

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of  
  
SOLMAR WATER SYSTEM, INC.,  
  
Applicant,  
  
For the Sale and Transfer of Fifty Percent  
Ownership to KATIE M. O’CLAIRE

DOCKET UW-210783  
  
ORDER 01  
  
GRANTING APPLICATION FOR  
SALE AND TRANSFER OF ASSETS

**BACKGROUND**

- 1 On October 7, 2021, Solmar Water System, Inc., (Solmar or Company) filed with the Washington Utilities and Transportation Commission (Commission) an application for sale and transfer of fifty (50) percent ownership to Katie O’Claire pursuant to the provisions of RCW 80.12. Katie O’Claire currently owns 50 percent of the Company, and the approval of this sale and transfer will result in Katie O’Claire becoming the sole owner.
- 2 Solmar’s service area is located in Clallam County. Solmar has 236 customers. The Company’s water system is Solmar Water Company (ID # 81315J).
- 3 The purchasing member assumes the regulatory obligations of the utility. If the Commission approves the sale and transfer of Tracy Devose’s fifty (50) percent ownership to Katie O’Claire, Katie O’Claire will own 100 percent of Solmar. Solmar will continue to be subject to any obligations the Commission imposed prior to this transfer.
- 4 The parties state several benefits of this transfer of ownership, including that Katie O’Claire desires to own and operate water systems on an ongoing basis, and Tracy Devose no longer desires to own and operate the water systems. Solmar will be able to secure the financing for water system upgrades upon completion of the transfer.

**DISCUSSION**

- 5 Pursuant to RCW 80.12.020 and WA 480-143-170, the Commission has determined that applicants in a transaction of this sort must “at least demonstrate no harm to the public interest.” The Commission also looks to the new owner’s financial and managerial fitness to the operations.

6 We agree with Staff<sup>7</sup> that the mutual benefits to Katie O’Claire, who desires to own and operate water systems on an ongoing basis, and to Tracy Devose, who no longer desires to own and operate the water systems, speak to managerial fitness. In addition, Solmar will be able to secure the financing for water system upgrades that are needed. The Commission believes the applicants have shown there are substantial benefits to the transfer.

7 Accordingly, we grant the application for sale and transfer of assets of Solmar from Tracy Devose to Katie O’Claire.

### 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, securities, transfers of property and affiliated interests of public service companies, including water companies.

9 (2) Solmar is an investor-owned water company and is a public service company subject to Commission jurisdiction.

10 (3) Solmar is a Washington water utility company. Solmar is a public service company subject to Commission jurisdiction.

11 (4) Katie O’Claire will acquire the fifty (50) percent ownership from Tracy Devose.

12 (5) As a result of this sale and transfer of ownership, Solmar’s tariff will remain the same.

13 (6) This matter was brought before the Commission at its regularly scheduled meeting on November 12, 2021.

14 (7) Pursuant to RCW 80.12 and WAC 480-143-170, the Commission has determined that applicants in a transaction of this sort must “at least demonstrate no harm to the public interest.” The Commission also looks to the new owner’s financial and managerial fitness to run the operations. The Commission believes the applicants have shown there are substantial benefits to the transfer.

15 (8) In this docket, the Commission neither approves nor disapproves the reasonableness of any fees, charges, rates, purchase price, or accounting

allocations involved with the transaction. The Commission reserves the right to review those fees, charges, rates, or accounting allocations in a future rate proceeding.

- 16 (9) The Application meets the requirements of RCW 80.12 and the rules and regulations of the Commission. WAC 480-143.
- 17 (10) After reviewing the Application Solmar filed in Docket UW-210783 on October 7, 2021, and giving due consideration, the Commission finds that the Application of the Sale and Transfer of 50 percent ownership by Tracy Devose to Katie O’Claire is consistent with, and demonstrates no harm to, the public interest and should be approved.

**ORDER**

**THE COMMISSION ORDERS:**

- 18 (1) The Commission authorizes the Sale and Transfer of Fifty (50) Percent ownership from Tracey Devose to Katie O’Claire consistent with the joint application filed in accordance with RCW 80.12.020. No material change, revision, or amendment to the joint application and agreement shall become effective without the Commission’s prior written approval.
- 19 (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. Nor shall this Order granting Application be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 20 (3) The Commission retains jurisdiction over the subject matter and Solmar Water System, Inc., to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective November 12, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL  
Executive Director and Secretary