

## **EXHIBIT 15**

### **SPIC Response to UTC Staff Data Request 29**

#### **SPIC's Lottery System for Selecting New Customers**

**UTC STAFF DATA REQUEST NO. 29:**

In Sandy Point Improvement Company's response to Staff Data Request 6, the Company refers to a "lottery" the Company uses to add new customers to its system (i.e., via new service connections).

Please explain in detail how the lottery works, including who is eligible to participate (e.g., Class A shareholder, Class C shareholder, non-shareholder, other), applicable charges, how a person "wins" the lottery and why a lottery is needed (or, if a lottery is not "needed", then why a lottery is used). In your explanation, please specifically indicate whether non-shareholders are eligible for the lottery, and if so, whether the lottery treats all participants equally, and if not, explain how different participants are treated differently. If the lottery process is explained in a document or documents, please supply the document(s), and please supply representative examples of documents which persons use to enter the lottery.

**RESPONSE:**

Sandy Point adopted a lottery format as an unbiased vehicle for distributing water shares for residential connections to owners of real property in the Company's water service area when anticipated demand exceeded expected supply. For several years since the early 1990s, water availability has been extremely limited due to a moratorium on new water allocations and appeals of Water System Plan projections. In 2006 a lottery was held to distribute anticipated water shares. All property owners within the water service area were allowed one entry for each lot for which residential water was desired. An Intent to Build Form and \$1,500 per entry, plus an additional amount to bring their standby/base fees current if necessary, were required. Both SPIC shareholders and non-shareholders were eligible and followed the same guidelines. A random drawing was conducted by the accounting firm of Larson Gross, P.L.L.C. following the 2006 Annual Shareholders' Meeting. This firm also processed all entries, deposits, and notifications. An appeal of the Water System Plan caused a five-year delay in the implementation of the lottery results. Participants received full refunds, minus a \$100 administrative/processing fee, and retained their places in the lottery.

In January 2012, the Department of Health approved Sandy Point's 2011 Water System Plan Update, which allowed for 177 additional ERU connections. In May 2012, Sandy Point notified all owners of unserved original lottery properties that a new \$500 deposit and Intent to Build Form were required to remain in the lottery. Given the attrition among the first 177 entrants since the lottery drawing, Sandy Point was able to eventually offer connections to all 215 lottery participants. Sandy Point staff is currently receiving the \$1,000 balance of the hookup fee and building plans submittals and issuing Water Availability Notification Forms.

Please see attached Documents Produced in Response to Data Request No. 29. The lottery process may further be explained or discussed in Board meeting minutes over the years. Board meeting minutes are available for inspection upon request during the normal business hours at the offices of Sandy Point Improvement Company located at 4460 Decatur Drive, Ferndale 98248.

Witnesses knowledgeable about and who can respond to questions concerning the response may include those witnesses identified in response to Data Request No. 21.4, individuals identified in the responses provided and documents produced, and others to be determined.

Prepared by: Joseph A. Rehberger  
(360) 787-5057  
Dated: March 5, 2013



**SANDY POINT**  
IMPROVEMENT COMPANY

4460 Decatur  
Mailing Address: PO Box 1418  
Ferndale, WA 98248  
Phone/Fax 360.384.3921

**July, 2006**

**SUBJECT: WATER HOOKUP/LOTTERY**

**To: All Current and Future Water Customers**

Hooray – Celebration Time !! Sandy Point Improvement Company has finally received authorization from the Washington State Department of Health for addition water connections at this time. The release of these hookups will allow us to fulfill the use of our 143 acre feet water right. The Board will continue to pursue other water right applications until we obtain water for a full build out at Sandy Point. The Board of Directors has consulted with the appropriate governmental agencies in regards to the guidelines for water distribution.

**LOTTERY or LIMITED SUPPLY HOOKUP/CONNECTION:**

All property owners within the Sandy Point service area are eligible to be awarded either a limited supply water connection or a residential construction connection. **Only those water customers whose accounts are current and in good standing by 2:00 p.m., Thursday, August 31, will be eligible for the lottery.**

Water customers are defined as those property owners who have been paying base fees. Those base fees have totaled \$5,000.00 to date. Property owners who have not been paying base fees may become a customer now by submitting payment in the form of a cashiers check or money order for \$5,000.00 per lot.

