

BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

SANDY POINT IMPROVEMENT  
COMPANY,

Respondent.

DOCKET UW-121408

DECLARATION OF SHARON J.  
THOMPSON IN SUPPORT OF MOTION  
FOR SUMMARY DETERMINATION

I, Sharon J. Thompson, hereby declare and state as follows:

1. I am employed by the Sandy Point Improvement Company ("Sandy Point" or the "Company") as its Office Manager, and I have held this position since July 6, 2011. I make this declaration based on my personal knowledge and on review of Sandy Point's records and files in this matter. I am over the age of 18 and competent to testify herein.

2. The Sandy Point neighborhood is a residential community on Lummi Bay with approximately over 750 active water service connections. Sandy Point manages and oversees common facilities, including a well and the community's water system.

3. The Company pays real estate taxes, insurance premiums, maintenance costs, and costs associated with the improvement of real property, including such costs associated with the water system, the Company's well site, and related operations.

4. Sandy Point owns real property located at 3568 Walltine Road, Ferndale, WA (Whatcom County TPN 88830), which includes Sandy Point's production well, pump house, and water tank. Sandy Point pays real property taxes associated with this parcel. Attached hereto as Exhibit 1 is a true and correct copy of the Whatcom County Assessor & Treasurer property detail for TPN 88830. Sandy Point also carries insurance coverage as to its assets and operations, including coverage on the common property (TPN 88830) and the water tank, pump house, and equipment associated with this parcel.

5. Sandy Point is overseen by a seven (7) member Board of Directors (the "Board"). The Board is entirely volunteer and unpaid. The Board sets charges and adopts the budget for payment of the common expenses associated with the real estate taxes, insurance premiums, maintenance costs, and other costs associated with the improvement of real property and the water system. Any Class A or Class C shareholder is eligible for election to the Board, and the Articles provide that all Company shareholders are eligible to vote for the Board. Both Class A and Class C shareholders voted at the last annual meeting for election of the Board of Directors.

6. In addition to providing water service to its shareholders, Sandy Point serves approximately 43 outside non-member customers.

7. Sandy Point is a Group A water system and provides water service to its shareholders and non-member customers under an approved Department of Health Water System Plan. A detail of Sandy Point's authorized water service area is attached hereto as Exhibit 2. Excerpts of Sandy Point's approved Water System Plan is attached hereto as Exhibit 3.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED this 3<sup>rd</sup> day of May, 2013, at Whatcom County, Washington.

  
SHARON J. THOMPSON

DECLARATION OF SHARON J. THOMPSON IN SUPPORT  
OF MOTION FOR SUMMARY DETERMINATION  
PAGE 2

CASCADIA LAW GROUP PLLC  
606 COLUMBIA ST. NW, SUITE 212  
OLYMPIA, WA 98501  
(360) 786-5057

BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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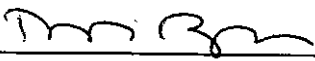
DECLARATION OF FAXED/  
ELECTRONIC DOCUMENT

Pursuant to the provisions of GR 17, I declare as follows:

1. I am the party who received the foregoing facsimile/electronic transmission for filing.
2. My address is 606 Columbia St. NW, Suite 212, Olympia, Washington 98501.
3. My phone number is (360) 786-5057.
4. The facsimile number/email where I received the document is (360) 786-1835 and/or [jrehberger@cascadialaw.com](mailto:jrehberger@cascadialaw.com).
5. I have examined the foregoing document, determined that it consists of four (4) pages, including this Declaration page, and excluding exhibits, and that it is complete and legible.

6. I certify under penalty of perjury under the laws of the State of Washington that the above is true and correct.

DATED: May 3, 2013, at Olympia, Washington.

