

UW-050179(AT)
2-23-05

Guemes Island Water Company, Inc.
4229 South 252nd Place
Kent, WA 98032

January 31, 2005

Jim Ward
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED
RECORDS MANAGEMENT
05 FEB --2 AM 9:49
UTILITY AND TRANSPORTATION
COMMISSION

RE: Sale of Guemes Island Water Company

Enclosed please find the following documents per the instructions in your letter dated January 14, 2005,

- 1). Cover Letter to Carole J. Washburn; and
- 2). Transfer Application signed by both parties to the transfer; and
- 3). Copies of the signed signature pages of the transfer agreement between Guemes Island Water Company and Holiday Hideaway Homeowners Association.

As I mentioned in my email to you on January 31, we would appreciate acknowledgement of your receipt of these documents so that we can be assured that they have been received.

Thank you for your assistance in this matter.



Larry D. Kirchner,
Vice President
Guemes Island Water Company
4021 56th Avenue S.W.
Seattle, WA 98116
(206) 932-0188 (home)
(206) 935-3455 (fax)
larrydkirchner@aol.com

encl: (3)

cc: Carol Terrana, Secretary

Guemes Island Water Company, Inc.

4229 So. 252nd Pl.

Kent, WA 98032

Carole J. Washburn
Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RE: Guemes Island Water Company, Inc. - Sale and Transfer
To Holiday Hideaway Association

Dear Secretary:

Enclosed you will find the joint application of the above-referenced sale and transfer application to include:

1. Application for transfer,
2. Signed copy of Instrument of Transfer,

We have previously provided the following items to Commission staff.

1. Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and Summary of outstanding securities.
2. Customer notice of sale and transfer of water system.

Additionally, since we will no longer own any water systems and will be dissolving our water company business, so we also request that Guemes Island Water Company, Inc., be deregulated and cancel our tariff from operation.

If you have any question, please call me at 253-941-3780.

Sincerely

Carol Terrana 

Enclosures as noted

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the Application for)	
the Sale and Transfer of Assets)	
From)	DOCKET _____
Guemes Island Water Company,)	
Inc.)	
)	APPLICATION FOR SALE
To)	AND TRANSFER OF
)	ASSETS AND REQUEST
Holiday Hideaway Association)	FOR
)	DEREGULATION AND
)	CANCEL TARIFF
.....)	

BACKGROUND

1 Application is hereby made to the WUTC for an Order authorizing the transfer of property under the provisions of chapter 80.12 RCW and chapter 480-143 WAC.

INTRODUCTION

2 Guemes Island Water Company, Inc., is a Washington corporation formed to act as a utility service company. Guemes Island Water Company, Inc., located on Guemes Island, currently serves about 220 customers. The water system to be transferred consist of wells, pumps, transmission mains, reservoirs, hydrants, distribution mains, meters, and appurtenances to serve the customers of the Guemes Island Water Company, Inc.

3 The water system is currently operating under a green operating permit issued by the Washington State Department of Health and have no outstanding orders or letters directing action.

4 As a result of this sale and transfer of water system assets, Holiday Hideaway Association will maintain the water rates currently in effect until new rates are determined by the association.

EXHIBITS

5 Pursuant to WAC 480-143-010 and WAC 480-143-020, the water company has provided to Commission Staff the following exhibits:

6 Exhibit 1 – Instrument of Transfer.

7 Exhibit 2 – Guemes Island Water Company, Inc. Income Statement, Balance Sheet, Asset Listing, Depreciation Schedule, and Summary of outstanding securities as of the final transfer date.

8 Exhibit 3 – Customer notice of sale and transfer of water system.

METHOD OF FINANCE

9 The purchase price for the water system and all associated assets is \$10.00.

TRANSFER IS IN THE PUBLIC INTEREST

10 The benefits of this acquisition of water system assets include expanded financial resources and water quality staff to provide all aspects of water system repair and operations. The owners of Guemes Island Water Company, Inc., no longer desire to own and operate public water systems. Customers were notified of the sale and transfer along with their most recent billings. The proposed transfer date was effective date of March 1, 2004. This date is to coincide with company billing periods and allows a mutually agreed closing date. For accounting purposes the bookkeeping, records should be considered transferred and effective on that date.

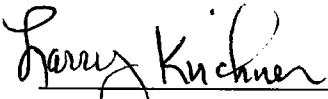
- 11 As a result of the sale and transfer of assets, the water rates and service charges will not change. Holiday Hideaway Association will determine if any rate or charge will be changed at a future date


PRAYER

- 12 Based on the foregoing, the Applicants request approval of their application respectfully submitted this ~~31st~~ day of January 2005.

Guemes Island Water Company, Inc.

Holiday Hideaway Association


Vice-President


Board Member

FORM OF VERIFICATION FOR APPLICATION

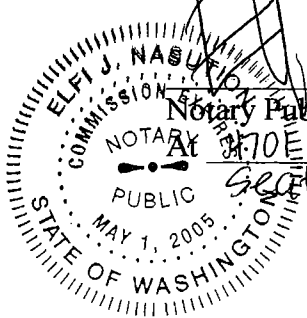
STATE OF WASHINGTON
County of King

Harry Kitchner) being first duly sworn, deposes and says that he is Vice-President of Guemes Island Water Company, Inc., the applicant in the proceeding entitled above, that he has read the foregoing application and knows the contents thereof; that the same is true of his own knowledge, except as to matter which are therein stated on information or belief, and as to those matters he believes them to be true.

Harry Kitchner
Vice President

Subscribed and sworn to before me the 31st day of January, 2005

[Signature]
Notary Public in and for the State of Washington, residing
At 370E California AVE SW
Seattle, WA 98116



11.14 **Incorporation by Reference.** All of the exhibits attached hereto and the recitals set forth above are incorporated herein by this reference as if the same were set forth in full.

11.15 **Mutual Acceptance.** For purposes of this Agreement, Mutual Acceptance of this Agreement (the "**Date of Mutual Acceptance**") shall occur on the date the last person of all parties has executed this Agreement.

11.16 **Exhibits.** The following Exhibits attached to this Agreement are incorporated into this Agreement in full:

- Exhibit A - Real Property
- Exhibit B - Fixtures
- Exhibit C - Personal Property
- Exhibit D - Contract Rights and Intangibles
- Exhibit E - Excluded Property
- Exhibit F - Assumed Liabilities
- Exhibit G - Transfer and Conveyance Forms
- Exhibit H - Litigation/Legal Compliance

11.17 **No Third Party Beneficiaries.** This Agreement is made entirely for the benefit of the Parties hereto and no third person or party shall have any rights hereunder whether by agency, as a third-party beneficiary or otherwise.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below.

"SELLER":

GUEMES ISLAND WATER COMPANY, INC.,
a Washington corporation:

By Larry D. Kirchner
Name: LARRY D. KIRCHNER
Title: Vice-President

Date: 12/26/03

Approved by Guemes Island Water Company Resolution No. adopted the 22nd day of December, 2003

"PURCHASER":

Holiday Hideaway Homeowners' Association, a
Washington municipal corporation:

By Sharon J Schlittenhard
Name: SHARON J SCHLITTENHARD
Title: President

Date: 12/06/03

Approved by Holiday Hideaway Homeowners' Association Resolution No. 52403,
adopted the 2nd day of May, 2003.