**LIMITED SUPPLY HOOKUP:**

The Board of Directors would like to know how many property owners are only interested in purchasing a "limited supply" and not a residential construction connection to their vacant property. **If you would like to purchase a water connection for a "limited supply" connection (not for building at this time) you may do so by complying with and filling out the enclosed "Request for a Limited Supply Connection" form. Mail this form along with a cashiers check or money order made out to Sandy Point Improvement Company for a connection fee of \$500.00 to:**

**Larson Gross P.L.L.C.,  
Attention Sandy Point Improvement Company  
1616 Cornwall Ave., Suite 205  
P. O. Box 336  
Bellingham, WA 98227-0336**

**The \$500.00 represents the minimum fee for cost of the connection. Additional base fees may be required as provided on the "Request for a Limited Supply" form. The form and cashiers check or money order must be received by Larson Gross by 4:00 p.m., Monday, September 11, 2006. No exceptions.**

A "Limited Supply" connection will provide water to the lot for an average of 15 gallons per day use limit. It is not enough water for a residential building permit. This will allow the Board to know how many connections will be available for the residential construction lottery. You may also submit your name for the lottery; however, if your name is drawn in the lottery, the "limited supply" connection must be returned to Sandy Point Improvement Company.

**LOTTERY:**

Connections for new residences will be awarded as a result of a lottery to be conducted by Larson Gross P.L.L.C. in accordance with the procedure set forth in the attached "Lottery Guidelines & Allocation of Whatcom County Water Availability Notification Forms" dated July 18, 2006. The lottery is scheduled for Saturday, September 30<sup>th</sup>, 2006, following the annual meeting at a Ferndale school location to be confirmed. The date and location is subject to change. All property owners eligible for the lottery will receive written confirmation of the date and location.

An entry fee for the lottery will be required, which represents the minimum water meter installation/connection fee. All except a \$100.00 administrative fee will be refundable to those that do not win the lottery draw. The entry fee will be deposited into a separate escrow account. To be eligible for the lottery a property owner must fill out and have met the conditions of an "Intent to Build" form. **The "Intent to Build" form must be filed with Larson Gross by 4:00 p.m. Monday, September 11, 2006 to be eligible for the lottery.**

Winners of the lottery will receive a "Water Availability Notification Form" when each winner has complied with the completion of terms for the building permit application process. **If they do not perform within the criteria deadline the connection and the entry fee will be forfeited.**

Please submit the "Intent to Build" form with a cashiers check or money order for the applicable fee directly to:


**Larson Gross P.L.L.C.,  
Attention Sandy Point Improvement Company  
1616 Cornwall Ave., Suite #205  
P. O. Box 336  
Bellingham, WA 98227-0336**

**The form and cashiers check or money order must be received by Larson Gross by 4:00 p.m., Monday, September 11, 2006. No exceptions!**

**DO NOT SEND THE FORM or the FEE TO  
SANDY POINT IMPROVEMENT COMPANY**

**UNPAID ACCOUNTS:** Your attention is directed to the important note on the "Intent to Build" form enclosed. Only those water customers whose accounts are current and in good standing by August 31<sup>th</sup>, 2006 will be eligible for the lottery.

Sincerely,  
SANDY POINT IMPROVEMENT COMPANY  
BOARD of DIRECTORS

  
GARY KITCHING  
President

Attachments

cc: Larson Gross P.L.L.C.  
Tom McDonald, Attorney  
Phil Rosellini, Attorney



**SANDY POINT**  
IMPROVEMENT COMPANY

4460 Decatur  
Mailing Address: PO Box 1418  
Ferndale, WA 98248  
Phone/Fax 360.384.3921

**"LOTTERY GUIDELINES & ALLOCATION of WHATCOM COUNTY  
WATER AVAILABILITY NOTIFICATION FORM"**

PROCEDURES TO BE FOLLOWED WHEN MORE WATER HOOKUPS ARE AUTHORIZED BY WASHINGTON STATE DEPARTMENT OF HEALTH.

A WHATCOM COUNTY WATER AVAILABILITY NOTIFICATION FORM (**WANF**) IS REQUIRED TO ALLOW YOU TO RECEIVE A BUILDING PERMIT. YOU WILL HAVE THREE (3) YEARS TO COMPLETE THE PERMIT PROCESS.