Signature: 

Print Name: Joseph A. Rehberger

# **EXHIBIT 1**

## Whatcom County Assessor & Treasurer

### Property Search Results > 88830 SANDY POINT IMPROVEMENT CO for Year 2012 - 2013

#### Property

##### Account

Property ID: 88830      Legal Description: E 1/2 W 1/2 NE SW-LESS RD  
 Geographic ID: 3901341911850000      Agent Code:  
 Type: Real  
 Tax Area: 2025 - 502 F7 C7      Land Use Code 81  
 Open Space: N      DFL N  
 Historic Property: N      Remodel Property: N  
 Multi-Family Redevelopment: N  
 Township: T39N      Section: 34  
 Range: R01E

##### Location

Address: 3568 WALLTINE RD      Mapsco:  
 FERNDALE, WA  
 Neighborhood: 6120011000 SFR-AC      Map ID:  
 Neighborhood CD: 6120011000

##### Owner

Name: SANDY POINT IMPROVEMENT CO      Owner ID: 96861  
 Mailing Address: 4460 DECATUR DR #5      % Ownership: 100.0000000000%  
 FERNDALE, WA 98248-9501

Exemptions:

#### Pay Tax Due

Select the appropriate checkbox next to the year to be paid. Multiple years may be selected.

Year - Statement ID	Tax	Assessment	Interest	Penalty	Total Due
2013 - 60279 (Balance)	\$1235.67	\$8.70	\$0.00	\$0.00	\$1244.37

Total Amount to Pay: \$

Credit CardCheck

\*Convenience Fee not included

#### Taxes and Assessment Details

Property Tax Information as of 05/02/2013

Amount Due if Paid on:  **NOTE:** If you plan to submit payment on a future date, make sure you enter the date and click RECALCULATE to obtain the correct total amount due.

Click on "Statement Details" to expand or collapse a tax statement.

Year	Statement ID	First Half Base Amt.	Second Half Base Amt.	Penalty	Interest	Base Paid	Amount Due
▶ Statement Details							
2013	60279	\$1244.48	\$1244.37	\$0.00	\$0.00	\$1244.48	\$1244.37
▶ Statement Details							
2012	60654	\$1188.81	\$1188.73	\$0.00	\$0.00	\$2377.54	\$0.00

