

2010 MEMBER RATES AND CHARGES

CERU

Cascade Equivalent Residential Units (CERUs) projected for each Member in 2009-2013 are:

Member	2009	2010	2011	2012	2013
Bellevue	66,606	66,731	66,983	67,235	67,489
Covington WD	17,378	17,493	17,583	17,683	17,833
Issaquah	11,199	11,283	11,508	11,623	11,710
Kirkland	17,830	17,860	18,039	18,219	18,401
Redmond	30,582	30,762	31,470	32,099	32,741
Sammamish Plateau WSD	20,775	20,900	21,317	21,744	22,179
Skyway WSD	3,788	3,793	3,803	3,813	3,823
Tukwila	8,840	8,855	8,885	8,915	8,946
Total	176,997	177,676	179,587	181,332	183,122

DEMAND SHARE

Demand Shares projected for each Member in 2009-2013 are:

Member	2009	2010	2011	2012	2013
Bellevue	20.84	21.43	20.91	21.25	21.46
Covington WD	-	-	-	-	-
Issaquah	0.56	0.87	0.91	0.92	0.99
Kirkland	5.37	5.36	5.27	5.37	5.51
Redmond	7.15	7.14	6.77	7.07	7.59
Sammamish Plateau WSD	0.21	0.28	0.34	0.37	0.39
Skyway WSD	0.48	0.44	0.45	0.44	0.46
Tukwila	2.87	2.82	2.79	2.81	2.86
Total	37.50	38.34	37.45	38.22	39.26

DEMAND SHARE PERCENTAGES

Demand Shares percentages* projected for each Member in 2009-2013 are:

Member	2009	2010	2011	2012	2013
Bellevue	55.58%	55.90%	55.85%	55.59%	54.67%
Covington WD	0.00%	0.00%	0.00%	0.00%	0.00%



Issaquah	1.50%	2.26%	2.42%	2.39%	2.52%
Kirkland	14.32%	13.97%	14.08%	14.04%	14.02%
Redmond	19.07%	18.63%	18.09%	18.49%	19.33%
Sammamish Plateau WSD	0.57%	0.74%	0.91%	0.97%	1.00%
Skyway WSD	1.29%	1.16%	1.20%	1.16%	1.18%
Tukwila	7.66%	7.35%	7.46%	7.35%	7.28%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

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

SUMMARY OF MEMBER CHARGES

2010 Member Charges (excluding Regional Capital Facilities Charges) are shown below.

Administrative Dues will be assessed against each Member at the rate of \$8.10 per CERU multiplied by 100% of that Member's 2010 CERUs.

The Demand Share Charge for 2010 is \$615,314 per Demand Share.

The Conservation Program Charge for 2009 is \$6.34/CERU. The charge is applicable to 100% of a Member's CERUs. However, if a Member does not have a Supply Commitment or a Member with a Supply Commitment is not subject to payment of RCFCs, the charge is applicable to 85% of the Member's CERUs.

2010 Member charges

Member	Administrative Dues	Conservation Charges	New Water Surcharges	Demand Share Charges	Member Charge Adjustments	Total With Adjustments
Bellevue	\$ 540,267	\$ 422,854	\$ 1,080,684	\$ 13,185,778	\$ (39,304)	\$ 15,190,280
Covington WD	141,627	94,221	-	-	-	235,847
Issaquah	91,345	71,494	276,969	532,379	(113,304)	858,883
Kirkland	144,729	113,255	329,507	3,298,888	(58,977)	3,827,402
Redmond	248,924	194,848	867,808	4,391,090	(207,546)	5,495,124
Sammamish Plateau WSD	169,206	132,434	141,010	174,330	(167,734)	449,245
Skyway WSD	30,709	24,035	-	272,609	-	327,353
Tukwila	71,688	56,108	-	1,733,756	-	1,861,552
Total	\$ 1,438,496	\$ 1,109,248	\$ 2,695,978	\$ 23,588,829	\$ (586,865)	\$ 28,245,686

The average Member rate increase (excluding adjustments) from 2009 to 2010 is 7.5%. Individual Member changes range from -46.9% to +42.2%:



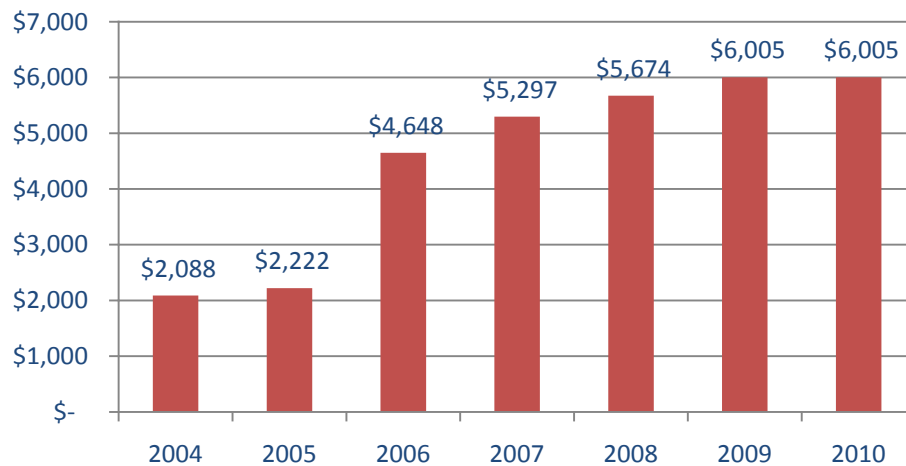
Member	Increase over 2009 charges before adjustments	Increase over 2009 charges after adjustments
Bellevue	8.4%	9.8%
Covington WD	26.8%	26.8%
Issaquah	41.8%	42.2%
Kirkland	5.8%	5.9%
Redmond	7.6%	7.1%
Sammamish WSD	-24.3%	-46.9%
Skyway WSD	-0.9%	-1.0%
Tukwila	4.9%	5.1%
Total	7.5%	7.3%

Covington’s 26.8% increase is due to the phase-up of its conservation charge to 85% and to it not having a demand share, which makes the district more sensitive to increases in conservation and administrative charges. Sammamish’s 47.6% decrease is due to a revised demand share estimate.

RCFC

Regional Capital Facilities Charges (RCFC’s) are charges for new water connections and are based on a pro rata share of Cascade’s Capital Investment Program costs. RCFC revenues are used to repay debt and to fund capital projects. A history of RCFC rates are shown below:

Regional Capital Facilities Charge





The 2010 Regional Capital Facilities Charge (RCFC) is the same as the 2009 level of \$6,005. The RCFC is being held steady for three main reasons: 1) the 2010 TSP, and its resulting CIP, will remain a work-in-progress until mid-2010; 2) the current CIP for 2011 through 2020 still includes substantial investments over the next ten years (almost \$100 million in current dollars), which could justify a higher RCFC if those costs are spread over projected growth over the same period; and 3) until the planning process and Lake Tapps assessments are complete, there is not a firm basis for increasing or decreasing the charge and freezing it for one year at least stabilizes the RCFC revenue stream, which is important because Cascade's debt service is a real expense that rates would have to cover to the extent that RCFCs do not.

Cascade contracts with utility finance firm FCS Group to analyze its finances and rate structure and to develop options and recommendations for Cascade's use during its budget development process. FCS Group advised on RCFC options and recommendations for 2010, and the Board adopted the 2010 RCFC pursuant to Cascade Resolution Number 2009-15.