**PROCEDURES:**

1. SANDY POINT IMPROVEMENT COMPANY WILL SEND AN "INTENT TO BUILD" FORM AND A COPY OF THE PROCEDURE TO ALLOCATE THE FORMS (WANF) TO ALL PROPERTY OWNERS OF EXISTING VACANT LOTS OF RECORD WITHIN THE SANDY POINT IMPROVEMENT COMPANY SERVICE AREA.
2. PROPERTY OWNER WILL HAVE **UNTIL 4:00 p.m., Monday, September 11, 2006**, TO RETURN THE "INTENT TO BUILD" FORM TO LARSON GROSS P.L.L.C., PER INSTRUCTIONS, TO BE ELIGIBLE FOR THE LOTTERY DRAWING FOR A WANF. ONE FORM IS REQUIRED FOR EACH LOT OF RECORD.
3. EACH RETURNED "INTENT TO BUILD" FORM MUST BE ACCOMPANIED BY A *CASHIERS CHECK* OR MONEY ORDER MADE OUT TO SANDY POINT IMPROVEMENT COMPANY FOR THE TOTAL FEES REQUIRED IN THE "INTENT TO BUILD" FORM. ALL **FEES, EXCEPT A \$100.00 Administration Fee**, WILL BE REFUNDED TO ALL PROPERTY OWNERS WHOSE NUMBER WAS NOT DRAWN IN THE LOTTERY.
4. IF A PROPERTY OWNER HAS MORE THAN ONE LOT, HE/SHE CAN ENTER AN "INTENT TO BUILD" FORM FOR EACH LOT
5. LARSON GROSS P.L.L.C. WILL ASSIGN EACH RETURNED "INTENT TO BUILD" FORM WITH A NUMBER AND NOTE THE DATE IT WAS RECEIVED. THIS NUMBER WILL BE USED FOR THE LOTTERY DRAWING. LARSON GROSS WILL CONFIRM WITH SANDY POINT IMPROVEMENT COMPANY THAT THE PROPERTY IS ELIGIBLE FOR THE LOTTERY. LARSON GROSS WILL NOTIFY PROPERTY OWNER WITH THEIR ASSIGNED NUMBER.
6. LARSON GROSS P.L.L.C. WILL **DRAW NUMBERS AT THE LOTTERY** FOR THE AVAILABLE CONNECTIONS. THESE NUMBERS WILL BE PLACED ON A PRIORITY LIST IN THE ORDER THEY ARE DRAWN. THIS DRAWING WILL BE OPEN TO THOSE PROPERTY OWNERS WITHIN THE SANDY POINT SERVICE AREA. THIS LIST WILL BE USED TO DETERMINE WHO WILL RECEIVE CONNECTIONS IN PRIORITY UNTIL ALL THE AVAILABLE WATER **CONNECTIONS HAVE BEEN COMMITTED AS PROVIDED IN THESE GUIDELINES.**

7. LARSON GROSS P.L.L.C. SHALL NOTIFY THE PROPERTY OWNERS WHOSE NUMBERS ARE DRAWN IN THE LOTTERY UP TO THE NUMBER OF AVAILABLE CONNECTIONS (WINNERS). THE WINNERS WILL BE POSTED AT THE SANDY POINT IMPROVEMENT COMPANY'S OFFICE.
8. WITHIN 30 DAYS OF THE POSTMARK OF THE NOTIFICATION LETTER DESCRIBED IN PARAGRAPH 5 OF THESE GUIDELINES WINNERS MUST NOTIFY SANDY POINT IMPROVEMENT COMPANY, P.O.BOX 1418, FERNDALE, WA 98248-1418, IN WRITING, BY REGISTERED MAIL, OF THEIR INTENT TO BUILD OR NOT TO BUILD.
9. ALL WINNERS MUST SUBMIT BUILDING PLANS TO THE SANDY POINT IMPROVEMENT COMPANY BOARD OF DIRECTORS WITHIN ONE (1) YEAR OF SUBMITTED NOTIFICATION OF INTENT TO BUILD, AS REFERENCED IN PARAGRAPH 8. SANDY POINT IMPROVEMENT COMPANY MUST CONFIRM CONSERVATION MEASURES AND APPROVE THAT PLAN IS CONSISTANT WITH THE SANDY POINT COVENANTS. A REVIEW FEE WILL BE CHARGED TO THE WINNER PRIOR TO ISSUE OF WANF.
10. A WINNER MUST HAVE ALL CONSTRUCTION COMPLETED, SIGNED OFF BY WHATCOM COUNTY FOR FINAL INSPECTION AND OCCUPANCY AND BE USING THE WATER WITHIN FIVE (5) YEARS OF SUBMITTING BUILDING PLANS TO THE BOARD OF DIRECTORS OF SANDY POINT IMPROVEMENT COMPANY.
11. IF A WINNER WHO IS AWARDED A WANF FAILS TO MEET THE REQUIREMENTS AND DEADLINES SET FORTH BY THESE PROCEDURES THE SANDY POINT IMPROVEMENT COMPANY WILL CANCEL THE WANF AND THEIR FEES WILL BE FOREFITED. The \$1,500.00 IS AN ESTIMATE FOR CONNECTION DEPENDING UPON INDIVIDUAL CONNECTION.
12. THE CONNECTION FEE IS AN ESTIMTE BASED ON CONSTRUCTION COSTS, IF NEEDED, FROM THE MAIN.
13. WANF WILL BE RECOGNIZED ONLY BY **LOT NUMBER and PARCEL TAX NUMBER, (NOT BY NAME), - NO EXCEPTION !**

