

Exhibit No. \_\_\_ (DPK-6)  
Docket No. UW-060343  
Witness: Danny P. Kermode

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**ILIAD WATER SERVICE, INC.,**

**Respondent.**

**DOCKET NO. UW-060343**

**EXHIBIT TO RESPONSE TESTIMONY OF**

**DANNY P. KERMODE**

**ON BEHALF OF STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Letter dated June 6, 2006 from Iliad to Staff regarding  
response to Data Request 3*

**October 4, 2006**

Iliad Water Services, Inc.  
PO Box 20429  
Seattle, WA 98102  
(800) 928-3750

RECEIVED  
RECORDS SERVICES DIVISION  
05 JUN -9 AM 7:40  
STAFF  
MILWAUKEE  
MILWAUKEE

June 6, 2006

WUTC  
PO Box 47250  
Olympia, WA 98504-7250

Attn: Danny Kermode, CPA

Re: Alderlake Water System Assessment Charge Informal Data Request #3  
UW-060343

Dear Mr. Kermode:

In response to your request #3 for the above project, please find enclosed response letter from our engineer addressing Topic of Discussion 1 through 5.

The response to Topics of Discussion 6 through 10 will be as follows:

1. Topic of Discussion 6: Insurance Cost.

Under S.R.F. requirements a performance bond will be required. Bond fees are between 1.5% - 2.0% of total loan. Estimated bond fee for the Alderlake project would be \$1,995.00.

2. Topic of Discussion 7: Prevailing Wages.

Under prevailing wages there would be an additional labor cost of \$14,838.00, per schedule:

<u>Description</u>	<u>Non-Prevailing Wages</u>	<u>Prevailing Wages</u>	<u>Diff.</u>	<u>Total Project Hr.</u>	<u>Total</u>
Foremen/Operator	\$ 28.50	\$ 41.12	\$12.62	192	\$2,423
Plumber/Piper	25.00	46.72	21.72	160	\$3,475
Labor	15.00	33.46	18.42	160	\$2,954
Labor	15.00	33.46	18.42	192	\$3,537
Electrician	30.00	44.23	14.23	16	\$ 228
					\$12,617
Payroll Taxes/Benefits 17.6%					2,221
Total					\$14,838

3. Topic of Discussion 8: Attorney Fee.  
There would be additional attorney fees for review of the S.R.F. and Public Works agreements and requirements, estimated cost \$1,500.00.
4. Topic of Discussion: Loan Fees.  
There would not be an increase in loan fees.
5. Topic of Discussion 10: Audit Cost,  
There will not be an audit cost for this project.

If you have any questions, please call.

Sincerely,

Derek Dorland <sup>sd</sup>

Cc: Richard Finnigan