#### Values

**Map List**

**Taxing Jurisdiction**

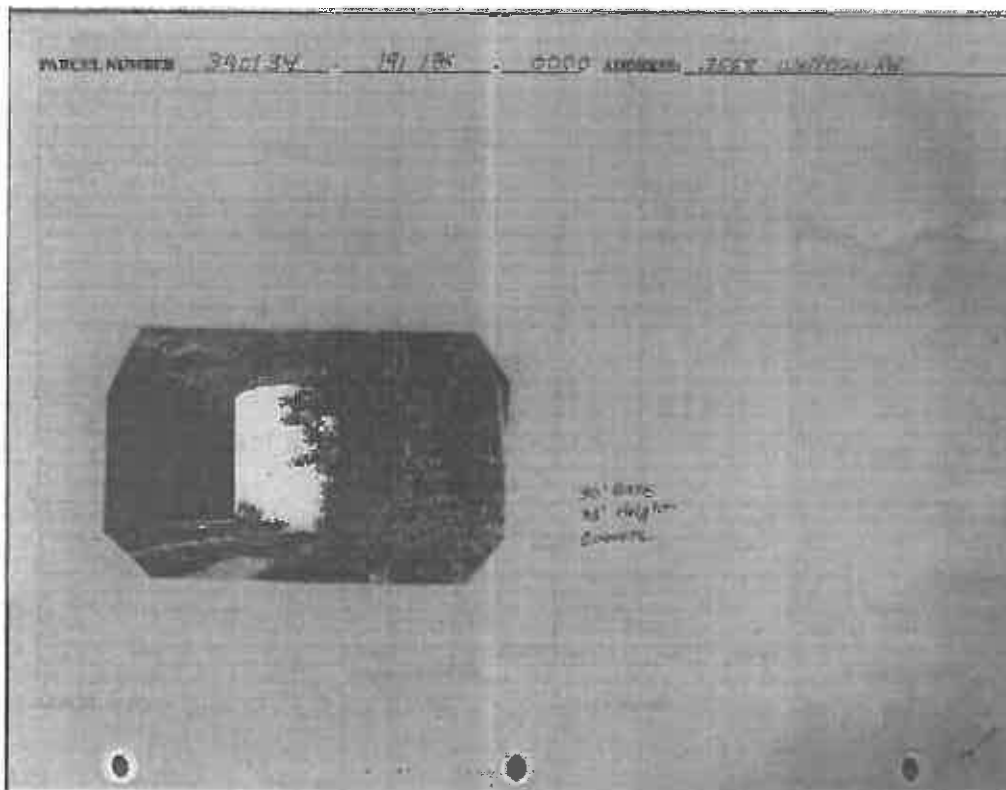
**Improvement / Building**

**Improvement #1:** UNWORKED BUILDING **State Code:** 8180 0.0 sqft **Value:** \$72,880

Type	Description	Class CD	Sub Class CD	Year Built	Area
UNWK	Unworked Building	*	*	0	0.0

**Property Image**

This property contains TIFF images. Click on the button(s) to download the full image (which may contain multiple pages).



**WHATCOM COUNTY ASSESSOR**  
CALCULATOR COST FORM

Sheet of \_\_\_\_\_

1. Parcel Number:   
 2. Property Address:   
 3. DBA:

4. Occupancy: \_\_\_\_\_  
 5. Building Class: \_\_\_\_\_  
 6. Building Quality: \_\_\_\_\_  
 7. Exterior Wall: \_\_\_\_\_  
 8. Sides: \_\_\_\_\_  
 9. Height per Story: \_\_\_\_\_  
 10. Average Floor Area: \_\_\_\_\_  
 11. Sdg. Material/No. of Units: \_\_\_\_\_  
 12. Year of Construction: \_\_\_\_\_  
 13. Condition: \_\_\_\_\_  
 14. Basis Sq. Ft. Cost: \_\_\_\_\_

SECTION I	SECTION II	SECTION III	SECTION IV	SECTION V
Block Wall				
Concrete				
24" Wall				
200 Blocks				
2000				
Good				

15. HVAC Adjustment: \_\_\_\_\_  
 16. Elevator Deduction: \_\_\_\_\_  
 17. Misc. Adjustment: \_\_\_\_\_  
 18. Total Area 14-17: \_\_\_\_\_

19. No. of Stories Multiplier: \_\_\_\_\_  
 20. Story Height Multiplier: \_\_\_\_\_  
 21. Area Multiplier: \_\_\_\_\_  
 22. Combined H. & Size Multiplier: \_\_\_\_\_

**FINAL CALCULATIONS**

23. Refined Sq. Ft. Cost: \_\_\_\_\_  
 24. Outside Cost Multiplier: \_\_\_\_\_  
 25. Land Value: \_\_\_\_\_  
 26. Final Sq. Ft. Cost: \_\_\_\_\_  
 27. Total Sq. Footage: \_\_\_\_\_  
 28. Base Replacement Cost: \_\_\_\_\_  
 29. Land Value Adjustment: \_\_\_\_\_  
 30. Base Replacement Cost: \_\_\_\_\_  
 31. Depreciation Percentage: \_\_\_\_\_  
 32. Depreciation Amount: \_\_\_\_\_  
 33. Depreciated Cost: \_\_\_\_\_

**TOTAL OF ALL SECTIONS**

34. Accrual Code: \_\_\_\_\_  
 35. Total Replacement Cost: \_\_\_\_\_  
 36. Total Depreciated Cost: \_\_\_\_\_  
 37. TOTAL Available to Assess: \_\_\_\_\_

**NOTICE**  
 Maximum rate per sq. foot is \$5 (88 000)

- Land
- Roll Value History
- Deed and Sales History
- Payout Agreement



This website is under active development. Some functionality is not yet available and data is not guaranteed.  
 Assessor Home Page Treasurer Home Page Full County Map Disclaimer Privacy Policy