**APPROVED BY SANDY POINT IMPROVEMENT COMPANY  
BOARD OF DIRECTORS  
on July 18, 2006**



**SANDY POINT**  
IMPROVEMENT COMPANY

4460 Decatur  
Mailing Address: PO Box 1418  
Ferndale, WA 98248  
Phone/Fax 360.384.3921

## "INTENT TO BUILD"

Date \_\_\_\_\_ Lot \_\_\_\_\_ Div/BLK \_\_\_\_\_ Development \_\_\_\_\_

Lot Address: \_\_\_\_\_ Parcel Number \_\_\_\_\_

Stockholder's Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

This indicates my intention to have a residence constructed on the lot noted above. The procedures and time limits described in the Sandy Point Improvement Company "Lottery Guidelines & Allocation of Whatcom County Water Availability Notification Forms" dated July 18, 2006 (copy attached) apply to this notification.

**TO ENTER THE LOTTERY - SUBMIT THIS FORM and CASHIERS CHECK per cover letter instructions.** Form and check must be received by Larson Gross, 1616 Cornwall Ave., Suite 205, P.O.Box 336, Bellingham, WA. 98227-0336 by 4:00 p.m., Monday, September 11, 2006. No exceptions! Submittals received after September 11, 2006 will not be considered for the lottery.

All property owners within the Sandy Point service area are eligible to be awarded a water connection. **Only those water customers whose accounts that are current and in good standing by 2:00 p.m., Thursday, August 31, will be eligible for the lottery.**

Water customers are defined as those property owners who have been paying base fees. Those base fees have totaled \$5,000.00 to date. Property owners who have not been paying base fees may do so now by submitting payment in the form of a cashiers check for \$5,000.00 per lot. This \$5,000.00 must be paid with form and will be deposited. The \$5,000.00 will be refunded if you do not win the lottery. This \$5,000.00 is in addition to the required \$1,500.00 connection fee.

A cashiers check or money order for \$1,500.00 (which will be deposited) payable to Sandy Point Improvement Company must be enclosed. The \$1,500.00 is an estimate for connection depending upon individual connection. This fee does not include additional construction costs, if needed, from the main.

**IMPORTANT NOTE: THIS "INTENT TO BUILD" FORM MUST BE COMPLETED AND SUBMITTED AS DIRECTED ON THE ACCOMPANYING DOCUMENTS FOR YOU TO BE ELIGIBLE TO RECEIVE A "WATER AVAILABILITY NOTIFICATION FORM"**

SIGNATURE \_\_\_\_\_

Date received \_\_\_\_\_

Lottery \_\_\_\_\_



# "REQUEST for a LIMITED SUPPLY CONNECTION"

(For vacant non-metered property)

Date \_\_\_\_\_ Lot \_\_\_\_ Div/BLK \_\_\_\_ Development \_\_\_\_\_

Lot Address: \_\_\_\_\_ Parcel Number \_\_\_\_\_

Stockholder's Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_ Phone Number: \_\_\_\_\_

This indicates my application for a "limited supply" meter connection on the lot address and parcel number noted above. I understand this is not for building a residence at this time.

**SUBMIT THIS FORM and CASHIERS CHECK/MONEY ORDER per cover letter instructions.** The form and cashiers check or money order must be received by Larson Gross, 1616 Cornwall Ave., Suite #205, Bellingham, WA 98227-0336 by 4:00 p.m., Monday, September 11, 2006. No exceptions! Submittals received after September 11, 2006 will not be considered for the lottery or "limited supply" hookup.

All property owners within the Sandy Point service area are eligible to be awarded a "Limited Supply" water connection. A "Limited Supply" connection will provide water to the lot on a "limited supply" only for an average of 15 gallons per day use limit – **no building at this time. Only those water customers whose accounts are current and in good standing by 2:00 p.m., Thursday, August 31, will be eligible for the hookup.**

Water customers are defined as those property owners who have been paying base fees. Those base fees have totaled \$5,000.00 to date. Property owners who have not been paying base fees may do so now by submitting payment in the form of a cashiers check or money order for \$5,000.00 per lot. This \$5,000.00 must be paid with form and will be deposited. This \$5,000.00 is in addition to the \$500.00 connection fee.

A cashiers check or money order for \$500.00 payable to Sandy Point Improvement Company must be enclosed with this form.

**You may also enter the lottery** by filling out the enclosed form and enclosing an additional \$1000.00 payable to Sandy Point Improvement Company and forwarding to Larson Gross P.L.C.C. as per "Intent to Build" entry form enclosed and cover letter instructions.

