

Discover Lake Cushman LLC



**UTC**  
Washington Utilities  
and Transportation  
Commission

**COMMERCIAL FERRY  
APPLICATION**

1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250  
Phone: 360-664-1222  
Fax: 360-586-1181  
TTY: 360-586-8203  
or  
1-800-416-5289  
E-mail: transportation@wutc.wa.gov

Application is made in accordance with RCW 81.84 for a Certificate of Public Convenience and Necessity to operate vessels in furnishing Passenger Ferry Service.

**\$200.00 APPLICATION FEE MUST ACCOMPANY THIS APPLICATION**

<u>INDICATE TYPE OF APPLICATION:</u> (Only one type per application)		<u>INDICATE TYPE OF SERVICE</u> <u>APPLYING FOR:</u>	
<input type="checkbox"/>	Original Certificate		
<input type="checkbox"/>	Extension of Authority	<input checked="" type="checkbox"/>	Certificated commercial ferry – including launch service
<input checked="" type="checkbox"/>	Transfer all Authority	<input type="checkbox"/>	Launch Service only
<input type="checkbox"/>	Transfer a Portion of Authority		
<input type="checkbox"/>	Temporary Certificate		
<input type="checkbox"/>	Lease of Certificate		
<input type="checkbox"/>	Mortgage of Certificate		
<input type="checkbox"/>	Acquisition of Control		

<b>FOR OFFICIAL USE ONLY</b>		
RECEIPT ID: _____	MAP _____	DATE REC'D _____
AMOUNT \$ _____	INSURANCE _____	ID NO. _____
(111-0268-0216-02)	SAFETY INSP. CERT. _____	DOCKET NO. _____
	TARIFF _____	
	TIME SCHEDULE _____	
	SHIPPER SUPPORT _____	

**BUSINESS INFORMATION**

1. Legal name of applicant: Discover Lake Chelan LLC

(Legal name must match your registration with the Department of Revenue)

2. Trade Name, if applicable: \_\_\_\_\_

3. Mailing Address:

Street or PO Box: 517 Coyote Trail Road

City: Manson

State/Zip: WA 98831

Telephone: 4252752063

Email

address: discoverlakechelan@gmail.com

Physical Address:

Street: 1418 W Woodin Ave.

City: Chelan

State/Zip: Wa. 98816

Fax: \_\_\_\_\_

4. UBI Number : 604380924 State of Incorporation WA

Type of Business Structure:  Individual     Partnership     Corporation     Other (LP, LLP, LLC)

List names and addresses of all persons having an interest in the business. If a CORPORATION or LLC, give names and addresses of two principal officers, noting their titles, and indicate in which state incorporated. If a PARTNERSHIP, attach a certified copy of the partnership agreement, which sets forth the responsibility of the interested individuals.

Brun Garfoot    517 Coyote Trail Road, Manson    WA 98831

Reed Courtney    41 Anderson Road Chelan    WA    98816

5. List the territory in which you wish to operate: (attach additional sheet if necessary)

Lake Chelan, Washington as listed on BC - 34

6. Attach a map which shows in detail the proposed routes, clearly showing beginning, ending, and intermediate points to be served. Also show the routes of other carriers giving similar service into the same or neighboring territory (if known to applicant). **No Changes to Current Business at this time**

7. Will an attorney be representing you at the hearing?  Yes  No

If yes, give specific attorney's name: \_\_\_\_\_

\_\_\_\_\_

8. Attach a copy of the tariff you propose using. The tariff must contain proposed fares and rates to be assessed for service and the rules and regulations governing same. The tariff must comply with WAC 480-51-080 and the rules in the Commission's Tariff Circular No. 6 (WAC 480-149). **Discover Lake Chelan LLC will continue the current tariff of Lake Chelan Boat Company BC-34 as posted with the UTC.**

9. Attach a copy of the time schedule you propose using. The schedule must show routes, trips, times, points served, distances and available facilities. The time schedule must comply with WAC 480-51-090 of the Commission's Laws and Rules Relating to Commercial Ferry Service. ). **Discover Lake Chelan LLC will continue the current time schedule of Lake Chelan Boat Company BC-34 as posted with the UTC.**

10. List vessels which are owned (unless otherwise stated) and will be used in the proposed service. (Attach additional sheet if needed) **See Current Lake Chelan Boat Company List.**

Name	Passenger Freight or Ferry Type	Power	Passenger Capacity	Freight Capacity	Owned, Leased, other?

