



Investigation Report

Washington Water Supply, Inc.

UW-140598

Darren Tinnerstet
Compliance Investigations
April 2014

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PURPOSE, SCOPE, AND AUTHORITY

Purpose

The purpose of this investigation is to determine whether Washington Water Supply, Inc. (Washington Water) has violated commission rules by failing to file an application for transfer of property as required by WAC 480-143-120, and failure to file a revision to its tariff within thirty days of its acquisition of a new service area, as required by WAC 480-110-433.

Scope

The scope of this investigation includes a summary of technical assistance provided by staff, and information obtained from the company and the Department of Health's Office of Drinking Water.

Authority

Staff undertakes this investigation pursuant to the authority granted by the Revised Code of Washington (RCW) 80.01.040, which directs the commission to regulate water companies in the public interest. In addition, RCW 80.04.070 grants the commission specific authority to conduct such an investigation.

Staff

Darren Tinnerstet, Compliance Investigator
(360) 664-1108
dtinnerstet@utc.wa.gov

EXECUTIVE SUMMARY

On July 5, 2013, Consumer Protection staff received a complaint from a Washington Water Supply customer served by the Silent Sky water system near Seabeck, WA. The customer stated that she is billed by Washington Water Supply, Inc. Consumer Protection staff confirmed that the Silent Sky water system was not listed in the company's tariff on file with the commission, and referred the matter to Compliance Investigations staff.

Compliance Investigation staff discovered that Washington Water Supply was also operating another water system, Bainbridge 1, which was not listed in the company's tariff. Both water systems, Silent Sky and Bainbridge 1, were disclosed to staff during this investigation by the owner of Washington Water Supply.

The commission regulates water companies under RCW 80.28. Water companies under the commission's jurisdiction are subject to RCW 80.12 and WAC 480-143, concerning transfers of property, and WAC 480-110 concerning water company operations.

Staff found that the company is in violation of rules and laws enforced by the commission, as follows:

- Failure to apply for, and receive commission approval prior to completing a transfer of property necessary or useful for the company to perform its public duties, as required by WAC 480-143-120.
- Failure to file revisions to its filed tariff within thirty days of its acquisition of a new service area, as required by WAC 480-110-433.

Recommendation

Staff recommends the commission issue a penalty assessment of \$100 per day for 116 days in which the company was aware that it was required to file an application for transfer of property and a tariff revision, but failed to do so, for a total of \$11,600.

BACKGROUND

Company Information

Washington Water Supply, Inc. was incorporated on Sept. 5, 1991, as a profit corporation governed by John Poppe.¹ The company operates eleven water systems in King, Kitsap and Clallam counties, with a total of 140 approved connections. The company has been regulated by the commission since 1993.

Revenue for Washington Water Supply, Inc., as reflected in annual reports filed with the commission over the past three years is as follows:

Reporting Year	Date Filed	Revenue
2012	May 3, 2013	\$108,252
2011	April 30, 2012	\$125,198
2010	April 28, 2011	\$119,962

Investigation

On July 5, 2013, Consumer Protection staff received a complaint from a Washington Water Supply customer served by the Silent Sky water system near Seabeck, WA. The customer stated that she is billed by Washington Water Supply, Inc. Consumer Protection staff confirmed that the Silent Sky water system was not listed in the company's tariff on file with the commission, and referred the matter to Compliance Investigations staff.

On July 26, 2013, Compliance Investigations staff sent a letter and a jurisdictional survey to John Poppe, owner of Washington Water, to obtain information about the water system.² The company was required to respond by Aug. 2, 2013.

On Aug. 9, 2013, Compliance Investigations staff received a response from Mr. Poppe, confirming that Washington Water Supply, Inc. owns the Silent Sky water system, and charges its users a flat rate of \$15 per month for water service.³

On Aug. 19, 2013, Compliance Investigations staff sent a letter to Mr. Poppe, notifying him that WAC 480-110-433 requires a water company to file revisions to its filed tariff within thirty days of its acquisition of a new service area. The letter instructed Mr. Poppe to contact Regulatory Analyst Jim Ward for assistance with the tariff-filing process no later than Aug. 26, 2013.⁴ The letter stated that failure to initiate the tariff filing process by that date would result in enforcement action, which may include monetary penalties.

On Sept. 5, 2013, Mr. Ward received a letter from Mr. Poppe, including a list of the water systems currently owned and operated by Washington Water Supply. The list included two systems that are not in the company's current tariff (Bainbridge 1 and Silent Sky), and omitted a

¹ See Attachment A, Washington Secretary of State Corporation Record for Washington Water Supply, Inc.

² See Attachment B, July 26, 2013 letter to John Poppe from Sharon Wallace

³ See Attachment C, Aug. 2, 2013 letter from John Poppe to Sharon Wallace

⁴ See Attachment D, Aug. 19, 2013 compliance letter to John Poppe from Sharon Wallace

system that is currently in the company's tariff (Whidbey West).⁵ This letter did not constitute a regulatory filing.

On Sept. 6, 2013, Mr. Ward sent Mr. Poppe an email advising him that his company has failed to provide notice to the commission or its customers of the transfer of ownership. Mr. Poppe responded, stating that Washington Water Supply, Inc. wants to comply with commission rules, and asking what his options were. Mr. Ward advised that the company needs to file an application for sale and transfer, submit customer notices for commission review, and update the company's service area in its tariff.⁶ He provided Mr. Poppe with a sample application for transfer of property.

On Dec. 17, 2013, staff emailed John Poppe requesting information related to the company's acquisition of Silent Sky and Bainbridge 1. Staff did not receive a response.

