

**RHYS A. STERLING, P.E., J.D.**

*Attorney at Law*

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October 19, 2005

C. Robert Wallis, Director  
WUTC Administrative Law Division  
1300 S. Evergreen Park Drive S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Re: William Stuth and Aqua Test, Inc.  
*Petition for Declaratory Order, Docket No. A-050528*

RECEIVED  
RECORDS MANAGEMENT  
05 OCT 20 AM 8:20  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

Dear Mr. Wallis:

I understand that WUTC is currently preparing a notice list for the purpose of notifying potentially interested persons and companies of the declaratory order proceeding in the above-referenced matter. Enclosed herewith are copies of original letters I have received supporting the Stuth and Aqua Test petition for regulation of operators/managers of large on-site sewage systems as a public service company.

We intend to make the original letters part of the public record in this proceeding. However, please feel free to include these individuals and companies at this time on the WUTC notice list in order to keep each of them apprised as to the current status of the proceedings.

Please contact me if you have any questions. Thank you for your continued cooperation in this matter.

Very truly yours,

RHYS A. STERLING, P.E., J.D.

  
Rhys A. Sterling  
Attorney at Law

Enclosures

cc: Christopher G. Swanson, AAG  
Bill Stuth  
Aqua Test, Inc.

October 5, 2005



814 AIRWAY AVENUE  
SUTHERLIN, OREGON  
97479

TOLL FREE:  
(800) 348-9843

TELEPHONE:  
(541) 459-4449

FACSIMILE:  
(541) 459-2884

Rhys A. Sterling  
PO Box 218  
Hobart, WA 98025

Subject: Public Utility Support Letter for Aqua Test

Dear Mr. Sterling:

My name is Terry Bounds and I am the executive VP, principle, and one of the founders of Orenco Systems, Inc. My company has been in the Large Onsite Systems industry for over 24 years. We have pioneered many products, own numerous patents, and operate LOSS systems of our own. If you wish, you may access our website at [www.orenco.com](http://www.orenco.com) for further history and details about Orenco.

For over 20 of those 24 years Orenco has worked closely with the principle of Aqua Test (Bill Stuth Sr.). Their reputation for managing LOSS systems in the state of Washington is unmatched in quality and performance longevity. The need for LOSS systems continues to increase at a rapid rate, as Clean Water Act funding is diminished, and, as the need to recycle/re-use wastewater increases. And with that, the demand on operation and maintenance needs for LOSS systems increases directly proportional to the increase in demand for these systems.

It is imperative that private companies be allowed to manage these LOSS systems. LOSS system configurations provide relatively new solutions and responsibilities for public municipalities to manage. Therefore, private operators, such as Aqua Test, are often better equipped and staffed with specialists, familiar with onsite technologies, and more able to demonstrate the sustainability of the LOSS systems in the public arena.

Regulation by the WUTC of a private utility company has many benefits to the public, some of which are:

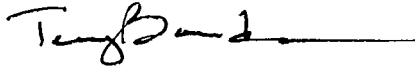
1. Standardized regulations in how a company is structured, operated, and managed with respect to its capabilities in identifying and tracking both physical and financial performance issues/features.
2. Minimizes the risks of un-regulated, un-disciplined, inadequately staffed companies/competition taking advantage of the general lack of public knowledge with regards to wastewater facilities and operations.

3. Expedite the obsolescence or improvements of LOSS systems that do not prove to be adequately sustainable. There are many onsite wastewater systems available, but, because of high operation/maintenance or repair/replacement costs, not all are readily sustainable without intensive and sustainable operation and maintenance.

These are a few key points to take into consideration for ensuring sustained public, health, welfare, and safety.

I strongly support the appointment of Aqua Test becoming a private utility regulated under the WUTC. I feel they are capable and able to diligently address these onsite O&M needs. Should you have any questions please do not hesitate to call me at (800) 348.9843 ext. 218

Sincerely,



Terry Bounds, PE  
Executive Vice President  
Orengo Systems, Inc.



October 4, 2005

Rhys A. Sterling, P.E., J.D.  
P.O. Box 218  
Hobart, WA 98025

**RE: Support for Aqua Test, Inc. for Authorization as a Public Service Corporation from Washington Utilities and Transportation Commission**



Dear Mr. Sterling:

I wish to express my professional support for the application of Aqua Test, Inc. to the WUTC for authorization as a public service corporation.

As a professor of environmental engineering here at CSU, Chico, I have worked extensively in the area of onsite wastewater treatment in teaching, research and consulting over the last 20 years. I have specifically focused on onsite nitrogen removal processes, and I developed a teaching module for onsite nitrogen removal for the Consortium of Institutes for Decentralized Wastewater Treatment; this teaching module is now used at numerous universities and onsite training centers throughout the country.

My work with onsite nitrogen removal technologies has clearly demonstrated that nitrogen removal for individual family dwellings is unlikely to be successful because of the costs of monitoring, and operation and maintenance. In contrast, large onsite sewage systems (LOSS) hold much promise for nitrogen removal because of economies of scale that allow monitoring, operation and maintenance costs to be distributed among a number of dwelling units, thus lowering the cost per dwelling unit. In addition, wastewater flows and characteristics from multiple dwelling units do not fluctuate as widely as from individual family dwellings, making nitrogen removal much easier from a technical standpoint.

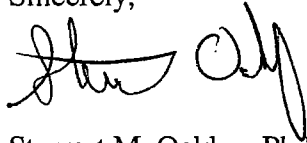
Proper management of LOSS systems, however, is crucial to their success, and is especially crucial when concerned with nitrogen removal. Management of LOSS systems through a municipal corporation or management district has not met with much success in various states because of numerous problems, many of which are political in nature.