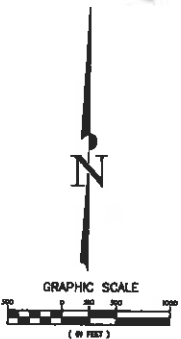
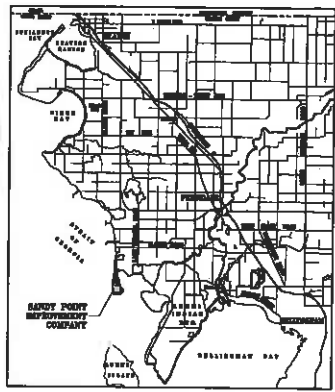
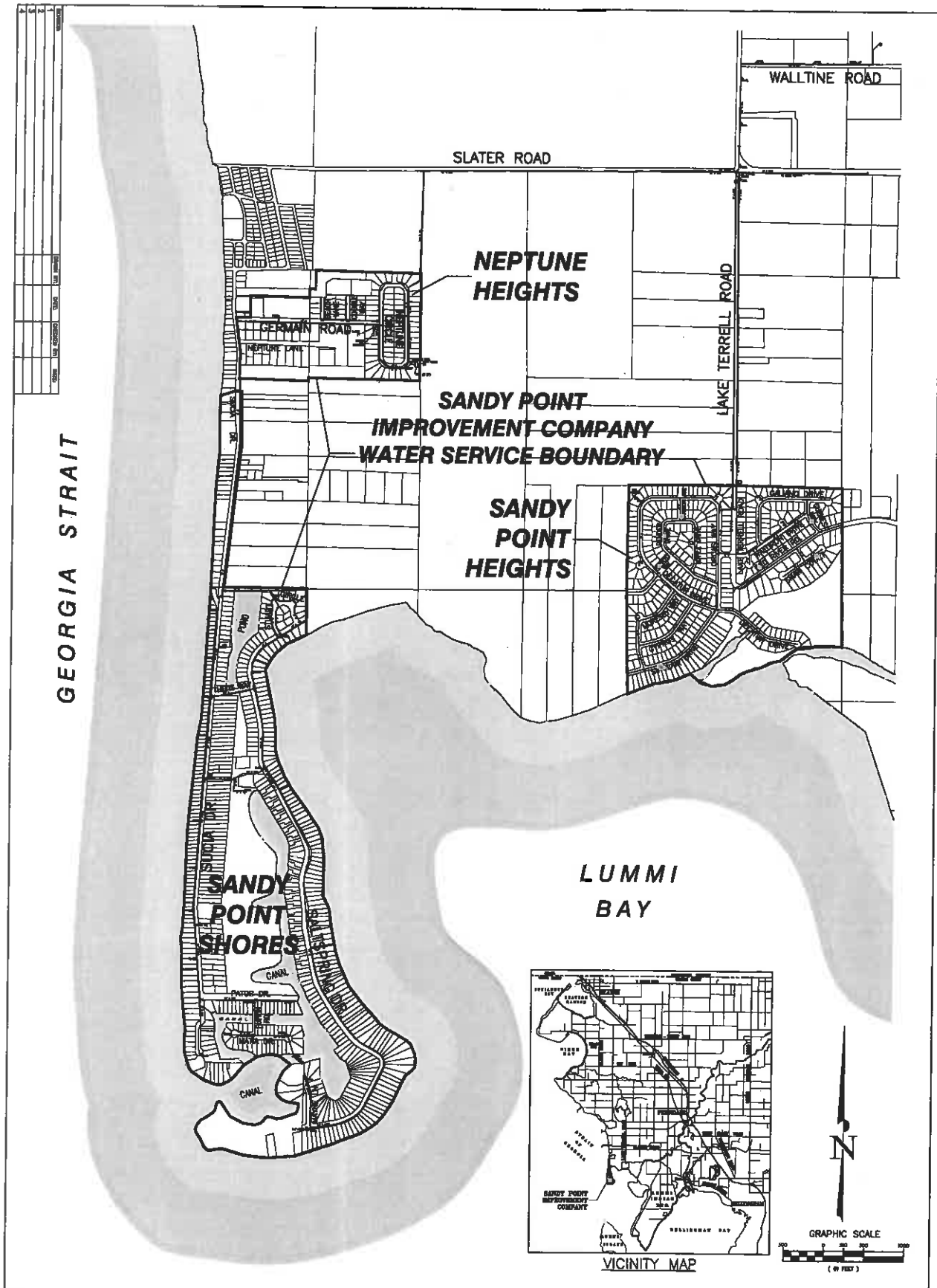
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Database last updated on: 5/2/2013 1:41 AM

