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January 24, 2022

Amanda Maxwell, Executive Director and Secretary  
Utilities and Transportation Commission  
621 Woodland Square Loop SE  
P.O. Box 47250  
Olympia, WA 98503

*RE:* Queen Anne Water Works, LLC., Docket UW-171034

Dear Ms. Maxwell:

Queen Anne Water Works, LLC., (Queen Anne) is a 14-user water system. On October 9, 2017 they were issued a tariff to be effective November 15, 2017. The effective date was put on hold due to Court proceedings that have now been concluded. Queen Anne would like the tariff activated.

## GENERAL HISTORY OF EVENTS:

In 2017, Queen Anne was being sued by four (4) customers and the customers asked the commission for a delay in going ahead with the tariff due to possible rulings of the Court. The monthly rate for water was \$47.00. The commission granted the customer's request. The Court ruled in the customers' favor (plaintiffs) in 2018; the customers used the Court's ruling to reduce their monthly usage rate from \$47.00 to \$37.00 monthly. This was improper because the defendants had appealed the case, however, Queen Anne did not pursue this reduction in court. A short time line is set out:

1. A lawsuit was filed by 4 users objecting to the raised rates, assessments and other provisions concerning late payments, etc. in 2013.

2. In 2015, all water rates were raised from \$42.00 - \$47.00.
3. All users paid the \$47.00 rate except the 3 plaintiffs in the lawsuit. (one plaintiff passed).
4. In 2018 plaintiffs won the lawsuit in Superior Court, they instructed all the users they no longer had to pay the \$47.00 and only had to pay \$37.00 per month pursuant to the Court's decision. Defendant, Queen Anne, appealed the case but did not go back to Court to enforce the continued payment of \$47.00 per month when the case was on appeal. The Superior Court's decision is not effective during an appeal.
5. In 2021 the Appellate Court reversed the Superior Court decision, and remanded the case to the Superior Court for enforcement of the CR2A Agreement signed by Queen Anne in 2016.

Queen Anne prevailed on appeal, reversing the trial Court's opinion. Queen Anne gave notice in October 2021 to the users that they were starting the \$47.00 monthly rate January 1, 2022 as that was the last approved rate under their contractual obligations. Queen Anne also wants their tariff activated. Queen Anne has been asked to bring up to date their present situation and the affect of the Court's ruling from the defendants' (Queen Anne's) appeal.

The Appellate Court reversed the trial court's decision making it invalid. The appellate court ruled, "(W)e remand to enforce the CR2A agreement that was placed on the record before the trial court." The plaintiffs proposed the CR2A agreement in 2016, Queen Anne signed the agreement before the trial and the plaintiffs then refused to sign the agreement and to date haven't taken action to sign the same. Presently there are only two plaintiffs from the initial lawsuit who have property and a water hookup. One user passed, and the second user sold her two properties, one which has a water hookup. The CR2A agreement provided the plaintiffs (2 users in the law suit) would pay \$42.00 per month and the parties would meet to see if they should pay \$47.00 per month. All the other users were paying \$47.00 per month, and this part of the agreement did not affect the other users.

The Appellant Court remanded the case to the Superior Court to complete the process of signing the agreement. The parties have not been to court and plaintiffs have not signed the agreement. Queen Anne does not see any significant difference whether the plaintiffs sign the agreement or not as far as enacting the tariff. If the agreement was signed it would then require all the users to agree for the changes to take place as it affects everyone's

contract. There are other parts of the agreement that do not bear on water rates (e.g., more protection for user if late in payments). Queen Anne and users do have the same underlying documents that set forth their respective rights and duties in the operation of the water system and property covenants. The water rates are restored to \$47.00 as it was at the time of in Queen Anne's application for a tariff in 2017.

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RESPONSE TO COMMISSION ORDER OF December 16, 2019.

I reviewed the Commissions Staff's Motion requesting a Status Memorandum pursuant to WAC 480-110-225(2) which I received from Drew Noble I believe. I am not sure I received the December 16, 2019 Order. I apologize for not responding timely.

It seems I might have talked with someone concerning the issues raised, but we had timely filed an appeal the Superior Court Judgment, which meant to me that nothing had changed in the operation and management of Queen Anne. I thought I had informed the Commission that an appeal had been taken.

In answering the questions proposed in the Order (2) (a), (b), (c), pg 5, Queen Anne submits the following information:

(a) A receiver was never appointed. Queen Anne timely appealed the Superior Court Judgment so there were no judgments, decisions or orders that Queen Anne was responsible for in doing business while the case was on appeal.

(b) A receiver was never appointed and there would be no effect on Queen Anne's filed tariff.

(c) It seems the Commission should retain jurisdiction over Queen Anne as there has been no Order dismissing the tariff to my knowledge and Queen Anne has not withdraw their tariff.

In summary, the essence of the Order request involves whether a receiver would be appointed and its affect on the status of Queen Anne under receivership. As a result of the decision of the Appellate Court that question is moot. Queen Anne would like to move ahead with their tariff.

Amanda Maxwell  
Letter, page 4  
January 28, 2022

Queen Anne Water Works, LLC. respectfully request that they be granted a tariff as proposed in November 2017.

Yours truly,

THE GEISNESS LAW FIRM

THOMAS M. GEISNESS

Cc: Harry Fukamo  
Jim Ward  
Queen Anne Water Works LLC.