



## **2011-2012 RATES AND CHARGES RESOLUTION**



CASCADE WATER ALLIANCE  
RESOLUTION No. 2010-15

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASCADE WATER ALLIANCE, A WASHINGTON NONPROFIT CORPORATION, ADOPTING RATES AND CHARGES FOR THE YEARS 2011 AND 2012**

WHEREAS, The Cascade Water Alliance (Cascade), is a Washington Nonprofit Corporation composed of municipal corporations and special purpose Municipal Corporations that are parties to an Interlocal Contract entered into under authority of the Interlocal Cooperation Act (Chapter 39.34 RCW) for the purpose of providing water supply to meet the growing demands of its Members; and

WHEREAS, the Interlocal Contract provides for the payment of Administrative Dues by Cascade Members; and

WHEREAS, the Interlocal Contract 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; and

WHEREAS, the Interlocal Contract provides that the Board may adopt wholesale charges in addition to normal Demand Share Charges to encourage resource conservation; and

WHEREAS, the Interlocal Contract provides that the Board must set Rates and Charges at levels sufficient for all expenses of Cascade; 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." The Board further resolved that the Regional Capital Facilities Charge ("RCFC") will continue to be approved annually and that when the biennial budget is adopted, the RCFCs for the first year of the biennial budget would be determined and the RCFCs for the second year to be projected. A mid-biennium budget review and opportunity for budget adjustment is to be provided prior to a re-confirmation of the budget for the second year; and

WHEREAS, the Board grants one-time exception and adjustment to 2011 rates and charges to reconcile inaccurate prior-year demand estimates for Bellevue, Issaquah, and the Sammamish Plateau Water & Sewer District.

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 2011 and 2012.**  
CERUs for each Member for 2011 and 2012 are as follows:



TABLE 1

Member	2011 Adopted CERUs	2012 Forecast CERUs
Bellevue	66,281	66,461
Covington WD	17,325	17,396
Issaquah	11,137	11,219
Kirkland	17,936	18,157
Redmond	31,027	31,283
Sammamish Plateau WSD	21,520	21,826
Skyway WSD	3,805	3,812
Tukwila	8,593	8,615
<b>Total</b>	<b>177,625</b>	<b>178,769</b>

**Section 2.** 2011 and 2012 Demand Shares.

Adopted Demand Shares for each Member for 2011 are as follows:

TABLE 2

Member	Demand Shares	Demand Share percentage
Bellevue	20.31	54.65%
Covington WD	0.00	0.00%
Issaquah	1.04	2.79%
Kirkland	5.34	14.36%
Redmond	6.91	18.59%
Sammamish Plateau WSD	0.42	1.14%
Skyway WSD	0.43	1.15%
Tukwila	2.72	7.33%
<b>Total</b>	<b>37.17</b>	<b>100.00%</b>

Forecast Demand Shares for each Member for 2012 are as follows:

TABLE 3

Member	Demand Shares	Demand Share percentage
Bellevue	20.72	54.65%
Covington WD	0.00	0.00%
Issaquah	1.03	2.71%
Kirkland	5.47	14.44%
Redmond	7.09	18.71%
Sammamish Plateau WSD	0.45	1.19%
Skyway WSD	0.42	1.11%
Tukwila	2.73	7.19%
<b>Total</b>	<b>37.91</b>	<b>100.00%</b>



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**

2011 Adopted Member Charges (excluding Regional Capital Facilities Charges) are hereby established as shown in Tables 4, 5 and 6 below.

Administrative Dues shall be assessed against each Member at the rate of \$8.13 per CERU multiplied by 100% of that Member's CERUs.

The Demand Share Charge shall be \$689,199 per Demand Share.

The Conservation Program Charge shall be \$7.27 per 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 92.5% of the Member's CERUs.