On Dec. 20, 2013, Mr. Poppe called Jim Ward and requested that he re-send him the sample transfer application. Mr. Poppe stated that his company is currently "downsizing," and that he plans to sell more systems. He indicated that he preferred to wait until that process is complete before filing changes to his tariff.

As of Dec. 31, 2013, Washington Water Supply had not filed an application for sale and transfer, submitted customer notices, or filed a tariff revision to update its service area.

⁵ See Attachment E, Sept. 5, 2013 letter from John Poppe to Jim Ward

⁶ See Attachment F, Sept. 6, 2013 email correspondence between John Poppe and Jim Ward

INVESTIGATION

According to Department of Health records, Silent Sky is classified as a Group B Water System, with an identification number of 17721 D. The water system serves six customers in Seabeck, WA in Kitsap County. Bainbridge 1 is also classified as a Group B Water System, with an identification number of 95625 F. This system serves eight customers in Kitsap County. Both systems are owned and operated by Washington Water Supply, Inc.⁷

The Department of Health's Office of Drinking of Water does not maintain records of changes of ownership of Group B water systems, and does not have any record of either Silent Sky or Bainbridge 1 changing ownership.

Whidbey West Water System is classified as a Group A Water System, with an identification number of 36314. The system serves 176 customers on Whidbey Island, in Island County. The company acquired the system in 1994. The company's application for transfer of property was approved by the commission on Oct. 26, 1994, in Docket # 930400.

According to Department of Health Records, Washington Water Supply, Inc. sold the system to Whidbey West Water Association (WWWA), a non-profit corporation, on Sept. 1, 2012.⁸

Discussion

The commission regulates water companies under RCW 80.28. Water companies under the commission's jurisdiction are subject to RCW 80.12 and WAC 480-143, concerning transfers of property.

WAC 480-143-120 states, "a public service company may not complete a transfer of property necessary or useful to perform its public duties unless the company first applies for, and obtains, commission approval. Transfers include sale, lease, assignment of all or part of a public service company's property, and merger or consolidation of a public service company's property with another public service company."

WAC 480-110-433 describes the requirements for adopted and initial tariffs. It states, "A water company must file revisions to its filed tariff within thirty days of its acquisition of new service area, whether by acquisition of another regulated water company or by acquiring one or more previously unregulated water systems." In this case, the company acquired two water systems, which were previously unregulated. Therefore, WAC 480-110-433(2) applies:

- (a) When a regulated water company acquires a nonregulated water company or water system, the acquiring water company must file a separate tariff page indicating the name of the newly acquired company or system with the rates and charges that were in existence before the acquisition.
- (b) If the acquired nonregulated company or water system was previously subject to commission jurisdiction, the acquiring water company must file a separate tariff page indicating the name of the newly acquired company or system with the rates and

⁷ See Attachment G, Washington State Department of Health, Office of Drinking Water records

⁸ See Attachment H, quit claim deed and bill of sale for Whidbey West Water system, dated Sept. 1, 2012

charges in effect for the acquired company at the time the acquired company was removed from regulation.

- (c) No other rates and charges may apply to the customers on the newly acquired system except those specifically shown on the new tariff page unless the company obtains the commission’s approval to charge a different rate.

Findings

As of Dec. 31, 2013, the company has failed to file either an application for a transfer of property, or revisions to its tariff.

Staff finds that the company violated WAC 480-143-120 by failing to file an application for transfer of property prior to its sale of the Whidbey West Water system in Sept. 2012. As of Dec. 31, 2013, the company has been in violation of WAC 480-143-120 for 456 days.

Staff also finds that the company violated WAC 480-110-433 by failing to revise its tariff within thirty days of its sale of the Whidbey West Water system, and its acquisition of Silent Sky and Bainbridge 1. Staff’s compliance letter of Aug. 19, 2013, provided an enforcement deadline of Aug. 26, 2013. The company complied with staff’s instructions to contact Regulatory Analyst Jim Ward by that date. Mr. Ward provided Mr. Poppe with instructions for filing a tariff revision and applying for a transfer of property. On Sept. 5, 2013, the commission received a letter from Mr. Poppe containing a list of systems currently owned by Washington Water Supply, Inc. This letter did not constitute a filing. On Sept. 6, 2013, Regulatory Services staff corresponded with the company, providing detailed information about the required filings.

As of Dec. 31, 2013, the company continued to own and operate two water systems that do not appear in its tariff. Using an enforcement deadline of Sept. 6, 2013, the company has been in violation of WAC 480-110-433 for 116 days as of Dec. 31, 2013.

System	Ownership change	Date	Filing due date	Enforcement Deadline	Violations of WAC 480-110-433 through Dec. 31, 2013
Silent Sky	Acquisition	Unknown	Unknown	Sept. 6, 2013	116
Bainbridge 1	Acquisition	Unknown	Unknown	Sept. 6, 2013	116
Whidbey West	Sale	Sept. 1, 2012	Oct. 1, 2012	Sept. 6, 2013	116

SUMMARY OF RECOMMENDATIONS

Revised Code of Washington (RCW) 80.04.405 authorizes the commission to assess penalties of \$100 for violations of commission rules. The commission also has the authority to assess penalties of up to \$1,000 per violation, per day following a formal complaint and hearing.⁹ Each violation is a separate and distinct offense and, in the case of a continuing violation, every day's continuance is a separate and distinct violation.

Staff typically recommends a "per violation" penalty against a regulated company where the violations result in serious customer harm; for repeat violations of a rule after a company receives technical assistance from staff; or for intentional violations of commission laws or rules. In this investigation, staff has documented 804 violations: 348 violations of WAC 480-110-433 and 456 violations of WAC 480-143-120, for a potential penalty of \$804,000.