**SIGNATURE** \_\_\_\_\_

**Date received** \_\_\_\_\_

**Meter Request** \_\_\_\_\_



**SANDY POINT**  
IMPROVEMENT COMPANY

4460 Decatur Drive  
Mailing Address: PO Box 1418  
Ferndale, WA 98248  
Phone: 360.384.3921

October, 2006

**"ANNOUNCEMENT"**

This notice is to publish the list of those awarded Whatcom County Water Availability Notification Forms (WANF) as a result of the lottery held on September 30, 2006. The lottery draws are listed on the enclosed list.

Because of the pending appeal of the water system plan, the Sandy Point Improvement Company Board has determined it in the best interest to not issue all WANFs made available from the approval of the water system plan. At this time 21 WANFs will be issued. Therefore, the first twenty one (those drawn #1 through #21) positions are authorized to proceed according to the enclosed guidelines. They must meet the requirements as set forth on the enclosed lottery guidelines #8 through #13 as approved July 18, 2006. A copy of those guidelines is enclosed.

Additional connections have become available because of a Board decision to disconnect a group of connections. Because this was a large number of disconnections the Department of Health has been closely involved and is asking for final documentation. There are up to 41 potential connections available as a result of disconnecting the group of customers. Up to eleven (11) of these potential connections were already committed; and therefore, upon completing the process with the Department of Health, 30 WANFs will be available and the next 30 (those drawn #22 through #51) positions will be authorized to proceed according to the enclosed guidelines.

A few additional WANFs may become available as those who received full connections return limited connections.

IMPORTANT NOTE: The timetable of events on the attached procedure is critical to being allowed to proceed with construction.

Very Truly Yours,

Sandy Point Improvement Company  
Board of Directors

Gary Kitching  
President

Enclosures: Lottery Results  
Lottery Guidelines

**“LOTTERY GUIDELINES & ALLOCATION of WHATCOM COUNTY  
WATER AVAILABILITY NOTIFICATION FORM”**

PROCEDURES TO BE FOLLOWED WHEN MORE WATER HOOKUPS ARE AUTHORIZED BY WASHINGTON STATE DEPARTMENT OF HEALTH.

A WHATCOM COUNTY WATER AVAILABILITY NOTIFICATION FORM (WANF) IS REQUIRED TO ALLOW YOU TO RECEIVE A BUILDING PERMIT. YOU WILL HAVE THREE (3) YEARS TO COMPLETE THE PERMIT PROCESS

**PROCEDURES:**

1. SANDY POINT IMPROVEMENT COMPANY WILL SEND AN “INTENT TO BUILD” FORM AND A COPY OF THE PROCEDURE TO ALLOCATE THE FORMS (WANF) TO ALL PROPERTY OWNERS OF EXISTING VACANT LOTS OF RECORD WITHIN THE SANDY POINT IMPROVEMENT COMPANY SERVICE AREA.
2. PROPERTY OWNER WILL HAVE **UNTIL 4:00 p.m., Monday, September 11, 2006**, TO RETURN THE “INTENT TO BUILD” FORM TO LARSON GROSS P.L.L.C., PER INSTRUCTIONS, TO BE ELIGIBLE FOR THE LOTTERY DRAWING FOR A WANF. ONE FORM IS REQUIRED FOR EACH LOT OF RECORD.
3. EACH RETURNED “INTENT TO BUILD” FORM MUST BE ACCOMPANIED BY A *CASHIERS CHECK* OR MONEY ORDER MADE OUT TO SANDY POINT IMPROVEMENT COMPANY FOR THE TOTAL FEES REQUIRED IN THE “INTENT TO BUILD” FORM. ALL **FEES, EXCEPT A \$100.00 Administration Fee**, WILL BE REFUNDED TO ALL PROPERTY OWNERS WHOSE NUMBER WAS NOT DRAWN IN THE LOTTERY.
4. IF A PROPERTY OWNER HAS MORE THAN ONE LOT, HE/SHE CAN ENTER AN “INTENT TO BUILD” FORM FOR EACH LOT
5. LARSON GROSS P.L.L.C. WILL ASSIGN EACH RETURNED “INTENT TO BUILD” FORM WITH A NUMBER AND NOTE THE DATE IT WAS RECEIVED. THIS NUMBER WILL BE USED FOR THE LOTTERY DRAWING. LARSON GROSS WILL CONFIRM WITH SANDY POINT IMPROVEMENT COMPANY THAT THE PROPERTY IS ELIGIBLE FOR THE LOTTERY. LARSON GROSS WILL NOTIFY PROPERTY OWNER WITH THEIR ASSIGNED NUMBER.
6. LARSON GROSS P.L.L.C. WILL **DRAW NUMBERS AT THE LOTTERY** FOR THE AVAILABLE CONNECTIONS. THESE NUMBERS WILL BE PLACED ON A PRIORITY LIST IN THE ORDER THEY ARE DRAWN. THIS DRAWING WILL BE OPEN TO THOSE PROPERTY OWNERS WITHIN THE SANDY POINT SERVICE AREA. THIS LIST WILL BE USED TO DETERMINE WHO WILL RECEIVE CONNECTIONS IN PRIORITY UNTIL ALL THE AVAILABLE WATER **CONNECTIONS HAVE BEEN COMMITTED AS PROVIDED IN THESE GUIDELINES**
7. LARSON GROSS P.L.L.C. SHALL NOTIFY THE PROPERTY OWNERS WHOSE NUMBERS ARE DRAWN IN THE LOTTERY UP TO THE NUMBER OF AVAILABLE CONNECTIONS (WINNERS). THE WINNERS WILL BE POSTED AT THE SANDY POINT IMPROVEMENT COMPANY’S OFFICE.