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# **EXHIBIT 2**



SHEET NO. SHEET TITLE SHEET NO. 1 SHEET TITLE 1	CLIENT <b>SANDY POINT IMPROVEMENT COMPANY</b> PROJECT <b>WATER SERVICE BOUNDARY</b> TITLE <b>OVERALL SYSTEM MAP</b>	HORIZONTAL SCALE <b>1" = 500'</b> VERTICAL SCALE DRAWN BY DATE APPROVED BY NORTH DATUM NAD 83	SCALE <b>ASSOCIATED PROJECT CONSULTANTS, INC., P.S.</b> CIVIL ENGINEERS, PROJECT AND LAND USE MANAGEMENT, BUILDING, STRUCTURAL, AND ENVIRONMENTAL SERVICES 1401 ASTOR STREET, BELLINGHAM, WA. 98225 PHONE (360) 671-1148 FAX (360) 671-1923
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# **EXHIBIT 3**



**SANDY POINT**  
IMPROVEMENT COMPANY

# Water System Plan 2011

Water System ID # 76105

**Sandy Point Improvement Company**  
**Whatcom County, Washington**

ISSUE DATE: July 11, 2011

**DRAFT**



*Prepared by:*

**Associated Project Consultants, Inc., P.S.**  
1401 Astor Street  
Bellingham, Washington 98225  
(360) 671-1146

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## **Section 1. Introduction**

### **Purpose**

The purpose of this Water System Plan is to provide a comprehensive water plan for Sandy Point, with a 20-year planning period, to document the system's operational, technical, managerial, and financial capability to achieve and maintain compliance with relevant local, state, and federal plans and regulations, and to demonstrate how the system will address present and future needs in a manner consistent with other relevant plans and regulations. This Water System Plan (WSP) for the Sandy Point Water System will update and replace the previous plan as approved by the Washington State Department of Health (WSDOH).

This Plan complies with WSDOH regulations under WAC 246-290-100, which requires water purveyors to update their water system plans every six years.

### **Summary Statement**

The Sandy Point Water System is a privately owned and managed Group A Public Water System owned by the Sandy Point Improvement Company, located in Whatcom County, WA (See Figure 1, Vicinity Map). The system serves an estimated population of 1,415 full and part-time residents, as well as many recreational users seasonally.

Sandy Point has invested substantial resources in recent years to improving the water system capacity and reliability, including source improvements, water storage management, leak repairs, and service meter replacement. Additionally, Sandy Point has implemented long-term system management procedures to actively monitor and record water use and production, prevent and detect service leaks, reduce water wastage, and track water use trends. These significant improvements to the system's physical and managerial capacity to reliably provide water service have resolved or eliminated many of the issues that in the past have limited the ability of the system to meet the needs for new service connections within the service area.

This Plan provides a description and evaluation of the existing water system, an analysis of current system demands and physical capacity, and planning

estimates of future water demands. The basic findings of the analysis contained in this Plan are summarized as follows:

- The water system has sufficient water supply capacity to meet the demands of existing and future customers at the projected 6-year service demand level, with current water rights and no substantial improvements required.
- For the 20-year projected service level, additional water rights or sources would be required for full build-out of the existing residential lots of record within the service area.

The Whatcom County Coordinated Water System Plan requires water systems in its jurisdiction to plan for full service within their designated service areas, and this Plan recommends that the Sandy Point system continue to actively pursue additional water rights or supplemental sources of water for the long-term planning horizon.

This Water System Plan also includes a Water Use Efficiency Plan, Operation and Maintenance Program, a demonstration of financial viability, and a plan for future potential improvements to the water system infrastructure, as well as other required elements of system management.

Associated Project Consultants prepared the previous Sandy Point Improvement Company WSP beginning in 1995 and finally approved in 2002 and again in 2005. This WSP represents the six-year update of the WSP in accordance with WSDOH regulations.