In this case, staff recommends the commission issue a penalty assessment of \$100 per day, for each day the company was aware that it was required to file an application for transfer of property and a tariff revision, but failed to do so, for a total of \$11,600.

When considering an enforcement action, the commission considers the following ten factors. Staff believes the recommended penalties are supported by the commission's enforcement policy, as follows:

1. How serious or harmful the violation is to the public.

By failing to fulfill its regulatory duties, the company has denied its customers the benefits of regulatory scrutiny over its transfers of property, and assurances that the company's rates are fair and reasonable. Additionally, by failing to become regulated the company has also prevented customers from accessing the Utilities and Transportation Commission and utilizing their consumer complaint services.

2. Whether the violation is intentional.

Staff believes that the company knowingly violated commission rules, and intentionally neglected and continues to fail to correct the violations.

3. Whether the company self-reported the violation.

The company did not self-report the violation. In fact, the company allowed nearly a year to elapse without notifying the commission of its sale of the Whidbey West water system. Staff believes that the company would have continued to violate commission rules indefinitely had the commission not notified the company of the violations.

4. Whether the company was cooperative and responsive.

The company was initially responsive to staff's request for information, and continued to correspond with Regulatory Services staff throughout the course of the investigation. The

⁹ RCW 80.04.380 allows the commission to assess a penalty of up to \$1,000 for each violation after hearing.

company did not, however, follow staff's recommendations, and was not responsive to questions from Compliance Investigations staff.

5. Whether the company promptly corrected the violations and remedied the impacts.

The company acknowledged that the system list in its tariff was incorrect when it responded to staff's compliance letter on Sept. 5, 2013. However, despite receiving detailed instructions from staff, the company did not take action to remedy the situation. The company ignored staff's technical assistance, and has continued to knowingly violate commission rules for nearly seven months.

6. The number of violations and customers affected.

Staff has identified 804 violations of commission rules. The number of customers affected by these violations is 14. This is high number of violations for such a small customer base.

7. The likelihood of recurrence.

Staff believes that the company is likely to continue to violate commission rules governing transfers of property and tariff revisions. The company has told Regulatory Services staff that it is in the process of "downsizing," and intends to wait until that process is complete to fulfill its regulatory obligations. The regulatory requirements of WAC 480-110-433 clearly state that a water company must file a tariff revision within 30 days of an acquisition, and there is no language which allows this requirement to be optional or at the company's convenience. Additionally, the company's service area sheet in its tariff has not been updated since 2000. Staff believes that, absent enforcement action, the company could continue to postpone making the required filings indefinitely.

8. The company's past performance regarding compliance, violations, and penalties.

The company was previously investigated for failure to respond to consumer complaints. The commission sent the company compliance letters for violations of WAC 480-110-385 in 2005 and 2007. On July 20, 2013, the company was assessed a penalty of \$50 for filing a late 2012 annual report. The company has not been assessed any other penalties.

9. The size of the company.

Staff recognizes that the recommended penalty amount is significant, given the size of the company. The potential penalty, however, is much higher than what staff has recommended in this case. Staff has recommended a mitigated penalty, based solely on the number of days that the company has operated in violation of commission rules since it admitted to the violations. Staff believes that its recommendation is appropriate, given that the company continues to operate in violation of commission rules.

Attachment A

Corporations: Registration Detail

Page 1 of 1

Corporations Division - Registration Data Search

WASHINGTON WATER SUPPLY, INC.

[Purchase Documents for this Corporation »](#)

UBI Number	601339262
Category	REG
Profit/Nonprofit	Profit
Active/Inactive	Active
State Of Incorporation	WA
WA Filing Date	09/05/1991
Expiration Date	09/30/2014
Inactive Date	
Duration	Perpetual
Registered Agent Information	
Agent Name	SCOTT M ELLERBY
Address	9278 MORNINGSIDE DR NW
City	SILVERDALE
State	WA
ZIP	98383
Special Address Information	
Address	PO BOX 2985
City	SILVERDALE
State	WA
Zip	98383

Governing Persons

Title	Name	Address
President	POPPE , JOHN	SILVERDALE , WA

[Purchase Documents for this Corporation »](#)

Attachment B



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

July 26, 2013

John Poppe
Silent Sky
P.O. Box 2985
Silverdale, WA 98383

Washington Water Supply, Inc.
12608 E. Marginal Way S.
Seattle, WA 98168

RE: Water System Questionnaire

Dear Mr. Poppe:

The Washington Utilities and Transportation Commission has received information that you operate a water system near Seabeck, WA, that may fall under commission jurisdiction.

Name: Silent Sky
DOH Water System ID: 17721

To help us determine your jurisdictional status, please complete and return the enclosed questionnaire.

You must return the questionnaire **no later than Aug. 2, 2013**. Failure to do so will result in enforcement action. If you have any questions, please contact Jim Ward at (360) 664-1250 or jward@utc.wa.gov

Sincerely,


Sharon Wallace, Assistant Director
Consumer Protection and Communications

Attachment C



WASHINGTON WATER SUPPLY, INC

"Water Supply and Distribution"

August 2, 2013

Sharon Wallace

Washington Utilities and Transportation Commission

PO Box 47250

Olympia. WA 98504-7250

RECEIVED
AUG 09 2013
WASH. UT. & TP. COMM

Dear Ms. Wallace,

July 26, 2013 you composed a letter to Washington Water Supply, Inc. requesting information about the Silent Sky Water System near Seabeck, WA.

