

UW-101677-AF
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NO ACTION

Crosswoods Water Company, Inc.

P.O. Box 1075
Oak Harbor, WA 98277
Tel/Fax 360-675-8248

2010 OCT 13 AM 10:00

October 5, 2010

Records Center
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Subject: Crosswoods Water Company, Inc. Ref: UT 4-1247
Affiliated Interest Filing

Dear Records Center:

Crosswoods Water Company, Inc. hereby submits the following documents for filing as information relating to our affiliated interest filing::

1. Agreement For Services, dated January 1, 1992, between the company and Ryan H. Kingma and Robert P. Fakkema, president and Secretary, respectively;
2. Addendum to above Agreement For Services dated December 15, 2003;
3. Promissory Notes (4), dated June 11 and July 26, 2010, between the Company and Ryan H. Kingma and Robert P. Fakkema, President and Secretary, respectively;
4. Rental Agreement, dated December 3, 1998, between the company and Ryan H. Kingma, President; and
5. Rental Agreement, dated December 3, 1998, between the company and Robert P. Fakkema, Secretary.

These documents are submitted in response to instructions by staff and in accordance with RCW 80.16.020 and WAC 480-110-545.

Please call me at 360-675-8248 if you have any questions. Our email address is r.p.fakkema@comcast.net.

Sincerely,

Crosswoods Water Company, Inc.


Robert P. Fakkema, Secretary

cc: Amy White via e-mail

AGREEMENT FOR SERVICES

COPY

This agreement, between CROSSWOODS WATER CO., INC., hereinafter referred to as "the Company", RYAN H. KINGMA and ROBERT P. FAKKEMA, hereinafter referred to as "RHK" and "RPF", respectively, is for the purpose of establishing the duties and responsibilities of RHK and RPF in their respective roles as the managers and maintenance providers for the Company, together with compensation by the Company.

The duties and responsibilities of RHK include the daily system management of the water system owned by the Company, including system inspections and maintenance, supervision of system modifications, repairs and improvements, monitoring of operations on a daily basis, if required, and responding to emergencies as they arise. RHK is expected to attend various educational meetings and seminars sponsored by regulatory agencies as well as keep current on all regulations in effect which control the system operation. Compensation as stated below shall include all miscellaneous transportation costs to and from the system EXCEPT that transportation and other costs resulting from his attendance at meetings referenced above shall be considered additional expense to be reimbursed by the Company.

The duties and responsibilities of RPF include all Company financial management, paying of all accounts, response to all UTC regulations, processing of rate increases and overall responsibility for Company accounting and billing. He shall also be available for system maintenance and emergency response in the absence of RHK and, as such, shall be current on all system maintenance needs. RPF is expected to attend various educational meetings and seminars sponsored by regulatory agencies which affect his responsibilities. Compensation as stated below shall include all miscellaneous transportation costs to and from the system EXCEPT that transportation and other costs resulting from his attendance at meetings referenced above shall be considered additional expense to be reimbursed by the Company.

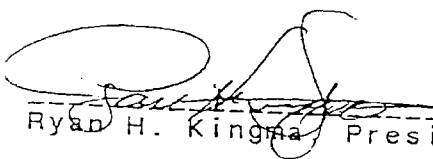
Compensation is based upon the duties, responsibilities and time spent on behalf of the Company by RHK and RPF. RHK has served as President and RPF as Secretary/Treasurer of the Company since it's inception. Each has earned a monthly salary of \$300.00, less FICA deductions, since January 1, 1987. Based upon the increase of duties and responsibilities during the past 5 years and the requirement for both to provide transportation to the plant the monthly cost of services is increased to \$350.00 effective January 1, 1992.

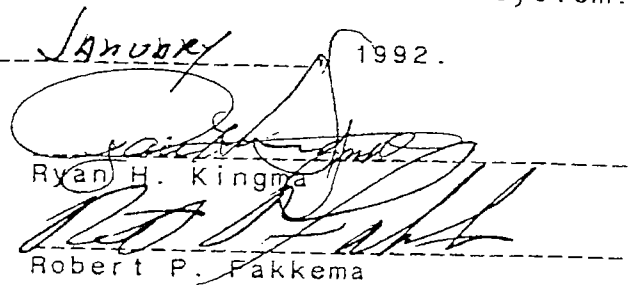
This agreement provides for a service contract between the parties and RHK and RPF are hereby notified that they are responsible for payment of all taxes on income from this agreement.

