencies to present the proposed budget and answer questions. On September 23, 2020, Cascade's Board adopted the 2021-2022 budget, the 2021-2022 member rates and charges, and the 2021-2022 RCFC rates.

If necessary, after adoption, Cascade's Board can amend the budget by Board action to reflect material changes in anticipated revenues or expenditures.

January	February	March	April	May	June	July	August	September
Finalization and adoption of the 2020-2024 Strategic Plan		Staff identification of budget drivers and preparation of the draft budget			Presentation to Board of policies, forecast, and high-level budget and rate proposals	Review and refinement with member staff	Final review at special Board meeting	Board adoption of budget and rates
		Member data due March 15	Finance & Management Committee and member staff budget and rates reviews			Finance & Management Committee review and Board update		

BUDGET IN BRIEF

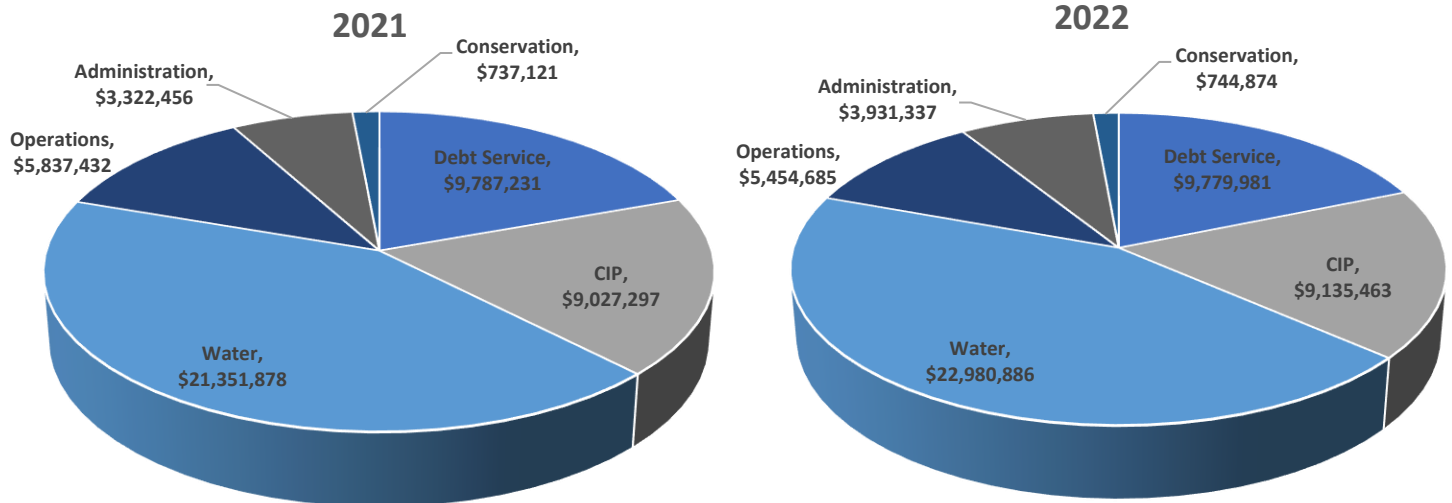
Sources (Revenue)



Revenue Source	2021	2022
Administrative Dues	\$3,382,456	\$3,741,337
Conservation Charges	\$737,121	\$744,873
Demand Share Charges	\$38,534,704	\$39,106,467
Regional Capacity Facilities Charges (RCFCs)	\$6,808,697	\$6,952,254
Other	\$1,536,658	\$1,652,671
Total	\$50,999,636	\$52,197,602

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Uses (Budget)



Budget Program	2021	2022
Administration	\$3,322,456	\$3,931,337
Conservation	\$737,121	\$744,874
Debt Service	\$9,787,231	\$9,779,981
Operations	\$5,837,432	\$5,454,685
Water	\$21,351,878	\$22,980,886
Total O&M Budget	\$41,036,118	\$42,891,763
Capital Improvement Program (CIP)	\$9,027,297	\$9,135,463
Total Budget	\$50,063,415	\$52,027,226

FINANCIAL STRUCTURE AND POLICY

LONG-RANGE FINANCIAL FORECAST

Cascade's rate model projects rates up to 80 years in the future. The forecast is used to guide future strategic plans and decisions. A long-range future forecast is essential to Cascade because the future development of Lake Tapps for water supply will take a decade and over a billion dollars, while supply contract extensions defer capital outlays. Therefore, being able to properly time the construction of Lake Tapps to minimize the impact on customers is key. The bulk of Cascade's O&M budget is the purchased water from Seattle. The long-range forecast projects a general inflation of 3%, a construction cost inflation of 3.25% and stable rate trends. Below is a snapshot of the long-range forecast through 2030.

Summary of Key Variables & Outcomes

Key Variables	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
General Inflation (CPI)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Construction Cost Inflation	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Annual Rate (Member Charge) Increase	2.20%	2.20%	2.20%	2.20%	2.20%	3.00%	3.00%	3.00%	4.00%	4.00%
Operating Expense Summary										
Purchased Water	\$ 21,351,877	\$ 22,480,886	\$ 23,493,235	\$ 24,402,498	\$ 24,905,415	\$ 25,648,897	\$ 26,418,364	\$ 27,210,915	\$ 28,027,242	\$ 29,747,791
Other O&M	5,796,774	5,414,225	5,532,877	5,743,951	5,869,829	6,093,758	6,227,302	6,464,868	7,366,606	6,858,578
Administrative Expenses	3,322,456	3,681,336	3,517,489	3,905,529	3,731,704	4,143,376	3,958,965	4,395,708	4,200,066	4,663,406
Conservation Expenses	737,121	744,874	767,220	790,237	813,944	838,362	863,513	889,419	916,101	943,584
Capitalizable Expenses	-	-	-	-	-	-	-	-	-	-

Total Operating Expenses	\$ 31,208,228	\$ 32,321,321	\$ 33,310,821	\$ 34,842,215	\$ 35,320,892	\$ 36,724,393	\$ 37,468,144	\$ 38,960,909	\$ 40,510,016	\$ 42,213,360
Capital Funding Summary										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030

Capital Improvement Program:

Total Capital Expenditures	\$ 9,027,297	\$ 9,135,463	\$ 9,394,972	\$ 14,271,872	\$ 10,016,209	\$ 10,753,033	\$ 9,724,700	\$ 10,087,443	\$ 10,197,813	\$ 4,579,925
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Capital Funding Strategy:

Capital Reserves (Including RCFs)	\$ 9,027,297	\$ 9,135,463	\$ 9,394,972	\$ 14,271,872	\$ 10,016,209	\$ 10,753,033	\$ 9,724,700	\$ 10,087,443	\$ 10,197,813	\$ 4,579,925
Member Contributions	-	-	-	-	-	-	-	-	-	-
PWTF Loan Proceeds	-	-	-	-	-	-	-	-	-	-
Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Total	\$ 9,027,297	\$ 9,135,463	\$ 9,394,972	\$ 14,271,872	\$ 10,016,209	\$ 10,753,033	\$ 9,724,700	\$ 10,087,443	\$ 10,197,813	\$ 4,579,925

Capital Funding Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Principal Outstanding	\$ 98,917,895	\$ 93,043,421	\$ 86,878,947	\$ 80,409,474	\$ 73,650,000	\$ 66,610,000	\$ 59,250,000	\$ 51,565,000	\$ 43,565,000	\$ 38,240,000
Annual Debt Service	\$ 9,826,792	\$ 9,819,344	\$ 9,812,897	\$ 9,822,225	\$ 9,809,752	\$ 9,765,531	\$ 9,759,331	\$ 9,756,731	\$ 9,744,656	\$ 6,788,381
Fund Balances (Year-End)										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operating Fund	\$ 12,808,000	\$ 12,555,476	\$ 8,981,648	\$ 8,228,308	\$ 8,677,565	\$ 8,425,591	\$ 8,953,342	\$ 8,760,210	\$ 8,669,684	\$ 11,380,970
RCFC Fund (sweep acct)	\$ 1	\$ 0	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rate Stabilization Fund	\$ 2,126,295	\$ 2,142,242	\$ 2,163,665	\$ 2,223,889	\$ 2,257,248	\$ 2,313,307	\$ 2,359,573	\$ 2,420,750	\$ 2,494,108	\$ 2,562,696
Construction Fund	\$ 12,324,548	\$ 13,267,921	\$ 18,927,671	\$ 16,731,271	\$ 18,553,163	\$ 20,669,047	\$ 24,172,411	\$ 28,537,456	\$ 34,112,526	\$ 50,677,408
Revenue Bond Fund	\$ 11,948,933	\$ 11,909,422	\$ 11,859,194	\$ 11,793,119	\$ 11,695,558	\$ 11,587,845	\$ 11,433,312	\$ 11,253,393	\$ 10,996,097	\$ 7,001,285
Total	\$ 39,207,777	\$ 39,875,061	\$ 41,932,177	\$ 38,976,588	\$ 41,183,535	\$ 42,995,790	\$ 46,918,637	\$ 50,971,808	\$ 56,272,415	\$ 71,622,359

Notes: RCFC fund collects RCFs, distributes to construction and bond funds per fiscal policy and budget. Currently 100% to Construction Fund

FUND DESCRIPTIONS

Cascade's Board of Directors established five funds:

- 1) Operating Fund
- 2) RCFC Fund
- 3) Rate Stabilization Fund
- 4) Bond Fund
- 5) Construction Fund

Information on the funds' beginning balance, revenue, transfers in, expenditures, transfers out, and ending balance is provided in the Fund Activity Summary section. Any additional funds or accounts will be established and maintained as defined by Board resolution.

Operating Fund

- Receipts: Miscellaneous operating revenue, member rates and charges (excluding RCFC charges), investment interest, administrative dues and conservation charges
- Expenditures: Operating costs and transfers out to other funds; operating costs include operations, administrative and conservation costs

RCFC Fund

- Receipts: RCFC revenue from members and investment interest
- Expenditures: Transfers out to Construction Fund and Bond Fund

Rate Stabilization Fund

- Receipts: Gross revenue (other than RCFCs) transferred in from the Operating Fund, as established in the adopted budget, and investment interest
- Expenditures: Transfers out to the Operating Fund, as established in the adopted budget
- The Rate Stabilization Fund will receive transfers at the beginning of the year of excess operating revenues that can be used to help "smooth" out year-to-year rate fluctuations

Bond Fund

- Debt Service Account
 - Receipts: Monthly and/or annual transfer from the RCFC Fund and/or Operating Fund and investment interest (Debt Service and Reserve Accounts)
 - Expenditures: Principal and interest on outstanding bonds
- Reserve Account
 - Receipts: Bond proceeds at bond closing; all investment interest will be credited to the Debt Service Account
 - Expenditures: Principal and/or interest if enough monies are not available in the Debt Service Account
 - Reserve fund deposits are generally to be made from bond proceeds at the time of closing

2021-2022 Adopted Budget

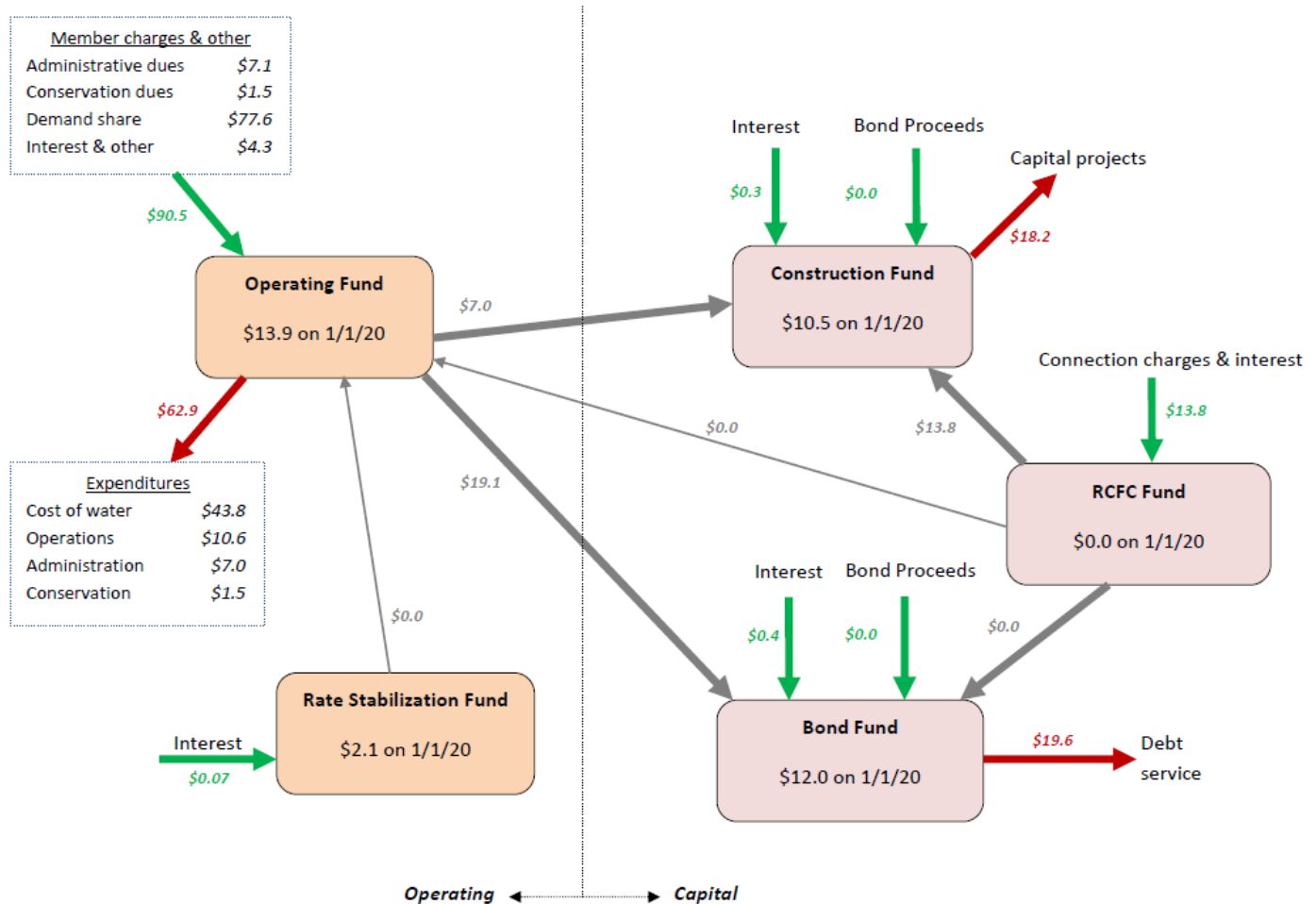
Construction Fund

- Receipts: Water system revenue bonds, net of reserve requirement deposited to the Bond Fund Reserve Account
- Expenditures: Capital related expenditures as established in the adopted budget

Below is a matrix that guides the management and planning of fund balances for Cascade's financial resources.

Fund / Purpose	Target	Minimum	Maximum	Causes of Variations	Response to Replenish Deficiency	Response to Draw Down Surplus
Operating Fund <i>Reserve to provide cash flow liquidity and cushion against budget deviation</i>	50 days* of budgeted operating expense	n/a	n/a	1) Variations in revenues, expenses or transfers 2) Rate Smoothing	Continue rate planning to target fund balance, contingent on 5-year rate smoothing (max. of 5 years to recover)	Budgeted transfers to construction fund, contingent on requirements for projected 5-year rate smoothing
Rate Stabilization Fund <i>Reserve to provide source of revenues to offset significant budget deviation and satisfy cash flow, coverage requirements</i>	5% of budgeted operating revenues (excluding RCFCs)	n/a	n/a	1) Fund earnings 2) Use of RSF	Continue rate planning to target fund balance, contingent on 5-year rate smoothing (max. of 5 years to recover)	No additions to fund; if excess is projected for more than 5 years, budget transfer to construction (subject to meeting coverage policy)
RCFC Fund <i>RCFC receipts until transferred to debt repayment and construction funds per policy and budget</i>	No target	n/a	n/a	RCFC revenues (remainder) not transferred	n/a	Transfer balance to debt and construction funds in accordance with policy direction for funds
Construction Fund <i>CIP funding and bond proceeds until expended on projects</i>	No specific target except to provide adequate funds for ongoing construction projects and obligations	Based on January capital payment due to TPU	Long-term CIP funding needs (as approved by Cascade's Board)	1) Project costs in excess of budget 2) Delay in bond proceeds or other funding sources 3) Project schedule delays	1) Transfer from RCFC, Operating or other funds 2) Debt issuance	1) Debt Retirement 2) Reduce capital funding from RCFCs 3) Transfer to other funds
Bond Fund <i>Accumulate funds for scheduled bond principal and interest payments and a bond reserves to comply with bond covenants and provide a safeguard against shortfall when payments are due</i>	Accrued principal and interest on outstanding bonds and bond reserves	Same as Target	Accrued principal and interest on outstanding bonds Maximum annual debt	Inadequate or delayed transfer of funds from Operating or RCFC Funds	Immediate transfer from RCFC or Operating Fund Immediate transfer from RCFC or Operating Fund	Reduce transfers from RCFC or Operating Fund until target restored Transfer to Bond Repayment Account

COMBINED 2021-2022 FINANCIAL STRUCTURE SUMMARY (\$millions)



BASIS OF ACCOUNTING AND BUDGETING

Cascade uses the accrual basis of accounting and the total economic resources measurement focus. Expenses are recorded at the time liabilities are incurred, and revenues are recorded when earned.

Cascade uses a budget basis for expenditures that differs from the basis used in financial reporting in the following ways:

- Depreciation and amortization are considered expenses on an accrual basis of accounting but are ignored under the budget basis because these items do not require an expenditure of funds.
- Capital outlays are not considered expenses on an accrual basis of accounting but are considered expenditures on a budget basis.

FISCAL POLICIES SUMMARY

Cascade's Board has determined that Cascade will maintain fiscal policies that promote four goals:

Policy Goal	Description
Financial integrity and stability	Cascade will provide a stable financial structure that enables it to fulfill its mission to provide regional water supply and transmission services in an efficient and cost-effective manner.
Rate equity	Members shall not enjoy or suffer from geographic advantage as an element of the allocation of regional water resources or their costs.
Efficiency and conservation	Cascade is committed to efficient and responsible use and stewardship of water resources. Water efficiency and conservation provide cost-effective means to avoid or delay costly system expansions while reducing environmental impacts on water systems.
Balanced budget	Total resources equal to total uses.

Cascade staff performed a review of existing fiscal policies in early 2020. The review was done as part of the normal biennium budget process intended to confirm applicability. It also updated the policies to keep current with practices and prudent financial management.

Cascade's adopted 2021-2022 budget complies with all fiscal policies.

The complete list of fiscal policies is included in the Appendix.

FINANCIAL SUMMARIES

FUND ACTIVITY SUMMARY

As explained in Fund Description section, Cascade has five funds: Operating, Regional Capital Facilities Charge, Rate Stabilization, Construction and Bond. The tables below summarize the funds' activity in 2021 and 2022.

2021 Fund Activity Summary

	Operating	Regional Capital Facilities Charge	Rate Stabilization	Construction	Bond	Total
Estimated beginning balance January 1, 2020	\$13,854,255	\$103	\$2,115,717	\$10,504,071	\$11,982,750	\$38,456,894
Revenue	43,871,902	6,806,828	31,736	157,561	179,741	\$51,047,768
Transfers in	0	0	0	10,797,274	9,572,773	\$20,370,048
Total resources	\$57,726,157	\$6,806,931	\$2,147,452	\$21,458,906	\$21,735,264	\$109,874,710
Expenditures	31,098,689	0	0	9,027,297	9,786,331	49,912,317
Transfers out	13,563,118	6,806,929	0	0	0	20,370,048
Ending balance December 31, 2021	13,064,350	2	2,147,452	12,431,609	11,948,933	39,592,346
Total uses	\$57,726,157	\$6,806,931	\$2,147,452	\$21,458,906	\$21,735,264	\$109,874,710

2022 Fund Activity Summary

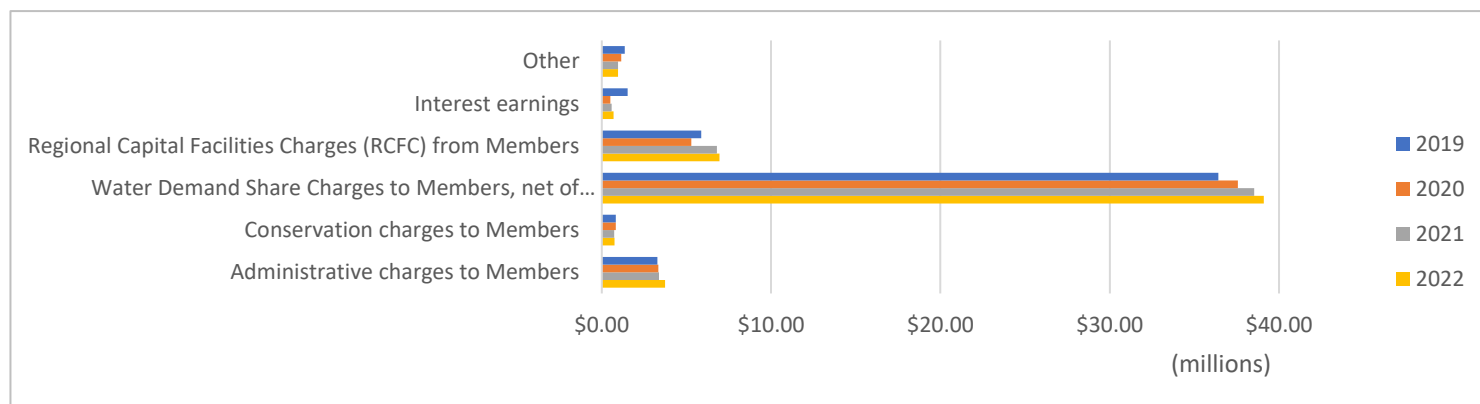
	Operating	Regional Capital Facilities Charge	Rate Stabilization	Construction	Bond	Total
Estimated beginning balance January 1, 2021	\$13,064,350	\$2	\$2,147,452	\$12,431,609	\$11,948,933	\$39,592,346
Revenue	44,832,608	6,950,364	37,580	217,553	209,106	\$52,247,212
Transfers in	0	0	0	9,986,388	9,530,464	\$19,516,852
Total resources	\$57,896,958	\$6,950,366	\$2,185,033	\$22,635,550	\$21,688,503	\$111,356,410
Expenditures	32,266,576	0	0	9,135,463	9,779,081	51,181,120
Transfers out	12,566,486	6,950,366	0	0	0	19,516,852
Ending balance December 31, 2022	13,063,896	0	2,185,033	13,500,087	11,909,422	40,658,438
Total uses	\$57,896,958	\$6,950,366	\$2,185,033	\$22,635,550	\$21,688,503	\$111,356,410

REVENUE SUMMARY

The 2021-2022 adopted estimated revenues, excluding bond debt proceeds, are as outlined below and are compared to 2019 actual and 2020 projected revenue.