Figure 1



VICINITY MAP  
NOT TO SCALE  
WHATCOM COUNTY, WASHINGTON



Figure 2



AERIAL OVERVIEW MAP

NOT TO SCALE



## **Section 2. Description of Water System**

Sandy Point is a primarily residential and recreational community located in Whatcom County, Washington, approximately 13 miles northwest of the City of Bellingham. Sandy Point borders Lummi Bay to the south and the Strait of Georgia to the west. The residential areas at Sandy Point were subdivided and developed largely in the period from 1950 through 1980 and for the most part ownership is fee land within the Lummi Indian Reservation.

The Sandy Point Water System is a privately owned and managed Group A system, serving a unique mixture of seasonal, recreational, and year-round residents. The system presently serves 602 single-family homes (both full and part-time occupancy), 5 multi-family buildings of 4 dwelling units each, 9 non-residential services, and 131 vacant lots which consume a small amount of water annually for recreational use.

### **Ownership and Management**

The water system is privately owned and managed by the Sandy Point Improvement Company. The system currently keeps a certified water system operator on staff to oversee management and operation of the system.

Sandy Point Board: Jim Kolbo, President

System Operator: Brad Ferris  
DOH Certified Operator #6768  
8618 Tilbury Rd.  
Maple Falls, WA 98266  
(360) 961-0562

The water system is financially separate from the other company activities, other than a shared portion of administrative costs for office management, and is financially viable as demonstrated in Section 10 of this WSP.

### **System History**

The Sandy Point Water System and service area was originally organized in the 1960s and early 1970s to serve the plats of record at that time, based on the water availability requirements of Whatcom County.

In the 1970s, agreements with the Indian Health Services and the Lummi Tribe established conditions for service to a limited number of Indian residential service connections along Sucia Drive, and from water main extensions along Lake Terrell Road and Red River Road. These service extensions were disconnected from the system in 2006 when the Lummi Water and Sewer District took over water service to those connections.

A water service moratorium, imposed by the WSDOH and the Department of Ecology (DOE), has essentially been in place from 1993 through the present time. In 1996 the WSDOH approved 39 single-family water connections through an expansion of the capital facilities plan, and in 2005 WSDOH approved 8 additional connections pending the collection of new water use meter data and an updated WSP.

In 2003, Sandy Point completed capital improvements to make Well S05, located on Walltine Road outside the Lummi Reservation area, the primary source well for the water system. This improvement eliminated the source capacity limitations inherent in the wells located in Neptune Heights, which had previously served the system, and substantially increased the service capacity and reliability of the water system.

In 2001 the water system completed a capital improvement project to replace all the valves and service saddles in the system, in addition to replacing defective service meters and locating and repairing distribution system leaks. This improvement has succeeded in a reduction of total distribution leakage (DSL) to less than 3% of the annual water right.

The replacement of all water service meters in 2003, and installation of a system monitoring and meter data collection system completed in 2008, has allowed the collection of daily service meter readings, rapid leak detection, detailed analysis of system usage, prediction of water use trends, and implementation of key water use efficiency measures.

### **Summary of Completed Capital Improvements**

The following list summarizes the major capital improvements made to the water system over the past 15 years:

<b>Year</b>	<b>Description</b>	<b>Cost</b>
1996	Walltine Road Property Acquisition	\$ 65,000
2001	190,000 gallon Storage Tank	\$ 150,000
2001	Valve and Service Saddle Replacement	\$ 600,000
2003	Water Meter Replacement	\$ 100,000
2003	Production Well SO5	\$ 250,000
2004	Well building facility	\$ 250,000

Soft Costs	\$ 165,000
Equipment Costs	\$ 30,000
<b>Total</b>	<b>\$1,610,000</b>

### **Related Plans and Adjacent Water Service**

The Whatcom County Coordinated Water System Plan, approved and adopted by Whatcom County in ~~2002~~2000, establishes the procedures for defining service areas, utility service review, and establishes minimum design standards for water systems within Whatcom County. The current Whatcom County Comprehensive Plan as adopted in June 2011 also establishes long-term goals, land use, and planning designations.