July 29, 2013 the letter was postmarked

August 1, 2013 we received the letter at two locations

As you requested, please find the "WATER SYSTEM QUESTIONNAIRE" completed. Please contact Washington Water Supply, Inc. if we can answer any other questions.

Respectfully,

A handwritten signature in black ink that reads "John Poppe". The signature is written in a cursive, flowing style.

John Poppe

Washington Water Supply, Inc.

**P.O. BOX 2985 SILVERDALE, WA 98383
(360) 308-8330**

Silent Sky
ID: 17721

WATER SYSTEM QUESTIONNAIRE

The following assumes that the water systems are in operation and serving one or more customers. If a question is not applicable, so state. Add any information you feel will help provide a better understanding of the situation.

1. For each water system owned, operated or controlled by you or the utility, please list by Washington State Department of Health ID # each water system and whether you own, operate or control the water system. OWN

2. Is (are) the water system(s) owned, operated and controlled by a proprietorship (individual), partnership or corporation? Corporation

3. Are the water system(s) owned, operated or controlled by a homeowner's association, cooperative, mutual corporation or similar entity? Not Applicable
 - a. Must all customers also be members?

 - b. Is there any language in the articles of incorporation or the bylaws that would indicate any intention to dedicate the property to public use?

4. If owner is a nonprofit organization, registered with the office of the Washington Secretary of State, please provide full name, address and registration number (UBI#). Not Applicable

5. For each water system owned, operated, or controlled by you, is control exercised directly by the owner or owners of the utility? OWNER

6. Does the utility reserve the right to serve particular individuals of its own choice? NO

7. How many customers of each system actually receive water or whose application to receive water has been accepted by the utility? NONE

Are all customers listed above using water and have houses on the property? (Yes) No
What number of customers actually uses water? 6

8. For each water system, please list the maximum number of connections allowed by Department of Health or other government agency. 6

9. Does the utility have any service applications that it cannot connect at this time? NO

10. What are the rates/charges for each system? (If multiple rates/systems use additional sheets)

Monthly Flat Rate \$ 15.00 (No meter) Number of Customers _____
Monthly Meter Basic Rate \$ _____ Number of Customers _____

Water Allowance with basic charge _____ (gallons/cubic feet)

Usage Block _____ (gallons/cubic feet) Rate \$ _____ per _____ (gallons/cubic feet)

Usage Block _____ (gallons/cubic feet) Rate \$ _____ per _____ (gallons/cubic feet)

Usage Block _____ (gallons/cubic feet) Rate \$ _____ per _____ (gallons/cubic feet)

Billing Frequency: Monthly X Bi-monthly _____ Other: _____

Irrigation Services: Rate \$ _____ Monthly _____ Bi-monthly _____ Other: _____

Any larger than normal size meters? No If so what size(s)? _____

Ancillary Charges: Service connection charge (new customer)	\$ _____
Reconnection charge (customer caused disconnection)	\$ _____
Account Set Up charge (new customer, not a new connection)	\$ _____
Other charge(s) _____	\$ _____
Other charge(s) _____	\$ _____
Other charge(s) _____	\$ _____

11. What is the average yearly revenue per customer for each water system? \$ 180

What is the average monthly water consumption per customer for each water system?
186 Gallons Is this Gallons or Cubic feet?

12. If any of the water systems serve only a subdivision in which it has an interest or with which it is associated, is there a covenant in the land contract or deed obligating the utility to provide water for each lot or purchaser of each lot?

NO

13. Under what name(s) is the system(s) or utility being operated?
Silent SKY ID: 17721

14. Does the water company own all the assets used to provide water service?
YES

15. Please provide a contact phone number and e-mail address if the Commission has additional questions.
360-308-8330

Signature John Poppe Date August 2, 2013
John Poppe

Attachment D



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

Aug. 19, 2013

John Poppe
Washington Water Supply, Inc.
12608 E. Marginal Way S.
Seattle, WA 98168

RE: Water System Jurisdiction

Dear Mr. Poppe:

Thank you for providing information about your water system, Silent Sky (DOH ID #17721). Based on your responses to the commission's questionnaire, it appears that you own and operate a water system that is not included in your company's tariff, WN U-2.

WAC 480-110-433 states that a water company must file revisions to its filed tariff within thirty days of its acquisition of new service area. WAC 480-110-433(2)(a) states that when a regulated water company acquires a non-regulated water company or water system, the acquiring water company must file a separate tariff page indicating the name of the newly acquired company or system with the rates and charges that were in existence before the acquisition.

For assistance with the tariff filing process, please contact Jim Ward at (360) 664-1250 or jward@utc.wa.gov **no later than Aug. 26, 2013**. Failure to initiate the tariff filing process by this date will result in enforcement action, which may include monetary penalties.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sharon Wallace".

Sharon Wallace, Assistant Director
Consumer Protection and Communications

Attachment E



WASHINGTON WATER SUPPLY, INC

"Water Supply and Distribution"

September 1, 2013

Jim Ward

Utilities and Transportation Commission

PO Box 47250

Olympia, WA 98504-7250

RECEIVED

SEP 05 2013

WASH. UT. & TR. COMM

Dear Mr. Ward,

The following summarizes the water systems that Washington Water Supply, Inc. currently owns and operates:

Crystal Creek	474214
Bainbridge 1	95625F
Deer Trail	314549
Echo Glen	27510D
Hinkley Hills	30406P
Maple Haven	51150M
MPVK	473128
Noll Rd	367730
Salmon Drive	028340
Silent Sky	17721D
Wolf	304014

Since Washington Water Supply, Inc. made a mistake and did not notify the UTC of our Silent Sky Water System, it is a good time to compare notes and make any necessary Tariff changes at one time.

