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Washington Utilities and Transportation Commission (WUTC):

Chairperson, Ann Levinson
Commisioner, Dick Hemstad
Commisioner, Bill Gillis
Attorney, Mary Tennyson
Manager of Consumer Affairs, Vicki Elliot
Assistant Director, Gene Eckhart
Commisioners Assistant, Rachel Porter

Dear WUTC Members:

As homeowners on Ketron Island, we respectfully request that the Washington Utilities and Transportation Commission (hereinafter "UTC") hold a hearing on the sale of the water utility system on Ketron Island. On July 29, 1998 the Trustee for the Federal Bankruptcy Court will sell the previous utility, "Ketron Island Utility Co., Inc." to "Island Water". Mary Tennyson, legal counsel for the UTC, has determined that a hearing is not required because the sale is not voluntary, but will occur as the result of bankruptcy proceeedings. Although a hearing may not be required, the following factors compell a hearing by the UTC pursuant to the mission of this regulatory agency.

"Island Water", the corporation which will purchase "Ketron Island Utility Co., Inc.", formerly did business as "Ketron Island Utility Co., Inc.". With a simple change of name, this corporation will be allowed to eliminate its debt and repurchase the water utility system at a minimal price. In fact, this corporation, under the leadership of Charles Fain, has a history of forming corporations which all lead to bankruptcy due to poor management and healthcode violatiaons. The following corporations have all become bankrupt due to poor management: "Aquatic Ventures", "Ultimate Fisherman", "Marinantha Mining", "SUJO", "Puget Sound Escrow", and "Viking Real Estate". More specifically, "Ketron Island Utility Co., Inc." was shut down for running raw sewage into the ocean during the several year period that the corporation managed the water utility system on Ketron Island.

In an effort to prevent future mismanagement of the water utility system, we, the homeowners of Ketron Island, have requested the assistance of the Bankruptcy Court by speaking with the bankruptcy Trustee. Unfortunately, the Trustee's job is narrowly focused on selling the water utility system as quickly as possible in order to obtain compensation for creditors who have been harmed by "Ketron Island Utility Co., Inc." fiscal mismanagement. For that reason, the Trustee has referred us to you (the UTC) the governmental agency responsible for regulating water utility systems and maintaining public confidence in the health and welfare of the citizens of Ketron Island.

"Island Water" under the guise of "Ketron Island Utility Co., Inc." has purchased the water utility system on Ketron Island and mismanaged that system to the point of bankruptcy - in part caused by healthcode violations. Certainly, the UTC has an interest and a duty as the regulatory commission for water utility companies in insuring that the citizens of Ketron Island do not have to suffer once again at the hands of an unqualified utility company. All we ask is that a fair hearing be held so that the UTC can determine if "Island Water" is qualified to manage the water utility system on Ketron Island.

Your assistance is greatly appreciated.



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Member---Ketron Island Homeowners Association
Member--- Ketron Island Water