

April 15, 2005

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

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Re: Transfer of water systems from Gamble Bay Water Inc.

Dear Secretary;

Gamble Bay Water Inc. is asking the WUTC Commissioners to approve the transfers UW-050515 and UW-050504 as per filing for the following reasons:

Gamble Bay Water Inc. previous owners Bill and Cindy Randles had received a loan from the State Revolving Fund for \$380,000 with only a facility charge of \$ 2600.00 approved for the loan repayment.

In 2004 GBW did not receive enough hookups, so was unable to meet the October 2004 loan payment of \$33,000, which makes the company currently in default.

Washington Water Service has agreed and been approved to assume this loan and bring the loan current.

If the transfer is not approved or delayed for any reason this agreement is in jeopardy and the State will have to take necessary action.

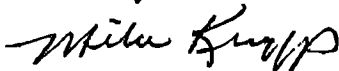
The current owners of Gamble Bay Water do not have the funds available or the means necessary to correct the mistakes and bad business decisions of the pervious owners. We had this situation forced upon after the pervious owners filed for bankruptcy in Oregon. We have been unable to find a buyer for the company as a whole and have worked for over a year to find responsible companies to continue operations.

If these filings can not be approved or need to be suspended, Gamble Bay Water Inc. will file for Chapter 7 Bankruptcy immediately.

We as owners do not feel this would be the best approach for our customers or all other parties involved.

If you have any questions, please call the office at 360-779-1515.

Sincerely



Mike Knapp
Gamble Bay Water, Inc.