Revenue Sources	2019 Actual	2020 Projected	2021 Estimate	2022 Estimate	% Change from 2020 to 2021	% Change from 2021 to 2022
Administrative charges to members	\$3,286,900	\$3,339,859	\$3,382,456	\$3,741,337	1.28%	10.61%
Conservation charges to members	\$821,152	\$829,230	\$737,121	\$744,873	-11.11%	1.05%
Water demand share charges to members, net of adjustments and reimbursements	\$36,412,424	\$37,567,001	\$38,534,704	\$39,106,467	2.58%	1.48%
Regional Capital Facilities Charges (RCFC) from members	\$5,870,640	\$5,285,600	\$6,808,697	\$6,952,254	28.82%	2.11%
Interest earnings	\$1,521,058	\$511,188	\$576,853	\$692,866	12.85%	20.11%
Other	\$1,357,108	\$1,152,169	\$959,805	\$959,805	-16.70%	0.00%
Total	\$49,269,282	\$48,685,047	\$50,999,636	\$52,197,602	4.75%	2.35%

Administrative charges to members increase by 1.28% in 2021 and 10.61% in 2022. Conservation charges to members decrease by 11.11% in 2021 and increase by 1.05% in 2022. Water demand share charges increase by 2.58% in 2021 and 1.48% in 2022. Overall, the net charges to members increase by 2.2% in each of the two years. RCFC revenues stagnated in 2019 and continue to underperform in 2020. Given this, they are estimated to remain below historical levels in the 2021-2022 budget before returning to normal levels. Interest revenue increases in 2021 and 2022 as Cascade earns a higher rate of interest investing in longer-term maturities. The chart below illustrates how overall revenue is dominated by members' demand share charges.



BASIS OF MEMBER CHARGES

As noted on the previous page, members are charged administrative, conservation and demand share dues. Administrative and conservation charges are based on Cascade Equivalent Residential Units (CERUs). The 2019-2022 basis of member charges is presented below as adopted by the Board on September 23, 2020.

Cascade Equivalent Residential Units (CERUs)

CERUs projected for each member in 2021-2022 are:

Member	2019	2020	2021	2022
City of Bellevue	68,532	68,925	69,145	69,345
City of Issaquah	15,080	15,244	15,384	15,544
City of Kirkland	19,870	20,065	20,205	20,365
City of Redmond	33,192	33,024	33,084	33,274
Sammamish Plateau Water	23,829	24,082	24,302	24,572
Skyway Water & Sewer District	3,881	3,885	3,890	3,895
City of Tukwila	8,316	8,383	8,398	8,413
Total	172,698	173,605	174,405	175,405

Demand Share

Demand shares projected for each member in 2021-2022 are:

Member	2019	2020	2021	2022
City of Bellevue	19.8	20	19.9611	19.513
City of Issaquah	1.81	1.76	1.7011	1.6488
City of Kirkland	5.36	5.24	5.2625	5.194
City of Redmond	6.75	6.65	6.7629	6.5728
Sammamish Plateau Water	1.14	1.31	1.3623	1.2917
Skyway Water & Sewer District	0.4	0.4	0.4087	0.4038
City of Tukwila	2.6	2.54	2.4803	2.4545
Total	37.86	37.91	37.9388	37.0786

Demand Share Percentages

Demand Shares percentages projected for each member in 2021-2022 are:

Member	2019	2020	2021	2022
City of Bellevue	52.29%	52.76%	52.61%	52.63%
City of Issaquah	4.77%	4.65%	4.48%	4.45%
City of Kirkland	14.15%	13.83%	13.87%	14.01%
City of Redmond	17.83%	17.55%	17.83%	17.73%
Sammamish Plateau Water	3.01%	3.46%	3.59%	3.48%
Skyway Water & Sewer District	1.07%	1.05%	1.08%	1.09%
City of Tukwila	6.88%	6.70%	6.54%	6.62%
Total	100.00%	100.00%	100.00%	100.00%

Projected Percentage of Overall Member Payments

The projected share of overall payments for each member (excluding RCFCs) for 2021-2022 are:

Member	2021	2022
City of Bellevue	51.59%	51.29%
City of Issaquah	4.63%	4.90%
City of Kirkland	13.42%	13.76%
City of Redmond	17.97%	17.85%
Sammamish Plateau Water	4.93%	4.56%
Skyway Water and Sewer District	1.18%	1.21%
City of Tukwila	6.28%	6.43%
Total	100.00%	100.00%

MEMBER RATES AND REVENUE

The 2020, 2021 and 2022 adopted member charges (excluding RCFCs) are shown in the tables below. Administrative dues are assessed against each member for 2021 and 2022 at the rates of \$19.48 and \$21.45 per CERU, respectively, multiplied by 100% of each member's CERUs. The demand share charge for 2021 and 2022 is \$385,347 and \$391,065, respectively, per demand share percentage. The conservation program charge for 2021 and 2022 is \$4.25 and \$4.27, respectively, per CERU. The charge is applicable to 100% of a member's CERUs.

2020 Member Charges (Per 2020 Budget)	Administrative Dues	Conservation Charges	Demand Share Charges	Total
Bellevue	\$ 1,299,865	\$ 322,734	\$ 19,751,277	\$ 21,373,876
Issaquah	\$ 294,627	\$ 73,151	\$ 1,860,105	\$ 2,227,883
Kirkland	\$ 383,836	\$ 95,300	\$ 5,291,538	\$ 5,770,674
Redmond	\$ 647,226	\$ 160,695	\$ 6,579,129	\$ 7,387,050
Sammamish Plateau Water	\$ 474,619	\$ 117,840	\$ 1,137,858	\$ 1,730,317
Skyway Water & Sewer District	\$ 75,729	\$ 18,802	\$ 398,709	\$ 493,240
Tukwila	\$ 163,957	\$ 40,708	\$ 2,548,385	\$ 2,753,050
Total	\$ 3,339,859	\$ 829,230	\$ 37,567,001	\$ 41,736,090

2021 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	2020 True-up	Total	Increase Over 2020 Charges With 2020 True-up
Bellevue	\$ 1,342,900	\$ 292,651	\$ 20,274,573	\$ 93,287	\$ 22,003,411	2.95%
Issaquah	\$ 297,008	\$ 64,726	\$ 1,727,838	\$ (114,822)	\$ 1,974,750	-11.36%
Kirkland	\$ 390,929	\$ 85,193	\$ 5,345,177	\$ (95,149)	\$ 5,726,150	-0.77%
Redmond	\$ 643,418	\$ 140,217	\$ 6,869,076	\$ 10,926	\$ 7,663,637	3.74%
Sammamish Plateau Water	\$ 469,195	\$ 102,249	\$ 1,383,668	\$ 148,561	\$ 2,103,673	21.58%
Skyway Water & Sewer District	\$ 75,684	\$ 16,493	\$ 415,150	\$ (4,807)	\$ 502,520	1.88%
Tukwila	\$ 163,322	\$ 35,592	\$ 2,519,224	\$ (37,998)	\$ 2,680,140	-2.65%
Total	\$ 3,382,456	\$ 737,121	\$ 38,534,706	\$ (2)	\$ 42,654,281	2.20%

2022 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total	Increase Over 2021 Charges
Bellevue	\$ 1,483,288	\$ 295,312	\$ 20,580,180	\$ 22,358,780	1.62%
Issaquah	\$ 330,018	\$ 65,704	\$ 1,738,960	\$ 2,134,682	8.10%
Kirkland	\$ 433,427	\$ 86,292	\$ 5,478,039	\$ 5,997,758	4.74%
Redmond	\$ 709,707	\$ 141,298	\$ 6,932,311	\$ 7,783,316	1.56%
Sammamish Plateau Water	\$ 521,316	\$ 103,790	\$ 1,362,345	\$ 1,987,451	-5.52%
Skyway Water & Sewer District	\$ 83,438	\$ 16,612	\$ 425,914	\$ 525,964	4.67%
Tukwila	\$ 180,143	\$ 35,865	\$ 2,588,718	\$ 2,804,726	4.65%
Total	\$ 3,741,337	\$ 744,873	\$ 39,106,467	\$ 43,592,677	2.20%

2021-2022 Adopted Budget

Cascade member rates have different impacts on members' retail rates to their customers. Rate impacts for members are dependent upon the members' level of independent supply. Below are the projected impacts of the annual 2.2% increase on members' retail rates, shown as cost per single family residential on a monthly bill. These are only estimates since the actual bill impact to members' customers exclude additional local charges that members need to recover, such as taxes.

Monthly Increase per Single Family Residential		
2021/2022 2.2% Annual Increase	2021	2022
Cascade Average	\$0.35	\$0.33
Bellevue	\$0.68	\$0.35
Issaquah	(\$1.48)	\$0.75
Kirkland	(\$0.35)	\$0.93
Redmond	\$0.66	\$0.19
Sammamish Plateau Water	\$1.23	(\$0.47)
Skyway Water & Sewer District	\$0.19	\$0.49
Tukwila	(\$0.77)	\$1.19

Adopted and projected member rate increases for 2009-2028 are shown in the table below. From 2009 through 2011, Cascade experienced lower-than-anticipated growth due to the housing market crisis. This led to a needed increase in member rates to make up the difference in revenue dedicated to debt service. Subsequently, Cascade made a policy change that moved a higher percentage of RCFC to capital expenditures and made member rate increases less dependent on RCFC revenue. This resulted in an increase in the stability of member rates and improvement in member equity.

Member Rate Increases	2009-2010	2011-2012	2013	2014	2015-2016	2017-2018	2019	2020	2021-2022 Adopted	2023-2025 Estimated	2026-2028 Estimated
Adopted	7.50%	6.00%	3.75%	3.00%	2.75%	3.00%	4.50%	3.00%	2.20%		
Projected										2.20%	3.00%

Administrative charges are based on budgeted administrative costs, and actual CERU counts, as of January 1st of each year. There is a contractual limit of 9% of total revenue requirements for administrative dues. Administrative charges as a percent of all charges (except RCFC) are shown below.

Administrative Charges	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Adopted	8.20%	8.70%	8.50%	8.30%	8.80%	8.70%	7.90%	8.00%	7.87%	8.45%

REGIONAL CAPITAL FACILITIES CHARGE

Regional capital facilities charges (RCFCs) are charges for new water connections and are based on a pro rata share of Cascade's CIP costs. RCFC revenues are used to repay debt and to fund capital projects. The methodology for calculating the RCFC was adopted by the Board and is codified as Chapter 5.24 of the Cascade Water Alliance Code. The chart below shows the change in RCFC rates from 2003 to 2022.

Regional Capital Facilities Charge



During the 2021-2022 budget development process, Cascade analyzed its capital projects requirements and rate structure and developed RCFC rates for the current biennium. For the 2021-2022 budget 100% of the RCFC revenue is committed to capital expenditures. In 2020, 75% of RCFC revenue was allocated to the CIP and 25% to debt service.

RCFC charges increase to \$6,807 per CERU in 2021 and to \$6,950 per CERU in 2022. The RCFC charge is based on existing and future infrastructure divided by the customer base. Future water supply infrastructure is the primary driver of the RCFC rate increases.

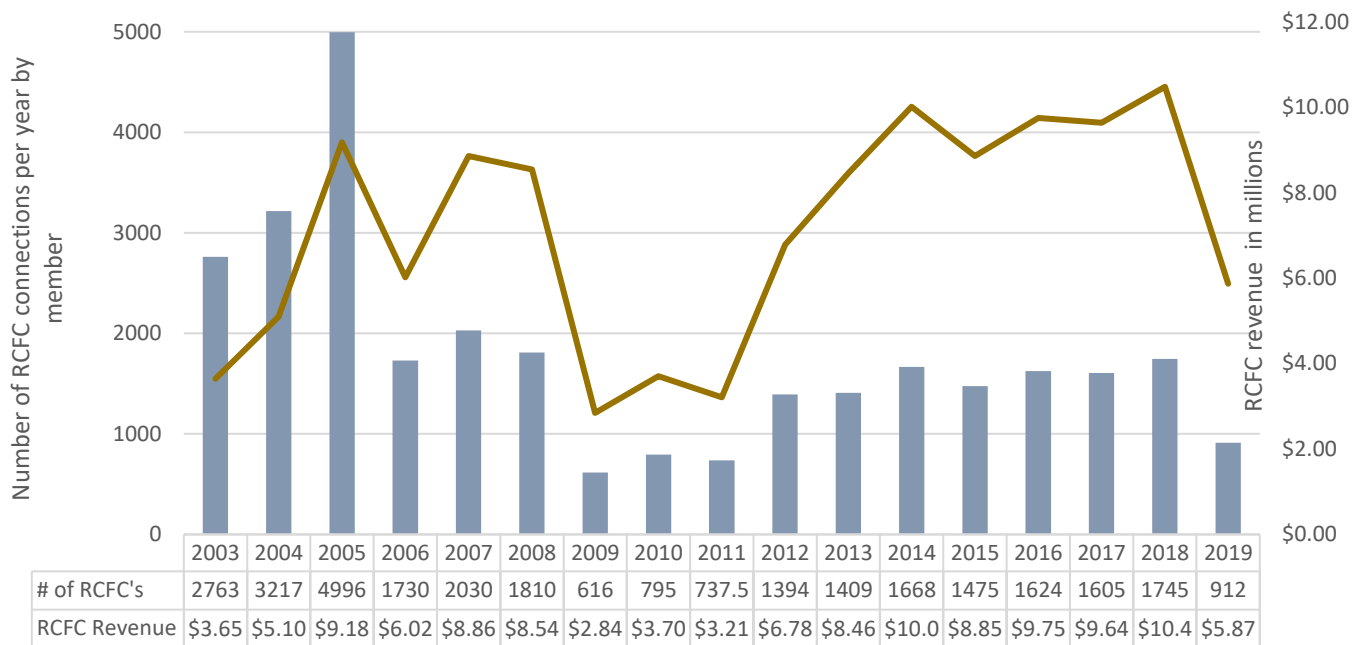
RCFC rates were updated to improve equity, increase growth revenue to reduce the burden on rates, create more robust funding for the CIP, recognize increasing construction costs and remain consistent with longer-term trends.

The Board adopted biennial RCFC rates with Resolution No. 2020-12.

2021-2022 Adopted Budget

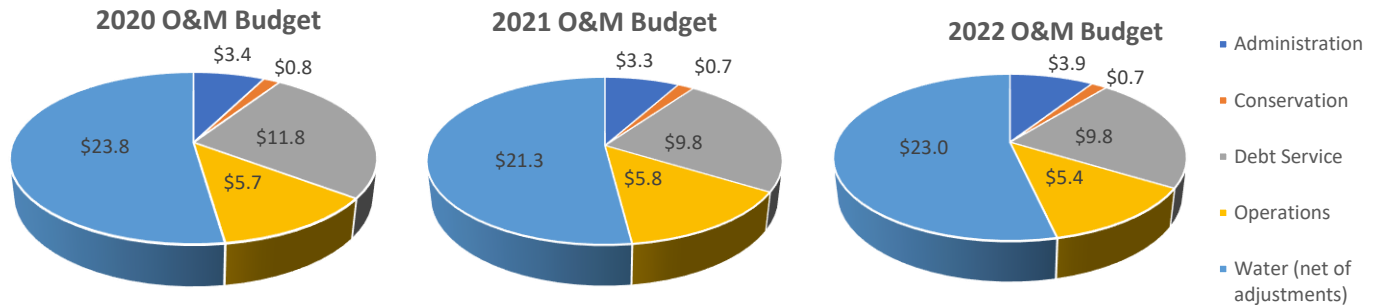
History of RCFC Connections and Revenue

For the 2021-2022 budget, RCFC growth is projected to be 1,000 CERUs due to economic slowdown caused by the COVID-19 pandemic. RCFC growth was stunted in 2019 when one member agency took RCFC credits at the start of a very large redevelopment project when meters were removed, rather than in the coming years when the corresponding new meters will be installed. This is not common practice in the water utility industry. To avoid these types of future situations, the Board approved a new policy in 2019 that requires members to report meter credits when they report the associated growth.



OPERATIONS & MAINTENANCE BUDGET

Cascade's 2020, 2021 and 2022 adopted O&M budgets are shown below (in millions of dollars).



Cascade's total O&M budget declines by nearly 10% in 2021 relative to 2020. Although the budget increases in 2022, it remains lower than the 2020 budget. Decreases in 2021-2022 are driven in large part by reductions in Seattle water and debt services costs. Although water costs are declining, the Seattle block contract amounts in 2021 and 2022 remain at the 2020 level of 33.3 MGD. Conservation costs also decrease slightly in 2021 and 2022. This is a result of programmatic efficiencies that have no negative impact on service levels.

The cumulative budget savings are offset somewhat by increases in expenditures due to a planned Flowline maintenance outage in the Operations Program. Other increases include anticipated work on the Transmission Supply Plan and contingency funding for an anticipated office move in 2021 or 2022, both in the Administration Program. With the construction of the new light rail station in Bellevue, Cascade's office building is scheduled for demolition in the foreseeable future.

Program	2020 Budget	2021 Budget	2022 Budget	% Change '20 to '21	% Change '21 to '22
Administration	\$3,414,859	\$3,322,456	\$3,931,337	-2.71%	18.33%
Conservation	\$804,229	\$737,121	\$744,874	-8.34%	1.05%
Debt Service	\$11,835,253	\$9,787,231	\$9,779,981	-17.30%	-0.07%
Operations	\$5,667,952	\$5,837,432	\$5,454,685	2.99%	-6.56%
Water (net of adjustments)	\$23,811,499	\$21,351,878	\$22,980,886	-10.33%	7.63%
Total O&M Budget	\$45,533,792	\$41,036,118	\$42,891,763	-9.88%	4.52%

Note: Debt service expenditures comes out of the Bond Fund while the rest of the operating expenditures come out of the Operating Fund.

2021-2022 Adopted Budget

Net changes in the 2021 and 2022 O&M budgets compared to the 2020 budget are as follows:

2021	2022	Budget Item	Program
(\$2,459,621)	(\$830,613)	Seattle Water	Operations
(\$2,048,022)	(\$2,055,272)	Debt Service	Debt service
(\$250,000)	(\$250,000)	Water Quality Management	Operations
(\$100,000)	\$0	Salary Succession Contingency	Administration
(\$100,000)	\$0	Seismic Resiliency	Operations
(\$153,281)	(\$87,860)	Lake Tapps Operator Contract	Operations
\$600,000	\$200,000	Flowline Outage Project	Operations
\$0	\$250,000	Transmission Supply Plan (TSP)	Administration
\$0	\$166,298	Office Lease Contingency	Administration
\$100,000	\$100,000	On-Call Construction Management	Operations
(\$86,751)	(\$134,582)	Miscellaneous	Administration
(\$4,497,675)	(\$2,642,029)	Net decrease in Operating budget over 2020	

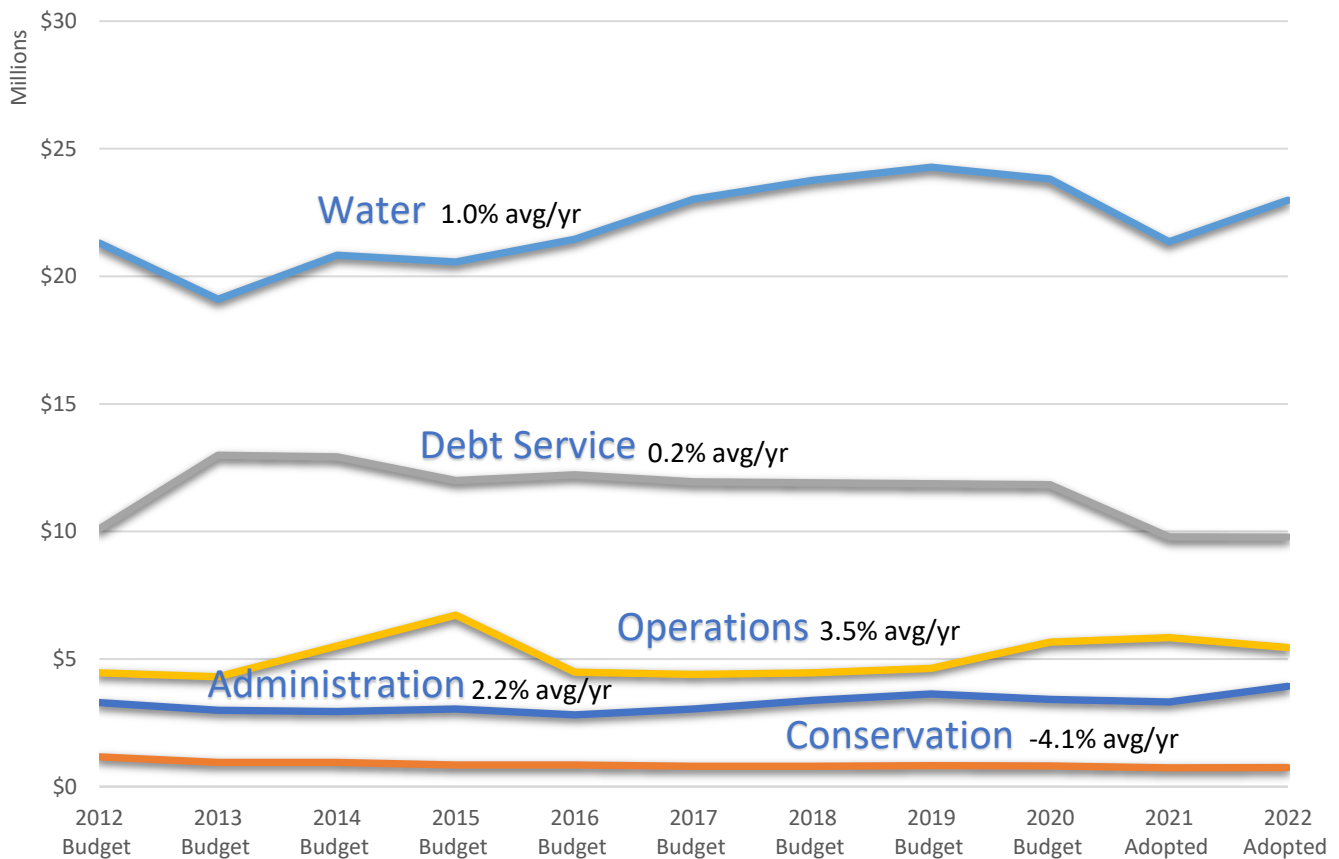
The charts on the previous page are a graphical reminder of how outsized the Seattle costs are to Cascade's overall O&M budget. The following breakdown of Seattle water costs from 2014-2022 shows the magnitude of the costs as well as the volatility of the true-up costs, highlighted in yellow.

