



CAPITAL IMPROVEMENT PROGRAM

The 2010 Capital Improvement Program (CIP) is funded at \$28,550,000, which includes \$25,945,000 to complete 2009 CIP projects, \$605,000 for new 2010 CIP projects, and \$2,000,000 of contingency funding. The 2009 CIP included significant capital costs related to the acquisition of Lake Tapps, pipeline projects, and the Eastside reservoir (deferred until no earlier than 2011). The 2010 CIP will buy flow monitoring and water-quality checking equipment and will fund minor improvements to the Bellevue-Issaquah Pipeline (BIP). Starting in 2011, the CIP includes approximately \$2,000,000 per year for Lake Tapps improvements and \$100,000 per year for ongoing BIP improvements. Additional projects may be added pending the outcome of the 2010 TSP. In addition, Cascade is currently in negotiations with the Port of Seattle and other regional public entities to acquire right-of-way along a portion of the Eastside Rail Corridor. A successful outcome of these negotiations may result in additional capital outlays of approximately \$8 million to \$10 million in 2010.

Cascade’s 2010 CIP expenditures and \$9,363,731 of debt service are funded by bond debt issuance of \$80 million in 2009. The 2010 Capital Improvement Program activity, including carry-forward of CIP projects approved in 2009, is as follows:

Capital Improvement Program Projects	Estimated Completion Year	2010 Budget
Transmission Line - Phase I (Central / North Segments). The Tacoma Cascade Pipeline efforts are generally on hold pending the outcome of the planning study to update the Transmission and Supply Plan for 2010. Ongoing work will take place by HDR, Inc., for property acquisition and closeout of activities to enable the restart of the engineering work upon the completion of the planning efforts. Of the \$1 million to \$2 million estimated for this CIP project in 2009, approximately \$200,000 remains to be spent in 2010.	2010	\$200,000
Bellevue-Issaquah Pipeline improvements. \$100,000 has been allocated for each year during 2010 – 2014 for minor improvements to the pipeline.	2010	100,000
Lake Tapps acquisition. \$43 million was allocated to the Lake Tapps acquisition CIP project in 2009. The lake acquisition closing date and payment to PSE was on December 18, 2009, except for \$5 million to be paid upon issuance of the water right from the Department of Ecology.	2010	5,000,000
Puyallup Indian Tribes and Muckleshoot Indian Tribes settlement costs. \$20 million was allocated to tribal settlement costs in the 2009 CIP. Payment of the settlement funds follows issuance of the water right, anticipated in 2010.	2010	19,800,000
Equipment for flow and water-quality monitoring on the White River.	2010	450,000
Lake Tapps operations assessment. Phase I (scoping) completed in 2009. Phases 2-A and 2-B (options evaluation and implementation) anticipated	2010	1,000,000

2010 ADOPTED BUDGET



completion in the second half of 2010. \$1,130,000 was allocated in the 2009 CIP, of which \$1 million is carrying forward to 2010.

Contingency	2010	2,000,000
Total, including carry-forward of unspent 2009 CIP projects		\$28,550,000