



File Code: 2720

Date: June 7, 2002

Ernie Cristler, Jr., President ALHA
17 Northwest Mt. Hebron Drive
Pendleton, OR 97801

Dear Mr. Cristler:

The Cabin User Fee Fairness Act of 2000 (CUFFA) was enacted into law on October 11, 2000, as Title VI of the Appropriations Act for the Department of Interior and Related Agencies for Fiscal Year 2001 (P.L. 106-291). The CUFFA directs the manner in which the Forest Service is to appraise recreation residence lots, and has provisions concerning how land use rental fees for recreation residence special use permits are to be determined, assessed, and collected.

Among other things, the Act directs the Forest Service to complete, by September 30, 2002, inventories of the recreation residences (typical lots) to identify those facilities which provide access, utility services and off-lot improvements for each recreation residence tract. The inventories are to determine which access facilities (roads, trails, waterways, etc.), utilities (electric power, telephone, gas, etc.) exist at each recreation residence lot, and to identify where possible, the entity who paid for the capital costs to construct such access or utility facilities. The inventories will also include off-lot improvements, if any, which may have a bearing on the actual value of the land being occupied and used. The purpose of the inventories is to determine and document the existence of access, utility facilities and off-lot improvements which may influence the estimated market value of the typical lot.

In general:

- Utilities, access, or facilities serving a lot which are or have been provided by the Forest Service shall be included as features of the lot being appraised.
- Utilities, access, or facilities serving a lot which are or have been provided by the cabin owner (or a predecessor of the cabin owner) shall not be included as a feature of the lot being appraised.
- Utilities, access, or facilities serving a lot which are or have been provided by a third party (such as a utility company or local government) shall not be included as a feature of the lot being appraised **unless** the Forest Service determines that the capital costs have not been or are not being paid by the cabin owner (or a predecessor of the cabin owner).

Permit administrator Rob Gump has reviewed the utilities, access, and facilities which serve the typical lots for the Floodwater Flat recreation residence area. After discussing this with you and the Anthony Lakes Homeowner Association board, Rob contacted Oregon Trail Electric (OTEC) and Cascade Utilities Inc. Rob determined that the telephone utilities were provided by Cascade Utilities through general rate payer charges at-large, and were not paid for directly by the owners of the recreation residences. Rob also determined through OTEC that the electric utilities were



provided at an 80/20 ratio, with 80 percent paid for by cabin owners and 20 percent paid for by OTEC. The OTEC information was not substantiated by written record due to their records being destroyed through fire, but by recollection of their personnel.

In the same manner Rob Gump researched Forest Service files and determined that the access roads (FSR 7300160 and 7300161) were provided by the Forest Service. The Homeowner's Association and the Forest Service have shared maintenance of the roads. (Individual driveways to each lot are not considered access roads for appraisal purposes.) Rob also found that there is no material difference in access or utilities being provided to individual lots within a grouping of lots represented by the typical lots. Even though some lots don't have power and/or don't have phone service, the utilities are available to each and every lot with the location of the utilities along the access roads.

Please review the Forest Service findings with the members of your association in the Floodwater Flat. If the cabin owners concur with these findings, please sign the attached letter and return it to this office. Then, I will sign it, send you a copy with both signatures for your records, and we will plan to proceed accordingly. If you or members of your group have evidence to the contrary, please contact Rob Gump directly (541.523.1904) to discuss the matter. In either case, we would appreciate your response by July 1, 2002. We are required to forward our response by July 15, 2002.

Thank you for your continuing cooperation.

Sincerely,
Charles L. Ernst

CHARLES L. ERNST
District Ranger

Enclosures