0029

 1 BEFORE THE WASHINGTON

 2 UTILITIES AND TRANSPORTATION COMMISSION

 3 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 4 WASHINGTON UTILITIES AND )

 TRANSPORTATION COMMISSION, )

 5 )

 Complainant, )

 6 ) Docket UW-143181

 v. ) (Consolidated)

 7 )

 NEWAUKUM WATER SYSTEM, INC.; )

 8 )

 Respondent. )

 9 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )

 )

10 THE MATTER OF THE REQUEST OF ) Docket UW-143330

 NEWAUKUM WATER SYSTEM FOR ) (Consolidated)

11 REMOVAL FROM REGULATION. )

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

12

 SETTLEMENT HEARING, VOLUME III

13

 Pages 29 - 37

14

 ADMINISTRATIVE LAW JUDGE RAYNE PEARSON

15 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

16 10:01 A.M.

 MARCH 23, 2015

17

 Washington Utilities and Transportation Commission

18 1300 South Evergreen Park Drive Southwest

 Olympia, Washington 98504-7250

19

20 REPORTED BY: SHERRILYN SMITH, CCR# 2097

21 Buell Realtime Reporting, LLC

 1325 Fourth Avenue

22 Suite 1840

 Seattle, Washington 98101

23 206.287.9066 | Seattle

 360.534.9066 | Olympia

24 800.846.6989 | National

25 www.buellrealtime.com

0030

 1 A P P E A R A N C E S

 2 ADMINISTRATIVE LAW JUDGE:

 3 RAYNE PEARSON

 Washington Utilities and

 4 Transportation Commission

 1300 South Evergreen Park Drive SW

 5 P.O. Box 47250

 Olympia, Washington 98504

 6 360.664.1136

 7

 8 FOR COMMISSION STAFF:

 9 BRETT P. SHEARER

 Assistant Attorney General

10 1400 South Evergreen Park Drive SW

 PO Box 40128

11 Olympia, Washington 98504

 360.664.1187

12 bshearer@utc.wa.gov

13

14 FOR NEWAUKUM WATER SYSTEMS, INC.:

15 MAURICE KURTZ

 Chairman of the Board

16 38205 183rd Avenue Southeast

 Auburn, Washington 98092

17 253.939.5739

 myktz@yahoo.com

18

19

 ALSO PRESENT: HENRY KELLEY

20 JIM WARD

21

22

23

 -o0o-

24

25

0031

 1 OLYMPIA, WASHINGTON; MARCH 23, 2015

 2 10:01 A.M.

 3 -o0o-

 4

 5 JUDGE PEARSON: Let's be on the record.

 6 We are here for a settlement hearing in

 7 Consolidated Dockets UW-143181 and UW-143330, both of

 8 which are captioned Washington Utilities and

 9 Transportation Commission versus Newaukum Water

10 System, Inc. I am Rayne Pearson, I am the

11 administrative law judge presiding over today's

12 proceeding, which is a settlement hearing requested by

13 the parties. Today is Monday, March 23rd, 2015, and

14 the time is approximately 10:00 a.m.

15 Let's get started by taking short appearances

16 from the parties, beginning with Commission Staff.

17 MR. SHEARER: Good morning. My name is

18 Brett Shearer, Assistant Attorney General, on behalf

19 of Commission Staff.

20 JUDGE PEARSON: Thank you.

21 And for the Company.

22 MR. KURTZ: Maurice Kurtz, Chairman of

23 the Board, Newaukum Water, Incorporated.

24 JUDGE PEARSON: Okay. Thank you.

25 So both Staff and the Company will have the

0032

 1 opportunity to give brief opening statements in

 2 support of the settlement agreement this morning, and

 3 then I will ask if there is anyone else, either in the

 4 room or on the bridge line, who wishes to briefly

 5 comment on the settlement agreement.

 6 Mr. Shearer, you can begin when you are ready.

 7 MR. SHEARER: Thank you, Your Honor.

 8 Staff has very little to add. We feel the settlement

 9 agreement, proposed settlement agreement, is a fair,

10 just, reasonable result in this case. The parties did

11 request for this hearing, just based on the

12 third-party commentary, the significant amounts of

13 third-party commentary that we received over the

14 course of the case. Everybody thought it would be

15 beneficial to have kind of one last opportunity for

16 any of those third parties to be heard.

17 Staff is here today to answer any clarifying

18 questions about the agreement you may have or any

19 other parties may have. Our witness is Mr. Jim Ward.