It is further agreed that the Company shall maintain liability insurance protecting both the Company and RHK and RPF from liability as a result of their respective management and maintenance of the system.

Entered into this 1 day of January 1992.

CROSSWOODS WATER CO., INC.


Ryan H. Kingma President


Robert P. Fakkema

COPY

ADDENDUM TO
AGREEMENT FOR SERVICES

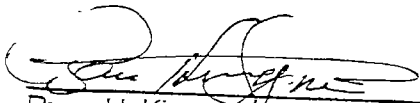
This addendum amends that certain agreement between CROSSWOODS WATER COMPANY, INC., hereinafter referred to as the "Company", and RYAN H. KINGMA and ROBERT P. FAKKEMA, respectively, hereinafter referred to as "Kingma" and "Fakkema", respectively, said agreement having been entered into on January 1, 1992. This addendum specifically amends paragraph four of said agreement.

Paragraph four of the above referenced agreement is hereby amended by increasing the monthly compensation of Kingma and Fakkema from \$350.00 per month to \$400.00 per month for each, effective January 1, 2004.

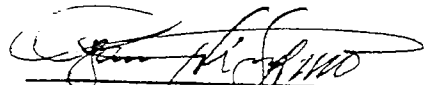
The reason for the increase in compensation is due to the cost increase over the twelve year period since the previous increase. Due to the increased cost of living and the cost of providing their respective services the Directors of the Company unanimously agree that such an increase is necessary.


Entered into this 15 day of December, 2003.

CROSSWOODS WATER COMPANY, INC.



Ryan H. Kingma, President



Ryan H. Kingma


Robert P. Fakkema

Promissory Note

\$ 10,000.00

No. 1

Oak Harbor, Washington, June 11, 2010.

Five (5) years after date, without grace, for value received, I promise to pay to Ryan H. Kingma, or order, the sum of Ten Thousand Dollars, with interest thereon at the rate of 5.2 per cent, per annum from date hereof, payable in sixty (60) equal monthly payments, including interest. Principal and interest is payable at the office of Ryan H. Kingma or at such other location designated by him.

If this note shall be placed in the hands of an attorney for collection or if suit shall be brought to collect any of the principal or interest of this note, the Crosswoods Water Co., Inc., promises to pay a reasonable attorney's fee. Each maker of this note executes the same as a principal and not as a surety.

CROSSWOODS WATER CO., INC.


Robert P. Fakkema, Secretary

Promissory Note

\$ 10,000.00

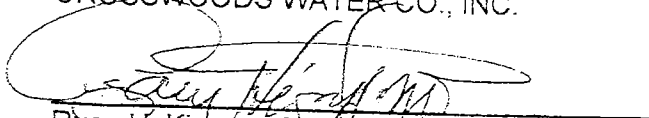
No. 2

Oak Harbor, Washington, June 11, 2010.

Five (5) years after date, without grace, for value received, I promise to pay to Robert P. Fakkema, or order, the sum of Ten Thousand Dollars, with interest thereon at the rate of 5.2 per cent, per annum from date hereof, payable in sixty (60) equal monthly payments, including interest. Principal and interest is payable at the office of Robert P. Fakkema or at such other location designated by him.

If this note shall be placed in the hands of an attorney for collection or if suit shall be brought to collect any of the principal or interest of this note, the Crosswoods Water Co., Inc., promises to pay a reasonable attorney's fee. Each maker of this note executes the same as a principal and not as a surety.

CROSSWOODS WATER CO., INC.


Ryan H. Kingma, President

Promissory Note

\$ 2,558.34

No. 3

Oak Harbor, Washington, July 26, 2010.