Respectfully,

John Poppe
Washington Water Supply, Inc.

P.O. BOX 2985 SILVERDALE, WA 98383
(360) 308-8330

Attachment F

McCloy, Lauren (UTC)

Subject: FW: Washington Water Supply, Inc. - Tariff filing

From: Ward, Jim (UTC)
Sent: Friday, September 06, 2013 3:26 PM
To: 'John Poppe'
Cc: Cupp, John (UTC)
Subject: RE: Washington Water Supply, Inc. - Tariff filing

Mr. Poppe

Depending on where the transferred water system went to, the company will need to file an application for sale and transfer.

The company will need to file a new service area page with the corrected water systems that the company provides service to.

Noting that the company added two water systems it will also need to file tariff pages with any different rates and conditions for the two new water systems. This should mirror what conditions of rates and services were before being added to the company.

The company will need to provide copies of notices to customers about the sale and transfer and about being purchased by the company. If none were provided to customers, then new notices will need to be reviewed and sent. I am including John Cupp in this email since he is involved with customers and notices.

Since the company will be updating its tariff it should add a new page with tariff symbols according to the WAC. (I can provide a copy of this when appropriate)

There may be more but that should give you an idea of the starting point.

Jim Ward
Regulatory Analyst
Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250
Tel: 360-664-1250
Fax: 360-586-1150
E-mail: jward@utc.wa.gov

This email/letter states the informal opinions of commission staff, offered as technical assistance, and are not intended as legal advice. We reserve the right to amend these opinions should circumstances change or additional information be brought to our attention. Staff's opinions are not binding on the commission.

From: John Poppe [mailto:poppe.john@gmail.com]
Sent: Friday, September 06, 2013 12:16 PM
To: Ward, Jim (UTC)
Subject: Re: Washington Water Supply, Inc. - Tariff filing

Jim,

Washington Water Supply, Inc. wants to comply with UTC requirements and wants to take the necessary steps to update documentation. With that as the basis for this contact what are the options for updating our documentation?

Thanks
John Poppe

On Fri, Sep 6, 2013 at 10:27 AM, Ward, Jim (UTC) <JWard@utc.wa.gov> wrote:

Mr. Poppe

Clearly you understand that tariffs are required to be kept up to date by the company. This includes the service areas and rates for customers. As I understand your letter from September 1, 2013, the company has added two new water systems to your holdings and sold one water system. None of this is reflected in the tariff of Washington Water Supply, Inc.

In the case of selling a water system to another regulated utility, Commission review and approval is required or the transaction may be considered void. Selling to a non-regulated utility requires Commission notification and review.

Acquiring new water systems requires the additional service areas be listed and rates published for the water customers in the company's tariff.

At this point none of this has been accomplished by the company.

I have previously provided sample copies of a notice to customers and the process outline with samples, of the application. You are aware of the tariff page format used in the company's tariff.

The issue of updating the company's tariff is part of regulatory services now.

Previously you have dealt with Consumer Protection Compliance personnel. Their role is compliance and enforcement. If the company has not submitted applications and appropriate tariffs, then they could issue a penalty assessment, which may still be an option to do given what has been submitted in place of the proper filing. It doesn't seem like a good use of anyone's resources to continue to engage in discussions or emails with a company that is fully aware of the rules and what is required of them.

Please let me know how you want to move forward on this.

Jim Ward

Regulatory Analyst

Washington Utilities and Transportation Commission

PO Box 47250

Olympia, WA 98504-7250

Tel: [360-664-1250](tel:360-664-1250)

Fax: [360-586-1150](tel:360-586-1150)

E-mail: jward@utc.wa.gov

This email/letter states the informal opinions of commission staff, offered as technical assistance, and are not intended as legal advice. We reserve the right to amend these opinions should circumstances change or additional information be brought to our attention. Staff's opinions are not binding on the commission.

Attachment G



**Division of Environmental Health
Office of Drinking Water**

Individual System View - SILENT SKY - Water System Id - 17721

Compliance Actions		Operating Permits		Operators		Reports		Water Use Efficiency	
General Information			Source Information			Samples		Exceedances	
Group	B	Status	Active	Ownership Type	Investor				
Type		Residential Population	18	Jurisdiction	KITSAP COUNTY HEALTH DISTRICT				
County	KITSAP	NonResidential Population	0	System Effective Date	5/1/1983				
Owner Name	SILENT SKY	Total Calculated Connections	7	System Inactive Date					
Primary Contact	John Poppe	Total Approved Connections	6	SMA Name					
Primary Contact Phone	(360) 308-8330	Distribution Capacity (gallons)	1,200	SMA Number					
Water System Mailing Address	PO BOX 2985 SILVERDALE, WA 98383								

[Home Page](#) |
 [Find Water Systems](#) |
 [Find Water Quality](#) |
 [Downloads/Reports](#)

[DOH Home](#) |
 [Community and Environment](#) |
 [Drinking Water Home](#) |
 [Drinking Water Contacts](#)
[Access Local Health](#) |
 [Privacy Notice](#) |
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Links to external resources are provided as a public service and do not imply endorsement by the Washington State Department of Health

Department of Health, Office of Drinking Water

Street Address:	Mail:
243 Israel Road S.E. 2nd floor	PO BOX 47822
Tumwater, WA 98501	Olympia, WA 98504-7822
Phone: (360) 236-3100	

Send inquiries about DOH and its programs to the [Health Consumer Assistance Office](#)
 Comments or questions regarding this Web site? Send email to [Environmental Health Application Testing and Support](#) or call 360-236-3113.