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Block	\$17,089,193	\$17,644,897	\$18,387,999	\$18,837,791	\$20,231,152	\$20,611,575	\$21,028,213	\$19,801,694	\$19,933,546
Sub-Regional	\$0	\$0	\$0	\$17,851	\$12,744	\$6,131	\$5,946	\$0	\$0
Supplemental	\$2,801,277	\$2,572,457	\$2,572,457	\$2,572,457	\$2,718,611	\$2,879,286	\$3,047,340	\$3,047,340	\$3,047,340
True-Up	\$879,840	\$320,970	\$459,578	\$1,496,766	\$735,125	\$542,532	(\$1,066,533)	(\$1,375,742)	\$0
Interest on True-Up	\$60,540	\$22,085	\$31,623	\$100,751	\$65,977	\$47,881	(\$94,126)	(\$121,415)	\$0
Total Cost	\$20,830,850	\$20,560,409	\$21,451,657	\$23,025,616	\$23,763,609	\$24,087,405	\$22,920,840	\$21,351,878	\$22,980,886
\$ Change	\$1,729,654	(\$270,441)	\$891,248	\$1,573,959	\$737,993	\$323,796	(\$1,166,565)	(\$1,568,963)	\$1,629,009
% Change	9.06%	-1.30%	4.33%	7.34%	3.21%	1.36%	-4.84%	-6.85%	7.63%

The 2021-2022 budget will meet cash flow, debt coverage and reserve requirements as mandated by Cascade's fiscal policies.

OPERATIONS & MAINTENANCE BUDGET TRENDS

The chart below shows the O&M budget trends from 2012-2022. It graphically represents the large impact Seattle water costs and debt service have had on Cascade's overall O&M budget. It also shows Administration and Conservation costs remaining relatively flat over time. Operations peaked in 2015 when Cascade dewatered the Flowline and performed a slate of repair projects and sediment removal.

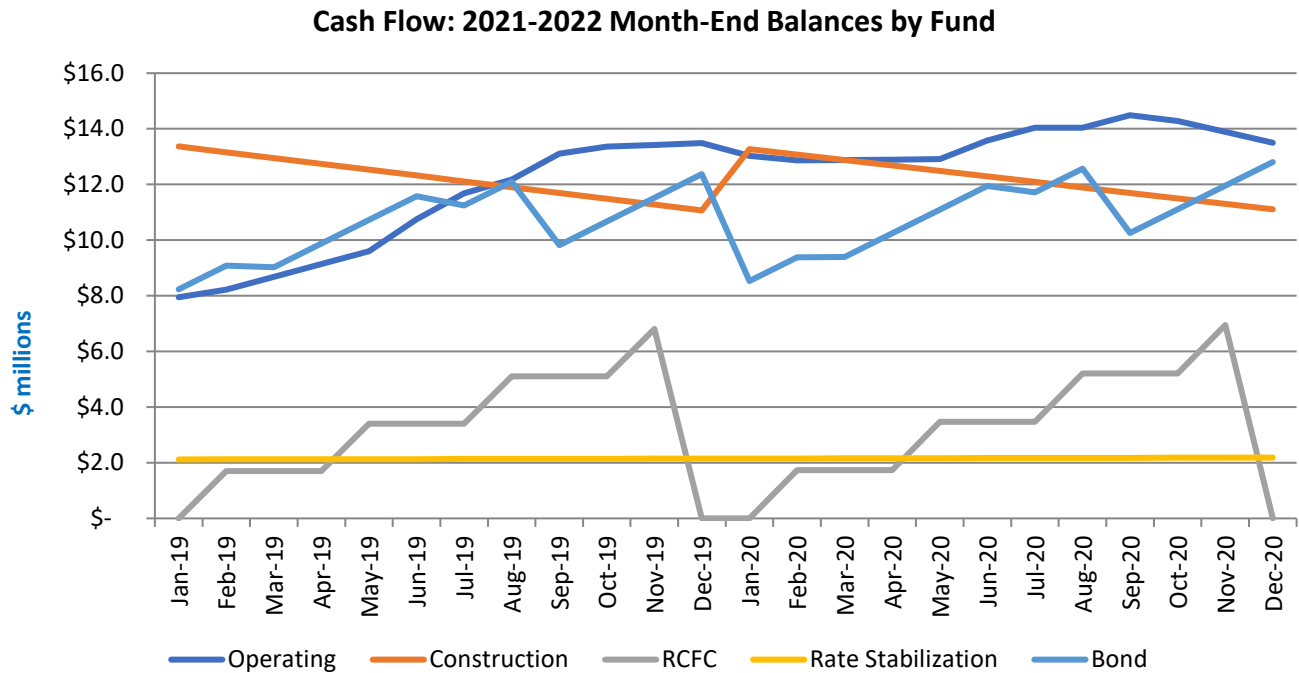


REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS: 2018-2022

	2018 actual	2019 actual	2020 est.	2021 budget	2022 budget
Operating Revenue:					
Water sales	\$ 34,595,643	\$ 36,412,424	\$37,567,001	\$38,534,704	\$39,106,467
Administrative dues	3,378,267	3,286,899	3,339,859	3,382,456	3,741,337
Conservation program	911,993	821,152	829,230	737,121	744,873
Total Operating Revenue	38,885,903	40,520,475	41,736,090	42,654,281	43,592,677
Operating Expenses:					
Cost of water sold	23,763,609	24,087,405	23,014,966	21,351,877	22,980,886
Salaries and benefits	2,076,480	2,192,918	2,150,646	2,171,873	2,212,005
Lake Tapps asset management	2,640,377	2,677,606	2,492,039	2,507,699	2,583,120
Professional services	1,453,900	1,805,214	1,548,266	1,629,700	1,739,000
Conservation program	97,079	49,216	268,004	330,000	330,000
Depreciation and amortization	4,645,380	4,304,661	4,519,894	4,745,889	4,983,183
Communication and public information	436,068	476,885	485,000	490,000	490,000
Office expenses	80,649	96,025	150,600	134,600	134,600
Insurance	110,185	108,396	131,868	129,091	132,963
Rent	225,469	225,469	240,000	235,288	241,749
Maintenance	299,615	320,226	627,600	1,448,100	1,065,700
Dues and subscriptions	62,077	58,390	51,000	50,000	55,000
Miscellaneous	147,935	290,686	81,131	770,659	1,146,759
Total Operating Expenses	36,038,823	36,693,097	35,761,014	35,994,775	38,094,965
Operating Income	2,847,080	3,827,378	5,975,076	6,659,506	5,497,712
Non-Operating Revenue (Expenses)					
BAB rebate	1,092,179	712,502	0	0	0
Interest income	1,259,668	1,521,058	763,774	829,439	945,452
Interest expense, net of amount capitalized	(6,359,819)	(5,701,919)	(4,522,987)	(4,267,976)	(3,985,332)
Loss on disposition of assets	-261,767	798	0	0	0
Total Non-Operating Revenue (Expenses)	(4,269,739)	(3,467,561)	(3,759,213)	(3,438,537)	(3,039,880)
Capital Contributions					
Regional Capital Facilities Charge	10,478,726	5,870,640	5,285,600	6,809,000	6,952,000
Increase in Net Assets	9,056,067	6,230,457	7,501,463	10,029,969	9,409,833
Net Assets, beginning of year	82,158,688	91,214,755	97,445,212	104,946,675	114,976,644
Net Assets, end of year	\$91,214,755	\$97,445,212	\$104,946,675	\$114,976,644	\$124,386,477

CASH FLOW SUMMARY: 2021-2022

Fund balances will remain positive for each month of 2021 and 2022, as illustrated in the following chart.



Cash flow balances shown above are estimated in timing and amount.

The capital payments for the water contracts with Tacoma are the reason for the variability in the Construction Fund cash flow. For the Bond Fund, the large variability is caused by the debt service payments and fund transfers from the RCFC and Operating Funds to meet sufficiency needs. Transfers to the Construction and Bond Funds and the quarterly billing of RCFC invoices are the cause of the variability in the RCFC Fund.

CAPITAL AND DEBT

CAPITAL IMPROVEMENT PROGRAM BUDGET

The 2021-2022 CIP is funded at \$9,027,297 in 2021 and \$9,135,463 in 2022. The CIP invests in projects in six program areas, provides a contingency (Capital Risk Program) and makes contract payments to Seattle and Tacoma. It is funded by RCFC revenue and bond proceeds.

The CIP programs are associated with replacing and improving assets in, and purchasing equipment for, the White River-Lake Tapps Reservoir Project (Lake Tapps Reservoir), a system which Cascade acquired from Puget Sound Energy (PSE) in 2009. The Lake Tapps Reservoir is a key element of Cascade's long-term water supply portfolio. Although Cascade will not develop the Reservoir as a source of drinking water for some time, it continues to invest in the system to keep it functioning and to meet regulatory requirements and agreements. Many of the assets purchased from PSE are more than 100 years old. In addition to the CIP, Cascade makes necessary repairs to the system's assets via the O&M budget. Together, the CIP and O&M investments allow Cascade to meet its first Strategic Plan goal: *Optimize Cascade's assets to support current and future needs.*

In developing the 2021-2026 CIP, Cascade started with those projects that were identified as high priority in condition assessments. Cascade then conducted a risk assessment for each project. The high- and medium-risk projects were sequenced in the six-year CIP, taking into consideration project inter-dependencies, cost and available staff resources.

The summary table below shows the 2021-2026 CIP along with the 2020 adopted budget.

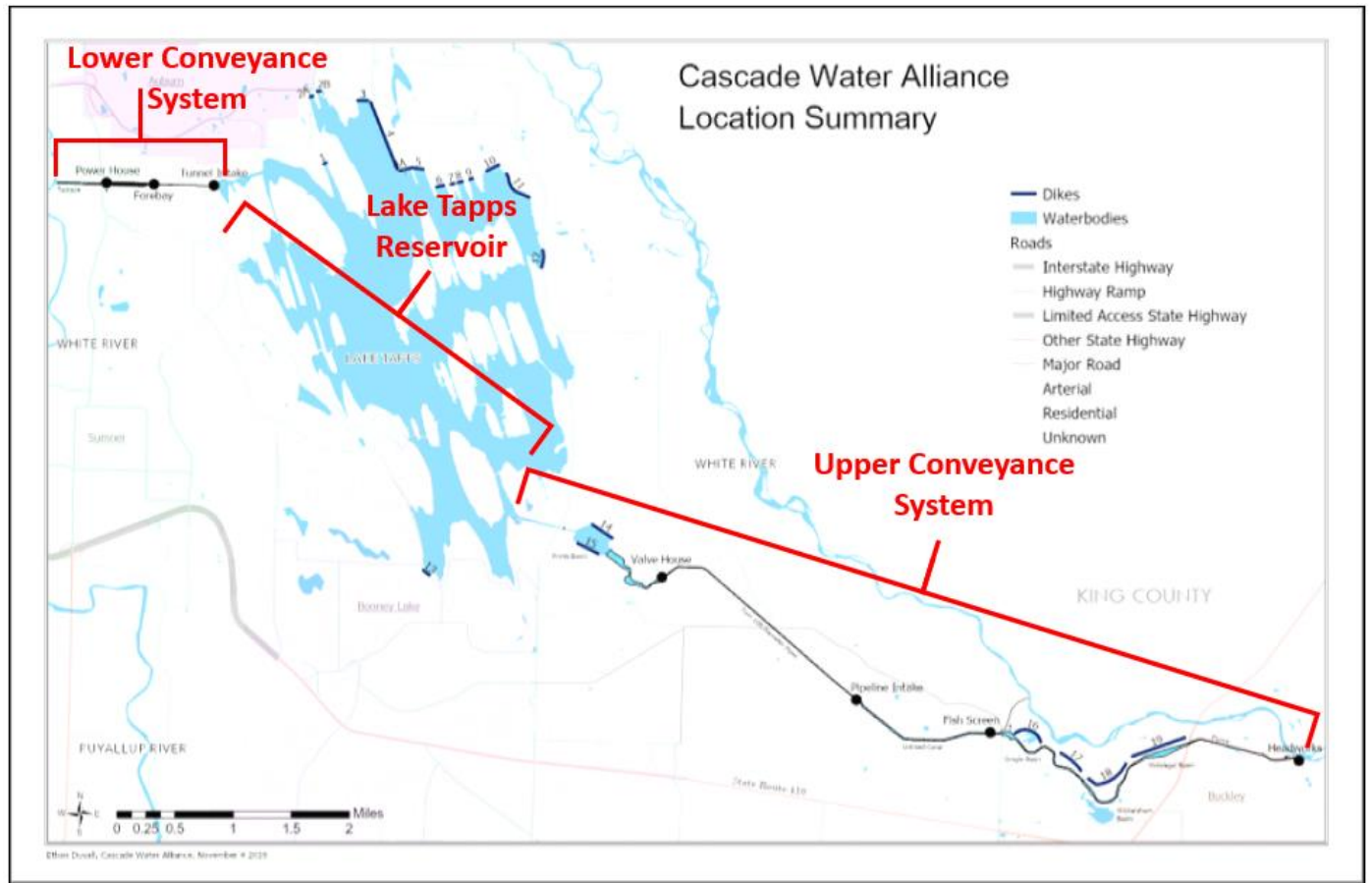
Program	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
Upper Conveyance	\$845,000	\$1,094,000	\$2,075,000	\$275,000	\$350,000	\$0	\$0	\$4,639,000
Lower Conveyance	\$500,000	\$0	\$0	\$1,000,000	\$1,000,000	\$2,700,000	\$3,200,000	\$8,400,000
Lake Tapps Reservoir	\$100,000	\$0	\$0	\$1,250,000	\$820,000	\$0	\$0	\$2,170,000
SCADA and Security	\$500,000	\$1,500,000	\$400,000	\$0	\$0	\$0	\$0	\$2,400,000
IT Infrastructure	\$60,000	\$25,000	\$35,000	\$25,000	\$35,000	\$25,000	\$35,000	\$240,000
Meters and Bellevue-Issaquah Pipeline	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$400,000
Seismic Resilience	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000
Subtotal	\$2,305,000	\$2,669,000	\$2,560,000	\$2,600,000	\$2,255,000	\$2,775,000	\$3,285,000	\$18,449,000
Capital Risk	\$600,000	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000	\$1,000,000	\$5,100,000
Seattle Agreement	\$0	\$0	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000
Tacoma Agreement	\$5,743,428	\$5,858,297	\$5,975,463	\$6,094,972	\$6,216,872	\$6,341,209	\$6,468,033	\$42,698,274
Total CIP	\$8,648,428	\$9,027,297	\$9,135,463	\$9,394,972	\$14,271,872	\$10,016,209	\$10,753,033	\$71,247,274

2021-2022 Adopted Budget

The majority of project funds in the 2021-2022 CIP are allocated to the Headworks Intake Modifications project in the Upper Conveyance Program and the SCADA and Security Upgrades project. In addition to projects, the 2021-2022 CIP also funds water contract payments to Tacoma and a contingency (Capital Risk) for emergencies and unforeseen needs.

Cascade estimates the cost (or savings) to operate and maintain completed capital projects during the planning stages of a new project for inclusion in future O&M budgets. In many cases the incremental costs are small and covered by Cascade's contract with its Lake Tapps system operator.

Below is a map of the White River-Lake Tapps Reservoir system. The proceeding pages give project details for each CIP program, including estimated O&M costs for projects that will be completed in 2021 or 2022.



CIP Program: Upper Conveyance

Description: In 2021 and 2022, the largest project in the Upper Conveyance is the Headworks Intake Modifications project, which is Phase 3 of the US Army Corps of Engineers' Mud Mountain Dam Fish Passage Project. Phase 1 was the construction of the barrier dam on the left side of the river, and Phase 2 was construction of the barrier dam on the right side of the river. Phase 3 will improve how water is diverted from the White River to Lake Tapps and will reduce sediment and debris diversion. Smaller projects in 2021 include the Fish Screen Crane Improvements and the Wolslegal Basin Valve Improvements. These projects need to be completed for the Flowline Outage project, which is funded in the 2021-2022 O&M budget. In 2022, CIP funds are allocated to improve a flume flow meter and to start work on a new fish screen equipment storage and improvements to the Valve House flow control.

The O&M costs for the Headworks Intake Modifications project is estimated to be \$100,000-\$150,000 for the first two years of operation. This would fund data collection and analysis to help Cascade understand and optimize system operations, as well as training for Cascade's system operator. Over the longer run, Cascade should incur O&M budget savings. Currently, Cascade removes sediment from the flowline roughly every seven years. The new intake system will mitigate the amount of sediment entering the flowline thereby reducing the frequency by which sediment will need to be removed.

Project	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
Fish Screen Crane Improvements	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
Fish Screen Equipment Storage	\$0	\$0	\$100,000	\$150,000	\$0	\$0	\$0	\$250,000
Flume Flow Meter	\$0		\$50,000					\$50,000
Facility Improvements	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000
Headworks Intake Modifications	\$100,000	\$800,000	\$1,900,000	\$0	\$0	\$0		\$2,800,000
Valve House Flow Control Improvements	\$625,000	\$0	\$25,000	\$125,000	\$350,000	\$0	\$0	\$1,125,000
Wolslegal Basin Valve Improvements	\$0	\$144,000	\$0	\$0	\$0	\$0	\$0	\$144,000
Total - Upper Conveyance	\$845,000	\$1,094,000	\$2,075,000	\$275,000	\$350,000	\$0	\$0	\$4,639,000



Headworks Project

CIP Program: Lower Conveyance

Description: This program includes projects needed in the lower conveyance part of the White River-Lake Tapps Reservoir system. No projects are planned for 2021-2022. In 2023, Cascade will make improvements to the Forebay and Beartrap with another round of improvements in 2026. Cascade will also start working on a suite of improvements on the Powerhouse and Outlet in 2023. The O&M costs associated with these projects will be estimated once planning is underway.

Project	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
Forebay and Beartrap Improvements	\$0	\$0	\$0	\$200,000	\$0		\$300,000	\$500,000
Penstock Improvements	\$0	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$1,000,000
Penstock Retirement	\$0	\$0	\$0	\$0	\$0	\$500,000	\$800,000	\$1,300,000
Plunge Pool South Timber Wall Improvement	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Standpipe Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000
Tapps Reservoir Powerhouse and Outlet Improvements	\$0	\$0	\$0	\$800,000	\$1,000,000	\$1,200,000	\$0	\$3,000,000
Tunnel Intake Facility Improvements	\$0	\$0	\$0	\$0	\$0	\$500,000	\$1,300,000	\$1,800,000
Total - Lower Conveyance	\$500,000	\$0	\$0	\$1,000,000	\$1,000,000	\$2,700,000	\$3,200,000	\$8,400,000



Powerhouse Facility

CIP Program: Lake Tapps Reservoir

Description: This program includes projects needed in the Lake Tapps Reservoir. No projects are planned for 2021-2022. Cascade will make improvements to Dike 10 and to Dike 9 in 2024. In 2019 Cascade completed a Risk Assessment Study of the Lake Tapps' dikes. Dikes 9 and 10 were identified as priority for upgrades based on their high hazard classification and relatively likely risk for seepage and seismic potential failure modes compared to the other dikes. The O&M costs associated with these projects will be estimated once planning is underway.

Project	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
Dike 10 Improvements	\$0	\$0	\$0	\$1,250,000	\$0	\$0	\$0	\$1,250,000
Dike 9 Improvements	\$0	\$0	\$0		\$820,000	\$0	\$0	\$820,000
Piezometers and Weirs Improvements	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
Total - Lake Tapps Reservoir	\$100,000	\$0	\$0	\$1,250,000	\$820,000	\$0	\$0	\$2,170,000



Dike 9



CIP Program: SCADA and Security

Program Description: When Cascade purchased the White River – Lake Tapps Reservoir system from PSE, it included an existing security system and Supervisory Control and Data Acquisition System (SCADA). In 2014 Cascade finalized a Security Master Plan, and in 2018 it installed the high-priority recommendations from the Plan. In 2019, Cascade completed a SCADA Master Plan which recommended a comprehensive upgrade and replacement of outdated instrumentation and control systems originally designed for hydropower production. Because of the strong connection between the security system and SCADA, Cascade decided to combine the two design efforts and in 2020 hired a consultant to design the remaining improvements from the Security Master Plan and the recommendations from the SCADA Master Plan. Cascade will implement the security and SCADA improvements in 2021 and 2022.

The additional O&M cost to operate and maintain the SCADA and security system is estimated to be \$35,000 per year for licenses and vendor support.

Project	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
SCADA and Security Upgrades	\$500,000	\$1,500,000	\$400,000	\$0	\$0	\$0	\$0	\$2,400,000
Total - SCADA and Security	\$500,000	\$1,500,000	\$400,000	\$0	\$0	\$0	\$0	\$2,400,000



SCADA and Security System Components

CIP Program: IT Infrastructure

Description: This program includes placeholders for the purchase of equipment necessary for a reliable information technology (IT) system, ensuring that sensitive data is protected and Cascade can continue to run smoothly. The GIS implementation project is complete and no longer requires CIP funding.

Project	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
GIS Implementation	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000
IT Infrastructure	\$35,000	\$25,000	\$35,000	\$25,000	\$35,000	\$25,000	\$35,000	\$215,000
Total - IT Infrastructure	\$60,000	\$25,000	\$35,000	\$25,000	\$35,000	\$25,000	\$35,000	\$240,000



IT Server

CIP Program: Meters and Bellevue-Issaquah Pipeline

Program: This program includes placeholders for two categories of meters: 1) the purchase of existing meters that Cascade or other agencies own but Cascade is responsible for the cost of the replacement; and 2) the transfer of meter ownership from a member to Cascade. There is no CIP funding for the Bellevue-Issaquah Pipeline (BIP) between 2021 and 2026. In 2020, Cascade completed a risk assessment of the BIP and concluded that a seismic event would have a low likelihood of causing failure. Therefore, Cascade does not have any seismic upgrades planned for the BIP in the foreseeable future.