Five (5) years after date, without grace, for value received, I promise to pay to Ryan H. Kingma, or order, the sum of Two Thousand Five Hundred Fifty Eight and 34/100 Dollars, with interest thereon at the rate of 5.2 per cent, per annum from date hereof, payable in sixty (60) equal monthly payments, including interest. Principal and interest is payable at the office of Ryan H. Kingma or at such other location designated by him.

If this note shall be placed in the hands of an attorney for collection or if suit shall be brought to collect any of the principal or interest of this note, the Crosswoods Water Co., Inc., promises to pay a reasonable attorney's fee. Each maker of this note executes the same as a principal and not as a surety.

CROSSWOODS WATER CO., INC.

Promissory Note

\$ 2,558.33

No. 4

Oak Harbor, Washington, July 26, 2010.

Five (5) years after date, without grace, for value received, I promise to pay to Robert P. Fakkema, or order, the sum of Two Thousand Five Hundred Fifty Eight and 33/100 Dollars, with interest thereon at the rate of 5.2 per cent, per annum from date hereof, payable in sixty (60) equal monthly payments, including interest. Principal and interest is payable at the office of Robert P. Fakkema or at such other location designated by him.

If this note shall be placed in the hands of an attorney for collection or if suit shall be brought to collect any of the principal or interest of this note, the Crosswoods Water Co., Inc., promises to pay a reasonable attorney's fee. Each maker of this note executes the same as a principal and not as a surety.

CROSSWOODS WATER CO., INC.

RENTAL AGREEMENT

THIS AGREEMENT, entered into this 3rd day of December, 1998, by and between RYAN H. KINGMA, as Landlord, and CROSSWOODS WATER COMPANY, INC., as Tenant, is as follows:

WITNESSETH: That said Landlord does hereby rent and share to and with Tenant and Tenant does hereby hire and share from and with Landlord the following described premises:

That certain ancillary building located at 1170 SW 4th Ave., Oak Harbor, Washington,

For the term of one (1) year, running from and including January 1, 1999, up to and including December 31, 1999, for use in Tenants regular business of operating and managing a residential water company or such related business, subject to the terms and conditions of this agreement.

FACILITIES AND SERVICES INCLUDED

Landlord agrees to provide Tenant full use of the office space available to Landlord, consisting of approximately 360 square feet, together with all utilities, including heat, water, electricity, telephone, garbage collection, etc. Included therein are the normal office fixtures, i.e. desk, chairs, counters, etc., as is normally associated with the operation of the type of office providing the services described herein.

Tenant shall provide all necessary equipment needed for the operation of business by the Tenant. This equipment shall include, but not be limited to, computer(s), copy machine, computer data storage, etc.

AMOUNT OF RENTAL

Tenant agrees to pay Landlord at Landlord's office as rent for said premises and for facilities as described above the annual sum of Two Thousand Three Hundred (\$2,300) dollars, payable by December 15, 1999.

MAINTENANCE AND REPAIR OF PREMISES

Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the premises and fixtures described herein, provided that Landlord may replace fixtures with those of like value or better without Tenants approval.

DAMAGE BY FIRE

In the event the said premises shall be damaged by fire, flood, storm or other unavoidable cause, to an extent repairable within one hundred twenty (120) days from the date of such damage, Landlord shall forthwith proceed to repair such damage. During the period of repair Tenant's rent shall abate in whole or in part depending upon the extent said damage deprives Tenant from conducting his normal business. In the event Landlord is unable to repair such damage the agreement herein shall terminate as of the date of such damage.

Repairs referenced herein pertain to the premises and fixtures only and do not include property owned by the Tenant, i.e. computer(s), etc. All records, files, equipment, etc., owned by the Tenant is the responsibility of the Tenant and any damage caused thereto shall be remedied by the Tenant.

SIGNS

The Tenant shall be allowed one (1) sign, not to exceed 12" x 12" in size, displayed at a place mutually agreeable with Landlord. The sign shall be limited to wording only and shall be approved by Landlord.

TERMINATION BY REASON OF DEFAULT

In the event that either of the parties hereto fail to perform any agreement contained herein this agreement may be terminated, provided that the party wishing to terminate shall first give written notice to the other party allowing said other party thirty (30) days to correct said failure.

ASSIGNMENT

Tenant may not assign this agreement or any portion thereof without the specific written approval of Landlord.