WATER FACILITIES INVENTORY (WFI) FORM

ONE FORM PER SYSTEM

Quarter: 0
 Updated: 12/11/2002
 Printed: 4/8/2014
 WFI Printed For: On-Demand
 Submission Reason: Other

RETURN TO: Southwest Regional Office, PO Box 47823, Olympia, WA, 98504

1. SYSTEM ID NO.	2. SYSTEM NAME	3. COUNTY	4. GROUP	5. TYPE
17721 D	SILENT SKY	KITSAP	B	

6. PRIMARY CONTACT NAME & MAILING ADDRESS JOHN R. POPPE [OWNER] WASHINGTON WATER SUPPLY INC PO BOX 2985 SILVERDALE, WA 98383		7. OWNER NAME & MAILING ADDRESS WASHINGTON WATER SUPPLY INC JOHN R. POPPE PO BOX 2985 SILVERDALE, WA 98383		8. Owner Number 002137 TITLE: 2014 PRESIDENT
STREET ADDRESS IF DIFFERENT FROM ABOVE: ATTN ADDRESS CITY STATE ZIP		STREET ADDRESS IF DIFFERENT FROM: ATTN ADDRESS 12608 MARGINAL WAY S. CITY SEATTLE STATE WA ZIP 98168		

9. 24 HOUR PRIMARY CONTACT INFORMATION		10. OWNER CONTACT INFORMATION	
Primary Contact Daytime Phone: (360) 308-8330	Primary Contact Mobile/Cell Phone: (360) 340-8372	Owner Daytime Phone: (360) 308-8330	Owner Mobile/Cell Phone: (360) 340-8372
Primary Contact Evening Phone: (xxx) xxx-xxxx	Fax: E-mail: XXXXXX	Owner Evening Phone: (xxx) xxx-xxxx	Owner Fax Phone: E-mail: XXXXXX

WAC 246-290-420(9) requires that water systems provide 24-hour contact information for emergencies.

11. STATE/UTE MANAGEMENT AGENCY - SMA (check only one)	
<input checked="" type="checkbox"/> Not applicable (Skip to #12)	
<input type="checkbox"/> Owned and Managed	SMA NAME: _____ SMA Number: _____
<input type="checkbox"/> Managed Only	
<input type="checkbox"/> Owned Only	

12. WATER SYSTEM CHARACTERISTICS (mark all that apply)			
<input type="checkbox"/> Agricultural	<input type="checkbox"/> Hospital/Clinic	<input checked="" type="checkbox"/> Residential	
<input type="checkbox"/> Commercial / Business	<input type="checkbox"/> Industrial	<input type="checkbox"/> School	
<input type="checkbox"/> Day Care	<input type="checkbox"/> Licensed Residential Facility	<input type="checkbox"/> Temporary Farm Worker	
<input type="checkbox"/> Food Service/Food Permit	<input type="checkbox"/> Lodging	<input type="checkbox"/> Other (church, fire station, etc.): _____	
<input type="checkbox"/> 1,000 or more person event for 2 or more days per year	<input type="checkbox"/> Recreational / RV Park		

13. WATER SYSTEM OWNERSHIP (mark only one)				14. STORAGE CAPACITY (gallons)	
<input type="checkbox"/> Association	<input type="checkbox"/> County	<input checked="" type="checkbox"/> Investor	<input type="checkbox"/> Special District	1,200	
<input type="checkbox"/> City / Town	<input type="checkbox"/> Federal	<input type="checkbox"/> Private	<input type="checkbox"/> State		

Source Number	15	16	17	18								19	20				21	22	23	24																				
	SOURCE NAME	INTERTIE	SYSTEM ID NUMBER	SOURCE CATEGORY								USE	TREATMENT				DEPTH	DEPTH TO FIRST OPEN INTERVAL IN FEET	CAPACITY GALLONS PER MINUTE	SOURCE LOCATION																				
S01	Well #1			X								X																												

WATER FACILITIES INVENTORY (WFI) FORM - Continued

1. SYSTEM ID 17721.D	2. SYSTEM NAME SILENT SKY	3. COUNTY KITSAP	4. GROUP B	5. TYPE
--------------------------------	-------------------------------------	----------------------------	----------------------	----------------

	ACTIVE SERVICE CONNECTIONS	DOH USE ONLY: CALCULATED ACTIVE CONNECTIONS	DOH USE ONLY: APPROVED CONNECTIONS
25. SINGLE FAMILY RESIDENCES (How many of the following do you have?)	0	7	6
A. Full Time Single Family Residences (Occupied 180 days or more per year)	7		
B. Part Time Single Family Residences (Occupied less than 180 days per year)	0		
26. MULTI-FAMILY RESIDENTIAL BUILDINGS (How many of the following do you have?)			
A. Apartment Buildings, condos, duplexes, barracks, dorms	0		
B. Full Time Residential Units in the Apartments, Condos, Duplexes, Dorms that are occupied more than 180 days/year	0		
C. Part Time Residential Units in the Apartments, Condos, Duplexes, Dorms that are occupied less than 180 days/year	0		
27. NON-RESIDENTIAL CONNECTIONS (How many of the following do you have?)			
A. Recreational Services and/or Transient Accommodations (Campsites, RV sites, hotel/motel/overnight units)	0	0	0
B. Institutional, Commercial/Business, School, Day Care, Industrial Services, etc.	0	0	0
28. TOTAL SERVICE CONNECTIONS		7	6

29. FULL-TIME RESIDENTIAL POPULATION
A. How many residents are served by this system 180 or more days per _____ 18

30. PART-TIME RESIDENTIAL POPULATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A. How many part-time residents are present each month?												
B. How many days per month are they present?												