Project	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
Bellevue-Issaquah Pipeline Improvements	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
Meter Replacement	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000
Total - Meters and BIP	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$400,000



Meter

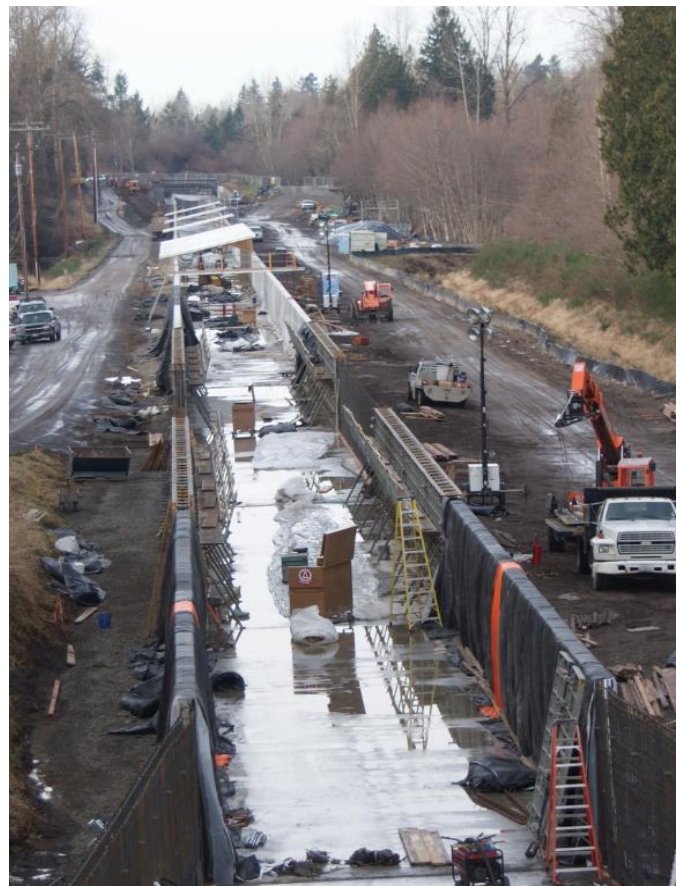
CIP Program: Capital Risk

Program Description: The contingency line in Cascade’s adopted CIP provides a reserve for unforeseen and/or emergency needs that are likely to occur with the 115-year-old infrastructure that Cascade purchased from PSE. It also reduces the financial risk associated with possible budget shortages and helps maintain Cascade’s AAA bond rating. These funds will only be spent if they are needed. The amount set aside for capital risk increases over time because uncertainty increases over time.

Project	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
Capital Risk	\$600,000	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000	\$1,000,000	\$5,100,000
Total - Capital Risk	\$600,000	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000	\$1,000,000	\$5,100,000



100+ year-old standpipe



Replacing the wood flume with a concrete flume (2014)

CIP Program: Seattle Agreement

Description: The Agreement with Seattle Public Utilities provides Cascade with 33.3 million gallons per day (MGD) of water through 2039 to serve Cascade’s members’ retail customers. In 2040, the contract supply begins to decline, and in 2064, the contract expires unless it is extended. Under the Agreement, Cascade makes three capacity reservation payments, the last of which is due in 2024.

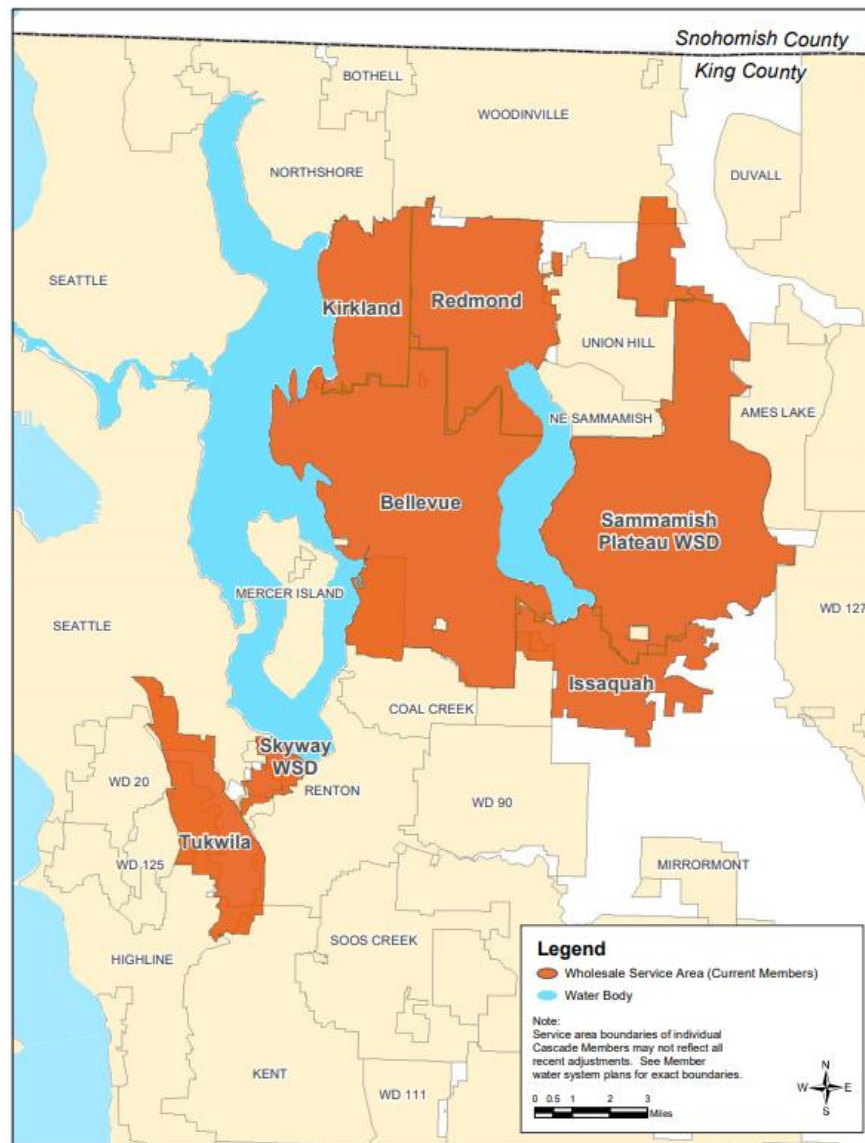
Project	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
Seattle Agreement	\$0	\$0	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000
Total - Seattle Agreement	\$0	\$0	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000



CIP Program: Tacoma Agreement

Description: The Tacoma Agreement provides Cascade with up to eight (8) million gallons per day (MGD) of water through 2042 to serve Cascade’s members’ retail customers or for another direct use by Cascade or its members. This program reflects the annual payments to Tacoma. In 2030 the payment decreases to \$1,000,000.

Project	2020	2021	2022	2023	2024	2025	2026	2020-2026 Total
Tacoma Agreement	\$5,743,428	\$5,858,297	\$5,975,463	\$6,094,972	\$6,216,872	\$6,341,209	\$6,468,033	\$42,698,274
Total - Tacoma Agreement	\$5,743,428	\$5,858,297	\$5,975,463	\$6,094,972	\$6,216,872	\$6,341,209	\$6,468,033	\$42,698,274



Cascade's Service Area

DEBT OVERVIEW

Major debt financing to-date includes:

- \$10,000,000 borrowed in 2004 from member Sammamish Plateau Water for acquisition of water supply sources and water systems (repaid from bond proceeds in 2006).
- \$25,904,442 owed to the City of Tacoma for acquisition of water supply sources and water systems (repaid from bond proceeds in 2006).
- Twenty-five-year \$55,230,000 revenue bond proceeds (2006 revenue bonds) to pay Sammamish Plateau Water and City of Tacoma and to finance system development (refunded by 2014 revenue bonds).
- Twenty-five-year \$80,095,000 revenue bond proceeds (2009 revenue bonds) to acquire the Lake Tapps Reservoir system from PSE and to fund property acquisitions and pipeline construction along a potential water transmission corridor.
- Twenty-five-year \$42,695,000 revenue bond proceeds (2012 revenue bonds) to acquire independent supply production capacity, restructure the Tacoma Water Contract, extend the Seattle Water Contract, and to fund Lake Tapps capital improvements.
- Fifteen-year \$29,220,000 refunding revenue bonds (2014 revenue bonds) to pay a portion of the cost of refunding the callable portion of the outstanding 2006 Bonds. The net proceeds were placed in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the 2006 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,692,477. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the 2006 revenue bonds to reduce its total debt service payments over 14 years by \$6,270,530 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$5,462,625. None of the defeased bonds remain outstanding.
- Seventeen-year \$49,430,000 for system improvement and refunding revenue bonds (2019 revenue bonds). The proceeds were used to advance refund a portion of the 2009 Series Revenue Bonds and fund \$5,181,693 in future CIP projects. These bonds were not advance refunded.

Cascade anticipates advance refunding the 2012 revenue bonds in late 2020/early 2021 if market rates remain at their historically low levels.

COVERAGE RATIO AND DEBT CAPACITY

Cascade's fiscal policies require that Cascade comply with bond covenants and satisfy related coverage requirements. In addition, the fiscal policies require that Cascade establish member charges sufficient to maintain net revenues that provide a debt coverage ratio of no less than 1.25 times total annual debt service. For this purpose, available revenues include member charges, interest earnings, miscellaneous revenues, and transfer to the Operating Fund from the Rate Stabilization Fund. Expenses include operating expenses and transfers from the Operating Fund into the Rate Stabilization Fund. Expenses do not include capital expenditures, capacity investments such supply acquisition investments, conservation investments with quantifiable return in reduced water demand or minimum payment obligations related to maintaining unused capacity rights.

The following table shows Cascade's actual debt coverage ratio since 2014 and the projected ratios for 2021 and 2022.

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Ratio	1.80	2.04	1.40	1.35	1.58	1.40	1.79	1.89	1.82

The 2021-2022 budget was developed to ensure that Cascade's coverage ratio remains in compliance with fiscal policies.

Cascade's fiscal policies provide guidance on debt management. In accordance with the policies, Cascade issues debt for investments in system infrastructure that provides tangible or intangible assets. Debt is not used to fund ongoing operating and maintenance costs that cannot be capitalized. When debt is used for capital investment, the term of debt does not exceed the reasonable useful life of the asset being acquired, constructed or enhanced.

The Board determines the term and structure of debt issued by Cascade. In determining debt structure, the Board considers the useful life of assets, existing debt and debt service load, plans for future debt issuance, market conditions, impacts on rates and charges, potential effect on Cascade's credit-worthiness and other factors that the Board deems relevant. Cascade does not use non-traditional debt, such as derivatives, swaps, variable rate obligations or other financial mechanisms, unless such instruments are allowable under Washington law, determined by the Board to be in the best interest of Cascade and found by the Board to provide financial benefit to Cascade without undue risk. Cascade will not use derivatives or swaps without the Board first adopting policy by resolution on the use of such mechanisms and approval by a 65% dual-majority vote. Cascade will also provide in payment agreements for derivatives or swaps that termination payments to a provider will be subordinate to debt service on a member's bond obligations.

Cascade may consider debt refunding, defeasance or restructuring when demonstrated to be financially advantageous. When Cascade accumulates cash and investments in excess of identified near-term requirements, Cascade considers debt reduction as one of the potential uses for such resources. Cascade makes timely filings of regular disclosures of information required by its bond covenants to the

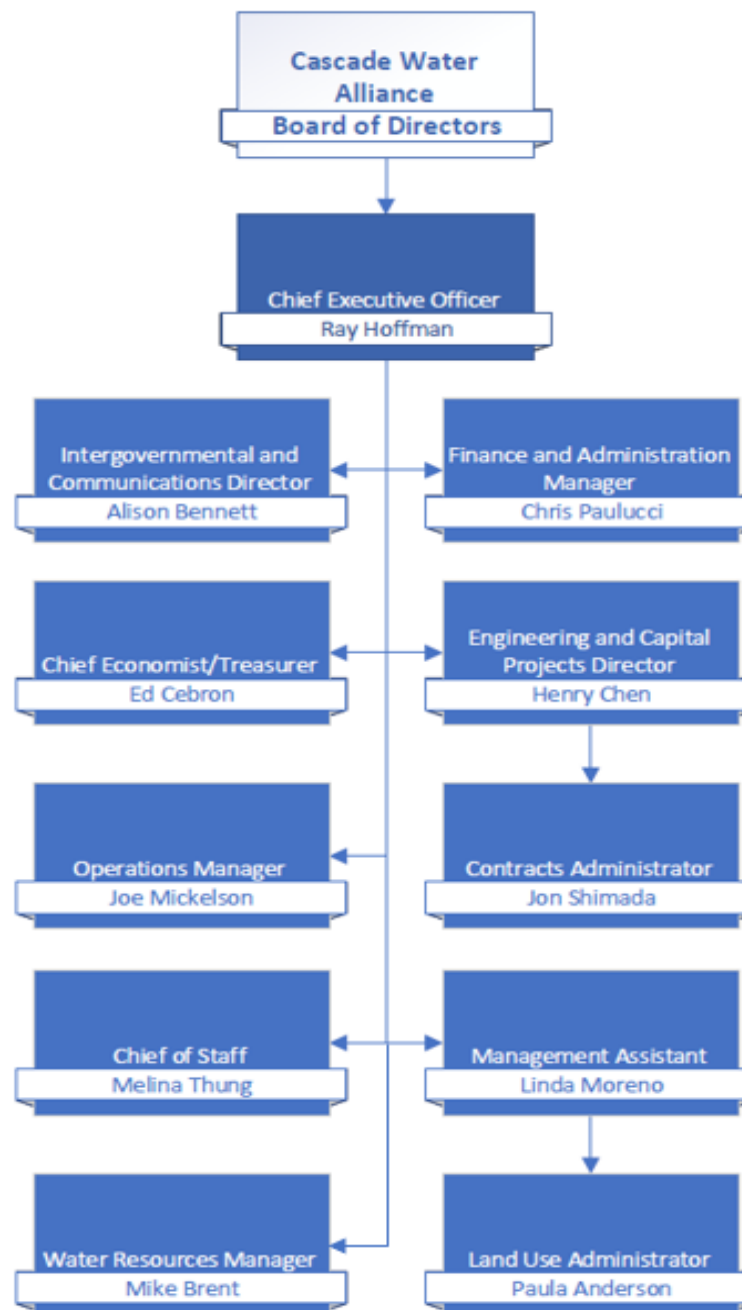
2021-2022 Adopted Budget

Municipal Securities Rulemaking Board (MSRB), including certain financial information and operating data of Cascade and of its members and notices of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the annual disclosure report and in notices of material events is set forth in the continuing disclosure certificates of Cascade's bonds. Cascade's CEO is responsible for executing the disclosures and notifying the Board of such reports.

Cascade's outstanding debt as of December 31, 2020, is \$104,517,368. The percentage of Cascade's forecasted revenues committed to debt repayment is 19.87% in 2021 and 19.43% in 2022. Cascade's debt-to-assets ratio has trended down over the last few years, currently under 35%. Net assets have decreased recently as amortization has outpaced capital projects. However, debt has decreased more and will continue to as Cascade does not anticipate issuing debt other than to refinance existing debt in the next decade.

DEPARTMENTAL INFORMATION

ORGANIZATIONAL CHART



2021-2022 STAFFING LEVEL AND SALARY SCALE

As guided by Cascade's Human Resources Policies & Procedures Manual, salary scale increases are based on 90% of the Seattle-Tacoma Consumer Price Index for Urban Wage Earners (CPI-W) for the twelve-month period ended June 30. The cost-of-living adjustment (COLA) amount is subject to approval by the Board. For 2021, a 0.9% COLA was granted to all regular staff.

Position	Grade	2020		2021 and 2022	
		Min.	Max.	Min.	Max.
No current position	1	\$3,910	\$5,944	\$4,262	\$6,478
No current position	2	\$4,497	\$6,835	\$4,901	\$7,450
No current position	3	\$5,176	\$7,867	\$5,642	\$8,575
Land Use Administrator	4	\$5,960	\$9,062	\$6,496	\$9,877
Management Assistant, Business Manager and Water Resources Manager	5	\$6,854	\$10,419	\$7,471	\$11,357
No current position	6	\$7,891	\$11,996	\$8,601	\$13,075
Finance and Administration Manager	7	\$9,079	\$13,801	\$9,896	\$15,043
Directors, Operations Manager, and Contracts Administrator	8	\$10,446	\$15,875	\$11,387	\$17,304
Economist, Chief of Staff	9	\$12,012	\$18,257	\$13,093	\$19,900

Cascade staffing for 2021-2022 is projected to remain at the 2020 level of 11 employees, or 9.85 full-time equivalents (FTEs), of which 6.05 FTEs are in the Administration Program, 2.3 FTEs are in the Operations Program and 1.5 FTEs are in the Conservation Program.

Staffing Levels (2017-2022)						
Grade	2017	2018	2019	2020	2021	2022
1	0	0	0	0	0	0
2	0	0	0	0	0	0
3	1	1	0	0	0	0
4	1	1	1	1	1	1
5	2	1	2	2	2	2
6	0	0	0	0	0	0
7	0	1	1	1	1	1
8	4.6	3.6	3.6	3.5	3.5	3.5
9	0.75	1.05	1.05	1.55	1.55	1.55
CEO	1	1	1	0.8	0.8	0.8
Total	10.35	9.65	9.65	9.85	9.85	9.85

PROGRAM DESCRIPTIONS, GOALS AND OBJECTIVES

Cascade's budget and expenditures are tracked according to the groups below. The groups are comprised of like expenses. In addition, the O&M groups – Administration, Conservation, Debt Service, Operations, Water – and are used to assign member charges as discussed in the Basis of Member Charges section.

Budget Group	2020 Budget	2021 Budget	2022 Budget
Administration	\$3,414,859	\$3,322,456	\$3,931,337
Conservation	\$804,229	\$737,121	\$744,874
Debt Service	\$11,835,253	\$9,787,231	\$9,779,981
Operations	\$5,667,952	\$5,837,432	\$5,454,685
Water	\$23,811,499	\$21,351,878	\$22,980,886
Total O&M Budget	\$45,533,792	\$41,036,118	\$42,891,763
Capital Improvement	\$8,648,428	\$9,027,297	\$9,135,463
TOTAL BUDGET	\$54,182,220	\$50,063,415	\$52,027,226

- Administration is the general overhead cost and includes communication and inter-governmental activities. Administrative dues are imposed on members, such as office rent, salaries and benefits, legal, etc. There is a cap (9%) on the administration charge that Cascade charges members.
- Conservation expenses are those related to Cascade's water efficiency program.
- Debt service is amount necessary to make principal and interest payments.
- Operations expenses refer to the charges necessary to operate Cascade's operations including those related to the Lake Tapps Reservoir and the Bellevue Issaquah Pipeline.
- Water is the cost of water paid to Seattle.
- Capital improvement includes funding to replace and improve Cascade's assets and make contract payments to Seattle and Tacoma.

2021-2022 Adopted Budget

Alignment Between the Strategic Plan and Budget Groups

As described in the Strategic Framework section, the Strategic Plan guides Cascade’s work and budget over the 2020-2024 period. The Plan has six focus areas, each with a goal, success indicator and set of metrics. The budget groups do not have defined goals and objectives since these serve primarily to categorize Cascade’s expenses. However, there is alignment between the focus area goals and the budget groups. The table below shows which budget groups help Cascade achieve its strategic goals.

Strategic Plan		Budget Groups Associated with Strategic Plan Goals
Focus Area	Goal	
Focus Area 1: Asset Management	Optimize Cascade’s assets to support current and future needs.	<ul style="list-style-type: none"> Operations – Cascade’s O&M activities related to maintaining and repairing its assets and protecting water quality are included in Operations. Capital Improvement Program – The CIP funds replacement of and improvements to Cascade’s assets.
Focus Area 2: Water Resources	Ensure flexibility, certainty and resiliency of Cascade’s future drinking water supply for the region.	<ul style="list-style-type: none"> Administration – Long-term water supply negotiations are included in Administration. Operations – Activities to support members’ independent supply and system resiliency are included in Operations.
Focus Area 3: Environmental Stewardship	Protect the natural environment by advancing water resource stewardship and sustainable business practices.	Conservation – Cascade’s water efficiency program is included in Conservation.
Focus Area 4: Regional Leadership	Lead, influence and serve as a convener on regional water-related issues and proactively maintain strong relationships to achieve the priorities of Cascade and its members.	Administration – Communications and inter-governmental relations are included in Administration.
Focus Area 5: Good Governance	Provide the most cost-effective services possible through Cascade’s governance model of a small, efficient and nimble organization with engaged members and Board of Directors.	Administration – Finance and organizational management activities are included in Administration.
Focus Area 6: Emerging Issues	Support members in addressing emergent priority issues while maintaining accountability to ratepayers.	Administration – Cascade supports the Board and members primarily through Administration activities.

Alignment Between the Strategic Plan, Performance Measures and Budget

Cascade's annual work plans implement the Strategic Plan. Cascade identified work plan actions and secured budget for each Strategic Plan strategy to ensure it meets its five-year goals. The work plan includes priorities for the year and does not include all of Cascade's work, such as on-going maintenance.

Below is an excerpt from Cascade's work plan which shows how the budget and performance measures are associated with the strategies. Only non-labor budget amounts are shown – staffing expenses are excluded. Cascade's complete work plan and performance measures are included in the Appendix.

