

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

CASCADE VIEW ESTATES, LLC

Petitioner,

For Approval of a Surcharge for Cost
Recovery of Capital Improvements
Engineering Study

DOCKET UW-250364

ORDER 01

APPROVING SURCHARGE
SUBJECT TO CONDITIONS

BACKGROUND

- 1 On May 12, 2025, Cascade View Estates Water System, LLC. (Cascade View or
Company) filed with the Washington Utilities and Transportation Commission
(Commission) an initial Tariff. The Company has four systems with approximately 41
connections in Kittitas County.
- 2 The owner also owns Basin Water Sources, Inc., located in Moses Lake, and Evergreen
Valley Water System, Inc., located in Cle Elum. By virtue of already owning regulated
systems, Cascade View therefore falls under commission jurisdiction.
- 3 The availability of water is limited by the capacity and characteristics of existing sources.
The current water supply is sufficient for the existing connections within this fully built-
out community, but it is limited, and the system is non-expanding. No additional housing
units may be served by this domestic water system. All customers on the four systems are
metered.
- 4 The Company is imposing a capital improvement surcharge for all water service areas of
Cascade View to maintain the Department of Health and Department of Ecology
standards of quantity and quality. The surcharge is to fund the engineering study to
determine the capital improvements required to maintain and upgrade the existing water
system, which include upgrades to the pump houses and reservoirs, and interties in the
event of one of the two wells failing. Photos are included in Attachment A.

DISCUSSION

- 5 We agree with Staff that the surcharge requested by Cascade View is necessary for the
Company for an engineering study for future repairs and capital improvements to maintain

the integrity of the systems, and. to ensure that continued reliable water service is provided to customers.

- 6 WAC 480-110-455 is designed to aid water companies that have insufficient funds to respond to emergencies, to replace or upgrade failing infrastructure, or to add plant to accommodate growth. A surcharge provides a water company with a source of capital, provided by customers, to fund capital needs. No company may collect a surcharge, or facilities charge except by Commission order or approval.
- 7 WAC 480-110-455(4) sets out the accounting and reporting requirements for surcharges. We find the proposed surcharge is fair, just, reasonable, and sufficient. Accordingly, we approve the proposed tariff revisions subject to the conditions set out in paragraph 7 above.

FINDINGS AND CONCLUSIONS

- 8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, and affiliated interests of public service companies, including water companies.
- 9 (2) Cascade View is a water company and a public service company subject to Commission jurisdiction.
- 10 (3) This matter came before the Commission at its regularly scheduled meeting on June 26, 2025.
- 11 (4) WAC 480-110-455 allows companies to file surcharge tariffs. No company may collect a surcharge, or facilities charge except by Commission order or approval.
- 12 (5) The increase in rates due to the engineering study to determine the capital improvements required to maintain and upgrade the existing water systems constitutes an emergency under WAC 480-07-505(2)(b), and a general rate case therefore is not required to implement the requested surcharge.
- 13 (6) The Commission has reviewed the initial Tariff Cascade View filed in this Docket, including supporting documentation.
- 14 (7) The surcharge Tariff in this Docket will recover costs of the engineering study to determine the capital improvements required to maintain and upgrade the existing water system.

- 15 (8) After reviewing Cascade View's initial tariff filed in Docket UW-250364 on May 12, 2025, giving due consideration to all relevant matters and for good cause shown, the Commission finds the proposed surcharge is fair, just, reasonable, and sufficient and should be approved, subject to conditions (a) through (g) set forth in paragraph 7 of this Order.

ORDER

THE COMMISSION ORDERS:

- 16 (1) Cascade View Estates Water System, LLC's surcharge filed on May 12, 2025, is approved to become effective on July 1, 2025, subject to following conditions:
- (a) The surcharge must apply to all water customers served by Cascade View Estates Water System, LLC. The surcharge must expire on July 1, 2027, or upon recovery of \$5,916 for principle, interest, and revenue sensitive items, whichever comes first.
 - (b) In the event of partial payment made by a customer, funds must first be applied to the surcharge before being applied to other charges billed.
 - (c) Funds received from the surcharge, including interest earned on the funds while held in a reserve account, must be treated as contributions-in-aid-of-construction.
 - (d) Surcharge funds collected, and interest earned upon funds, must be held in a separate loan reserve account by the Cascade View Estates Water System, LLC. for the benefit of customers. Such funds do not become the property of the Cascade View Estates Water System, LLC., or Cascade View Estates Water System, LLC.'s owners and may not be disbursed, alienated, attached, or otherwise encumbered by Cascade View Estates Water System, LLC., or its owners. In the event of a sale or transfer of Cascade View Estates Water System, LLC., the trust obligations established in WAC Chapter 480-110 regarding any unspent surcharge funds must be transferred to the owners of Cascade View Estates Water System, LLC.

- (e) Cascade View Estates Water System, LLC. must report the following information to the Commission within 60 days of the end of each calendar quarter per WAC 480-110-455(4):
 - i. Beginning balance;
 - ii. Amounts received, detailed by source;
 - iii. Amounts spent, detailed by expense;
 - iv. Ending balance; and,
 - v. Reconciliation of the bank balance to general ledger.
- (f) Cascade View Estates Water System, LLC. must immediately deposit all monthly payments received and related to the surcharge in the same separate reserve account specified in condition (c), above.
- (g) Excess funds held in the loan reserve account will be remitted quarterly toward the principle of the loan. “Excess funds” means money accumulated in the reserve account in excess of payments due during the quarter to Cascade View Estates Water System, LLC.

17 (2) This Order shall not affect the Commission’s authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. This Order shall not be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

18 (3) The Commission retains jurisdiction over the subject matter and Cascade View Estates Water System, LLC. to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective June 26, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFF KILLIP
Executive Director and Secretary