31. TEMPORARY & TRANSIENT USERS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A. How many total visitors, attendees, travelers, campers, patients or customers have access to the water system each month?												
B. How many days per month is water accessible to the public?												

32. REGULAR NON-RESIDENTIAL USERS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A. If you have schools, daycares, or businesses connected to your water system, how many students daycare children and/or employees are present each month?												
B. How many days per month are they present?												

33. ROUTINE COLIFORM SCHEDULE	Take one sample every 12 months
--------------------------------------	---------------------------------

34. NITRATE SCHEDULE (One Sample per source by time period)	QUARTERLY	ANNUALLY	ONCE EVERY 3 YEARS
			S01

35. Reason for Submitting WFI:

- Update - Change
 Update - No Change
 Inactivate
 Re-Activate
 Name Change
 New System
 Other _____

36. I certify that the information stated on this WFI form is correct to the best of my knowledge. SIGNATURE: _____ DATE: _____ PRINT NAME: _____ TITLE: _____
--



**Division of Environmental Health
Office of Drinking Water**

Individual System View - BAINBRIDGE #1 - Water System Id - 95625

Compliance Actions		Operating Permits		Operators		Reports		Water Use Efficiency	
General Information			Source Information			Samples		Exceedances	
Group	B	Status	Active	Ownership Type	Investor				
Type		Residential Population	18	Jurisdiction	KITSAP COUNTY HEALTH DISTRICT				
County	KITSAP	NonResidential Population	0	System Effective Date	7/1/1978				
Owner Name	BAINBRIDGE #1	Total Calculated Connections	8	System Inactive Date					
Primary Contact	John Poppe	Total Approved Connections	8	SMA Name					
Primary Contact Phone	(360) 308-8330	Distribution Capacity (gallons)	550	SMA Number					
Water System Mailing Address	PO BOX 2985 SILVERDALE, WA 98383								

[Home Page](#) | [Find Water Systems](#) | [Find Water Quality](#) | [Downloads/Reports](#)

[DOH Home](#) | [Community and Environment](#) | [Drinking Water Home](#) | [Drinking Water Contacts](#)
[Access Local Health](#) | [Privacy Notice](#) | [Disclaimer/Copyright Information](#)

Links to external resources are provided as a public service and do not imply endorsement by the Washington State Department of Health

Department of Health, Office of Drinking Water

Street Address: 243 Israel Road S.E. 2nd floor
 Tumwater, WA 98501
 Phone: (360) 236-3100

Mail: PO BOX 47822
 Olympia, WA 98504-7822

Send inquiries about DOH and its programs to the [Health Consumer Assistance Office](#)
 Comments or questions regarding this Web site? Send email to [Environmental Health Application Testing and Support](#) or call 360-236-3113.

WATER FACILITIES INVENTORY (WFI) FORM - Continued

1. SYSTEM ID 95625 F	2. SYSTEM NAME BAINBRIDGE #1	3. COUNTY KITSAP	4. GROUP B	5. TYPE
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	ACTIVE SERVICE CONNECTIONS	DOH USE ONLY: CALCULATED ACTIVE CONNECTIONS	DOH USE ONLY: APPROVED CONNECTIONS
25. SINGLE FAMILY RESIDENCES (How many of the following do you have?)	0	8	8
A. Full Time Single Family Residences (Occupied 180 days or more per year)	8		
B. Part Time Single Family Residences (Occupied less than 180 days per year)	0		
26. MULTI-FAMILY RESIDENTIAL BUILDINGS (How many of the following do you have?)			
A. Apartment Buildings, condos, duplexes, barracks, dorms	0		
B. Full Time Residential Units in the Apartments, Condos, Duplexes, Dorms that are occupied more than 180 days/year	0		
C. Part Time Residential Units in the Apartments, Condos, Duplexes, Dorms that are occupied less than 180 days/year	0		
27. NON-RESIDENTIAL CONNECTIONS (How many of the following do you have?)			
A. Recreational Services and/or Transient Accommodations (Campsites, RV sites, hotel/motel/overnight units)	0	0	0
B. Institutional, Commercial/Business, School, Day Care, Industrial Services, etc.	0	0	0
28. TOTAL SERVICE CONNECTIONS		8	8

29. FULL-TIME RESIDENTIAL POPULATION
A. How many residents are served by this system 180 or more days per _____ 18

30. PART-TIME RESIDENTIAL POPULATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A. How many part-time residents are present each month?												
B. How many days per month are they present?												

31. TEMPORARY & TRANSIENT USERS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A. How many total visitors, attendees, travelers, campers, patients or customers have access to the water system each month?												
B. How many days per month is water accessible to the public?												

32. REGULAR NON-RESIDENTIAL USERS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A. If you have schools, daycares, or businesses connected to your water system, how many students daycare children and/or employees are present each month?												
B. How many days per month are they present?												