The Neptune Beach Water Association, a Group A system serving 81 homes, is adjacent to Sandy Point. There is no physical connection between this system and the Sandy Point Water System.

The Lummi Tribe also owns private wells east of and within Neptune Heights that serve some adjacent tribal lands through separate water system facilities.

### **Existing Service Area**

The Sandy Point service area contains three subareas: Sandy Point Shores (SPS), Neptune Heights (NH), and Sandy Point Heights (SPH). The West Beach area is included in Sandy Point Shores. These areas are further described in Section 3 of this water system plan.

There are approximately 5 existing services located outside the service area, as shown in the water service maps (Appendix A). Sandy Point's policy is to continue providing service to these residences until requested to disconnect based on service provision by the adjacent water providers, either Neptune Beach Water Association or the Lummi Tribe.

At this time, the water system has no plans for expansion of the service area beyond its present boundaries.

### **Retail Service Area and Duty to Provide Service**

The Retail Service Area for the Sandy Point Improvement Company, as defined in WAC 246-290, is the same as the Existing Service Area boundary, and both are referred to in this WSP as the "Service Area."

As required by WAC 246-290-106, Sandy Point has a duty as a municipal purveyor to provide water service within the Retail Service Area if:

- (a) It can be available in a timely and reasonable manner;
- (b) There are sufficient water rights to provide water service;
- (c) There is sufficient capacity to serve the water in a safe and reliable manner as determined by WSDOH;
- (d) It is consistent with the requirements of local plans and regulations.

The present Service Area accepted by the Sandy Point Board of Directors is consistent with the Whatcom County Coordinated Water System Plan, and includes only areas currently served by the system (see Figure 3).