11. List the docks proposed to be used in providing service. Indicate value of each dock, if owned. If not owned, indicate if dock owner and applicant have an agreement allowing use of the dock by the applicant.

Same docks currently in use by Lake Chelan Boat Company and under contract with agencies

\_\_\_\_\_

12. Complete the following financial statement: *See attached of supporting documents*

FINANCIAL STATEMENT

Cash on hand and in bank     \$ \_\_\_\_\_  
 Notes receivable                     \_\_\_\_\_  
 Accounts receivable                 \_\_\_\_\_

Notes payable                         \$ \_\_\_\_\_  
 Accounts payable                     \_\_\_\_\_  
 Other liabilities:                        \_\_\_\_\_

Stocks in other companies	_____	_____	_____
Vessels (listed above)	_____	_____	_____
Bonds	_____	_____	_____
Docks (listed above)	_____	_____	_____
Machinery, tools, etc.	_____	_____	_____
Real estate (listed below)	_____	_____	_____
Other assets (listed below)	_____	_____	_____
<b>Total</b>	<b>\$ _____</b>	<b>Total</b>	<b>\$ _____</b>

a. List all Real Estate as to location and value (List here only such property as cannot be listed under item 10) **See current Lake Chelan Boat Company Info**

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

a. List total "Other Assets" mentioned above: **See current Lake Chelan Boat Company Info**

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

13. List conditions that exist which would justify the granting of a Certificate of Public Convenience and Necessity:

Transfer of existing certificate

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

14. List names and addresses of all persons, firms, or corporations now furnishing similar service between any of the points or along any portion of the route proposed to be served:

None

_____	_____
_____	_____
_____	_____

15. State applicant's prior experience, if any, in providing commercial ferry service:

Reed Courtney – 20 plus years of marine logistics, barging and project management on Lake Chelan. Current owner of Mountain Barge Services which serves all ports up and down Lake Chelan. Grew up in Stehekin and current resides there. See additional attached document

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Brun Garfoot - Grew up in Stehekin, 22 years of operations, design and consulting experience. I have an MBS and a degree in Mechanical Engineering. Currently the project manager for Mountain Barge on there largest re-occurring contract to date. I live in Chelan and will run the Chelan operations for Discover Lake Chelan. See additional attached document.

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16. All applicants must attach separate sheets containing the following information:

- a. Pro forma financial statement of operations (projections of incomes and expenses for first year operations). **See attached sheet.**
- b. Ridership and revenue forecasts. **See attached sheet**
- c. The cost of service for the proposed operation. **See attached sheet**
- d. An estimate of the cost of the assets to be used in providing service. **See attached sheet**
- e. Certificate from United States Coast Guard on inspection. **See attached sheet**
- f. Evidence of proper insurance as required by WAC 480-51-070. **Transfer will complete post sale**

17. If certificate is granted, carrier will begin operations within   1   days of that grant.

18. **If this is a transfer application, you must:**

- Complete attachment A.
- If this application is for transfer of a portion of certificated authority, attach document clearly showing authority to be transferred and a document clearly showing the authority to be retained.
- Current company must submit closing annual report. **UTC 2018 Annual Report Form NA online.**

**If this is an application for a temporary certificate you must:**

- Attach proof of insurance.
- Attach statements from potential customers showing immediate and urgent need for service.
- Attach proof that all vessels to be operated under the temporary are inspected and found to be safe and seaworthy.

**If this is an acquisition of control of the stock, you must:**

- Attach copy of the corporate minutes authorizing such transfer.

The applicant certifies he/she is familiar with the provisions of Chapter 81.84 RCW and Chapter 480-51 WAC, Laws and Rules of the Washington Utilities and Transportation Commission, governing the operation of vessels and ferries upon the waters of the state of Washington. Applicant further certifies that vessels operated under Certificates of Public Convenience and Necessity are in no way released from the necessity of observing all Federal and State laws providing for the registration of vessels, the observance of navigation and maritime rules and regulations, and other matters subject to Federal or State enactments.

Applicant affirms that its operations shall be at all times within the provisions of such acts, and requests the Washington Utilities and Transportation Commission to make its order granting a Certificate of Public Convenience and Necessity as provided in Chapter 81.84 RCW and Chapter 480-51 WAC.

The applicant swears or affirms that he/she has read the foregoing application and knows the contents, that the same is true of his/her own knowledge, except as to matters which are therein stated on information or belief, and as to those matters he/she believes them to be true.