FOCUS AREA 3: ENVIRONMENTAL STEWARDSHIP					
<i>Goal 3: Protect the natural environment by advancing water resource stewardship and sustainable business practices.</i>					
Strategies <i>How will we achieve our Goals?</i>	Success Indicators <i>How will we know our Strategies are working?</i>	Metrics <i>How can we quantify how well we're doing?</i>	2021-2022 Work Plan Actions <i>What priority actions will we undertake?</i>	2021 Non-Labor Budget	2022 Non-Labor Budget
Contribute to regional activities that reduce water demand, including peak season demand, to conserve and more efficiently use water sources.	Implementation of actions that help reduce water demand, especially peak season demand, in Cascade's service area.	Estimated amount of water saved via conservation actions taken by residents and businesses in Cascade's service area, particularly in the summer.	<ul style="list-style-type: none"> Work with members to locate accounts that would benefit from irrigation evaluations. Promote remote metering technology and infrastructure. 	\$60K	\$60K
Enhance education and outreach activities to enable residents, businesses, schools and public agencies to take action to protect and preserve natural water resources.	Enhancement and expansion of Cascade's education and outreach programs with positive feedback from the targeted audiences.	<ul style="list-style-type: none"> Number of students reached through school programs and activities and positive evaluations from educators. Number of customer interactions through community events and education courses and positive evaluations from customers. Percentage of Lake Tapps septic systems in regulatory compliance. 	<ul style="list-style-type: none"> Continue to enhance Cascade's education programs, such as expanded on-line resources. Continue to conduct community outreach and provide services in member service areas regarding water resource stewardship. Continue the TappsWise program focusing on outreach on septic system inspections, natural yard care and water quality for the Lake Tapps Reservoir. Implement the We Need Water social media plan. 	\$540K	\$540K
Sustainably manage Cascade's facilities, equipment, assets and capital projects in a way that minimizes impacts on the natural environment.	Implementation of actions that reduce Cascade's carbon footprint and its impact on the natural environment.	Estimated amount of water and energy saved, carbon emissions avoided, or other environmental benefits as a result of Cascade's actions.	<ul style="list-style-type: none"> Explore PSE's voluntary renewable energy programs to see if there are opportunities to reduce Cascade's carbon footprint at our facilities. Explore post-COVID-19 alternative work arrangements to reduce commuting. 	\$0	\$0

APPENDICES

- Work Plan and Performance Measures
- Financial Policies
- 2021-2022 Budget Adopted Resolution
- 2021-2022 Rates and Charges Resolution
- 2021-2022 Regional Capital Facilities Charge Resolution
- 2021 Member Charges Memo
- Glossary of Terms

WORK PLAN AND PERFORMANCE MEASURES

FOCUS AREA 1: ASSET MANAGEMENT					
Goal 1: Optimize Cascade's assets to support current and future needs.					
Strategies <i>How will we achieve our Goals?</i>	Success Indicators <i>How will we know our Strategies are working?</i>	Metrics <i>How can we quantify how well we're doing?</i>	2021-2022 Work Plan Actions <i>What priority actions will we undertake?</i>	2021 Non-Labor Budget	2022 Non-Labor Budget
1. Implement strategies and make investments to protect the Lake Tapps Reservoir as a future drinking water supply.	Cascade's highest priority repair, replacement and maintenance projects are completed and come within scope, schedule and budget.	<ul style="list-style-type: none"> Percentage of annual expenditures for repair, replacement and maintenance projects relative to budgeted amounts. Number and list of repair, replacement and maintenance projects that are completed and come within scope, schedule and budget. Completion of GASB condition assessment requirement. 	1. Make progress on the following projects: <ol style="list-style-type: none"> Headworks Intake Modifications SCADA/Security Implementation Flowline Outage Wolslegal Basin 6' Valve Improvements Fish Screen Crane Improvements 2. Complete a value analysis study for the lower conveyance. 3. Perform annual milfoil treatment. 4. Begin developing the Transmission Supply Plan. 5. Secure a 5-year operator contract. 6. Update the asset attributes database, geocode and integrate into the GIS web portal; migrate baseline infrastructure layers onto the portal. 7. Continue to improve the property management program, such as addressing outstanding licenses.	\$3,409K	\$2,925K
2. Use baseline water quality information to evaluate how future drinking water from the Lake Tapps Reservoir will meet water quality regulatory standards and regional expectations.	Implementation and completion of activities that provide information on the Lake Tapps Reservoir's water quality.	Amount of new data that provides information on water quality in the Lake Tapps Reservoir.	8. Complete the two-year water quality monitoring program. 9. Conduct an inventory of outfalls along the flowline. 10. Monitor opportunities to engage in local government planning/stormwater activities that benefit water quality.	\$150K	\$30K
3. Maximize Cascade's assets to generate other sources of revenue or benefits.	Implementation of actions that generate additional revenue or other benefits to Cascade.	<ul style="list-style-type: none"> Amount of annual revenue generated by new sources. Estimated value of non-revenue benefits generated. 	11. Follow-up as appropriate on the results of the solar feasibility study. 12. Explore selling temporary water to Redmond. 13. Explore opportunities to sell water to Sumner and other entities.	\$0	\$0

FOCUS AREA 2: WATER RESOURCES					
Goal 2: Ensure flexibility, certainty and resiliency of Cascade's future drinking water supply for the region.					
Strategies <i>How will we achieve our Goals?</i>	Success Indicators <i>How will we know our Strategies are working?</i>	Metrics <i>How can we quantify how well we're doing?</i>	2021-2022 Work Plan Actions <i>What priority actions will we undertake?</i>	2021 Non-Labor Budget	2022 Non-Labor Budget
4. Delay capital costs in developing the Lake Tapps Reservoir as a municipal water supply by purchasing water from other regional suppliers and utilizing reclaimed water, independent supplies, and other water sources.	TBD (discuss with Board during Lake Tapps long-range planning sessions)	TBD (discuss with Board during Lake Tapps long-range planning sessions)	14. Continue negotiations with Seattle to extend Cascade's contract, and/or explore potential supplies from other regional suppliers. 15. Continue to update the long-term demand forecast.	\$0	\$0
5. Develop strategies to address current and future drinking water quality issues to assist members in maintaining independent supplies.	Implementation of joint efforts that assist members in maintaining or improving the water quality of their independent supplies.	Estimated amount of independent supply maintained through joint efforts focused on water quality.	16. Track PFAS legislation and rulemaking at the federal and state levels and support members as needed.	\$5K	\$5K
6. Collaborate with members and other utilities to implement actions that improve the region's resiliency for seismic events and other major disruptions impacting water supply delivery.	Implementation of joint activities and projects that improve regional resiliency.	Number and list of completed joint activities and projects that improve regional resiliency and their associated benefits.	17. Once members complete their AWIA risk and resiliency assessments and emergency response plans, identify and implement 1-3 actions to improve regional resiliency. 18. Work with the Water Supply Forum to design a workshop for utilities and emergency managers to improve coordination of emergency preparedness and response.	\$50K	\$100K

FOCUS AREA 3: ENVIRONMENTAL STEWARDSHIP					
<i>Goal 3: Protect the natural environment by advancing water resource stewardship and sustainable business practices.</i>					
Strategies <i>How will we achieve our Goals?</i>	Success Indicators <i>How will we know our Strategies are working?</i>	Metrics <i>How can we quantify how well we're doing?</i>	2021-2022 Work Plan Actions <i>What priority actions will we undertake?</i>	2021 Non-Labor Budget	2022 Non-Labor Budget
7. Contribute to regional activities that reduce water demand, including peak season demand, to conserve and more efficiently use water sources.	Implementation of actions that help reduce water demand, especially peak season demand, in Cascade's service area.	Estimated amount of water saved via conservation actions taken by residents and businesses in Cascade's service area, particularly in the summer.	19. Work with members to locate accounts that would benefit from irrigation evaluations. 20. Promote remote metering technology and infrastructure.	\$60K	\$60K
8. Enhance education and outreach activities to enable residents, businesses, schools and public agencies to take action to protect and preserve natural water resources.	Enhancement and expansion of Cascade's education and outreach programs with positive feedback from the targeted audiences.	<ul style="list-style-type: none"> Number of students reached through school programs and activities and positive evaluations from educators. Number of customer interactions through community events and education courses and positive evaluations from customers. Percentage of Lake Tapps septic systems in regulatory compliance. 	21. Continue to enhance Cascade's education programs, such as expanded on-line resources. 22. Continue to conduct community outreach and provide services in member service areas regarding water resource stewardship. 23. Continue the TappsWise program focusing on outreach on septic system inspections, natural yard care and water quality for the Lake Tapps Reservoir. 24. Implement the We Need Water social media plan.	\$540K	\$540K
9. Sustainably manage Cascade's facilities, equipment, assets and capital projects in a way that minimizes impacts on the natural environment.	Implementation of actions that reduce Cascade's carbon footprint and its impact on the natural environment.	Estimated amount of water and energy saved, carbon emissions avoided, or other environmental benefits as a result of Cascade's actions.	25. Explore PSE's voluntary renewable energy programs to see if there are opportunities to reduce Cascade's carbon footprint at our facilities. 26. Explore post-COVID-19 alternative work arrangements to reduce commuting.	\$0	\$0
10. Identify changing environmental conditions, such as climate change, and develop strategies to mitigate impacts.	Implementation of actions that address changing environmental conditions to mitigate their impacts.	Estimated quantified benefits as a result of Cascade's actions.	27. Evaluate whether any of our properties are mapped as floodplains or wetlands.	\$0	\$0

FOCUS AREA 4: REGIONAL LEADERSHIP					
Goal 4: Lead, influence and serve as a convener on regional water-related issues and proactively maintain strong relationships to achieve the priorities of Cascade and its members.					
Strategies <i>How will we achieve our Goals?</i>	Success Indicators <i>How will we know our Strategies are working?</i>	Metrics <i>How can we quantify how well we're doing?</i>	2021-2022 Work Plan Actions <i>What priority actions will we undertake?</i>	2021 Non-Labor Budget	2022 Non-Labor Budget
11. Advance Cascade's legislative interests to achieve Cascade's overall mission.	Cascade's positive relationships and success in legislative activities that support Cascade's mission.	Level of Board satisfaction with implementation of Cascade's legislative agenda and building relationships that support the legislative agenda.	28. Establish and implement a legislative agenda.	\$0	\$0
12. Maintain trust and a good working relationship with Cascade's member communities and Lake Tapps partners.	Stakeholder participation in Cascade-sponsored projects and activities.	Number and list of Cascade-sponsored activities offered to member communities and Lake Tapps partners.	29. Convene community meetings with the Lake Tapps Community Council, Tribes and the Four Cities. 30. Sponsor events and activities in the Lake Tapps and member communities.	\$125K	\$125K
13. Participate in water-related issues at the regional, state, national and industry levels.	Cascade staff engagement on regional, state, national and industry issues.	Number and list of water-related regional, state, national and industry issues or venues that Cascade engaged in and their associated benefits.	31. Work with the Water Supply Forum to identify and secure funding to improve the resiliency of the region's drinking water system. 32. Participate on EPA's Workforce Initiative Task Force. 33. Participate in the Aspen Institute's affordability activities. 34. Participate on AWWA's working committee to revise its rate methodology in support of affordability initiatives.	\$0	\$0
14. Look for opportunities to partner with regional entities that have shared objectives.	Establishment of new partnerships that help achieve Cascade's mission.	Number of new partnerships established and their associated benefits.	35. Partner with Pierce County on the trail project. 36. Partner with Sumner and BNSF on the Sumner/BNSF project. 37. Convene other agencies and stakeholders to address Lake Tapps issues collectively, such as protecting water quality. 38. Develop new and enhance existing We Need Water partnerships.	\$0	\$0

FOCUS AREA 5: GOOD GOVERNANCE					
Goal 5: <i>Provide the most cost-effective services possible through Cascade's governance model of a small, efficient and nimble organization with engaged members and Board of Directors.</i>					
Strategies <i>How will we achieve our Goals?</i>	Success Indicators <i>How will we know our Strategies are working?</i>	Metrics <i>How can we quantify how well we're doing?</i>	2021-2022 Work Plan Actions <i>What priority actions will we undertake?</i>	2021 Non-Labor Budget	2022 Non-Labor Budget
15. Ensure continued strong engagement with current and new Board members.	High attendance levels and active participation by Board members and alternates at Board and Committee meetings.	<ul style="list-style-type: none"> Attendance level of Board members and alternates at Board and Committee meetings. Level of Board's and alternates' satisfaction with Cascade's ability to keep them well-informed of Cascade's activities. Number of Cascade-sponsored events and activities for members. 	39. Provide monthly member updates. 40. Design outreach activities in member communities to include Board members. 41. Provide individual briefings to Board member and alternates.	\$0	\$0
16. Strengthen the relationship between Cascade and members' councils, commissions and other elected officials.	Expansion of interactions between Cascade and members' councils, commissions and other elected officials.	Number of interactions between Cascade and members' councils, commissions and other elected or appointed officials.	42. Offer presentations to members' councils, commissions and other elected or appointed officials.	\$0	\$0
17. Expand Cascade's unique business model to new issues to deliver services more efficiently and cost-effectively.	Application of Cascade's business model to new issues that result in more efficient and cost-effective services.	Number and list of instances in which Cascade's business model has been applied to new issues and an estimation of the associated benefits.	43. Develop and implement the Lake Tapps reserve equity fund. 44. Offer assistance to members on bond refunding. 45. Offer assistance to members on rate design and affordability. 46. Offer to advise and collaborate with members on long-range demand forecasting, especially for their system planning efforts	\$0	\$0
18. Support the Board in updating Cascade's mission, vision, and long-range goals to guide the development of future strategic plans.	Completion of a process with the Board to update Cascade's mission, vision, and long-range goals prior to starting development of the 2025-2029 Strategic Plan.	Level of Board satisfaction in the process and results of updating Cascade's mission, vision, and long-range goals.	47. Convene a Board workshop to define the long-range plans for Lake Tapps and to update Cascade's mission and vision.	\$0	\$0
Additional Good Governance work plan actions that aren't associated with specific Strategies			48. Complete the annual and quarterly audits on time.	\$99K	\$101K

FOCUS AREA 6: EMERGING ISSUES					
<i>Goal 6: Support members in addressing emergent priority issues while maintaining accountability to ratepayers.</i>					
Strategies <i>How will we achieve our Goals?</i>	Success Indicators <i>How will we know our Strategies are working?</i>	Metrics <i>How can we quantify how well we're doing?</i>	2021-2022 Work Plan Actions <i>What priority actions will we undertake?</i>	2021 Non-Labor Budget	2022 Non-Labor Budget
19. Engage in strategies to address affordability in water-related services.	Implementation of actions that improve affordable water-related services in members' service areas.	Estimated savings by residences, businesses and/or agencies as a result of Cascade's actions to address affordability.	49. Present an alternative approach to the Board on the RCFC methodology to support affordability. 50. Present legislative options to the Board that would support water affordability.	\$0	\$0
20. Support members in working with regulators and other government agencies to achieve members' goals.	Implementation of joint activities with members to resolve issues when working with regulators or other government agencies.	Level of Board and member satisfaction with Cascade's support of issue resolution with regulators and other government agencies.	51. Continue AWIA support to ensure all members meet EPA requirements. 52. Explore opportunities to coordinate development of members' water system plans with the TSP; help members address issues with regulators regarding their plans.	\$150K	\$0
21. Provide analysis on emergent issues to enable the Board to make informed decisions and guide Cascade's work.	Timely and thorough completion of analyses provided to the Board as new issues emerge.	Level of Board satisfaction with Cascade's analyses of emergent issues.	53. Continue to address reclaimed water through the process established under Agreement to Coordinate Reclaimed Water.	\$0	\$0

FINANCIAL POLICIES

Sections:

- 5.05.010 Adopted.
- 5.05.020 Generally.
- 5.05.030 Financial integrity and stability.
- 5.05.040 Funding growth-related system expansion.
- 5.05.050 Capital program funding.
- 5.05.060 Managing debt.
- 5.05.070 Financial planning and revenue sufficiency.
- 5.05.080 Budgeting and accounting.
- 5.05.090 Rate structure and equity.
- 5.05.100 Efficiency and conservation.

5.05.010 Adopted.

The Board of Directors of Cascade approves and adopts fiscal policies codified in this chapter. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 1; Res. 2006-05 § 1].

5.05.020 Generally.

The Board of Directors of Cascade (the Board) has determined that Cascade shall maintain fiscal policies that promote:

- A. Financial integrity and stability.
- B. Rate equity.
- C. Efficiency and conservation.

From time to time, the Board may amend these policies as it deems appropriate. It is the exclusive authority of the Cascade Board to revise these fiscal policies as appropriate. The Board may delegate review and evaluation of the fiscal policies and any proposed amendments to its Finance and Management Committee for this purpose. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 2; Res. 2006-05 § 1].

5.05.030 Financial integrity and stability.

Cascade will provide a stable financial structure that enables it to fulfill its mission to provide regional water supply and transmission services in an efficient and cost-effective manner.

A. Revenue Stability. Cascade will establish and maintain a financial structure that provides for stable and predictable revenues, relying primarily on fixed charges to members.

B. Operating Reserves (Operating Fund Balance). Cascade will maintain an operating fund and establish and budget for a beginning and ending operating fund target balance of no less than 13.7 percent (50 days) of budgeted annual operating expenses. Cascade may routinely budget higher levels of reserves to mitigate unpredictable lump sum expense adjustments, such as the annual Seattle contract true-up, and to reflect accruals toward intermittent large scale operating expenditures. In the event that the operating fund balance falls below the target balance, Cascade shall budget and set rates so that target fund levels are restored within two years.

C. Bond Reserves. Cascade will maintain a bond fund for bond reserves and debt repayment, and shall maintain bond fund balances consistent with corresponding debt covenants. In the event that the bond fund balances are found to fall below target levels, Cascade shall remedy the shortfall within 90 days or, if unable, within that period make partial remedy as able and adopt an action plan to complete the remedy.

D. Contingency Planning. Cascade will incorporate adequate contingencies in its capital planning to provide for orderly cash flow on capital projects and accommodate reasonable adjustments to capital budgets, scope and schedule, including an explicit provision for capital risk to provide for as-yet unidentified capital needs.

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E. Rate Stabilization Fund. Cascade will maintain a rate stabilization fund (RSF) to be used to mitigate fluctuations in revenues, expenses or rates. Cascade shall target a RSF balance equal to 5% of operating revenues plus provisions for accruals for intermittent large scale operating expenditures. The Board shall establish rules for rate and fund management addressing additions to or withdrawal from the RSF with the objective of smoothing rate transitions and impacts, and may modify these by resolution.

F. Asset Management. Cascade shall establish capitalization and asset management policies and will maintain a fixed asset schedule and depreciate or amortize assets based upon reasonable expectations of useful life. When infrastructure assets are not booked as depreciable assets (e.g. alternate method accounting), Cascade shall estimate useful life and annual depreciation for purposes of establishing equivalent annual depreciation and net book value of assets for fiscal policy compliance.

G. Capital Reinvestment. Cascade will budget, generate and restrict funds for system repair and replacement (R&R), which will be made available for projects that replace assets or extend their lives whether or not such expenditures are capitalized. The annual budgeted amount will be total annual depreciation and amortization of system assets, less planned debt principal repayment, but in no case less than one-half percent of total asset value (original cost before depreciation). Subject to realization of sufficient revenues and cash balances to fund and transfer the budgeted amount, and net of R&R expenditures made through the operating budget, the net remaining annual R&R provision will be transferred into the construction fund, to be used as cash funding toward Cascade capital projects. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 3; Res. 2006-05 § 1].

5.05.040 Funding growth-related system expansion.

Cascade will establish and impose member charges that provide for equitable recovery of growth-related costs from member agencies experiencing growth. The regional capital facilities charge (RCFC) is the member charge imposed for this purpose, and is applicable to all new or expanded water services within Cascade member service areas as defined in the RCFC methodology.

A. RCFC Basis. Cascade will adopt an RCFC methodology consistent with equity and revenue-generating purposes as required by the Cascade Joint Municipal Utility Service Agreement. The methodology will define the basis for determining the charge and the structure for imposing it.

B. RCFC Structure. The RCFC will be imposed on members based on customer growth. Any future revisions of the basis for RCFCs shall be limited to prospective purposes, and shall not affect past payments or previously determined RCFC credits.

C. RCFC Credits. Cascade may provide credits against RCFC payments due from members. Credits issued shall be defined in terms of a number of Cascade Equivalent Residential Units (CERUs) provided. Revisions in the definition of CERUs shall not be cause for a restatement of available credits.

D. RCFC Use and Restrictions. RCFC revenues will be used to offset system capital costs, including debt service and funding of debt related reserves. RCFCs shall be deposited into an RCFC fund, where they may be used for any authorized capital purpose.

As a part of Cascade's adopted budget, the Board shall set a minimum annual transfer of RCFC revenues from the RCFC fund to the capital fund to be used as cash funding for capital projects, attaining a minimum transfer of 75 percent of annual RCFC revenues by 2020. For this purpose, the portion of RCFCs used in support of debt service will be funded first, with all additional RCFC revenues then allocated to capital purposes. The Board will also determine appropriate restrictions, if any, on transferred funds as related to specific projects or uses.

When major construction projects cause a substantial increase in debt burden, when accumulated construction funds exceed reasonably projected needs, or when debt funding obligations require increased deposit into the debt funds (such as for bond reserves), the Board may take action to temporarily reduce the annual capital transfer of RCFC revenues to as little as 50%, provided that the 75% transfer level is restored within 10 years. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 4; Res. 2006-05 § 1].

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5.05.050 Capital program funding.

In conjunction with establishing, planning or updating its capital program, Cascade will develop a corresponding capital-financing plan that supports execution of that program.

A. Construction or Acquisition of Assets. Capital funding, net of any grants, dedications or other assistance, will consist of a combination of cash (equity) and debt financing.

B. Capital Structure of Project Financing. Cascade's capital funding strategy will be developed with an objective that total cumulative debt outstanding shall not exceed 80% of the net book value (original cost net of depreciation or amortization) of fixed assets and asset-backed capacity rights. Cascade may establish, by Board action, more stringent limits on debt levels and debt funding of the capital program as it deems prudent to sustain Cascade's fiscal integrity.

C. Operating Costs. Cascade's capital funding strategy will consider estimated impacts on operating expenses related to planned capital improvements.

D. Master Meter Replacement. Cascade delivers water to its members through one or more wholesale master meters, owned and maintained either by Cascade or other regional water utilities such as Seattle Public Utilities and Tacoma Public Utilities. Costs to maintain, repair and replace master meters shall be considered Cascade operating and maintenance costs to be recovered through the uniform demand share structure of Cascade. Costs to install new wholesale master meters initiated by Cascade shall be Cascade capital costs. Costs to install new master meters initiated by a member shall be the responsibility of the member and charged directly to that member. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 5; Res. 2006-05 § 1].

5.05.060 Managing debt.

A. Use of Debt for Capital Assets. Cascade will issue debt for investments in system infrastructure that provide tangible or intangible assets. Debt will not be used to fund ongoing operating and maintenance costs that cannot be capitalized.

B. Structure of Debt. The Board shall determine the term and structure of debt issued by Cascade. In determining debt structure, the Board shall consider the useful life of assets, existing debt and debt service load, plans for future debt issuance, market conditions, impacts on rates and charges, potential effect on Cascade's credit-worthiness, and other factors that the Board deems relevant. When debt is used for capital investment, the term of debt shall not exceed the reasonable useful life of the asset being acquired, constructed or enhanced.

C. Nontraditional Debt. Cascade will not use nontraditional debt, such as derivatives, swaps, variable rate obligations or other financial mechanisms, unless such instruments are allowable under Washington law, determined by the Board to be in the best interest of Cascade, and found by the Board to provide financial benefit to Cascade without undue risk. Cascade will not use derivatives or swaps without the Board first adopting policy by resolution on the use of such mechanisms and approval by a 65 percent dual majority vote. Cascade will also provide in payment agreements for derivatives or swaps that termination payments to a provider will be subordinate to debt service on a member's bond obligations.