In my professional opinion, Aqua Test's application for authorization as a WUTC-regulated public service company is an excellent alternative to a municipal corporation or management district for the proper management of LOSS systems. In this case the management entity would be a private company regulated as a public utility and monitored by the WUTC, which in my mind would make the entire endeavor more responsive to ratepayers while serving to protect the public health and the environment.

Finally, I have worked with Aqua Test for over 10 years on various projects, and one of my former students is the general manager. I find Aqua Test to be one of the more professional companies working in onsite wastewater treatment nationwide. I would give Aqua Test, Inc. the highest of recommendations as to its ability to properly manage LOSS systems and to provide reliable service to customers while ensuring protection of public health and the environment.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Stewart M. Oakley". The signature is fluid and cursive, with the first name "Stewart" being more prominent than the last name "Oakley".

Stewart M. Oakley, Ph.D.  
Professor

cc: William Stuth  
Aqua Test, Inc.

BARCLAYS  NORTH INC.™

*A Developer of Distinction*

September 30, 2005

Mr. Rhys A. Sterling  
PO Box 218  
Hobart, WA 98025

Re: UTC Support for Aqua Test, Inc.

Dear Rhys:

On behalf of Barclays North, Inc, I am writing to support the request of Aqua Test, Inc. to be recognized as a public utility by the Washington Utilities and Transportation Commission (WUTC).

For over 17 years, Barclays North, Inc has been developing residential and commercial real estate throughout the Puget Sound region and select markets in the United States. To date, our company has built 664 homes, developed over 3,000 residential lots, and over 500,000 sq. ft of commercial space. Our company is focused on developing quality projects that establish a strong sense of community and lasting value.

Barclays North, Inc recently developed a 104-lot plat named L106-1 Remington Heights LLC in Monroe, Washington. The previous name of this plat was Ramar Estates/Monroe Golf Course and the previous owner was Mona Lisa Estate Partners. After exhausting attempts with the city to extend sewer services to the Ramar Estates/Monroe Golf Course, the previous owner made the decision to pursue the installation of a large on-site sewage system (LOSS).

In Washington State, LOSS systems are required to be operated and maintained either directly by or under the guaranteed backup of a public entity. On March 7, 1996, the previous owner reached an agreement with the "Holmes Harbor Water District" to act as the backup entity for a period of ten years. Having secured a backup entity for the LOSS, an agreement providing for the operation of an "on-site wastewater system" was signed August 12, 1996 between the Washington State Department of Health (WSDOH) and Mona Lisa Estate Partners.

Shortly after acquiring this project February 2004, our company pursued the actual design and construction of the LOSS. The Washington State Department of Health gave final approval/acceptance of the LOSS on April 6, 2005 and the LOSS was constructed. However, we were notified February 24, 2005 that the Holmes Harbor Water District no longer desired to serve as the backup entity for the Remington Heights plat. Our company is currently searching for a public entity to serve as backup for this plat.

While searching for a public entity to serve as backup, our company has faced some challenges. We have found it difficult to educate jurisdictions about the LOSS process and the systems in general because many jurisdictions have never dealt with them before. We have faced difficulties getting these jurisdictions to sit down and hold any discussion at all. The process is very time and information intensive and it has been our experience that many

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Mr. Rhys A. Sterling  
September 30, 2005  
Page 2 of 2

jurisdictions are not interested in hearing anything beyond "sewer/sewage". Allowing a private company, such as Aqua Test-who understands the design, construction, operation, and maintenance of these systems, to serve as a WUTC regulated public service company simply makes sense.

Companies are often left "shopping" for a jurisdiction to serve as a backup provider. Many times these jurisdictions have no specialty in the sewer/sewage utility area, let alone the design, operation, construction, or maintenance of an actual LOSS system. While contacting jurisdictions that presently serve as backup utilities, it has been our experience that, though it is allowed, many are unwilling to reach outside their jurisdictional boundaries to act as backup provider for an LOSS system. Essentially, this means projects that are located in jurisdictions unwilling to take the "risk" of an LOSS system never even get off the ground.

Should a catastrophic event occur at the site of an LOSS, it would serve the public interest well to have a private company, trained in the design, construction, operation and maintenance of these systems, respond to restore and ensure continuity and functionality of the system. It is our understanding that a public service company regulated by WUTC would be allowed to serve LOSS's located all across Washington State. This would allow a private company, such as Aqua Test, to offer service on demand wherever services are required. This benefit to public safety and health cannot be understated. Projects where LOSS's are located would no longer be limited to waiting for a municipality, which may or may not be trained in the operation of the LOSS system, to respond to incidents that occur.

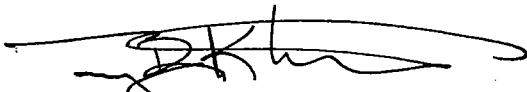
It is our belief that allowing private companies to serve as public utilities would be good for public welfare as well. Specifically, as with Remington Heights, plats where these systems are located may have Homeowners Associations in place that require the owners to pay for services relating to the operation and maintenance of the LOSS systems. By allowing private companies to serve as public utilities and be regulated as such, this would provide protection to homeowners by normalizing a rate structure that the public utility must adhere to.

Lastly with respect to growth management, having an experienced, knowledgeable, and willing LOSS public utility in place provides a mechanism to facilitate the efficient use of scarce developable property outside the UGA's. This will provide a thoughtful balance that serves both the goals of the Growth Management Act and the community as a whole.

In closing, I would like to note our strong support for the request of Aqua Test, Inc. to become recognized as a public utility by WUTC. This is something that the LOSS market severely needs and we look forward to WUTC approval being granted to Aqua Test, Inc.

Sincerely,

BARCLAYS NORTH, INC.



Tony R. Kastens  
President

TRK/bca