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BEFORE THE WASHINGTON

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UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND )  
TRANSPORTATION COMMISSION, )

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Complainant, )

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v. )

Docket UW-143181  
(Consolidated)

7

NEWAUKUM WATER SYSTEM, INC.; )

8

Respondent. )

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THE MATTER OF THE REQUEST OF )  
NEWAUKUM WATER SYSTEM FOR )  
REMOVAL FROM REGULATION. )

Docket UW-143330  
(Consolidated)

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SETTLEMENT HEARING, VOLUME III

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Pages 29 - 37

14

ADMINISTRATIVE LAW JUDGE RAYNE PEARSON

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10:01 A.M.  
MARCH 23, 2015

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Washington Utilities and Transportation Commission  
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14 FOR NEWAUKUM WATER SYSTEMS, INC.:

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18

19 ALSO PRESENT: HENRY KELLEY  
20 JIM WARD

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1 OLYMPIA, WASHINGTON; MARCH 23, 2015

2 10:01 A.M.

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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

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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

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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

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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:

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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.

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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.

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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.)

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C E R T I F I C A T E

STATE OF WASHINGTON  
COUNTY OF KING

I, Sherrilyn Smith, a Certified  
Shorthand Reporter in and for the State of Washington,  
do hereby certify that the foregoing transcript is  
true and accurate to the best of my knowledge, skill  
and ability.

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SHERRILYN SMITH