D. Debt Modification. Cascade may consider debt refunding, defeasance or restructuring when demonstrated to be financially advantageous. When Cascade accumulates cash and investments in excess of identified near-term requirements, Cascade will consider debt reduction as one of the potential uses for such resources.

E. Disclosures. Cascade shall make timely filings of regular disclosures of information required by its bond covenants to the Municipal Securities Rulemaking Board (MSRB), including certain financial information and operating data of Cascade and of its Members and notices of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the annual disclosure report and in notices of material events is set forth in the continuing disclosure certificates of Cascade's bonds. The CEO will be responsible to execute the disclosures and notify the Board of such reports. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 6; Res. 2006-05 § 1].

5.05.070 Financial planning and revenue sufficiency.

Cascade shall establish member charges sufficient to meet all cash operating requirements of the system.

A. Cash Requirement. Cash operating requirements are defined to include operating expenses, debt repayment, planned equity funding of the capital program, and planned addition to operating, bond or other reserves. Resources considered for

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this purpose shall include, in addition to member charges, available interest earnings, ancillary energy and resource recovery revenues, miscellaneous revenues, and planned use of available reserves.

B. Coverage Requirement. Cascade shall comply with bond covenants and satisfy related coverage requirements. In addition, Cascade will establish member charges sufficient to maintain net revenues that provide a debt coverage factor of no less than 1.25 times total annual debt service. For this purpose, available revenues shall include member charges, interest earnings, ancillary energy and resource recovery revenues, miscellaneous revenues, and transfer to the operating fund from the rate stabilization fund. Expenses shall include operating expenses and transfers from the operating fund into the rate stabilization fund. Expenses shall not include capital expenditures, capacity investments such supply acquisition investments or conservation investments with quantifiable return in reduced water demand, or minimum payment obligations related to maintaining unused capacity rights.

C. Rate Transitions/Planning. In order to maintain orderly and reasonable transitions in rates, Cascade shall rely on the most current rate forecast as guidance in establishing member charges. Member charges (meaning unit charges applied to calculate member payments) shall not be reduced any year when a net increase in required revenues derived from member charges is projected within the upcoming five-year period. When substantial future revenue increases are forecast, Cascade shall, to the extent practical, increase member charges in an orderly fashion through a series of moderate annual adjustments with an intent to provide smoothing of increases and impacts over a prospective five-year period. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 7; Res. 2006-05 § 1].

5.05.080 Budgeting and accounting.

Cascade shall develop and approve biennial budgets as provided by the Cascade Water Alliance Joint Municipal Utility Services Agreement ("Cascade Agreement") and bylaws and consistent with adopted fiscal policies.

A. Annual Budget. Each annual Cascade budget shall establish authorized expenditure levels, estimated revenues and reserve levels. Cascade shall amend the adopted budget, as deemed appropriate, by Board action to reflect material changes in anticipated revenues or expenditures. The CEO shall establish procedures and practices for periodic reporting to the Board on budget performance.

B. Rate Planning. In support of the budget process, Cascade shall determine corresponding rates and charges and provide such information to members. Cascade shall issue a preliminary rate forecast no later than July 1st of each year. Cascade shall issue a revised rate forecast no later than October 1st of each year. These rate forecasts shall address no less than a 10-year planning horizon. Cascade shall issue additional rate analyses and forecasts as directed by the Board.

In addition, Cascade shall periodically, but no less than every ten years, develop a financial forecast encompassing at least a 20-year planning period. This forecast shall project member charges as required to satisfy financial requirements and performance standards.

C. Financial Reporting. Cascade shall establish and maintain financial records in a format consistent with Washington State BARS system of accounts. Cascade shall conform with generally accepted accounting with principles in its accounting, reporting and procedures.

D. Audit. Cascade shall be audited by an independent outside auditor no less than annually. Such audit shall be performed by the State Auditor or their agent or by a public accounting firm knowledgeable in Washington municipal accounting practices.

E. Funds. Cascade shall establish and maintain appropriate segregation of monies as required to provide adequate accounting for to the source and use of funds. To this end, Cascade shall maintain: (1) an operating fund; (2) an RCFC fund; (3) a rate stabilization fund; (4) a bond fund and (5) a construction fund. Any additional funds or accounts shall be established and maintained as defined by Board resolution.

F. Investments. The Board shall adopt by resolution an investment policy which is fully compliant with statutory requirements and which protects the security of invested funds. The investment strategy contained in that policy will consider appropriate maturities for investments as related to corresponding yield and intended uses of various funds and reserves. The investment strategy may be executed through contract with third party governmental investment pools that comply with statutory limits, such as King County or the State investment pool, provided that those pools are also consistent with Cascade's investment policies and objectives.

2021-2022 Adopted Budget

G. Board Oversight. Cascade's Board shall receive regular reports and briefings on Cascade's financial status. The Board shall receive directly, or through its Finance and Management Subcommittee, at a minimum:

1. Net Assets Report, Balance Sheet, Treasurer's Report, Contracts Status Report, Budget-versus-Actual Report, Income Statement, and Warrants and Wires Listing (no less frequently than quarterly);
2. Direct reports from Cascade's independent outside auditor reporting the results of quarterly financial reviews conducted for quarters one, two, and three of every year;
3. Direct reports from Cascade's independent outside auditor reporting the results of the annual independent financial audit and Government Auditing Standards examination of Cascade;
4. Direct reports from the State Auditor's Office reporting the results of the state's annual audit of Cascade;
5. A written monthly narrative that reports on Cascade's financial and administrative activities;
6. Written Exception reports including material variance from budget;
7. Notice of disclosure submittals related to outstanding bonds;
8. Any other information as requested or directed by the Board. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 8; Res. 2012-07 § 34; Res. 2006-05 § 1].

5.05.090 Rate structure and equity.

Cascade has established a uniform structure of charges to all members regardless of location. This structure reflects Cascade's uniform regional commitment of service to its members. Members shall not enjoy or suffer from geographic advantage as an element of the allocation of regional water resources or their costs.

A. Cascade Revenue Sources. The basic member charges imposed by Cascade are defined by the Cascade Agreement and include:

1. Annual administrative dues.
2. Conservation program charge.
3. Demand share charges.
4. Volume charges.
5. Regional growth charge (RCFC).

B. Credits and Adjustments. Cascade's fixed charge structure can in certain cases lead to results of overpayment or underpayment by members in a given fiscal year. Cascade shall identify and correct for overpayment and underpayment caused by estimation. Cascade will determine the net of such payments no later than June 30th of the next fiscal year. The net credit or surcharge due will be applied during the budgeting process for the following fiscal year, with corresponding adjustments to that year's scheduled payments. For example, overpayment received in 2020 would be identified in 2021 and credited against 2022 payments. As approved by Board resolution, earlier payment of credits to members may be approved, but Cascade may not unilaterally require early payment from members. Such credits, surcharges or adjustments shall not accrue interest. They shall be treated by Cascade as revenues or expenditures in the year payments are to be made.

C. New Member Buy-In Charges. As contemplated and provided in Section 3.2 of the Cascade Agreement, Cascade shall establish and require appropriate buy-in payments from new members. The Board shall consider net value of the Cascade system, supply requirements of the new member, Cascade's supply status, and other relevant factors as relevant to determining an equitable and appropriate payment that protects the interests and investments of existing members.

D. Sales or Capacity Commitments to Nonmembers. Cascade may determine that it is in its best interests to enter into water contracts to supply or otherwise serve nonmember utilities or agencies. In such cases, no commitment or supply to nonmembers may offer terms that are financially favorable in comparison to those offered to members except as the Board

determines that such terms are of material benefit to Cascade and its members. The Board may consider material differences in service or supply commitments in its consideration of such terms.

E. Special Projects and Programs. It is expected that there may be occasional opportunities for arrangements of mutual benefit between Cascade and its members, or with nonmembers. The Board shall have the discretion to consider and enter into special agreements related to Cascade's and its members' resources and programs on a case-by-case basis; provided, that such agreements are uniformly available to any members able to participate. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 9; Res. 2012-07 § 35; Res. 2006-05 § 1].

5.05.100 Efficiency and conservation.

Cascade is committed to efficient and responsible use and stewardship of water resources. Water efficiency and conservation provide cost-effective means to avoid or delay costly system expansions while reducing environmental impacts on water systems.

A. Recovery of Conservation Program Costs. Cascade shall fund conservation and efficiency measures consistent with its service obligations and shall recover related program costs through a uniform conservation program charge that best relates to the cost and benefits attributable to its member agencies.

B. Cost-Effectiveness of Conservation and Efficiency Measures. As a means of meeting its members' demands, Cascade shall periodically evaluate potential efficiency and conservation measures and determine cost-effectiveness of those measures relative to related system expansion. That cost-effectiveness determination shall consider direct realized and avoided costs, but may also consider external costs or benefits related both to the measure and its alternate supply development option.

C. Access to Conservation and Efficiency Program and Measures. Cascade shall endeavor to develop conservation and efficiency programs that are broadly and universally available throughout its member service areas, recognizing that some measures are specific to retail customer activities and land uses that may not be uniformly distributed among members.

D. Wholesale Wheeling. When the Cascade Board determines it to be efficient and cost-effective, Cascade may contract with member or other water utilities, to "wheel" or transfer water through their systems to member or contract customers of Cascade in lieu of facility construction by Cascade. Payments made by Cascade for wheeling shall be considered a Cascade operating and maintenance expense.

E. Master Metering. To support efficient use of water resources, Cascade shall meter all water delivered to its members through one or more wholesale master meters, owned and maintained either by Cascade or other regional water utilities such as Seattle Public Utilities and Tacoma Public Utilities. Member charges shall include charges based on water delivered to each member. [Res. 2018-14 § 1 (Att. 2); Res. 2016-20 § 1; Res. 2012-14 § 10; Res. 2012-07 § 36; Res. 2006-05 § 1].

2021-2022 BUDGET ADOPTION RESOLUTION



Attachment 1

CASCADE WATER ALLIANCE
RESOLUTION No. 2020-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, A
WASHINGTON MUNICIPAL CORPORATION,
PROVIDING FOR A CASCADE WATER ALLIANCE BUDGET AND
ADOPTING A BUDGET FOR 2021 AND A BUDGET FOR 2022

WHEREAS, the Cascade Water Alliance ("Cascade") is a Washington municipal corporation formed under authority of the Joint Municipal Utilities Authority Act (Chapter 39.106 RCW) to provide water supply to its Members; and

WHEREAS, by Resolution 2010-08, the Board of Directors of Cascade ("Board") established a two-year fiscal biennium budget that will consist of the adopted two consecutive annual budgets, which together shall be referred to as "the biennial budget" which will appropriate funds for two consecutive but non-transferrable years; and

WHEREAS, by Resolution No. 2018-13, the Board established that both years of the biennium will be adopted; and

WHEREAS, Cascade staff developed preliminary proposed annual budgets for 2021 and 2022 and made presentations to the Board at its June 24, July 22, and August 10, 2020, Board meetings; and

WHEREAS, the Board determined that it is reasonable, appropriate, consistent with applicable law, and Cascade's Joint Municipal Utility Services Agreement, and in the best interests of Cascade to adopt two consecutive annual budgets, which together shall be referred to as "the biennial budget."

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, as follows:

Section 1. 2021 Budget.

- A. Estimated Resources and Expenditures. The 2021 budget estimated resources and expenditure authority of the Cascade Water Alliance is hereby adopted as follows:

<i>Fund</i>	<i>2021 appropriation authority</i>
Operating	\$57,276,157
Regional Capital Facilities Charge	\$6,806,931
Rate Stabilization	\$2,147,452
Construction	\$21,458,906
Bond	\$21,735,264
Total	\$109,424,710

B. Staffing. 2021 staffing of the Cascade Water Alliance is hereby established as follows:

1. Chief Executive Officer	7. Intergovernmental & Communications Director
2. Land Use Administrator	8. Management Assistant
3. Operations Manager	9. Finance and Administration Manager
4. Chief of Staff	10. Water Resources Manager
5. Contracts Administrator	11. Engineering & Capital Projects Director
6. Chief Economist/Treasurer	

C. Budget Document. The Chief Executive Officer and the Finance and Administration Manager are hereby directed to prepare, by December 31, 2020, a final 2021 budget document to include, at a minimum, the following:

- Line-item expenditure and revenue detail
- Comparative tables with prior years' data
- Narrative description of budget activity
- Financial policies
- Capital Improvement Program project descriptions, including cost estimates and historic cost projections
- Cash flow and borrowing projections and assumptions
- Performance measures tied to Cascade's Strategic Plan
- Organization chart
- Staff salary schedule

Section 2. 2022 Budget.

A. Estimated Resources and Expenditures. The 2022 Budget estimated resources and expenditure authority of the Cascade Water Alliance is hereby adopted as follows:

<i>Fund</i>	<i>2022 appropriation authority</i>
Operating	\$57,991,966
Regional Capital Facilities Charge	\$6,950,366
Rate Stabilization	\$2,185,033
Construction	\$22,635,550
Bond	\$21,688,503
Total	\$111,451,418

B. Staffing. 2022 staffing of the Cascade Water Alliance is hereby established as follows:

1. Chief Executive Officer	7. Intergovernmental & Communications Director
2. Land Use Administrator	8. Management Assistant
3. Operations Manager	9. Finance and Administration Manager
4. Chief of Staff	10. Water Resources Manager
5. Contracts Administrator	11. Engineering & Capital Projects Director
6. Chief Economist/Treasurer	

C. Budget document. The Chief Executive Officer and the Finance and Administration Manager are hereby directed to prepare, by December 31, 2020, a final 2022 budget document to include, at a minimum, the following:

- Line-item expenditure and revenue detail
- Comparative tables with prior years' data
- Narrative description of budget activity
- Financial policies
- Capital Improvement Program project descriptions, including cost estimates and historic cost projections
- Cash flow and borrowing projections and assumptions
- Performance measures tied to Cascade's Strategic Plan
- Organization chart
- Staff salary schedule

Section 3. 2019 - 2026 Capital Improvement Program.

The 2021 and 2022 budgets include the following Capital Improvement Program plan expenditures:

CIP Projects	2021	2022	2023	2024	2025	2026	2021 - 2026 Total
Upper conveyance projects	\$1,094,000	\$2,073,000	\$275,000	\$330,000	\$0	\$0	\$3,794,000
Lake Tapps	\$0	\$0	\$1,250,000	\$820,000	\$0	\$0	\$2,070,000
Lower conveyance projects	\$0	\$0	\$1,000,000	\$1,000,000	\$2,700,000	\$3,200,000	\$7,900,000
Meters	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000
SCADA/Security/ Technology	\$1,300,000	\$400,000	\$0	\$0	\$0	\$0	\$1,900,000
IT Infrastructure	\$25,000	\$35,000	\$25,000	\$35,000	\$25,000	\$35,000	\$180,000
Capital risk	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000	\$1,000,000	\$4,500,000
SUBTOTAL	\$3,169,000	\$3,160,000	\$3,300,000	\$3,055,000	\$3,675,000	\$4,285,000	\$20,644,000
Tacoma agreement	\$5,858,297	\$5,975,463	\$6,094,972	\$6,216,872	\$6,341,209	\$6,468,033	\$36,954,846
Seattle contract				\$5,000,000			\$5,000,000
TOTAL CIP	\$9,027,297	\$9,135,463	\$9,394,972	\$14,271,872	\$10,016,209	\$10,753,033	\$62,598,846

Section 4. Effect.

This Resolution shall be in full force and effect on the date of its adoption.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 23rd day of September 2020.

CASCADE WATER ALLIANCE



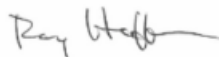
John Stokes, Chair



Penny Sweet, Vice Chair



Angela Birney, Secretary/Treasurer



Attest – Ray Hoffman, Chief Executive Officer

Members

Yes 7
No 0

Demand Share

Yes 100 %
No 0 %

Include in CWAC?

☐ Yes
☒ No

2021-2022 RATES AND CHARGES RESOLUTION



CASCADE WATER ALLIANCE
RESOLUTION No. 2020-11A
2.2%/2.2%

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, A WASHINGTON MUNICIPAL CORPORATION, ADOPTING RATES AND CHARGES FOR THE YEAR 2021 AND 2022

WHEREAS, the Cascade Water Alliance ("Cascade") is a Washington municipal corporation formed under authority of the Joint Municipal Utilities Authority Act (Chapter 39.106 RCW) to provide water supply to its Members; and

WHEREAS, the Joint Municipal Utility Services Agreement provides for the payment of Administrative Dues by Cascade Members; and

WHEREAS, the Joint Municipal Utility Services Agreement provides for the Board of Directors (the Board) to set Rates and Charges according to the rate calculation methodology, which includes a calculation of demand shares and a uniform pricing structure with a commodity charge and fixed charges allocated by demand share; that the Board may adopt wholesale charges in addition to normal demand share charges to encourage resource conservation; and that the Board must set Rates and Charges at levels sufficient for all expenses of Cascade; and

WHEREAS, the Board adopted a Rate Calculation Methodology, codified at Chapter 5.20 of the Cascade Water Alliance Code; and

WHEREAS, by Resolution 2010-08, the Board established a two-year fiscal biennium budget that will consist of the adopted two consecutive annual budgets, which together shall be referred to as "the biennial budget." By Resolution 2018-13, the Board further established that Member Charges for both years will be approved biennially when the biennial budget is adopted.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE as follows:

Section 1. Cascade Equivalent Residential Units (CERUs) for 2021 and 2022.

CERUs for each Member for 2021 and 2022 are as follows:

TABLE 1		
Member	2021 Adopted CERUs	2022 Adopted CERUs
Bellevue	69,144.5	69,344.5
Issaquah	15,384.0	15,544.0
Kirkland	20,204.5	20,364.5
Redmond	33,083.5	33,273.5
Sammamish Plateau Water	24,301.5	24,571.5
Skyway WSD	3,889.5	3,894.5
Tukwila	8,397.5	8,412.5
Total	174,405.0	175,405.0

Section 2. 2021 and 2022 Demand Shares.

Adopted demand shares for each Member for 2021 and 2022 are as follows:

TABLE 2

Member	2021 Demand Shares	2021 Demand Share percentage	2022 Demand Shares	2022 Demand Share percentage
Bellevue	19.9611	52.61%	19.5130	52.63%
Issaquah	1.7011	4.48%	1.6488	4.45%
Kirkland	5.2625	13.87%	5.1940	14.01%
Redmond	6.7629	17.83%	6.5728	17.73%
Sammamish Plateau Water	1.3623	3.59%	1.2917	3.48%
Skyway WSD	0.4087	1.08%	0.4038	1.09%
Tukwila	2.4803	6.54%	2.4545	6.62%
Total	37.9388	100.00%	37.0786	100.00%

Except that, in accordance with the Interlocal Contract, no Member shall have a Weighted Vote of less than one.

Section 3. Summary of Member Charges.

2021 and 2022 Adopted Member Charges (excluding RCFC) are hereby established as shown in Table 3 below.

Administrative dues shall be assessed against each Member for the years 2021 and 2022 at the rates of \$19.48 and \$21.45 per CERU respectively multiplied by 100% of that Member's CERUs.

The demand share charge for the years 2021 and 2022 shall be \$385,347 and \$391,065 respectively per Demand Share percentage.

The conservation program charge for the years 2021 and 2022 shall be \$4.25 and \$4.27 respectively per CERU. The charge is applicable to 100% of a Member's CERUs.

TABLE 3

2021 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	2020 True-up	Total
Bellevue	\$1,342,900	\$292,651	\$20,274,573	\$93,287	\$22,003,411
Issaquah	\$297,008	\$64,726	\$1,727,838	(\$114,822)	\$1,974,750
Kirkland	\$390,929	\$85,193	\$5,345,177	(\$95,149)	\$5,726,150
Redmond	\$643,418	\$140,217	\$6,869,076	\$10,926	\$7,663,637
Sammamish Plateau Water	\$469,195	\$102,249	\$1,383,668	\$148,561	\$2,103,673
Skyway WSD	\$75,684	\$16,493	\$415,150	(\$4,807)	\$502,520
Tukwila	\$163,322	\$35,592	\$2,519,224	(\$37,998)	\$2,680,140
Total	\$3,382,456	\$737,121	\$38,534,706	(\$2)	\$42,654,281

2022 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total
Bellevue	\$1,483,288	\$295,312	\$20,580,180	\$22,358,780
Issaquah	\$330,018	\$65,704	\$1,738,960	\$2,134,682
Kirkland	\$433,427	\$86,292	\$5,478,039	\$5,997,758
Redmond	\$709,707	\$141,298	\$6,932,311	\$7,783,316
Sammamish Plateau Water	\$521,316	\$103,790	\$1,362,345	\$1,987,451
Skyway WSD	\$83,438	\$16,612	\$425,914	\$525,964
Tukwila	\$180,143	\$35,865	\$2,588,718	\$2,804,726
Total	\$3,741,337	\$744,873	\$39,106,467	\$43,592,677

Section 4. Effect.

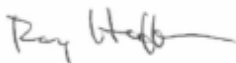
This Resolution shall be in full force and effect on the date of its adoption.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 23rd day of September 2020.

CASCADE WATER ALLIANCE



John Stokes, Chair



Attest – Ray Hoffman, Chief Executive Officer



Penny Sweet, Vice Chair



Angela Bimey, Secretary/Treasurer

Members

Yes 7
No 0

Demand Share

Yes 100 %
No 0 %

Include in CWAC?

☐ Yes
☒ No

2021-2022 REGIONAL CAPITAL FACILITIES CHARGE RESOLUTION



CASCADE WATER ALLIANCE
RESOLUTION No. 2020-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE,
A WASHINGTON MUNICIPAL CORPORATION,
SETTING THE REGIONAL CAPITAL FACILITIES CHARGE FOR THE YEARS 2021 AND 2022

WHEREAS, the Cascade Water Alliance ("Cascade") is a Washington municipal corporation formed under authority of the Joint Municipal Utilities Authority Act (Chapter 39.106 RCW) to provide water supply to its Members; and

WHEREAS, the Joint Municipal Utility Services Agreement authorizes Cascade to adopt a Regional Capital Facilities Charge ("RCFC"), and in furtherance of that Agreement the Board of Directors ("Board") has adopted a methodology for calculating the RCFC which has been used to calculate the RCFC; and

WHEREAS, by Cascade Water Alliance Code 5.55.020, the Board established a two-year fiscal biennium budget that will consist of the adopted two consecutive annual budgets, which together shall be referred to as "the biennial budget." By Resolution 2018-13, the Board further established that the RCFC will be approved biennially when the biennial budget is adopted.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, as follows:

Section 1. Determination of the RCFC for 2021 and 2022

The RCFC effective January 1, 2021, shall be \$6,807 per Cascade Equivalent Residential Unit (CERU).