33. ROUTINE COLIFORM SCHEDULE	Take one sample every 12 months
--------------------------------------	---------------------------------

34. NITRATE SCHEDULE (One Sample per source by time period)	QUARTERLY	ANNUALLY	ONCE EVERY 3 YEARS
			S01

35. Reason for Submitting WFI:

- Update - Change
 Update - No Change
 Inactivate
 Re-Activate
 Name Change
 New System
 Other _____

<p>36. I certify that the information stated on this WFI form is correct to the best of my knowledge.</p> <p>SIGNATURE: _____</p> <p>DATE: _____</p> <p>PRINT NAME: _____</p> <p>TITLE: _____</p>
--

Attachment H

Whidbey West Water Systems file(s)
ID# 363146

09/24/2012 01:57:18 PM
Recording Fee \$74.00 Page 1 of 3
Quit Claim Deed
Island County Washington

4323548

Robert E. Brewster
PO Box 756
Freeland, WA 98249



QUIT CLAIM DEED

Grantor: Washington Water Supply, Inc.
Grantee: Whidbey West Water Association
Legal Descriptions (abbrev.): Tr. A & B, Sandy Bubbles Div. 1, V.12, P.25 & 26;
Tr. A, West Beach Vista Div. 2, V.7, P.59; Tr. A, Even'Down Div. 2, V.13, P.28
Full Legal Descriptions on page 3 of this document
Assessor's Tax Parcel Nos.: S8065-00-0000A-0, S8065-00-0000B-0,
S8385-00-0000A-0, S6588-02-0000A-0
Reference Nos. of Documents Assigned or Released: None

THE GRANTOR, Washington Water Supply, Inc., a Washington corporation,

for and in consideration, and in fulfillment of the terms, of an agreement between Grantor and Grantee, and no monetary consideration,

conveys and quit claims to the Grantee, the Whidbey West Water Association, a Washington, non-profit corporation,

all of the Grantor's interest in the real property and easements described on the attached Exhibit "A", which is incorporated herein by this reference, together with all after-acquired-title of Grantor therein:

Dated: September 1, 2012

Washington Water Supply, Inc.

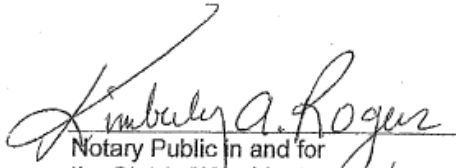
By: John R. Poppe
John R. Poppe, President

QUIT CLAIM DEED -1-

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

I certify that I know or have satisfactory evidence that John R. Poppe is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the President of Washington Water Supply, Inc., to be the free and voluntary act of such party, for the uses and purposes mentioned in the instrument.

Dated: September 5, 2012.


Notary Public in and for
the State of Washington
My appointment expires: 11/21/14



QUIT CLAIM DEED -2-

Exhibit "A"

Parcels 1 and 2: Tracts A and B, Plat of Sandy Bubbles, Division No. 1, according to the Plat thereof, recorded in Volume 12 of Plats, pages 25 and 26, records of Island County, Washington.

Situate in the County of Island, State of Washington.

Parcel 3: Tract A, Plat of West Beach Vista, Division No. 2, according to the Plat thereof, recorded in Volume 7 of Plats, page 59, records of Island County, Washington.

Situate in the County of Island, State of Washington.

Parcel 4: Tract A, Plat of Even'Down, Division No. 2, according to the Plat thereof as recorded in Volume 13 of Plats, page 28, records of Island County, Washington.

Situate in the County of Island, State of Washington.

Together with all of Grantor's right, title, and interest in and to any existing appurtenant and/or in gross easements for ingress, egress, and /or utilities, for the use and benefit of Grantee, in relation to the Whidbey West Water System, consisting of the Sandy Bubbles Water System, the Sunset Beach Water System, the Even' Down Water System, and the Westwood Water System. Such easements would include, but would not be limited to, those described in that certain instrument recorded August 26, 1977, in the records of Island County, Washington, under Auditor's File No. 318931, and related to that certain water well known as the Lavender Lane well and other water system components located within the easement areas described in that instrument.

Robert E. Brewster
PO Box 756
Freeland, WA 98249



BILL OF SALE
(WATER SYSTEM)

Grantor: Washington Water Supply, Inc.
Grantee: Whidbey West Water Association
Legal Descriptions (abbrev.): Tr. A & B, Sandy Bubbles Div. 1, V.12, P.25 & 26;
Tr. A, West Beach Vista Div. 2, V.7, P.59; Tr. A, Even'Down Div. 2, V.13, P.28
Full Legal Descriptions on page 3 of this document
Assessor's Tax Parcel Nos.: S8065-00-0000A-0, S8065-00-0000B-0,
S8385-00-0000A-0, S6588-02-0000A-0
Reference Nos. of Documents Assigned or Released: None

The Seller, Washington Water Supply, Inc., a Washington corporation,
for and in consideration, and in fulfillment of the terms, of an agreement
between Seller and Buyer, and no monetary consideration,
hereby grants, sells and conveys, without warranty, to the Buyer, the
Whidbey West Water Association, a Washington, non-profit corporation,
the following property:

Seller's water system, which is commonly known as the Whidbey West
Water System and registered with the Island County Health Department
and the State of Washington Department of Health as PWS No. 363146,
including all wells (Well No. 1, "Sunset Beach"; Well No. 2, "West Beach";
Well No. 3, "Sandy Bubbles"; and Well No. 4, "Lavender Lane"); pumps;
tanks; storage reservoirs; main and lateral water distribution lines; and, all

Bill of Sale - 1

other hardware and personal property used in connection with and otherwise related to the Whidbey West Water System, and located upon and in the general vicinity of the above-named wells and/or on real property that is legally described on the attached Exhibit "A", which is incorporated herein by this reference; and, expressly including all related ground water right permits and county franchise rights.

IN WITNESS WHEREOF, this Bill of Sale has been executed by Seller at Silverdale, Kitsap County, Washington, effective the 1st day of September, 2012.

Washington Water Supply, Inc.

By: John R. Poppe
John R. Poppe, President

Bill of Sale - 2

