

Pelican Point Water Co.

P.O Box 458

Moses Lake WA 98837

Dear Sirs,

My name is Jill Goodrich, and I am the owner of Pelican Point Water Co. Pelican Point Water Co. is located in Moses Lake Washington, Grant County, system ID #66800L. In October of 2020, Pelican Point Water System entered into an agreement with Gem State Infrastructure, a subsidiary of NW Natural Water of Idaho.

I was introduced to the possibility of full contract operations after being approached by NW Natural Water to potentially acquire the assets of Pelican Point Water Co. Prior to entering into the operations contract with Gem State Infrastructure, I had been operating the water system personally. Performing all billing, customer service, accounts receivables, reporting, accounts payables, emergency response, as well as daily pump house and chlorination checks, with a small amount of assistance from a part time laborer, and a locally hired Satellite Management Agency. With the number of connections, handling all of the operations for Pelican point was quite overwhelming without assistance.

Gem State Infrastructure's contract operations cover all aspects of the water operations that Pelican Point requires. This includes handling all customer service, billing, accounts receivables, new connections, closing assessments, field operations, meter reading, emergency response, meter install and repairs, hydrant maintenance and repairs,

flushing and valve exercising, leak detection, and assisting with regulatory reporting and compliance.

Customer service for Pelican Point consists of receiving and responding to customer phone calls, emails, and written correspondence. Gem State is available from 8:30 AM to 4:30 PM Monday thru Thursday. The customers have responded positively to the different options for reaching the company and will definitely look forward to new contact options such as text and email alerts, web-based notices, and more that Gem State can offer.

The billing process for Pelican Point is performed monthly. Gem State employees read all customer meters manually each month, rain or shine. These meter reads are surveyed for possible issues, leaks, high usage, or misreads by highly experienced field staff then are sent to the office billing staff. Billing staff performs another survey for potential issues in the meter reading prior to entering billing into utility billing software. Any issues are sent back to the field staff to be checked. Field and office staff make direct customer contact when necessary. Gem State makes sure to have all billing postmarked by the 5th of the month. Gem State processes all receivables and prepares bank deposits weekly. Any customer refunds are processed by Gem State with Pelican Point issuing a check directly.

Gem State Water has also been instrumental in assisting with multiple past due accounts for Pelican Point. Pelican Point now has a past due collectable balance of almost nothing.

With multiple home and property sales per week, closing assessments can be difficult to track, but Gem State has also been able to take these requests and work them into the schedule so that balances aren't missed at closing. This had been the case with brand new connections as well. Gem State requires new customers to complete forms and

provides them with a copy of all tariff information. Once the new customer paperwork is received with the connection fees, the meter install is scheduled and completed by field staff.

Gem State has 24 hour emergency on call response and uses local contractors and vendors that are available for emergency response as well. Gem State field staff is able to perform immediate repairs in most cases.

Gem State has placed Pelican Point on a maintenance schedule that follows best management practices. They have flushed fire hydrants and end of line blow offs and exercised all mainline valves. The team is identifying system deficiencies through their maintenance and leak detection so that we can make proactive repairs instead of reactive repairs. Gem State always keeps cost in mind with repairs, maintenance, and projects, and provides counsel on how best to approach investment in the company infrastructure. They are very knowledgeable about how a regulated company's budget works and operate in a fiscally responsible manner.

The transition to using Gem State for operations was simple and they continue to be very supportive. The Gem State employees have spent a great amount of time with me to make sure that they understand the history, as well as my method of operating the system. They check in with me weekly when they come to do site visit operations and are always willing to help with incidentals that come up while they are here. They are also available by phone whenever I, or the customers, have a question or concern.

The feedback from the Pelican Point customers has been very positive as well. The questions and concerns that are presented to the Gem State employees are dealt with in a courteous and timely manner. Gem State has integrated Pelican Point into their systems and can provide

the customers with standard operating procedures that help with the flow of business. Pelican Point customers have access to online forms and are looking forward to increased availability for alternative payments options.

Gem State has provided outstanding guidance on operations and has been able to identify deficiencies within the system that need attention. They have been able to seek out options for remediation and have been able to deploy a team of people with the knowledge and know how to get the job done. Because Gem State has years of experience and seasoned operators, I feel comfortable with their assessments and oversight. The safety of the customers is always their first concern, while keeping costs in check and maintaining compliance with regulatory agencies. On a personal note, operating Pelican Point Water for many years has been a huge and often stressful responsibility for me, but one that I have taken pride in. It has been a great relief to have found Gem State Infrastructure, as they have the experience and integrity to operate this water system properly and see it safely into the future for the benefit of the customers of Pelican Point.

Sincerely,

A handwritten signature in cursive script that reads "Jill Goodrich".

Jill Goodrich, Owner

Pelican Point Water Co

PO Box 458

Moses Lake, WA 9883