

H & R WATERWORKS, INC.

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June 24, 2005

Mr. Gene Eckhardt Assistant Director WUTC PO Box 47250 Olympia, WA 98504-7250

RE: Trident Utilities Transfer

UW - 050937

Dear Mr. Eckhardt:

In response to a request from staff, our company is providing this letter to state its intentions in regard to funding necessary to complete DOH mandated improvements to public water supply systems previously owned by Trident Utilities LLC.

As you know, one such system, the Deschutes Village public water supply system (PWSID# 19035) has been under a boil water advisory since late last year and currently has a DOH compliance order in effect to require construction of certain improvements which will restore operational integrity to this system. Our company has estimated that it will take \$25,000 in funds to bring the system up to standard and correct the issues identified. Our company affiliate, HCD, will construct these improvements.

The source of funds will evolve from internally generated funds and other owner equity funds. We will seek recovery through a general rate case.

H&R WATERWORKS, INC.

Stephen L. Harrington, President

cc: Mr. Jîm Ward