8. **WITHIN 30 DAYS OF THE POSTMARK OF THE NOTIFICATION LETTER WINNERS MUST NOTIFY SANDY POINT IMPROVEMENT COMPANY, P.O.BOX 1418, FERNDALE, WA 98248-1418, IN WRITING, BY REGISTERED MAIL, OF THEIR INTENT TO BUILD OR NOT TO BUILD.**
9. ALL WINNERS MUST SUBMIT BUILDING PLANS TO THE SANDY POINT IMPROVEMENT COMPANY BOARD OF DIRECTORS WITHIN ONE (1) YEAR OF SUBMITTED NOTIFICATION OF INTENT TO BUILD, AS REFERENCED IN PARAGRAPH 8. SANDY POINT IMPROVEMENT COMPANY MUST CONFIRM CONSERVATION MEASURES AND APPROVE THAT PLAN IS CONSISTANT WITH THE SANDY POINT COVENANTS. A REVIEW FEE WILL BE CHARGED TO THE WINNER PRIOR TO ISSUE OF WANF.
10. A WINNER MUST HAVE ALL CONSTRUCTION COMPLETED, SIGNED OFF BY WHATCOM COUNTY FOR FINAL INSPECTION AND OCCUPANCY AND BE USING THE WATER WITHIN FIVE (5) YEARS OF SUBMITTING BUILDING PLANS TO THE BOARD OF DIRECTORS OF SANDY POINT IMPROVEMENT COMPANY.
11. IF A WINNER WHO IS AWARDED A WANF FAILS TO MEET THE REQUIREMENTS AND DEADLINES SET FORTH BY THESE PROCEDURES THE SANDY POINT IMPROVEMENT COMPANY WILL CANCEL THE WANF AND THEIR FEES WILL BE FORFEITED. THE \$1,500.00 IS AN ESTIMATE FOR CONNECTION DEPENDING UPON INDIVIDUAL CONNECTION.
12. THE CONNECTION FEE IS AN ESTIMTE BASED ON CONSTRUCTION COSTS, IF NEEDED, FROM THE MAIN.
13. WANF WILL BE RECOGNIZED ONLY BY LOT NUMBER and PARCEL TAX NUMBER, (NOT BY NAME), - NO EXCEPTION !

**APPROVED BY SANDY POINT IMPROVEMENT COMPANY  
BOARD OF DIRECTORS on July 18, 2006**

And

Updated on October 27, 2006

**SANDY POINT IMPROVEMENT COMPANY  
 LOTTERY RESULTS - 9/30/06**

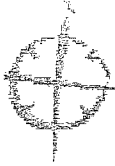
<u>DRAWN ORDER</u>	<u>TICKET SELECTED</u>	<u>DRAWN ORDER</u>	<u>TICKET SELECTED</u>
1	218	25	126
2	127	26	137
3	36	27	212
4	129	28	205
5	150	29	69
6	43	30	211
7	152	31	177
8	83	32	170
9	106	33	99
10	187	34	74
11	23	35	107
12	175	36	203
13	149	37	16
14	174	38	32
15	165	39	42
16	97	40	197
17	50	41	173
18	27	42	73
19	51	43	68
20	88	44	190
21	30	45	84
22	35	46	115
23	163	47	49
24	217	48	105

49	135	80	119
50	52	81	86
51	195	82	87
52	31	83	202
53	201	84	76
54	132	85	9
55	25	86	124
56	22	87	204
57	176	88	78
58	66	89	93
59	71	90	62
60	131	91	183
61	82	92	140
62	26	93	122
63	14	94	155
64	15	95	193
65	21	96	188
66	2	97	4
67	80	98	102
68	63	99	213
69	46	100	12
70	29	101	89
71	157	102	34
72	47	103	94
73	185	104	208
74	95	105	67
75	133	106	215
76	92	107	77
77	184	108	114
78	55	109	214
79	121	110	159