Company Name: Discover Lake Chelan LLC  
Name (printed): <sup>Brian Gartoft</sup>Reed Courtney Date: 2/28/2019  
Signature: <sup>Brian Gartoft</sup>Reed Courtney Title: <sup>CFO</sup>COO

ATTACHMENT A

Attachment for Certificated Commercial Ferry Application For Transfer

Certificate of Public Convenience and Necessity No. BC- 34 is attached and authorizes the furnishing of passenger-freight-ferry-excursion service by vessel between:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The applicant (buyer) desires to obtain all/a portion of the rights pursuant to RCW 81.84.030 of said Lake Chelan Recreation, Inc. (name certificate now in) who hereby agrees to the cancellation of the said certificate as applicable and the issuance in lieu of a like certificate in the name of the applicant (buyer). Both the certificate holder and the applicant (buyer) are familiar with the provisions of WAC 480-51-100 relating to the filing of annual reports and payment of fees on cessation of operation and jointly bind themselves to see that such rule is complied with. It is further represented by both parties that the sale or transfer applied for is not for the purpose of hindering, delaying or defrauding creditors.

Does the seller propose to transfer any properties or facilities together with the certificate?

Yes  No

If "Yes", the seller and the purchaser agree to jointly file an application under the provisions of RCW Chapter 81.12 if any of the seller's physical assets necessary or useful in the performance of its duties to the public are to be transferred to the purchaser, in addition to the Certificate of Public Convenience and Necessity requested.

Has the closing annual report been submitted to the Commission?  Yes  No Form not available on-line.

Applicant (Seller) Jack D. Raines  
By Jack D. Raines, President  
Name & Title  
Date 2/28/2019  
Applicant (Buyer) Ben Hef / Reed Cartney  
By Discover Lake Chelan LLC CFO/COO  
Name & Title  
Date 2/28/2019

## ***Supporting Information for Commercial Application Question 13, 15 and 16***

### ***Commercial Ferry Application Question 13 Response: Conditions that exist which would justify the granting of a Certificate of Public convenience and Necessity:***

Jack Raines, the current owner of Lake Chelan Boat Company, has operated this service for 35 years and it is time to sell the service and retire from the ferry service. He supports Discover Lake Chelan, LLC and believes they have the valuable skills to successfully operate this service.

Mr. Raines' goal is to have the "Lady of the Lake " passenger service continue on Lake Chelan and hopes that this transition can happen in a timely fashion to achieve this goal.

### ***Commercial Ferry Application Question 15 Response: State applicant's prior experience, if any, in providing commercial ferry service:***

Reed Courtney has been a back up Captain for the Lake Chelan Boat Company vessels for 2 months now. He will continue to work in this capacity during this transition of ownership. Reed grew up in Stehekin and has traveled on the Lake Chelan Boat Company vessels his entire life. He is familiar with all landings, procedures, and very knowledgeable of safety procedures. He has held his Captain's license for 15 years, operating all those years on Lake Chelan.

Reed owns and operates the barge service on the lake. He has traveled Lake Chelan and made barge landings for 20 years in all areas that are served by the Lake Chelan Boat Company vessels. He has a vast knowledge of the weather conditions that can change abruptly.

Brun Garfoot was also raised in Stehekin, and now lives in Chelan/Manson. He holds an MBA degree, along with a mechanical engineering degree. He is also very knowledgeable of the lake, knows the business up and down the lake, and has worked with Mountain Barge Service (Reed Courtney) in depth for several years helping to grow that company. Brun's strengths are in operations management, sales and marketing, and organization development. He will operate more in the financials, business integration and operational controls capacity, at which he is excellent.

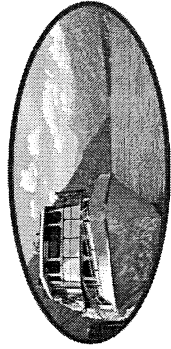
The combination of these two men, who have a strong desire to safely and responsibly serve their home region are a perfect match for this unique and necessary service. Above and beyond, they have desires to enhance opportunities at both ends of the lake and in between, with an extreme desire to keep rates as reasonable as possible, while enhancing the passengers experience.

Also, as stated in the sale transfer agreements, all current Lake Chelan Boat Company management, captains, and staff will be retained by Discover Lake Chelan LLC. This will make the transition very smooth and safe, which will be good for the traveling public.



**Commercial Ferry Application Question 16 Response: *All Items***

LCBC transferring all vessels and equipment to operate the same service under the same tariff and time schedule. Land/Dock and buildings will be retained by LCRI and leased to DLC. Since everything is being transferred as is we project there will be normal ridership trends similar to what we have seen in the last 3 years.



