



August 2, 2001

Carole Washburn, Executive Secretary  
Washington Utilities & Transportation Commission  
1300 S Evergreen Park Drive SW  
PO Box 47250  
Olympia, Washington 98504-7250

Subject: Distribution of Funds  
Capital Improvement, CIAC Account

The purpose of this letter is to request distribution of funds from the Capital Improvement, CIAC Account established using proceeds from the sale of assets to Peninsula Light Company as ordered by the Commission in Docket UW-010417. Please see enclosed copy of the letter from First Community Bank confirming our compliance with this order.

As requested by my attorney in a letter dated July 6, 2001, American Water Resources Inc. (AWRI) again requests permission to pay the costs of the corrosion control project with disbursements from the reserve account established by AWRI in compliance with Commission order. The total cost of the corrosion control project, as set forth in my attorney's prior letter, and the documentation submitted in support of the surcharge extension filing in Docket UW-010866 is \$40,000.06. These funds would be expended in 4 separate checks as follows:

Project costs – VR Fox Company	\$ 28,569.24
Project engineering – Hatton, Godat & Pantier	10,661.82
Legal fees – Richard A Finnigan	209.00
Accounting fees – Lewis County Tax & Bookkeeping	<u>560.00</u>
Total	40,000.06

To the extent that general or other funds have already been expended during this interim period to pay these items, the company requests permission to reimburse the other funds for the amounts listed above.

Also requested by my attorney in his July 6 letter, was permission to pay the costs of the Crescent Park improvement project with disbursement from this account. It is my understanding that the project must be complete before disbursements would be permitted. It is anticipated that construction of the project will be completed by August 15, 2001. We will request distribution of funds upon completion of construction when final billings are received.

We have however received an invoice for the cross connection control software, which was requested in the surcharge filing as part of the cost of the Crescent Park improvement project. I am enclosing a copy of the invoice for this program and request permission to disburse funds from the Capital Improvement, CIAC account to pay for this software. The total cost of the software is \$1,100.00, which is less than that which was quoted to us at the time the surcharge filing was prepared.

*RMS*  
**Hard Copy**

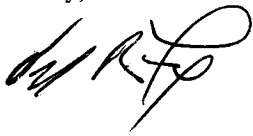
Request for disbursement  
Capital Improvement CIAC Account  
8/2/01  
Page 2 of 2

Upon approval to disburse funds from the Capital Improvement CIAC Account for the above noted projects, the total surcharge extension amounts under UW-010866 will be reduced on a dollar-for-dollar basis. Updated workpapers and revised tariff pages will then be submitted to reflect the change.

In view of the fact that our original request for disbursement of funds from this account was made in a letter to the Commission dated July 6, 2001, I am requesting expedited treatment of this request. If you should need further documentation please contact my staff immediately and it will be sent to you without delay.

Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Virgil R. Fox". The signature is fluid and cursive, with the first name being the most prominent.

Virgil R. Fox  
President

Enclosures

cc: Jim Ward  
Gene Eckhardt  
Richard Finnigan  
Julia Parker



Lacey Branch  
(360) 456-0880

5th & Franklin  
Branch  
(360) 352-2500

Panorama City  
Branch  
(360) 413-3891

Tumwater Branch  
(360) 754-6000

Yelm Branch  
(360) 458-2265

Grays Harbor  
313 W. Waldrip  
Elma, WA 98541

Elma Branch  
(360) 482-3333

Aberdeen Branch  
(360) 533-4500

Hogium Branch  
(360) 533-0903

Montesano Branch  
(360) 249-5233

Pierce County  
1902 64th Ave. W  
Fircrest, WA 98466

Fircrest Branch  
(253) 564-3780

Eatonville Branch  
(360) 832-7200

Puyallup Branch  
(253) 885-8600

Lewis County  
1280 S. Gold St.  
Centralia, WA 98531

Centralia Branch  
(360) 330-1500

Toledo Branch  
(360) 864-6102

Winlock Branch  
(360) 785-3553

FCB Financial  
Services, Inc.  
1-888-498-3347  
(360) 705-4880

Mortgage  
P.O. Box 1367  
Olympia, WA 98507  
(360) 413-6630  
1-800-622-3518

Member FDIC



EQUAL HOUSING

July 31, 2001

Jim Ward  
Utility Transportation Commission

Re: American Water Capital Improvement C.I.A.C.  
921 B Middle Fork Road, Onalaska, Wa 98570

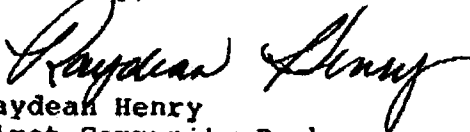
Dear Mr. Ward:

Virgil Fox opened a new account on July 11, 2001, in the name of American Water Capital Improvement C.I.A.C. with a deposit of \$110,856.00. As of this date July 31, 2001 the current balance is the same as the opening deposit, \$110,856.00. There are no restrictions on the account.

This is confirmation of our phone call today.

If you have any questions please give me call at First Community Bank, Centralia Office, 360 330 8079.

Sincerely,

  
Raydean Henry  
First Community Bank

cc: Virgil R Fox

Fax #: 360 586 1130

# Invoice



**BACKFLOW MANAGEMENT INC.**

P.O. BOX 783  
GRESHAM, OR 97030  
(503) 255-1619  
(800) 841-7689

Backflow Management Inc.

DATE	INVOICE #
7/18/2001	1553

**BILL TO**

American Water Resources  
921 B. Middle Fork Rd.  
Onalaska, WA 98570

P.O. NUMBER	TERMS	PROJECT
849	30 days	

QUANTITY	DESCRIPTION	RATE	AMOUNT
1	Cross Track II Software, Version 3.1	1,100.00	1,100.00

**TOTAL \$1,100.00**