



shelter bay community, inc.

1000 Shoshone Drive, La Conner, WA 98257

MONTHLY BILLINGS FOR FY 2020-2021 (July 1, 2020 - June 30, 2021) Frequently Asked Questions (FAQ's)

How is the water rate per cubic foot determined? The rate we bill for water used covers the wholesale cost of water plus the variable expenses of the water consumed. The rate is broken down as follows:

\$0.019732 per cu.ft. – Directly paid to the Town of La Conner for water consumed

\$0.002268 per cu.ft. – Covers Shelter Bay Community's variable expenses

\$0.022000 per cu.ft. – Charged to Shelter Bay Community water customers

Actual water meter readings are taken every other month, beginning with the month of June. The Water Used is billed for the two months' use, with no water use billing on the months in between.

What is the \$26.00 Water Base Rate? The \$26.00 water base rate is used to cover the base rate charge from the Town of La Conner plus the fixed operating and maintenance costs of Shelter Bay's water utility. The Operating and Maintenance expenses include such items as water quality testing/reporting, repair of water mains and other related equipment, supplies, permits, and related employee wages and expenses. The base rate is billed every month, and will be billed even if no water is used. The billing rate is constructed to cover all approved budgeted costs of the water system with a 'break even' result.

What is the 5.029% State Utility Tax on Water? Shelter Bay pays a 5.029% tax on our water utility system to the State of Washington. The funds we collect from our homeowners are used to pay the tax to the State.

What is the 3% Tribal Tax on Water? The Swinomish Indian Tribal Community Ordinance No. 126 imposes a Utility Business Activity Tax of 3% on our water utility system. The funds we collect from our homeowners are used to pay the utility tax to the Tribe.

What does the \$28.00 Sewer charge cover? The sewer charge covers the cost of operation of the wastewater treatment plant, sewer lines and pumping systems, plus other anticipated maintenance and repairs to the sewer system and related employee wages and expenses. The billing rate is constructed to cover all approved budgeted costs of the sewer system with a 'break even' result.

What is the Sewer Utility Tax? The Sewer Utility Tax of \$0.60 covers Shelter Bay's Washington State Utility Tax obligation.

What is the 3% Tribal Tax on Sewer? This tax equals \$0.84 (or 3% of \$28.00) and is used to pay the Swinomish Indian Tribal Community's Utility Business Activity Tax for our sewer utility system.

What does the \$80.50 Monthly Assessment represent? Homeowners approved an Annual Assessment of \$966.00 per lot, which is to be paid in twelve equal monthly payments of \$80.50. These funds are used to cover the costs of common areas, roads, clubhouse, staff, insurance, etc.

What does the \$85.00 Monthly Capital Assessment represent? Homeowners approved an annual capital assessment of \$1,020.00 per lot, which is billed monthly at the rate of \$85.00. These funds are used to pay for large-scale capital projects involving roads, sewer and water system improvements, greenbelt management, other capital expenses, and to build up replacement reserve funds.

What does the Supplemental Rent Assessment represent? This assessment is billed to members with subleases. After the Shelter Bay Company (which owns the Master Lease) collects the annual sublease fees of \$527,026 and a Marina allocation of \$204,400, the short fall of \$1,312,574 is billed to sub-lessees in order for the Company to make its July 1, 2020 Leasehold rent of \$2,044,000 to the Tribe. The short fall will be funded from this Community-approved Supplemental Rent assessment, the amount of which varies per lot and is allocated to subleased lots only. The assessment also includes an additional \$20.00/lot/month to cover lease related expenses. The detailed assessment roll, by lot, is available for review in the office or online at www.shelterbay.net.