20 He is available for questions.

21 JUDGE PEARSON: Thank you.

22 Mr. Kurtz.

23 MR. KURTZ: I really don't have much to

24 add to that. I would say that Newaukum Water and the

25 UTC Staff have agreed to the settlement that is being

0033

 1 put in front of you for signature.

 2 That's all I have.

 3 JUDGE PEARSON: Okay. Thank you.

 4 So are there others who wish to speak briefly

 5 today on the settlement agreement?

 6 If I could get a show of hands, I guess, to

 7 begin.

 8 This one, you're not here to speak?

 9 UNIDENTIFIED SPEAKER: No, I'm just a

10 member of the Board.

11 JUDGE PEARSON: Okay. All right.

12 Can you tell me your name again, sir?

13 MR. KELLEY: My name is Henry Kelley.

14 JUDGE PEARSON: Henry Kelley, okay.

15 And do we have anyone on the bridge line

16 today?

17 Okay. Hearing nothing, I think, Mr. Kelley,

18 you might be the only one. If you would like to step

19 over to this table and turn on the microphone, I will

20 swear you in.

21 MR. KELLEY: Which one?

22 JUDGE PEARSON: Right here at the end is

23 fine.

24 MR. KELLEY: (Complies.)

25 JUDGE PEARSON: And if you press the

0034

 1 button --

 2 MR. KELLEY: Okay.

 3 JUDGE PEARSON: -- when the red light

 4 comes on, that lets you know that the microphone is

 5 working.

 6 Okay. If you would stand and please raise

 7 your right hand, I will swear you in.

 8

 9 HENRY KELLEY, witness herein, having been

10 first duly sworn on oath, was

11 examined and testified as follows:

12

13 JUDGE PEARSON: Thank you.

14 MR. KELLEY: You know, I came down here

15 as a ratepayer on the water system. I chose not to

16 associate with Mr. Lindebak for -- based on experience

17 with him.

18 JUDGE PEARSON: Can I just stop you for

19 one second? Could you state and spell your last name

20 for the court reporter before you begin?

21 MR. KELLEY: Kelley, K-E-L-L-E-Y.

22 JUDGE PEARSON: And your first name is

23 Henry?

24 MR. KELLEY: Yes.

25 JUDGE PEARSON: Okay. You can continue.

0035

 1 MR. KELLEY: Thank you.

 2 It has been very interesting to watch the

 3 process unfold. It has been educational. I would

 4 like to compliment the people that I dealt with, which

 5 was Jim Ward and Brett Shearer, for the job they have

 6 done, and that they kept things at a low level, low

 7 key, I guess, and were very available.

 8 I am -- I guess I am just saying I am glad

 9 that the system worked and that ratepayers will no

10 longer be paying Ken Lindebak's debts for him.

11 JUDGE PEARSON: What was the last thing

12 you said?

13 MR. KELLEY: Well, I was saying --

14 JUDGE PEARSON: Ratepayers will no

15 longer be paying what?

16 MR. KURTZ: Ken Lindebak's debts for

17 him.

18 JUDGE PEARSON: Oh, okay.

19 MR. KELLEY: You know, I am also

20 grateful to Mr. Kurtz for the job that he is doing as

21 assistant manager. It's not an easy job by any means.

22 I don't envy him the task he has, but I compliment him

23 for the job he has done.

24 I think that's all I have to say.

25 JUDGE PEARSON: Okay. Thank you.

0036

 1 Is there anyone else?

 2 Sir, you don't wish to speak?

 3 UNIDENTIFIED SPEAKER: No.

 4 JUDGE PEARSON: Okay.

 5 Anything from either of the parties?

 6 MR. SHEARER: Unless you have any

 7 questions, Your Honor, there is nothing from Staff.

 8 JUDGE PEARSON: I don't have any

 9 questions.

10 Thank you all for coming here today. I will

11 take everything under advisement and issue an order

12 reflecting my decision shortly.

13 We are off the record. Thank you.

14 (Settlement hearing concluded 10:06 a.m.)

15

16

17

18

19

20

21

22

23

24

25

0037

 1 C E R T I F I C A T E

 2

 3 STATE OF WASHINGTON

 4 COUNTY OF KING

 5

 6 I, Sherrilyn Smith, a Certified

 7 Shorthand Reporter in and for the State of Washington,

 8 do hereby certify that the foregoing transcript is

 9 true and accurate to the best of my knowledge, skill

10 and ability.

11

12

13

14

15

16 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

17 SHERRILYN SMITH

18

19

20

21

22

23

24

25