

**THUNDER RIDGE  
WATER SYSTEM**  
FIRST NATIONAL PROFESSIONAL CENTER  
10101 270<sup>TH</sup> STREET NW  
STANWOOD, WASHINGTON 98292

January 23, 2020

Received  
Records Management  
01/23/20 11:13  
State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

Washington State Utility & Transportation Commission

RE: Surcharge Request

Dear Commissioners,

Thunder Ridge Water Company respectfully requests the allowance of a facility surcharge to be used to service and repay the debt incurred in the upgrading of the emergency equipment (high-capacity pump) replacement in our existing system. The obsolete and unrepairable propane-powered engine pump system was replaced by a propane-powered generator with electric pumps. It is proposed a new Schedule 6, Capital Improvement Surcharge (revising former sheet No. 22) be approved, based upon the computation provided.

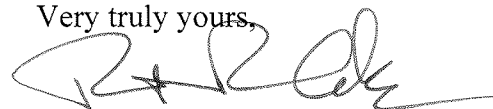
I have also provided the following documentation:

1. DOH letters requiring the installation of the new system; and approving the project.
2. Solicitation Proposal that provided an overview of the project.
3. Special Project Account recap showing all the deposits and withdrawals, with notations showing source of income and recipient of expenditures.
4. Invoices for all suppliers, totaling \$214,836:
  - a. Cane Engineering
  - b. Ackerman Electric Co.
  - c. PUD
  - d. Larry Brown Construction
  - e. Suburban Propane
5. Promissory Note from the Water Co. to "Thunder Ridge Holdings, LLC" as lender, of the amount of its funds expended on the project. This was 70% of the project cost, being \$150,385.20 in principal. As you can see, it is a 6-year amortization of 6% interest per annum.

The Water Co. is requesting a surcharge of \$17.74 per hookup lasting until the loan is paid in full. This will include the State Utility tax of 5.029% and B&O of .471%, as well as the loan servicing. A proposed Customer Notice is provided.

Thank you for your consideration of this request.

Very truly yours,



Robert Cole, President  
Thunder Ridge Water System