

March 27, 2009

Dear Cristalina Customers,

Cristalina Water Company filed for approval from the Washington Utilities and Transportation commission to implement a monthly surcharge of \$32.00. The monthly surcharge will be used to finance mandatory improvements required by the Department of Health (DOH) and Safe Drinking Water Act, as well as a voluntary improvement of installing a back-up generator with an automatic switch. This would create additional annual revenue of \$33,024 that would be put in a separate account to cover Drinking Water State Revolving Fund DWSRF loan payments. If approved, the proposed surcharge will be effective on June 1, 2009. This surcharge will expire 20 years later on June 1, 2029.

The surcharge is being sought to fund the following Capital Improvements:

- Installation of individual water meters as required by Washington State.
- Installation of a hydro pneumatic booster pumping facility to provide adequate volume and pressure to all residents.
- Replacement of substandard water lines
- Increasing security of water supply
- A new on-site generator with backup power in the event of power outages.

These improvements are both mandatory to be in compliance with the DOH and Safe Drinking water requirements as well as the voluntary improvement of the backup generator that has been requested by customers, but is not required for water quality. We will also install individual water meters. The Surcharge will expire **June 1, 2029 or upon recovery of the \$555,000** loan principal, plus interest charges and state excise taxes, whichever occurs first. The Surcharge may be paid (within 90 days of effective date) in a one-time payment sum of \$6,607 per customer to save \$1,044 in interest cost.

There is never a good time to request a surcharge, and we realize that the state of the economy is difficult for some consumer households. This system has had minimal upgrades due to lack of funding. We have tried to secure funding in the past and were denied due to lack of payment from some customers. It looks like funding is going to finally happen this year, so we can complete the much needed capital improvements on our system, and you will be able to count on your water supply, which will improve your quality of life and help maintain your property values.

If you have any questions about the proposed filing and how it will affect you, please call Cristalina LLC at 360.296.7318.

If you would like to comment on this filing, be added to the commission's mailing list, or have questions about the ratemaking process, please use the contact information below. You may also comment in person at the commission's open meeting in Olympia at 9:30 a.m. on May 28, 2009, or by using the "Public Comment" feature at the commission's Web site, at <http://www.utc.wa.gov>. The commission is scheduled to make a decision at its open meeting on May 28, 2009. If you are unable to attend an open meeting in person, the commission has a bridge line which enables you to participate or listen by telephone. Call 360-664-1234 for instructions the day before the open meeting.

Washington Utilities and Transportation Commission  
Post Office Box 47250, Olympia, WA 98504-7250  
E-mail: <http://www.utc.wa.gov/comment>

Telephone: 1-888-333-WUTC (9882)

We ask for your understanding and support of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Maria Lindberg". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Maria Lindberg, Manager  
Cristalina LLC  
PO Box 2626  
Bellingham WA 98225  
360.296.7318