The RCFC effective January 1, 2022, shall be \$6,950 per Cascade Equivalent Residential Unit (CERU).

Section 2. Effect

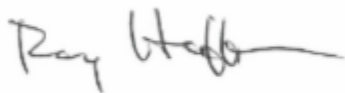
This Resolution shall be in full force and effect on the date of its adoption.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 23rd day of September 2020.

CASCADE WATER ALLIANCE



John Stokes, Chair



Attest – Ray Hoffman, Chief Executive Officer



Penny Sweet, Vice Chair



Angela Birney, Secretary/Treasurer

Members

Yes 7
No 0

Demand Share

Yes 100 %
No 0 %

Include in CWAC?

☐ Yes
☒ No

2021 MEMBER CHARGES MEMO



FINAL MEMORANDUM

DATE: October 12, 2020
TO: Cascade Member Agencies
FROM: Ed Cebron, Chief Economist/Treasurer
Paula Anderson, Program and Policy Assistant
SUBJECT: **FINAL** Documentation of 2021 Member Charges

Based on the budget and rates adopted by the Cascade Board in September 2020, a general rate revenue increase of 2.2% has been implemented for 2021 and for 2022. This increase is primarily due to an increase in RCFC commitment to the Construction Fund, rate smoothing, and initiation of equity funding for Lake Tapps development.

For the 2021/2022 budget period, two years of increases and rates have been adopted. The 2022 rates and charges are imposed based on estimates of 2021 demands and customer count. For 2022, a reconciliation of the imposed charges and actual costs will result in true-ups for individual Members. These true-ups will be calculated during 2021 once all related data are available, and applied in the 2023 fiscal year. While altering individual charges, the true-up amounts balance for Cascade, and neither increase nor decrease the total amount collected.

Any general system increase, such as the 2021 increase of 2.2%, does not translate to equal percentage increases for all Members, since Member charges are based on each agency's total customer base and actual water usage, which vary in both absolute and relative terms from year to year. In addition, the 2021 charges also include the true-up amounts for fiscal year 2020, further altering relative Member charges.

The following information outlines the development of individual Member charges for 2021 and for 2022. It relies on information provided by SPU and by Member agencies related to water demand, water supply and customer base. For 2022, it also relies on Cascade assumptions regarding CERU count and wholesale demand; the methods used to estimate these are detailed below.

Purpose: This final memorandum documents the data and calculations used to determine Member charges for 2021 and 2022. It is provided all Members for review and use in their own budget and rate processes.

Cascade Revenue Structure

Cascade collects revenue from Members through four separate charges. These include:

- **Administrative Dues** are based on budgeted administrative costs for 2021 and 2022 and actual CERU counts as of January 1st of the previous year. For 2021, actual CERU counts are based on data reported by Members for year-end 2020. For 2022, estimated CERU counts add assumed Member CERU growth for 2020. These are based on a revised estimate of Cascade CERU growth of 800 reflecting the steep downturn in new connections being experienced this year. This growth of 800 CERUs is then subjectively allocated to Members based on recent growth experience. The dues are expressed in

2021-2022 Adopted Budget

terms of a charge per CERU. Members pay Administrative Dues based on the number of CERUs that they serve. The contractual limit on administrative dues is 9% of total revenue requirements. For 2021 and 2022, the charge falls below this limit at 7.87% and 8.45%, respectively.

- **Conservation Charges** are also based on CERU counts for the two budget years. The 2021 and 2022 Conservation Charge reflects the budgeted conservation program for each year.
- **Demand Share Charges** are based on a rolling three-year demand history. For 2022, the average includes estimated Member demands for 2020. These estimates are based on the most recent three-year average demand, adjusted for estimated changes in CERU demands and for estimated growth in Member customer base. Based on previous Board action, minimum demand shares are assigned for two agencies, Sammamish Plateau and Issaquah, and are applied in lieu of actual history if they exceed the related calculated value. For both years, these Members exceed the adopted minimum. Demand Share Charges account for the majority (roughly 85% to 90%) of Cascade's rate revenue and are solely based on actual historical data.
- **Regional Capital Facilities Charges (RCFCs)** are charged based on reported growth in customer base. RCFCs are relatively volatile and are not relied on for Cascade operations. Instead, they are deposited into a separate RCFC fund, from which transfers are made to support debt service and to fund capital projects. For 2021 and beyond, 100% of RCFCs are being transferred to construction, ending their support of ongoing debt service. This summary does not project RCFCs or establish payment obligations in advance of actual growth. While Cascade develops its budgets and plans based on expected connections, Members are not obligated to pay RCFCs except as growth actually occurs.

Cascade Equivalent Residential Units (CERUs)

Discussed in the Cascade JMUSA and the RCFC Methodology, the CERU is one of the key metrics that Cascade uses to allocate costs to its Members. Per Table 1 of the RCFC Methodology, CERU counts are based on an inventory of water meters and flow equivalency factors established by the American Water Works Association. The 2021 charges are based on CERU counts at the end of 2019. The 2022 charges are based on the estimated CERU count at the end of 2020. **Table 1** summarizes the calculation of 2021 and 2022 CERUs based on water meter counts as of 12/31/19 and estimated 2020 growth by Member:

Table 1: CERU Calculations for 2021 and 2022 Charges

Water Meter Size	Number of CERUs	Water Meter Counts as of 12/31/19 *						
		Bellevue	Issaquah	Kirkland	Redmond	SP Water	WD	Tukwila
3/4" [incl. 5/8x3/4"]	1.0	32,885	6,801	11,050	15,662	17,254	3,237	1,379
1"	2.5	3,781	974	1,009	845	515	103	291
1.5"	5.0	2,173	458	548	1,291	774	38	324
2"	8.0	987	316	319	634	138	9	184
3"	16.0	191	40	50	72	26	8	39
4"	25.0	97	14	16	70	6	0	27
6"	50.0	35	4	0	10	0	0	18
8"	80.0	6	0	0	4	0	0	8
10"	115.0	1	0	0	0	0	0	3
Total Number of Meters		40,156	8,607	12,992	18,588	18,713	3,395	2,273
Total Number of 2021 CERUs		68,924.5	15,244.0	20,064.5	33,023.5	24,081.5	3,884.5	8,382.5
Estimated CERU Growth in 2020		220	140	140	60	220	5	15
Total Number of 2022 CERUs		69,144.5	15,384.0	20,204.5	33,083.5	24,301.5	3,889.5	8,397.5

* - Exclude fire lines/meters and deduct meters; single-family residential combination domestic/fire meters are counted and shown one size lower than reported.

Several notes regarding the water meter and CERU counts shown in **Table 1**:

- Section 2.2 of the RCFC Methodology explicitly states that fire sprinkler and exempt/deduct meters are not counted as CERUs because they do not increase system demand. When reported as such by Members, dedicated fire meters are excluded from the CERU calculation.
- Section 2.3 requires Members to report total connected CERUs to Cascade on a quarterly basis for the purpose of collecting RCFCs, an administrative practice that has transitioned to monthly reporting of net additions or deletions of meters. Meters not actually connected to the water system are not counted as CERUs for administrative dues or conservation charges, even if RCFCs have been paid. Meters that are connected are counted as CERUs whether or not the account is active at the time of inventory.
- Following RCFC audits conducted in 2018 and 2019, Cascade adopted revisions to its procedures for determining CERUs. A running total of meters and CERUs is now maintained and adjusted in response to Member reports of new or disconnected meters (typically monthly). This CERU count is now presented to Members each year for confirmation or proposed revision; absent any such response and resulting adjustment, the CERU count is used as presented.
- Some Members report combined domestic/fire meters for single family residences. These meters are generally 1-inch or 1.5 inch meters that were oversized from 3/4-inch meters to provide fire flow capacity. When Members report combined residential domestic/fire meters, they are defined by CERU methodology to be based on an equivalent domestic meter requirement excluding fire sprinkler load. Absent specific documentation from the Member, they are adjusted assuming that each such meter is oversized one incremental size to support fire flow. Members are requested to report both actual and equivalent sizes. RCFCs are imposed based on the equivalent factor.
- The CERUs used for the adopted 2022 charges will be subject to reconciliation once actual 2020 year-end meter counts are confirmed by Members.

Administrative Dues

Administrative Dues are imposed on Members to recover the various administrative costs that Cascade incurs in its day-to-day operations – examples include salaries and benefits of administrative personnel, office space rental, legal costs, and public process. Members pay Administrative Dues annually according to the number of reported Cascade Equivalent Residential Units (CERUs) for the prior completed fiscal year at time of budgeting. Thus, for 2021 rates, the year-end 2019 CERU counts are used. For 2022 rates, the estimated 2020 CERU growth by Member is added to the year-end 2019 CERU counts to determine an estimated CERU count. In the event of service area additions or deletions, the actual counts would be further adjusted to reflect those transactions.

The Administrative Dues rate is derived for a given year by dividing that year's projected administrative expenses by the total number of CERUs for Cascade Members (see Table 1). Beginning with 2021, the allocated budget includes an annual provision for accrual and use of reserves for the periodic Transmission and Supply Plan. This feature will smooth out this substantial cost over the TSP 10 year update cycle. Cascade manages its operating reserve to reflect the accrual and use of these funds.

Cascade policy constrains the amount that Cascade can collect in Administrative Dues – annual collections are limited to nine percent (9.0%) of the Member Charge revenue requirement. **Table 2** shows the derivation of the 2019 and 2020 Administrative Dues rates:

Table 2: Derivation of 2021 and 2022 Administrative Dues

Administrative Dues Rate Calculation	Existing 2020	2021	2022
Projected Administrative Expenses:			
Wages	\$ 1,255,891	\$ 1,346,877	\$ 1,391,826
Professional services	\$ 454,500	\$ 423,600	\$ 705,900
Goods & services	\$ 757,468	\$ 733,979	\$ 749,312
Legal Services	\$ 705,000	\$ 760,000	\$ 760,000
Equipment	\$ 40,000	\$ 35,000	\$ 35,000
Travel	\$ 16,000	\$ 12,000	\$ 12,000
Miscellaneous	\$ 11,000	\$ 11,000	\$ 11,000
Contingency	\$ 100,000	\$ -	\$ 266,298
Provision for TSP Accrual	\$ -	\$ 60,000	\$ (190,000)
Total	\$ 3,339,859	\$ 3,382,456	\$ 3,741,336
<i>as % of revenue requirement</i>	<i>8.00%</i>	<i>7.87%</i>	<i>8.45%</i>
Administrative Dues Revenue Cap	\$ 3,756,248	\$ 3,868,935	\$ 3,985,004
Applicable CERU Count	172,698	173,605	174,405
<i>Administrative Cost per CERU</i>	<i>\$ 19.34</i>	<i>\$ 19.48</i>	<i>\$ 21.45</i>
Administrative Dues Rate per CERU	\$ 19.34	\$ 19.48	\$ 21.45

Table 3 shows the proposed 2021 and 2022 Administrative Dues payment for each Member:

Table 3: 2021 and 2022 Administrative Dues Payments by Member

Administrative Dues	Existing 2020	2021	2022
Bellevue	\$ 1,325,361	\$ 1,342,900	\$ 1,483,288
Issaquah	\$ 291,627	\$ 297,008	\$ 330,018
Kirkland	\$ 384,262	\$ 390,929	\$ 433,427
Redmond	\$ 641,910	\$ 643,418	\$ 709,707
Sammamish Plateau Water	\$ 460,827	\$ 469,195	\$ 521,316
Skyway WSD	\$ 75,046	\$ 75,684	\$ 83,438
Tukwila	\$ 160,826	\$ 163,322	\$ 180,143
Total	\$ 3,339,859	\$ 3,382,456	\$ 3,741,336

Conservation Charges

Conservation Charges were introduced in 2005 as a means of recovering the costs of Cascade's conservation program. Like Administrative Dues, Conservation Charges are imposed on Members on a CERU basis. **Table 4** shows the derivation of the Conservation Charge for 2021 and 2022:

Table 4: Derivation of 2021 and 2022 Conservation Charges

Conservation Charge Rate Calculation	Existing 2020	2021	2022
Projected Conservation Expenses:			
Wages	\$ 208,229	\$ 207,621	\$ 215,374
Goods & services	\$ 256,000	\$ 372,000	\$ 372,000
Rebates	\$ 125,000	\$ 75,000	\$ 75,000
Professional Services	\$ 235,000	\$ 82,500	\$ 82,500
Legal Services	\$ 5,000	\$ -	\$ -
Total	\$ 829,229	\$ 737,121	\$ 744,874
Applicable CERU Count	172,698	173,605	174,405
Conservation Charge per CERU	\$ 4.80	\$ 4.25	\$ 4.27

Table 5 shows the 2021 and 2022 Conservation Charge payments for each Member:

Table 5: 2021 and 2022 Conservation Charge Payments by Member

Conservation Charges	Existing 2020	2021	2022
Bellevue	\$ 329,064	\$ 292,651	\$ 295,312
Issaquah	\$ 72,406	\$ 64,726	\$ 65,704
Kirkland	\$ 95,406	\$ 85,193	\$ 86,292
Redmond	\$ 159,375	\$ 140,217	\$ 141,298
Sammamish Plateau Water	\$ 114,415	\$ 102,249	\$ 103,790
Skyway WSD	\$ 18,633	\$ 16,493	\$ 16,612
Tukwila	\$ 39,930	\$ 35,592	\$ 35,865
Total	\$ 829,229	\$ 737,121	\$ 744,874

Demand Share Charges

The Demand Share Charge recovers costs that are not otherwise recovered through the other Member Charges or other sources of revenue. It is computed by dividing the Demand Share cost basis by the number of Demand Shares. A Member's Demand Share in a given year is based on a three-year rolling average – the 2021 calculations are based on data from 2017 – 2019 as the three most recently completed years. Each Member's Demand Share is initially established as the greater of:

- Average daily demand (in mgd) from Cascade during the peak season (June 1 – September 30)
- Average daily demand (in mgd) from Cascade for the entire calendar year

Two agencies have minimum demand shares assigned based on Board action: Sammamish Plateau at 1.0 mgd and Issaquah at 0.75 mgd. At present, both agencies exceed minimum demand shares.

Table 6 provides a summary of actual wholesale water demands for the three years 2017-2019, and an estimated wholesale water demand for 2020. It summarizes total annual, peak season, and peak month demands. The peak month demands are purely informational and are not used to determine Cascade charges. The estimated 2020 demand is derived from the three-year rolling average for 2017-2019. This value is adjusted downward to reflect ongoing trends in CERU water efficiency, and then adjusted

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upward to reflect the addition of CERUs to the customer base (essentially 2 years of growth to adjust from 2018, the midpoint of the three-year average, to 2020).

In developing this summary, transfers among Members are recognized as adjustments. The reported volumes for delivery of water to the Rose Hill area serving Kirkland, Redmond and Bellevue are originally reported from Seattle to Cascade as Kirkland volume, and then allocated among these Members based on a Member-provided allocation. In that allocation, reported volumes were adjusted by the Members to conform to Seattle meter reads. Also, metered deliveries from Seattle are typically based on meter reads occurring near the 20th of each month. Peak season usage for June through September is pro-rated based on days contained in each month to estimate actual usage within the four month period. For example, a bill based on a June 20 meter read that follows a May 20 meter read would be allocated 11/31 to May and 20/31 to June. This is primarily relevant for the June 1 and September 30 endpoints of the peak summer season used to determine demand shares. Other Member reports of production and transfers are assumed to be reported on a calendar month basis and are not adjusted, unless otherwise documented by the Member. Peak month usage is informational only, and is simply the highest reported month of system demand.

Table 6: Three Year History of Member Wholesale Demands 2017-2019 and 2020 Estimated Demand

Annual Water Demand	CCF				MGD			
	2017	2018	2019	est. 2020	2017	2018	2019	est. 2020
1 Bellevue	7,445,935	7,232,209	7,009,475	7,166,603	15.26	14.78	14.36	14.64
3 Issaquah	661,569	583,437	556,632	626,958	1.36	1.19	1.14	1.35
4 Kirkland	1,902,626	1,895,378	1,860,162	1,891,615	3.90	3.87	3.72	3.88
5 Redmond	2,253,760	2,147,505	2,043,552	2,153,860	4.62	4.39	4.03	4.45
6 Sammamish Plateau Water	500,343	561,145	498,944	489,305	1.03	1.15	1.02	1.00
7 Skyway WSD	164,069	164,032	174,495	165,197	0.34	0.34	0.36	0.34
8 Tukwila	928,329	955,426	890,374	915,399	1.90	1.95	1.82	1.96
Total	13,856,631	13,539,131	13,033,634	13,408,937	28.4	27.7	26.7	27.5

Peak Season Water Demand	CCF				MGD			
	2017	2018	2019	est. 2020	2017	2018	2019	est. 2020
1 Bellevue	3,449,520	3,318,150	3,002,471	3,230,281	21.15	20.34	18.41	19.69
3 Issaquah	315,908	264,294	252,164	290,301	1.94	1.62	1.55	1.92
4 Kirkland	894,133	845,465	835,380	860,592	5.48	5.18	5.15	5.35
5 Redmond	1,198,286	1,134,833	972,904	1,105,308	7.35	6.96	5.91	6.77
6 Sammamish Plateau Water	197,632	282,634	186,275	163,102	1.21	1.73	1.14	1.21
7 Skyway WSD	68,215	66,621	65,158	65,816	0.42	0.41	0.40	0.41
8 Tukwila	413,456	414,916	385,235	400,838	2.53	2.54	2.36	2.58
Total	6,537,150	6,326,913	5,699,587	6,116,238	40.1	38.8	34.9	37.9

Peak Month Water Demand	CCF				MGD			
	2017	2018	2019	est. 2020	2017	2018	2019	est. 2020
1 Bellevue	975,881	959,948	796,061	922,416	23.55	23.16	19.21	22.26
3 Issaquah	91,990	64,013	79,969	84,153	2.22	1.54	1.93	2.03
4 Kirkland	255,935	269,017	221,858	254,726	6.18	6.49	5.35	6.15
5 Redmond	360,879	293,163	268,506	314,834	8.71	7.07	6.48	7.60
6 Sammamish Plateau Water	46,964	71,416	52,070	41,444	1.13	1.72	1.26	1.00
7 Skyway WSD	18,383	18,020	16,623	17,819	0.44	0.43	0.40	0.43
8 Tukwila	114,898	111,802	103,443	111,350	2.77	2.70	2.50	2.69
Total	1,864,930	1,787,379	1,538,529	1,746,742	45.0	43.1	37.1	42.1

Table 7 summarizes the 2021 and 2022 Demand Share calculations (more detailed calculations for each Member are attached as an appendix):

Table 7: 2021 and 2022 Demand Share Calculations

Member	2020 Actual		2021 Actual		2022 Estimated	
	Demand Share	% of Total	Demand Share	% of Total	Demand Share	% of Total
Bellevue	20.0021	52.8%	19.9611	52.6%	19.5130	52.6%
Issaquah	1.7636	4.7%	1.7011	4.5%	1.6488	4.4%
Kirkland	5.2437	13.8%	5.2625	13.9%	5.1940	14.0%
Redmond	6.6536	17.5%	6.7629	17.8%	6.5728	17.7%
Sammamish Plateau Water	1.3134	3.5%	1.3623	3.6%	1.2917	3.5%
Skyway WSD	0.3992	1.1%	0.4087	1.1%	0.4038	1.1%
Tukwila	2.5389	6.7%	2.4803	6.5%	2.4545	6.6%
Total	37.9145	100.0%	37.9388	100.0%	37.0786	100.0%

Table 8 shows the Demand Share Charge calculation for 2021 and 2022:

Table 8: Derivation of 2021 and 2022 Demand Share Charge

<u>Demand Share Charge Calculation</u>	Existing 2020	2021	2022
Total Prior-Year Member Charge Revenue Excluding RCFCs	\$40,520,475	\$41,736,089	\$42,654,283
Planned Member Charge Revenue Adjustment	3.00%	2.20%	2.20%
Projected Member Charge Revenue	\$41,736,089	\$42,654,283	\$43,592,677
Less: Projected Administrative Dues	\$ (3,339,859)	\$ (3,382,456)	\$ (3,741,336)
Less: Projected Conservation Charges	\$ (829,229)	\$ (737,121)	\$ (744,874)
Demand Share Cost Basis	\$37,567,001	\$38,534,706	\$39,106,467
Projected Demand Share Basis	37.9145	37.9388	37.0786
Demand Share Charge	\$990,836	\$1,015,706	\$1,054,691
Corresponding Charge Per Demand Share %	\$375,670	\$385,347	\$391,065

Table 9 shows the 2021 and 2022 Demand Share Charge payments for each Member.

Table 9: 2021 and 2022 Demand Share Charges By Member

<u>Demand Share Charges</u>	Existing 2020	2021	2022
	Total Payment	Total Payment	Total Payment
Bellevue	\$ 19,818,760	\$ 20,274,573	\$ 20,580,180
Issaquah	\$ 1,747,424	\$ 1,727,838	\$ 1,738,960
Kirkland	\$ 5,195,684	\$ 5,345,177	\$ 5,478,039
Redmond	\$ 6,592,601	\$ 6,869,076	\$ 6,932,311
Sammamish Plateau Water	\$ 1,301,336	\$ 1,383,668	\$ 1,362,345
Skyway WSD	\$ 395,548	\$ 415,150	\$ 425,914
Tukwila	\$ 2,515,647	\$ 2,519,224	\$ 2,588,718
Total	\$ 37,567,000	\$ 38,534,706	\$ 39,106,467

Total Member Charges

Table 10 summarizes the Total 2021 and 2022 Member Charges for each Member.