*Lady of the Lake*

## Discover Lake Chelan



**COO**  
Reed Courtney

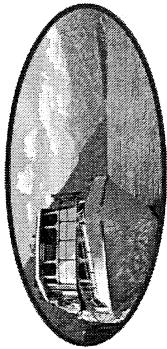
- Boat Operations
- Maintenance
- Facilities
- Captain Reports/ On Board Staffing
- Equipment Decisions
- Uplake Stehekin Presence

### Shared Responsibility

- Sales
- Public Relations
- Strategic Direction
- Schedule Planning
- Strategic Partnerships

**CFO**  
Brun Garfoot

- Financials / Regulatory
- Office Reports
- Process and Training
- Equipment Decisions
- Chelan Presence
- AP/AR/Systems



*Lady of the Lake*

## Discover Lake Chelan

COO  
Reed Courtney

CFO  
Brun Garfoot

MBS

Barge/ Freight and Fuel  
Marine Project Install  
Financial Support/ Resource Support

Supporting Companies

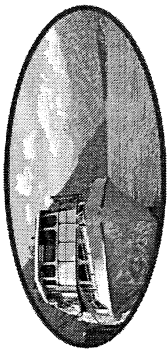
CWF

Projects Fabrication and Staging  
Storage. Warehouse

FinaIREV

Technical Design and Project Management  
Financial Support/ Resource Support

Current Companies that will support Lake Chelan Boat Company Startup Service



## Commercial Ferry Application Section 12

<b>Lake Chelan Boat Company Start UP</b>		<b>Amount</b>	<b>Notes</b>
Cash On Hand in Bank Account		\$85,000.00	
Accounts Receivable		Presales Daily	
Vessels - Assets		\$2,500,000.00	
Docks		Leased	
Machinery and Tools		\$100,000.00	
Real Estate		Leased	
	<b>Total</b>	<b>\$2,685,000.00</b>	
Notes Payable		\$0.00	
Accounts Payable		\$45,000.00	Payroll / Fuel / Merchandise
	<b>Total</b>	<b>\$45,000.00</b>	

Projected

<b>Mountain Barge Services LLC</b>		<b>Amount</b>	<b>Notes</b>
Cash On Hand in Bank Account		\$245,000.00	
Accounts Receivable		\$85,000.00	
Vessels - Assets		\$1,500,000.00	
Docks		\$150,000.00	
Machinery and Tools		\$2,000,000.00	
Real Estate		\$450,000.00	
	<b>Total</b>	<b>\$4,430,000.00</b>	
Notes Payable		\$4,000.00	
Accounts Payable		\$65,000.00	Payroll / Fuel / Etc
	<b>Total</b>	<b>\$69,000.00</b>	

Current 2/25/2019

<b>FinalREV Design and Consulting</b>		<b>Amount</b>	<b>Notes</b>
Cash On Hand in Bank Account		\$135,000.00	
Accounts Receivable		\$51,000.00	
Vessels - Assets		\$0.00	
Docks		\$0.00	
Machinery and Tools		\$26,000.00	
Real Estate		\$0.00	
	<b>Total</b>	<b>\$212,000.00</b>	
Notes Payable		\$1,500.00	
Accounts Payable		\$32,000.00	Payroll / Software
	<b>Total</b>	<b>\$33,500.00</b>	

Current 2/25/2019

# *Lady of the Lake*

Lake Chelan Boat Co.

P.O. Box 186 • 1418 W. Woodin Ave • Chelan, WA 98816 • (509) 682-4584

February 28, 2019

Dear Valued Customer,

This notice is to inform you that Lake Chelan Recreation, Inc has submitted a formal request to the Washington Utilities and Transportation Commission to transfer its Commercial Ferry Certificate BC-34 to Discover Lake Chelan, LLC.

If you have any questions please contact Cindy Engstrom at [cindy@ladyofthelake.com](mailto:cindy@ladyofthelake.com).

Sincerely,

*Jack Raines*

Jack Raines, President

The Washington Utilities and Transportation Commission has authority and oversees this service. You may comment by e-mail by using the "Public Comment" form located at the commission's web site, [www.utc.wa.gov](http://www.utc.wa.gov) or you can contact the commission in writing or by phone at:

Mail: Post Office Box 47250, Olympia, WA 98504-7250

Telephone: 1-800-562-6150 (toll-free)