RENEWAL OF AGREEMENT

This agreement shall be automatically renewed each year unless the party not wishing to renew informs the other party, in writing, a minimum of ninety (90) days prior to said renewal. In the event either party wishes to revise any portion of the agreement contained herein written notice specifying said revision must be sent to the other party at least sixty (60) days prior to renewal.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

RYAN H. KINGMA, LANDLORD

CROSSWOODS WATER COMPANY, INC.



Ryan H. Kingma



Robert P. Fakkema, Secretary

RENTAL AGREEMENT

THIS AGREEMENT, entered into this 3rd day of December, 1998, by and between ROBERT P. FAKKEMA, as Landlord, and CROSSWOODS WATER COMPANY, INC., as Tenant, is as follows:

WITNESSETH: That said Landlord does hereby rent and share to and with Tenant and Tenant does hereby hire and share from and with Landlord the following described premises:

That certain office space within the residence located at 2499 SW Pete's Lane, Oak Harbor, Washington,

For the term of one (1) year, running from and including January 1, 1999, up to and including December 31, 1999, for use in Tenants regular business of operating and managing a residential water company or such related business, subject to the terms and conditions of this agreement.

FACILITIES AND SERVICES INCLUDED

Landlord agrees to provide Tenant full use of the office space available to Landlord, consisting of approximately 300 square feet, together with all utilities, including heat, water, electricity, telephone, garbage collection, etc. Included therein are the normal office fixtures, i.e. desk, chairs, counters, etc., as is normally associated with the operation of the type of office providing the services described herein.

Tenant shall provide all necessary equipment needed for the operation of business by the Tenant. This equipment shall include, but not be limited to, computer(s), copy machine, computer data storage, etc.

AMOUNT OF RENTAL

Tenant agrees to pay Landlord at Landlord's office as rent for said premises and for facilities as described above the annual sum of Two Thousand Three Hundred (\$2,300) dollars, payable by December 15, 1999.

MAINTENANCE AND REPAIR OF PREMISES

Landlord shall, without expense to Tenant, maintain and make all necessary repairs to the premises and fixtures described herein, provided that Landlord may replace fixtures with those of like value or better without Tenants approval.

DAMAGE BY FIRE

In the event the said premises shall be damaged by fire, flood, storm or other unavoidable cause, to an extent repairable within one hundred twenty (120) days from the date of such damage, Landlord shall forthwith proceed to repair such damage. During the period of repair Tenant's rent shall abate in whole or in part depending upon the extent said damage deprives Tenant from conducting his normal business. In the event Landlord is unable to repair such damage the agreement herein shall terminate as of the date of such damage.

Repairs referenced herein pertain to the premises and fixtures only and do not include property owned by the Tenant, i.e. computer(s), etc. All records, files, equipment, etc., owned by the Tenant is the responsibility of the Tenant and any damage caused thereto shall be remedied by the Tenant.

SIGNS

The Tenant shall be allowed one (1) sign, not to exceed 12" x 12" in size, displayed at a place mutually agreeable with Landlord. The sign shall be limited to wording only and shall be approved by Landlord.

TERMINATION BY REASON OF DEFAULT

In the event that either of the parties hereto fail to perform any agreement contained herein this agreement may be terminated, provided that the party wishing to terminate shall first give written notice to the other party allowing said other party thirty (30) days to correct said failure.

ASSIGNMENT

Tenant may not assign this agreement or any portion thereof without the specific written approval of Landlord.

RENEWAL OF AGREEMENT

This agreement shall be automatically renewed each year unless the party not wishing to renew informs the other party, in writing, a minimum of ninety (90) days prior to said renewal. In the event either party wishes to revise any portion of the agreement contained herein written notice specifying said revision must be sent to the other party at least sixty (60) days prior to renewal.

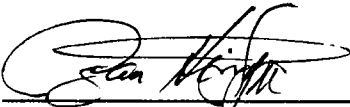
IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

ROBERT P FAKKEMA, LANDLORD

CROSSWOODS WATER COMPANY, INC.



Robert P. Fakkema



Ryan H. Kingma, President