



April 27, 2022

Washington Utilities and Transportation Commission  
ATTN: Ms. Amanda Maxwell, Executive Director and Secretary  
621 Woodland Square Loop SE  
Lacey, WA 98503

Received  
Records Management  
04/27/22 15:38:17  
State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

**RE: UW-220052 – Suncadia Water Company, LLC General Rate Case - Water Capital Recovery Charge assessed by Developer To Lot Buyers**

Dear Ms. Maxwell:

I understand that, in relation to the current rate case that Suncadia Water has pending with the Washington Utilities and Transportation Commission, questions have been raised about the water capital recovery fee that the developer assesses to the buyers of lots.

As disclosed in the Property Report that the developer provides to lot buyers pursuant to the Interstate Land Sales Act (an excerpt of this disclosure is shown below), the water capital recovery that the developer assesses to lot buyer reimburses the developer for the investment the developer had to made to the City of Cle Elum water system, so that water system had capacity to service the Suncadia Master Planned Resort. This reimbursement is only on assets that are owned by the City of Cle Elum and none of this reimbursement is on any of the water assets owned and operated by Suncadia Water Company.

Here is the disclosure from the Property Report concerning the water capital recovery charge:

You will be responsible for payment of a capital contribution fee of \$4,387 which will be assessed to each lot purchaser and collected by us at closing of your lot purchase. This fee will be a payment toward the capital costs related to construction of the City of Cle Elum's new water treatment plant, including the pump at the diversion point and transmission mains to the treatment plant, and capital contribution toward the main reservoir and the distribution system from the treatment plant to the reservoir. You will also be responsible for an account set up charge, currently \$30, payable to Suncadia Water Company at the time of connection to the system. At

A couple of additional points. In the disclosure above, it mentions the "main reservoir"; this "main reservoir" is the reservoir belonging to the City of Cle Elum, and the "distribution system from the treatment plant to the reservoir" is referencing the City of Cle Elum's distribution system, from the treatment plant to this main reservoir.

I hope this provides clarity and helps resolve any misunderstanding surrounding the costs that are being reimbursed by the developer's water capital recovery charge.

Sincerely,



Gary Kittleson  
Director - Construction and Real Estate Finance