

From: Pat Andreotti
To: [Young, Mike \(UTC\)](#); [Ward, Jim \(UTC\)](#)
Cc: ["Mike Richardson"](#)
Subject: RE: Richardson Water Company
Date: Wednesday, August 29, 2018 10:13:33 AM

Mr. Young:

That is fine.

Will this matter be considered by the Commission at its meeting this week?

Patrick Andreotti
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From: Young, Mike (UTC) [<mailto:mike.young@utc.wa.gov>]
Sent: Wednesday, August 29, 2018 10:10 AM
To: Patrick Andreotti; Ward, Jim (UTC)
Cc: Mike Richardson
Subject: RE: Richardson Water Company

Mr. Andreotti, I would like your permission to add the attachments you sent to the docket. Thank you.

From: Pat Andreotti [<mailto:pandreotti@flower-andreottilaw.com>]
Sent: Tuesday, August 28, 2018 2:34 PM
To: Ward, Jim (UTC) <jim.ward@utc.wa.gov>
Cc: Young, Mike (UTC) <mike.young@utc.wa.gov>; Mike Richardson <mikeprich89@gmail.com>
Subject: Richardson Water Company

Mr. Ward:

In response to your request for additional information:

1. No statements or invoices are generated from Richardson Water Company to Richardson Land & Investment Co. Yakima, LLC for property on which Wilson Logistics is located. Because of the relationship between the entities, monthly payment is made without the formality of

a monthly billing.

2. The land leased to Wilson Logistics and provided with water by Richardson Water Company is owned by Richardson Land & Investment Co. Yakima, LLC. The limited liability company has as its sole member Quality Transportation Services, Inc. A copy of the first page, signature page and Exhibit "A" of the Yakima Land & Investment Co. Yakima, LLC Operating Agreement is attached. Michael Richardson is the President of Quality Transportation Services, Inc. The shareholders of the corporation are Michael Richardson, David Richardson, Dennis T. Richardson, Jr. and Anne Finch (the sister of the other shareholders).

3. Invoices from contractors Diversified Builders and M&R Electric of \$169,516.38 are attached. These invoices are for maintenance and upgrades on the Richardson Water Company system to-date including, but not limited to, pump and well structures, electronics, valves, waterlines, electrical work and associated components.

4. No formal notices of meetings between the Sun Country Estates Maintenance Association and Richardson Water Company were given and no formal minutes maintained by Richardson Water Company. The dates of the meetings at which the Agreement for provision of water to Sun Country Estates Maintenance Association and the rate structure were discussed are:

October 17, 2017 (RWC and SCEMA Board)
November 17, 2017 (RWC and SCEMA Board)
January 10, 2018 (RWC, SCEMA Board and Members)
April 24, 2010 (RWC and SCEMA Board)
June 27, 2018 (RWC and SCEMA Board President)
July 19, 2018 (RWC and SCEMA Board)
August 8, 2018 (RWC and SCEMA Board)
August 21, 2018 (RWC, SCEMA Board and Members)
August 22, 2018 (RWC and SCEMA Board)

Throughout the process of negotiating the Water Agreement, the SCEMA Board consulted with and was represented by Greg Cromwell, 253-520-5000. Mr Cromwell specializes in representation of homeowners' associations. He attended the August 21 meeting and expressed his opinion to the members the agreement was a good agreement from SCEMA's perspective.

The matters discussed at the various meetings included the relationship between the parties, Sun Country Estates water requirements (domestic, fire suppression, irrigation), required pressure levels, water usage figures, other options for SCEMA to obtain water (Terrace Heights water through Yakima County and associated costs), Richardson Water Company proposed and ongoing updates and costs, Richardson Water Company cost structure, and impacts on service of the recently completed rebuild. The parties also discussed a shared sewer lift station and associated Agreement as well as other matters of mutual concern.

5. The Terrace Heights water system is owned and operated by Yakima County. The system is managed by the County's Utility Manager, Joe Stump, 509-574-2300. Richardson Water

Company discussed with Mr. Stump the requirements for getting a waterline to Sun Country Estates, the associated costs, as well as future water charges to maintain the service. Mr. Stump indicated the average monthly charges for similar customers in the area were estimated to be between \$65 and \$75 per month per household at current rates. The Terrace Heights water system provides domestic service only, not irrigation water. It is our understanding a group of homeowners from Sun Country Estates also met with Mr. Stump or other representatives of the Terrace Heights water system about the cost of providing water service to Sun Country Estates as part of their due diligence in negotiating the Agreement with Richardson Water Company.

As a result of the negotiations occurring at the above-described meetings, Richardson Water Company and Sun Country Estates Maintenance Association executed a Water Agreement which is effective October 1, 2018, and continues through 2028. A copy of the Agreement together with a letter from the Sun Country Estates Maintenance Association Board President is attached.

Please let us know if you have questions or need additional information.

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