



PATTISON WATER COMPANY

PO Box 3374 Lacey, WA 98509-3374 ♦ (360) 412-1252

November 28, 2016

Dan and Patricia Oehlerich
5621 Lake Saint Clair Dr. SE
Olympia WA 98513

Re: Quotation for Extending Water Service to Your Lot.

Dear Mr. and Ms. Coleman

Over the years we have been asked to extend our water main beyond its current location to points north on Lake St Clair Drive SE, past the launching ramp and up to Ad-El Lane SE. We are aware that some homes are getting their domestic water from the lake, and others have excess amounts of iron and manganese in the water that they get from their private wells. Others have lots that are not large enough to accommodate both a well and a drain-field. Rarely have a group of home-owners expressed an interest where running the line could actually be financially feasible. Because you and your immediate neighbors are relatively close to our newer and much larger 8" main, we believe that we are in a position to offer you a reasonable package that will get water to one of your two front property corners.

We have measured the area, gotten quotes on pipe and other needed fittings and materials, and we are now ready to offer you and your neighbors a proposal. Here are some items that should be stated up front, so we each have an understanding of what to expect:

- 1: Understand that the project works financially because a group of you have expressed an interest in getting water service from Pattison Water Co. The fewer of you that accept the proposal will make the cost more, for those that agree to have the line run. In other words, running an 8-inch water main is a fixed cost, so the more that sign on, the lower the cost per participant.
- 2: If say 4 or 5 of you agree to have the line run, and the line runs past the front of a property that does *not* sign on to the original agreement, there will be a "Late-Comer's" clause that will stipulate that if any time in the next ten years, that lot hooks on to the water main, then a pro-rated share of the cost of the line will be refunded to the original signers of the agreement.
- 3: Pattison Water Company will realize some benefit to having the line extended to the intersection of Lake Saint Clair Drive and Peninsula Drive, as we wish to install a looped feed to our older line on the west side of the road just south of the intersection. As such we are willing to pay for 60% of the line extension cost. Those of you that sign on to a line extension would be asked to contribute the other 40% of the cost of the line.
- 4: This proposal brings water to one of two property corners on the road side of your lot. It will be up to you to run the private service line from the company meter to your home or to another location of your choosing. *If you intend to keep your well for irrigation purposes*, we will require that a back-flow assembly be installed directly after the meter, to prevent the unintentional backflow of your well's water into the company's water main. We can install that for you for \$350.00 plus tax
- 5: The new main that will be serving your home will run at a relatively high pressure: (approximately 100psi). We will install (at our expense) an adjustable *pressure reducer valve* at the meter as part of the

cost of your water hook-up. It will be your responsibility to repair, replace and maintain the valve after the initial installation.

6. We estimate that the total cost of the water main extension including tax will be \$40,552.23. As stated above, the water company is proposing to pay for 60% of this cost. Your cost collectively would be \$16,220.09. This amount, divided by the number of you that initially decide to sign an agreement, would cover the cost of the main extension. Per Pattison Water Co. Inc. Tariff filed with the state Utilities and Transportation Commission, we also charge a \$656.00 hook-up charge and a \$1,200.00 Facilities Charge to all new connections. Here would be the breakdown of cost if there were six initial participants. Cost per home:

| | |
|-------------------|--------------------|
| Main Extension: | \$ 2,703.48 |
| Facilities Charge | \$ 1,200.00 |
| Hook-Up Charge | <u>\$ 656.00</u> |
| Total Cost | \$ 4,559.48 |

As stated above, if you wish to retain your current well for irrigation, a backflow assembly acceptable to the water company must be in place prior to connection to prevent un-intentional backflow. We will not be running private service lines from the meter to your home. You may install that line yourself, or have a contractor install it for you.

7. Prior to construction of the line we would need a signed contract from each participant, and the full payment of the main extension cost, (pro-rated based on the number of participants). If some of you elected to hook-on at a later date, the hook-up and facilities charge could be paid at the time you are ready to hook on.

8. We understand that this is a lot of money to pay at one time. Infrastructure expansion is expensive. We have tried to lower the cost with a substantial subsidy on our part. You will not find too many water utilities that would subsidize a line to this level. Likewise, our combined hook-up and facilities charge of \$1,856.00 compares favorably to Yelm's at \$6,400.00 or Lacey's at \$7,274.00 or the Thurston PUD's rate of \$3,730.00. These figures do not of course reflect the cost of a main extension.

9. Finally, a word about our water and our service. Our water has *very* low levels of iron and manganese. We believe that the flavor is good, but that's rather subjective; you can check with your neighbors on that one. We have been adding chlorine to our water since 1999. On very rare occasions we shut a water main down to do a repair, but in general, you will have water every day of the year even during power outages due to over 500,000 gallons of elevated reservoirs, a network of seven wells and an emergency generator that kicks on when the power goes out. Our water rates are among the lowest in the county. Winter bills for our customers average about \$24.00 per customer per month.

10. If you and your neighbors agree to move forward with an agreement, we will have a contract drawn up that will need to be signed and notarized by all parties. It will then be sent to the Utilities and Transportation Commission for their review. Their review takes one month. We will be doing the construction ourselves, and we prefer to work when there is sufficient light and a lack of mud. The earliest that we would expect to break ground would be around mid-March.

I would be happy to meet with you individually or with you and your neighbors as a group if you have any further questions regarding this proposal. I can be reached at my office at (360) 412-1252 or by email at: office@pattisonwater.com

Very truly yours,

James S. Casebolt
President