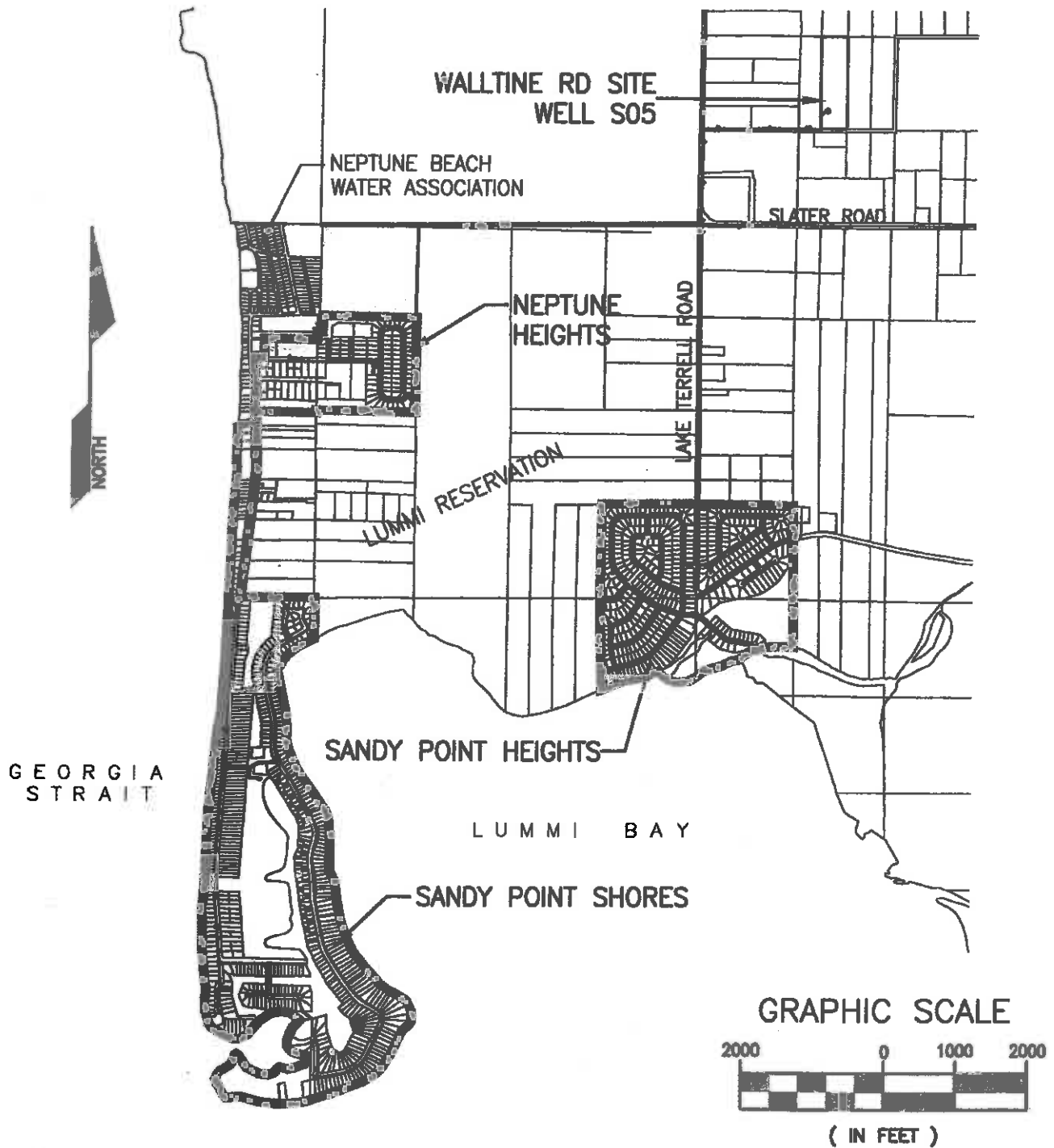
### **Service Policies**

Sandy Point has the following policies regarding provision of water service:

- Sandy Point will plan for provision of water service to all legal lots of record, and known planned subdivisions, within the Service Area, and will provide service upon request when permitted by the system capacity and regulatory approvals.
- Provision of water service within the Service Area will be prioritized based on the current water shareholders agreements with Sandy Point.
- New water service connections will not be available to lots outside the Service Area.
- Existing services outside the service area will be disconnected upon request, when those lots are served by another water provider.
- Existing homes within the Service Area that are currently served by exempt private wells will be served by the Sandy Point system upon approval by Ecology of the transfer of a proportionate water right amount to the Sandy Point water rights, and decommissioning of the exempt well.

**Sandy Point does not have a service policy in place that currently supports the creation of new lots within the Service Area. Any new subdivision would require a letter of water service availability from Sandy Point, which would not be available at this time. Sandy Point Improvement Company does encourage lot consolidations within the Service Area.**

Figure 3



SANDY POINT SERVICE AREA

NOT TO SCALE

WHATCOM COUNTY, WASHINGTON

## **Section 3. Planning Data**

### **Current Demographics**

The Sandy Point community is characterized by a unique blend of full-time residential, recreational, and seasonal occupancy homes. There are many summer and weekend residents in the area, as well as many lots without permanent structures that are used on a seasonal or intermittent basis for recreational occupancy in RVs.

The neighborhoods served by the Sandy Point System are described below (see the Service Area Map for reference, Figure 2 in Section 1 of this WSP).

#### **Sandy Point Shores**

Sandy Point Shores is a recreational/residential community started in the middle 1950's. The site consists of a low sand spit, about 12 feet above the mean high tide, one mile long and one-half mile wide, jutting southerly into the Strait of Georgia. The shoreline area is lined with waterfront lots where there are a mix of residences and condominiums. Many of the developed lots contain summer or vacation homes.

#### **Sandy Point Heights**

Sandy Point Heights is primarily a residential community located on the north end of Lummi Bay. The area, developed in the late 1960's, is somewhat hilly and separated from Sandy Point Shores by a large swampy tide-flat area.

#### **Neptune Heights**

Neptune Heights is situated on top of a 110 foot hill east of Neptune Beach and north of Sandy Point Shores. Developed in the early 1970's it contains many homes and few undeveloped lots.

#### **Lummi Indian Reservation**

Surrounding the platted subdivisions is Lummi Reservation land owned by the Lummi Indian Tribe. Currently, homes on the reservation land are served