TABLE 4

Member	Administrative Dues	Conservation Charges	New Water Surcharges	Demand Share Charges	Member Charge Adjustments	Total With Adjustments
Bellevue	\$ 539,117	\$ 482,150	\$ 718,552	\$ 13,999,098	\$ (200,084)	\$ 15,538,832
Covington WD	140,921	116,578	-	-	-	257,499
Issaquah	90,583	81,011	277,324	713,913	66,895	1,229,727
Kirkland	146,818	131,304	323,218	3,711,447	(3,552)	4,309,234
Redmond	251,439	224,870	710,794	4,727,490	(59,294)	5,855,298
Sammamish Plateau WSD	175,041	156,545	190,323	291,661	(213,854)	599,716
Skyway WSD	30,949	27,679	-	293,634	-	352,262
Tukwila	69,895	62,510	-	1,877,642	-	2,010,048
<b>Total</b>	<b>\$ 1,444,762</b>	<b>\$ 1,282,645</b>	<b>\$ 2,220,211</b>	<b>\$ 25,614,886</b>	<b>\$ (409,889)</b>	<b>\$ 30,152,615</b>

The credit adjustments in Table 5 shall be applied to the 2011 charges in Table 4 for Bellevue, Issaquah, and the Sammamish Plateau Water & Sewer District, based on a reconciliation of inaccurate prior-year demands used in calculating demand shares:

TABLE 5

Member	Total With Adjustments (from Table 4)	Credit Applied to 2011	Net 2011 Total
Bellevue	\$ 15,538,832	(\$252,773)	\$ 15,286,059
Issaquah	\$ 1,229,727	(\$108,931)	\$ 1,120,796
Sammamish Plateau WSD	\$ 599,716	(\$190,965)	\$ 408,751

2012 Forecast Member Charges (excluding Regional Capital Facilities Charges) are hereby established as shown below.



Administrative Dues shall be assessed against each Member at the rate of \$7.90 per CERU multiplied by 100% of that Member's CERUs.

The Demand Share Charge shall be \$783,304 per Demand Share.

The Conservation Program Charge shall be \$7.19 per CERU. The charge is applicable to 100% of a Member's CERUs.

TABLE 6

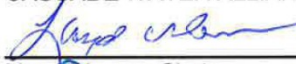

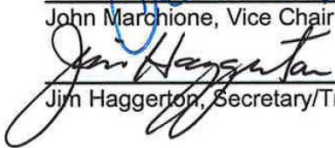
Member	Administrative Dues	Conservation Charges	New Water Surcharges	Demand Share Charges	Member Charge Adjustments	Total With Adjustments
Bellevue	\$ 525,344	\$ 478,148	\$ -	\$ 16,228,305	\$ -	\$ 17,231,798
Covington WD	137,512	125,158	-	-	-	262,670
Issaquah	88,683	80,715	-	804,220	-	973,618
Kirkland	143,524	130,630	-	4,287,939	-	4,562,093
Redmond	247,279	225,064	-	5,556,539	-	6,028,882
Sammamish Plateau WSD	172,523	157,024	-	354,133	-	683,680
Skyway WSD	30,133	27,426	-	329,262	-	386,822
Tukwila	68,097	61,979	-	2,136,616	-	2,266,693
<b>Total</b>	<b>\$ 1,413,095</b>	<b>\$ 1,286,145</b>	<b>\$ -</b>	<b>\$ 29,697,015</b>	<b>\$ -</b>	<b>\$ 32,396,255</b>

**Section 4. Review and Adjustment.**

Beginning no later than September 1, 2011, and completed prior to December 31, 2011, the Board will consider a mid-biennium budget review and adjust and re-confirm the 2012 Budget if needed. The Board will also determine and establish 2012 rates and charges before the end of 2011.

ADOPTED AND APPROVED by the Board of Directors of the Cascade Water Alliance at a regular meeting thereof, held on the 22nd day of September 2010.

  
 Attest – Chuck Clarke, Chief Executive Officer

CASCADE WATER ALLIANCE  
  
 Lloyd Warren, Chair  
  
 John Marchione, Vice Chair  
  
 Jim Haggerton, Secretary/Treasurer

Members  
 Yes 8  
 No 0

Demand Share  
 Yes 100 %  
 No 0 %

Include in CWAC?  
 Yes  
 No