111	10	142	210
112	113	143	198
113	142	144	171
114	98	145	91
115	110	146	103
116	54	147	136
117	70	148	20
118	199	149	189
119	162	150	59
120	44	151	178
121	28	152	118
122	112	153	8
123	123	154	19
124	39	155	1
125	45	156	158
126	79	157	60
127	148	158	7
128	128	159	101
129	11	160	117
130	154	161	116
131	200	162	37
132	156	163	96
133	33	164	206
134	160	165	17
135	179	166	111
136	141	167	194
137	145	168	172
138	6	169	90
139	109	170	61
140	65	171	38
141	3	172	75

173	166	204	104
174	169	205	41
175	5	206	144
176	108	207	196
177	151	208	161
178	64	209	192
179	130	210	153
180	24	211	138
181	191	212	168
182	120	213	40
183	209	214	48
184	146	215	13
185	180		
186	139		
187	134		
188	53		
189	72		
190	216		
191	125		
192	147		
193	81		
194	18		
195	58		
196	85		
197	56		
198	164		
199	100		
200	143		
201	186		
202	167		
203	57		





**SANDY POINT**  
IMPROVEMENT COMPANY

Mailing Address: 4460 Decatur Drive  
Ferndale, WA 98248  
Phone: 360.384.3921  
Fax: 360.384.3246

May 15, 2012

**SUBJECT: 2006 WATER LOTTERY HOOKUP ALLOCATIONS**

To all Water Lottery entrants:

On January 31, 2012, the Washington State Department of Health approved our 2012 Water System Plan (this is a State requirement). In that Water System Plan, we asked for and were granted the equivalent of 177 full residential hookups. © After waiting out the appeal period and verifying our rules and guidelines for the Lottery, we are now prepared to distribute those hookups.

As you may notice, there has been some time between this letter and the granting of hookups by the State. This has been due to waiting out the appeals period and the verification of property owners (there have been several changes in owners as well as lot consolidations). We wanted to make absolutely certain that all eligible and rightful owners were notified in a proper and timely manner. There are two shareholders who were granted water hookups in 1997 and assured by the Board of Directors at that time that they could exercise their water allotment at any time. There are also several shares that have to be awarded to shareholders who bought watered lots in the Heights and transferred them down to the Point. They also will be granted part of the 177 shares. We anticipate that we will ultimately have enough shares to go around, but the exact number will be revealed when we see the response to this letter.

If you have received this notice via registered mail, you are one of the eligible Lottery entrants and will be required to respond within the timelines set forth in the enclosed rules and guidelines.

If you have received this letter by regular mail, you are now on the alternate list meaning that if anyone in the first allocation of hookups chooses not to exercise their Lottery position, that hookup availability will go to the next property owner, via registered mail, in the order in which it was drawn in the Lottery. Please keep in mind that this alternate process could take in excess of one year.

Please be patient with this process as it will be quite time consuming for office staff, and continued calls to the office regarding your status will only slow the process.

Respectfully,

Sandy Point Improvement Company  
Board of Directors

*Online at: [www.mysandypoint.com](http://www.mysandypoint.com)*



**SANDY POINT**  
IMPROVEMENT COMPANY

Mailing Address: 4460 Decatur Drive  
Ferndale, WA 98248  
Phone: 360.384.3921  
Fax: 360.384.3246

Page 1 of 2

May 15, 2012

**Lottery Rules & Procedures for Allocation  
of Whatcom County Water Availability Notification Form (WANF)**

Rules & Procedures

Now that you have received your notification of eligibility for a water hookup via registered mail, you will have until **July 31, 2012** to return the enclosed *Intent To Build* form, along with a cashier's check or money order payable to The Sandy Point Improvement Company for **\$500** (non-refundable deposit) via registered mail to:

**Larson Gross**  
**ATTN: Jason Perry**  
**2211 Rimland Drive**  
**Suite 422**  
**Bellingham, WA 98226**

Once you have submitted your *Intent To Build* form, along with your cashier's check or money order for **\$500**, you will have until **May 31, 2013** to pick up your *WANF*. At that time you will need to submit your building plans to SPIC for review of the conservation measures and compliance with covenants. There may be an additional minimal fee charged for reviewing your plans. At that time the balance of the hookup fee is due in the form of a cashier's check or money order payable to The Sandy Point Improvement Company for **\$1,000** (non-refundable).

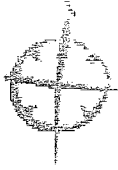
All persons wishing to pick up their *WANF* must make an appointment with the office. You will then have one (1) year from date of issuance of your *WANF* to provide proof of application to Whatcom County for your building permit.

The *WANF* expires one (1) year from the date of submission of the *Intent To Build* form and is non-renewable. If you have not made application to Whatcom County for your building permit and the *WANF* expires, it will not be renewed and all monies paid will be forfeited.