Table 10: Summary of 2021 and 2022 Member Charges

2020 Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total
Bellevue	\$ 1,299,865	\$ 322,734	\$ 19,751,277	\$ 21,373,876
Issaquah	\$ 294,627	\$ 73,151	\$ 1,860,105	\$ 2,227,883
Kirkland	\$ 383,836	\$ 95,300	\$ 5,291,538	\$ 5,770,674
Redmond	\$ 647,226	\$ 160,695	\$ 6,579,129	\$ 7,387,050
Sammamish Plateau Water	\$ 474,619	\$ 117,840	\$ 1,137,858	\$ 1,730,317
Skyway Water & Sewer District	\$ 75,729	\$ 18,802	\$ 398,709	\$ 493,240
Tukwila	\$ 163,957	\$ 40,708	\$ 2,548,385	\$ 2,753,050
Total	\$ 3,339,859	\$ 829,230	\$ 37,567,001	\$ 41,736,090

2021 Adopted Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	2020 True-up	Total	Increase Over 2020 Charges
Bellevue	\$ 1,342,900	\$ 292,651	\$ 20,274,573	\$ 93,287	\$ 22,003,411	2.95%
Issaquah	\$ 297,008	\$ 64,726	\$ 1,727,838	\$ (114,822)	\$ 1,974,750	-11.36%
Kirkland	\$ 390,929	\$ 85,193	\$ 5,345,177	\$ (95,149)	\$ 5,726,150	-0.77%
Redmond	\$ 643,418	\$ 140,217	\$ 6,869,076	\$ 10,926	\$ 7,663,637	3.74%
Sammamish Plateau Water	\$ 469,195	\$ 102,249	\$ 1,383,668	\$ 148,561	\$ 2,103,673	21.58%
Skyway Water & Sewer District	\$ 75,684	\$ 16,493	\$ 415,150	\$ (4,807)	\$ 502,520	1.88%
Tukwila	\$ 163,322	\$ 35,592	\$ 2,519,224	\$ (37,998)	\$ 2,680,140	-2.65%
Total	\$ 3,382,456	\$ 737,121	\$ 38,534,706	\$ (2)	\$ 42,654,281	2.20%

2022 Adopted Member Charges	Administrative Dues	Conservation Charges	Demand Share Charges	Total	Increase Over 2021 Charges
Bellevue	\$ 1,483,288	\$ 295,312	\$ 20,580,180	\$ 22,358,780	1.62%
Issaquah	\$ 330,018	\$ 65,704	\$ 1,738,960	\$ 2,134,682	8.10%
Kirkland	\$ 433,427	\$ 86,292	\$ 5,478,039	\$ 5,997,758	4.74%
Redmond	\$ 709,707	\$ 141,298	\$ 6,932,311	\$ 7,783,316	1.56%
Sammamish Plateau Water	\$ 521,316	\$ 103,790	\$ 1,362,345	\$ 1,987,451	-5.52%
Skyway Water & Sewer District	\$ 83,438	\$ 16,612	\$ 425,914	\$ 525,964	4.67%
Tukwila	\$ 180,143	\$ 35,865	\$ 2,588,718	\$ 2,804,726	4.65%
Total	\$ 3,741,337	\$ 744,873	\$ 39,106,467	\$ 43,592,677	2.20%

For 2021, higher Sammamish Plateau water demand growth has caused an above average increase, while the true-up for 2020 also has differential effects among Members. Other rate increases are moderately consistent with the general 2.2% increase incorporated in the charges, and reflect typical fluctuations or impacts among Members. For Issaquah and Tukwila, flat volumes and true-up credits have reduced their relative share of impact.

For 2022, Members see impacts both from cost changes and the absence of true-up adjustments. The absence of credits results in higher increases for Issaquah, Kirkland, Skyway and Tukwila, while Sammamish Plateau demands are projected to decline, which compounds with the removal of the true-up surcharge to reduce their charges. Skyway is also impacted by the increase in the administrative budget and dues. Others are generally consistent with the general 2.2% increase. The 2022 charges are established based on estimated values pending determination of actual 2018 demands and customer counts (CERUs). As noted

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at the outset of this memorandum, a true-up will be developed in 2021 and applied in 2023 to adjust for any deviations between estimates used and actual charges computed once all data are available.

Appendix A summarizes the annual demands and 2021 demand share calculations for each Member. The tables show Cascade deliveries and transfers among Members as used to determine the Member demand shares. This appendix does not document the basis for 2022 demand share calculations, as Member demands were not estimated at this level of detail.

APPENDIX A

Details of Bellevue Demand Share Calculations

Bellevue Consumption Records:

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Summer	Winter
From Cascade	600,400	541,543	630,695	628,894	720,205	941,623	1,192,870	1,213,368	939,148	672,563	583,672	580,002	9,244,984	4,287,010	4,957,974
From Kirkland	388	342	372	498	537	1,049	1,305	1,108	1,007	529	400	357	7,892	4,469	3,423
To Redmond	(40,981)	(36,646)	(46,840)	(36,729)	(50,783)	(73,195)	(99,460)	(103,101)	(66,293)	(41,426)	(32,917)	(31,891)	(660,262)	(342,049)	(318,213)
To SP Water	(37,426)	(33,801)	(32,385)	(44,193)	(42,247)	(43,263)	(75,198)	(43,504)	(22,036)	(31,254)	(43,493)	(36,309)	(485,110)	(184,001)	(301,108)
To Issaquah	(45,140)	(35,500)	(41,797)	(38,281)	(49,307)	(60,563)	(87,205)	(91,990)	(76,151)	(50,016)	(43,901)	(41,721)	(661,569)	(315,908)	(345,661)
Total	477,241	435,938	510,046	510,189	578,405	765,651	932,312	975,881	775,675	550,397	463,761	470,438	7,445,935	3,449,520	3,996,415

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Summer	Winter
From Cascade	566,613	526,629	568,898	585,952	762,537	958,364	1,175,387	1,148,543	850,641	652,347	554,838	562,723	8,913,472	4,132,935	4,780,537
From Kirkland	573	596	663	911	1,253	2,674	4,543	8,206	6,850	6,505	5,954	5,118	43,846	22,273	21,573
To Redmond	(33,264)	(30,334)	(35,272)	(36,346)	(54,902)	(65,643)	(91,643)	(93,071)	(53,404)	(39,073)	(31,367)	(31,442)	(595,761)	(303,761)	(292,000)
To SP Water	(31,955)	(25,722)	(28,325)	(33,742)	(37,745)	(48,648)	(64,326)	(85,636)	(70,392)	(41,398)	(31,352)	(46,671)	(545,912)	(269,003)	(276,909)
To Issaquah	(36,797)	(44,904)	(32,549)	(42,642)	(42,166)	(65,813)	(64,013)	(88,433)	(46,035)	(50,693)	(30,070)	(39,322)	(583,437)	(264,294)	(319,143)
Total	465,171	426,265	473,415	474,134	628,977	780,934	959,948	889,608	687,660	527,688	468,003	450,406	7,232,209	3,318,150	3,914,058

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Summer	Winter
From Cascade	560,579	525,950	613,213	633,944	812,173	919,022	982,498	997,097	787,687	618,816	565,043	571,864	8,587,886	3,686,305	4,901,581
From Kirkland	1,299	683	1,052	1,039	1,269	1,758	1,906	2,017	1,446	925	858	660	14,912	7,127	7,785
To Redmond	(29,797)	(31,650)	(35,935)	(34,149)	(57,928)	(65,701)	(66,380)	(71,975)	(51,049)	(37,742)	(32,946)	(30,396)	(545,648)	(255,106)	(290,543)
To SP Water	(23,301)	(35,943)	(53,329)	(27,033)	(42,779)	(52,360)	(34,131)	(51,110)	(46,091)	(38,012)	(42,467)	(44,488)	(491,043)	(183,691)	(307,352)
To Issaquah	(29,853)	(38,968)	(32,187)	(39,852)	(43,656)	(70,746)	(58,164)	(79,969)	(43,285)	(49,418)	(31,023)	(39,510)	(556,632)	(252,164)	(304,468)
Total	478,928	420,073	492,813	533,948	669,078	731,973	825,729	796,061	648,708	494,569	459,466	458,129	7,009,475	3,002,471	4,007,004

2021 Demand Share	
2017 - 2019 Average Wholesale Demand (mgd):	
Annual	14.8149
Summer	19.9674
Maximum Wholesale Capacity Required	19.9674
Demand Share:	19.9674

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Details of Issaquah Demand Share Calculations

Issaquah Consumption Records:

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	34,893	28,422	31,537	30,361	37,888	49,612	65,441	73,020	57,807	36,872	32,447	32,473	510,773
From Bellevue	10,247	7,078	10,260	7,920	11,419	10,951	21,764	18,970	18,344	13,144	11,454	9,248	150,796
Total	45,140	35,500	41,797	38,281	49,307	60,563	87,205	91,990	76,151	50,016	43,901	41,721	661,569

Summer	Winter
245,880	264,893
70,028	80,768
315,908	345,661

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	32,628	29,221	27,711	28,615	35,906	43,286	54,949	55,066	38,964	29,182	25,697	25,892	427,116
From Bellevue	4,168	15,684	4,838	14,027	6,260	22,527	9,063	33,368	7,071	21,511	4,374	13,430	156,320
Total	36,797	44,904	32,549	42,642	42,166	65,813	64,013	88,433	46,035	50,693	30,070	39,322	583,437

Summer	Winter
192,265	234,852
72,029	84,291
264,294	319,143

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	25,810	24,015	27,884	26,599	38,067	48,354	50,531	50,582	37,269	28,806	26,591	26,265	410,771
From Bellevue	4,043	14,953	4,303	13,254	5,589	22,392	7,633	29,387	6,016	20,612	4,432	13,246	145,861
Total	29,853	38,968	32,187	39,852	43,656	70,746	58,164	79,969	43,285	49,418	31,023	39,510	556,632

Summer	Winter
186,735	224,036
65,429	80,432
252,164	304,468

2021 Demand Share	
2017 - 2019 Average Wholesale Demand (mgd):	
Annual	1.2307
Summer	1.7011
Maximum Wholesale Capacity Required	1.7011
Minimum Demand Share	0.7500
Demand Share	1.7011

Details of Kirkland Demand Share Calculations

Kirkland Consumption Records:

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	189,889	166,324	180,868	189,414	235,116	309,672	384,064	393,899	312,632	222,145	190,704	188,368	2,963,096
To Redmond	(62,397)	(55,126)	(45,820)	(75,492)	(77,150)	(111,851)	(137,161)	(136,856)	(115,798)	(76,262)	(72,517)	(86,148)	(1,052,578)
To Bellevue	(388)	(342)	(372)	(498)	(537)	(1,049)	(1,305)	(1,108)	(1,007)	(529)	(400)	(357)	(7,892)
Total	127,104	110,856	134,676	113,424	157,429	196,772	245,598	255,935	195,827	145,354	117,787	101,863	1,902,626

Summer	Winter
1,400,268	1,562,828
(501,666)	(550,912)
(4,469)	(3,423)
894,133	1,008,493

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	187,422	171,907	188,403	200,732	263,168	314,222	376,594	381,980	288,041	220,297	189,149	187,767	2,969,681
To Redmond	(50,013)	(66,898)	(73,572)	(65,141)	(65,229)	(106,581)	(103,034)	(158,312)	(125,172)	(77,024)	(64,957)	(74,524)	(1,030,457)
To Bellevue	(573)	(596)	(663)	(911)	(1,253)	(2,674)	(4,543)	(8,206)	(6,850)	(6,505)	(5,954)	(5,118)	(43,846)
Total	136,836	104,413	114,168	134,680	196,686	204,967	269,017	215,462	156,019	136,768	118,238	108,125	1,895,378

Summer	Winter
1,360,837	1,608,844
(493,099)	(537,358)
(22,273)	(21,573)
845,465	1,049,913

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade	183,061	167,897	192,481	204,601	265,145	316,704	335,089	331,676	262,109	207,989	188,916	189,714	2,845,384
To Redmond	(58,949)	(54,508)	(91,690)	(70,336)	(83,725)	(104,879)	(105,920)	(107,801)	(84,472)	(67,572)	(75,676)	(64,781)	(970,310)
To Bellevue	(1,299)	(683)	(1,052)	(1,039)	(1,269)	(1,758)	(1,906)	(2,017)	(1,446)	(925)	(858)	(660)	(14,912)
Total	122,813	112,706	99,739	133,227	180,151	210,067	227,263	221,858	176,192	139,492	112,382	124,273	1,860,162

Summer	Winter
1,245,579	1,599,805
(403,072)	(567,238)
(7,127)	(7,785)
835,380	1,024,782

2021 Demand Share	
2017 - 2019 Average Wholesale Demand (mgd):	
Annual	3.8651
Summer	5.2625
Maximum Wholesale Capacity Required	5.2625
Demand Share	5.2625

Details of Redmond Demand Share Calculations

Redmond Consumption Records:

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Summer	Winter
From Cascade	22,351	24,078	22,610	20,681	29,128	63,474	116,544	124,382	63,803	25,778	21,411	21,913	556,153	368,202	187,951
From Bellevue	40,981	36,646	46,840	36,729	50,783	73,195	99,460	103,101	66,293	41,426	32,917	31,891	660,262	342,049	318,213
From Kirkland	62,397	55,126	45,820	75,492	77,150	111,851	137,161	136,856	115,798	76,262	72,517	86,148	1,052,578	501,666	550,912
To SP Water	(110)	(259)	(578)	(46)	(122)	(1,144)	(7,090)	(3,460)	(1,937)	(36)	(170)	(281)	(15,233)	(13,631)	(1,602)
Total	125,619	115,591	114,692	132,856	156,939	247,376	346,075	360,879	243,957	143,430	126,675	139,671	2,253,760	1,198,286	1,055,474

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Summer	Winter
From Cascade	20,571	18,713	21,198	21,182	36,812	64,394	105,576	117,296	64,337	23,004	20,498	22,938	536,520	351,604	184,917
From Bellevue	33,264	30,334	35,272	36,346	54,902	65,643	91,643	93,071	53,404	39,073	31,367	31,442	595,761	303,761	292,000
From Kirkland	50,013	66,898	73,572	65,141	65,229	106,581	103,034	158,312	125,172	77,024	64,957	74,524	1,030,457	493,099	537,358
To SP Water	(110)	(259)	(578)	(46)	(122)	(1,144)	(7,090)	(3,460)	(1,937)	(36)	(170)	(281)	(15,233)	(13,631)	(1,602)
Total	103,738	115,686	129,464	122,623	156,821	235,474	293,163	365,219	240,976	139,065	116,652	128,623	2,147,505	1,134,833	1,012,673

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Summer	Winter
From Cascade	24,380	19,512	23,496	29,615	47,729	76,882	98,250	89,690	52,489	28,515	22,631	22,306	535,495	317,311	218,184
From Bellevue	29,797	31,650	35,935	34,149	57,928	65,701	66,380	71,975	51,049	37,742	32,946	30,396	545,648	255,106	290,543
From Kirkland	58,949	54,508	91,690	70,336	83,725	104,879	105,920	107,801	84,472	67,572	75,676	64,781	970,310	403,072	567,238
To SP Water	(18)	(76)	(40)	(467)	(45)	(682)	(648)	(960)	(294)	(1,287)	(2,369)	(1,014)	(7,901)	(2,584)	(5,317)
Total	113,108	105,594	151,081	133,633	189,337	246,780	269,902	268,506	187,716	132,541	128,884	116,469	2,043,552	972,904	1,070,647

2021 Demand Share	
2017 - 2019 Average Wholesale Demand (mgd):	
Annual	4.4025
Summer	6.7566
Maximum Wholesale Capacity Required	6.7566
Demand Share	6.7566

Details of Sammamish Plateau Water Demand Share Calculations

Sammamish Plateau Water Consumption Records:

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	37,426	33,801	32,385	44,193	42,247	43,263	75,198	43,504	22,036	31,254	43,493	36,309	485,110
From Redmond	110	259	578	46	122	1,144	7,090	3,460	1,937	36	170	281	15,233
Total	37,536	34,060	32,963	44,239	42,369	44,407	82,288	46,964	23,973	31,290	43,663	36,590	500,343

Summer	Winter
184,001	301,108
13,631	1,602
197,632	302,710

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	31,955	25,722	28,325	33,742	37,745	48,648	64,326	85,636	70,392	41,398	31,352	46,671	545,912
From Redmond	110	259	578	46	122	1,144	7,090	3,460	1,937	36	170	281	15,233
Total	32,065	25,981	28,903	33,788	37,867	49,792	71,416	89,096	72,329	41,434	31,522	46,952	561,145

Summer	Winter
269,003	276,909
13,631	1,602
282,634	278,511

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
From Cascade BIP	23,301	35,943	53,329	27,033	42,779	52,360	34,131	51,110	46,091	38,012	42,467	44,488	491,043
From Redmond	167	56	22	863	1,493	489	704	753	663	1,231	1,702	1,575	9,718
Total	23,468	35,999	53,351	27,896	44,272	52,849	34,835	51,863	46,754	39,243	44,169	46,063	500,761

Summer	Winter
183,691	307,352
2,609	7,109
186,300	314,461

2021 Demand Share	
2017 - 2019 Average Wholesale Demand (mgd):	
Annual	1.0672
Summer	1.3623
Maximum Wholesale Capacity Required	1.3623
Minimum Demand Share	1.0000
Demand Share	1.3623

Details of Skyway WSD Demand Share Calculations

Skyway WSD Consumption Records:

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Summer	Winter
From Cascade	10,874	11,944	13,238	11,930	12,907	15,775	18,481	18,383	15,576	12,576	11,180	11,204	164,069	68,215	95,854
Total	10,874	11,944	13,238	11,930	12,907	15,775	18,481	18,383	15,576	12,576	11,180	11,204	164,069	68,215	95,854

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Summer	Winter
From Cascade	11,906	10,562	12,176	11,171	13,803	16,065	18,020	17,954	14,582	12,924	12,094	12,774	164,032	66,621	97,411
Total	11,906	10,562	12,176	11,171	13,803	16,065	18,020	17,954	14,582	12,924	12,094	12,774	164,032	66,621	97,411

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Summer	Winter
From Cascade	14,065	13,643	13,382	12,609	15,845	16,699	17,259	16,623	14,577	13,378	13,087	13,327	174,495	65,158	109,337
Total	14,065	13,643	13,382	12,609	15,845	16,699	17,259	16,623	14,577	13,378	13,087	13,327	174,495	65,158	109,337

2021 Demand Share	
2017 - 2019 Average Wholesale Demand (mgd):	
Annual	0.3433
Summer	0.4087
Maximum Wholesale Capacity Required	0.4087
Demand Share	0.4087

GLOSSARY OF TERMS

Accrual Basis-As accounting basis which recognizes transactions when they occur.

Administration Dues-Charges imposed on Cascade members to recover administrative costs. Charges are based on the members CERU count.

Appropriation- The legal authority to spend money and incur obligations for specific purposes. Spending cannot exceed appropriation without Cascade's board's approval.

Asset-Property and resources owned by Cascade that have a monetary value.

Basis of Accounting-Cascade uses the accrual basis of accounting and the total economic resources measurement focus. Expenses are recorded at the time liabilities are incurred, and revenues are recorded when earned.

Balanced Budget-When revenue equals or exceeds expenditures.

Bellevue Issaquah Pipeline (BIP)-Provides transmission of water purchased from Seattle Public Utilities to Issaquah and Sammamish Plateau. Cascade has agreements with the Cities of Bellevue and Sammamish for operating and maintaining the BIP.

Biennium-A two-year period. Cascade adopts both a biennium budget and biennium rates.

Capital Expenditure- An expenditure used to acquire or construct a tangible asset with a cost greater than \$5,000 and a useful life of several years.

Capital Improvement Program (CIP)-The plan of capital improvements needed to maintain infrastructure and fulfill Cascades' water supply obligations. Cascade adopts a 6 year plan with biennial review and update.

Cascade Equivalent Residential Units (CERUs)-a key metric used by Cascade to allocate costs to members. CERUs are based on an inventory of water meters and flow equivalency factors established by the American Water Works Association.

Conservation Charges-Charges to Cascade's members to recover the cost of Cascade's conservation program. Charges are based on the members CERU count.

Contingency-A provision for an unforeseen event. Cascade budgets for unforeseen events in both the operating and capital budgets.

Debt Service-The principal and interest due and payable on outstanding revenue bonds and loans.

Demand Share-A charge to Cascade's members based on a three year rolling average of their water use.

Defeasance- The legal release of a debtor from a debt, for example when a bond holder sets aside cash to pay off bonds. In 2014, Cascade defeased the 2006 bond issuance.

Depreciation- In accounting, a reduction in the value of an asset over time, due to wear and tear.

Expenditure-The payment for goods and services.

Fiscal Year- The twelve-month period which an organization designates as its operating year. For Cascade Water Alliance the fiscal year coincides with the calendar year. Cascade prepares a biennial budget for a period of two fiscal years, beginning in an odd-numbered year.

Full-Time Equivalents (FTEs)-A way of expressing staff in terms of full-time (40 hours per week) employment. For example if an employee is employed to work three days a week or 24 hours then the employee would be considered 0.6 FTE (24 hours divided by 40 hours).

Fund Balance-The excess of a fund's assets over its liabilities.

Governmental Accounting Standards Board Statement 34 (GASB 34)-Sets the requirements for the annual financial reports' content. Cascade accounts for and reports infrastructure capital assets based on GASB Statement No. 34.

Infrastructure-The basic physical assets used by Cascade in the conduct of its business.

Joint Municipal Utility Services Act (JMUSA)-RCW code 39.106 allowed for the formation of intergovernmental municipal corporations that provide services to local utilities and their customers. Cascade is organized as a JMUSA.

Lake Tapps-A reservoir created by Puget Sound Energy in 1911 and purchased by Cascade Water Alliance in 2009 is located in Pierce County, Washington and maintained for future water supply.

Metric- A quantifiable measure that is used to track and assess the status of Cascade's Strategic Plan strategies.

Milfoil- Eurasian milfoil (*Myriophyllum spicatum*) is a non-native, invasive aquatic plant. This plant can grow from broken-off stems and can spread quickly, creating dense mats that may crowd out native plants and inhibit recreational activity in the water. Cascade maintains a program to control the growth of milfoil in the Lake Tapps Reservoir.

Public Works Trust Fund (PWTF)-A fund overseen by the State of Washington that is used to loan money to local governments for infrastructure projects.

Regional Capital Facilities Charges (RCFC)-RCFs are paid to Cascade by each member for each new equivalent residential unit connected to its water distribution system and are intended to allocate growth costs to those members that require capacity increases due to growth in customer demand.

Revenue-Sources of income that Cascade receives during a fiscal year.

Strategy-A specific approach to achieve Cascade's Strategic Plan's goals.

Success Indicator-A high-level means of determining whether progress is being made towards an intended strategy in Cascade's Strategic Plan.

Transmission Supply Plan (TSP)-A requirement of the Washington State Department of Health that details the demand projections and the supplies available to the utility to meet those demands. The TSP provides direction for Cascade over CIP decisions. Cascade is in the process of extend their current TSP plan.

Work Plan Action-Priority tactics employed in Cascade's annual work plans that help achieve the Strategic Plan's goals.



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**Cascade Water Alliance
Washington**

For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morill

Executive Director