A *WANF* is required by Whatcom County in order to secure a building permit. You will have three (3) years from submission of the *Intent To Build* form in which to obtain your building permit from Whatcom County.

There is an appeal process. If you wish consideration, please write to the SPIC Board of Directors.

**Online at: [www.mysandypoint.com](http://www.mysandypoint.com)**



**SANDY POINT**  
IMPROVEMENT COMPANY

Mailing Address: 4460 Decatur Drive  
Ferndale, WA 98248  
Phone: 360.384.3921  
Fax: 360.384.3246

Page 2 of 2

May 15, 2012

**Lottery Rules & Procedures for Allocation  
of Whatcom County Water Availability Notification Form (WANF)**

If you are eligible and ready to build and would like to pick up your *WANF* right away, please contact the office to make an appointment. You will need to bring in a cashier's check or money order, payable to The Sandy Point Improvement Company for **\$1,500** (non refundable) to receive your *WANF*.

Please note that the fee for the *WANF* (which is the basic connection cost) is **\$1,500**. This fee does not include any extra construction charges that may occur due to additional labor to install the water meter.

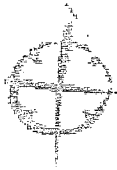
If you sell your property, the new owner shall be held to the same timelines that applied to the seller because the *WANF* goes with the property. There will be no exceptions.

Any lottery entrant whose property has not been charged the base fee will have to bring that base fee charge current prior to meter installation. That amount, through **July 2012**, is **\$6,800**. This figure will be adjusted in accordance with accumulated base fees if a later date is applicable.

If you have an outstanding account balance that is due the Sandy Point Improvement Company you must bring that past due amount current prior to issuance of the *WANF*. There will be no exceptions.

Sandy Point Improvement Company

Online at: [www.mysandypoint.com](http://www.mysandypoint.com)



**SANDY POINT**  
IMPROVEMENT COMPANY

Mailing Address: 4460 Decatur Drive  
Ferndale, WA 98248  
Phone: 360.384.3921  
Fax: 360.384.3246

**INTENT TO BUILD**

Date \_\_\_\_\_ Lottery Position Number \_\_\_\_\_

Lot # \_\_\_\_\_ DIV/BL# \_\_\_\_\_ Development \_\_\_\_\_

Property Owner Name \_\_\_\_\_  
*(please print)*

Mailing Address \_\_\_\_\_

Lot Address \_\_\_\_\_ Phone # \_\_\_\_\_

This indicates my intention to have a residence constructed on the above referenced lot. The procedures and time limits described in the enclosed Sandy Point Improvement Company *Lottery Guidelines and Allocation of Whatcom County Water Availability Notification Form (WANF)* apply to this notification.

**IMPORTANT NOTE:** This form must be completed and submitted by **July 31, 2012** as directed on the accompanying document if you want to receive a *WANF*.

Lot Owner's Signature: \_\_\_\_\_

Submit this form along with a cashier's check or money order payable to The Sandy Point Improvement Company for **\$500** (non-refundable deposit) via registered mail to:

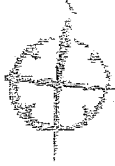
**Larson Gross**  
**ATTN: Jason Perry**  
**2211 Rimland Drive**  
**Suite 422**  
**Bellingham, WA 98226**

*This area of the form is for office use only.*

Date Received \_\_\_\_\_ Confirmed Lottery Position Number \_\_\_\_\_

Confirmed By: \_\_\_\_\_

*Online at: [www.mysandypoint.com](http://www.mysandypoint.com)*



**SANDY POINT**  
IMPROVEMENT COMPANY

Mailing Address: 4460 Decatur Drive  
Ferndale, WA 98248  
Phone: 360.384.3921  
Fax: 360.384.3246

**Water Lottery Hook Ups**  
**Dates and Details to Remember**

- No later than **July 31, 2012**, return the enclosed *Intent To Build* form to Larson Gross via registered mail with your Cashier's check or money order payable to S.P.I.C. in the amount of \$500.
  
- You must make an appointment with the S.P.I.C. office to pick up your Water Availability Notification Form (WANF) before **May 31, 2013**. At the same time, submit a copy of your building plans to S.P.I.C. along with the \$1000 balance of your connection fees.
  
- You have **one year** after receiving your WANF to submit your building plans to the Whatcom County Planning Department. If you do not meet this deadline, your WANF will be invalidated and will be given to the next person on the waiting list.

This is an abbreviated list so please see full Lottery Rules for additional details. Please keep this timeline handy and enter the dates on your calendar. Contact the office with questions.

Online at: [www.mysandypoint.com](http://www.mysandypoint.com)