

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

RAINIER VIEW WATER COMPANY,
INC,

Respondent.

DOCKET UW-110054

SETTLEMENT AGREEMENT

1 As described below, all parties to this docket, i.e., Rainier View Water Company, Inc. (“Rainier View” or “the Company”), and Staff of the Washington Utilities and Transportation Commission (“Staff”) have reached an agreed resolution of issues in this docket, subject to Commission approval. Consequently, this Settlement Agreement (“Agreement”) is being filed with the Commission as a “full settlement” pursuant to WAC 480-07-730(1). The Agreement consists of this document, entitled “Settlement Agreement,” and Attachments A, B, C, and D attached hereto.

2 The Parties understand that this Agreement is not binding on the Commission or any Party unless and until the Commission approves it.¹

I. PARTIES

3 This Agreement is entered into by the Company and Staff. These are all the parties to this docket.

¹ The exception is that prior to the Commission’s approval of the Agreement, the Parties agree to support the Agreement before the Commission. ¶ 66, *infra*.

II. BACKGROUND

4 On January 4, 2011, Rainier View filed with the Commission, in this docket, tariff revisions to its currently effective Tariff WN-U-2, designated as Original Sheet No. 56. The tariff revision raised its general facilities charge to \$1,702. The stated effective date was February 4, 2011. For many years, Rainier View has collected general facilities charges from new customers by contract. Facilities charges are charged to new customers so that new customers pay water system capital costs associated with growth, such as water system source, treatment, transmission, pumping, and storage infrastructure. Facilities charges are treated as contributions-in-aid-of-construction (CIAC).

5 The tariff filing also proposed a second facilities charge based on the estimated cost of an intertie with Lakewood Water District known as the *Lakewood Pipeline Project*. The tariff proposed a higher facilities charge for the Southwood/Sound water system of \$8,640. This part of the filing was prompted by the Company's desire to collect funds upfront to pay for the estimated cost of building a main to connect directly with the Lakewood Water District and these charges were currently not in the Company's tariff. Rainier View estimated that the Lakewood Pipeline Project will cost \$11,572,658, and construction would begin in 2017 or 2018. The Company serves about 16,650 residential and upsize meter customers in Pierce County.

6 Staff and Rainier View agreed to temporary rates that set the general facilities charge for all systems except Southwood/Sound at \$1,210 and the Southwood/Sound facilities charge of \$6,480, which includes a Lakewood Pipeline Project facilities charge of \$5,270 and the general facilities charge of \$1,210. Previously, these amounts were collected by construction contracts between the Company and developers and were submitted to the

Commission. The Company filed revised rates on January 24, 2011. On January 27, 2011, the Commission issued an order suspending this filing for further review, and approving the revised rates on a temporary basis, subject to refund.

7 By notice dated March 31, 2011, the Commission scheduled a prehearing conference for April 28, 2011, and appointed Administrative Law Judge Marguerite Friedlander to hear the matter.²

8 The Commission held a prehearing conference on April 28, 2011, which, among other things, set a procedural schedule.³

9 Staff investigated the Company's filings in detail and engaged in further discovery. On June 21, 2011, the Commission suspended the procedural schedule to facilitate ongoing and productive settlement discussions, at the request of the Parties. To accommodate the need for more time for discussions, on July 26, 2011, and again on September 1, 2011 Rainier View filed a letter with the Commission waiving any statutory deadline for conclusion of the filing by three months and an additional two months, respectively. In conjunction with this filing, the Company is fully waiving any suspension period. The Parties reached an agreement in principle, which, if approved by the Commission, would resolve all of the issues in this docket. The Parties wish to present their agreement for the Commission's consideration. The Parties therefore adopt the following Agreement, which is entered into by the Parties voluntarily, to resolve matters in dispute between them in the interest of expediting the orderly disposition of this proceeding.

² *Washington Utilities and Transportation Commission v. Rainier View Water Company, Inc.*, Docket UW-110054, Notice of Prehearing Conference (March 31, 2011).

³ *Washington Utilities and Transportation Commission v. Rainier View Water Company, Inc.*, Docket UW-110054, Order 02, Prehearing Conference Order Establishing Procedural Schedule and Scheduling Hearing (May 2, 2011).

III. AGREEMENT

A. Definitions Section

10 An *Equivalent Residential Unit* ("ERU") is defined in WAC 246-290-010 as "a system-specific unit of measure used to express the amount of water consumed by a typical full-time single-family residence." For Rainier View, and for purposes of this Agreement, the basic ERU equates to a 3/4 inch or smaller meter.

11 A *customer* is defined in WAC 480-110-245 as "anyone who has paid water company fees and/or has an accepted application for service; or anyone whose service connection is installed and is currently paying a ready-to-serve charge; or anyone who is actually receiving water service from the Company with the knowledge of the Company."

12 *Contributions-in-Aid-of-Construction* ("CIAC") is defined in WAC 480-110-245 as "any money, services or property received by a water company to fund capital investments at no cost to the company with no obligation to repay."

13 *Investment* is defined, for purposes of this Agreement, as "equity or debt funding provided by Rainier View."

B. General Facilities Charge, All Water Systems

14 1. Application: Rainier View shall be authorized to implement a General Facilities Charge ("GFC") that will apply to all new customers on all water systems.

15 2. Amount: The amount of the GFC shall be \$1,549 for a 3/4 inch or smaller meter. The GFC increases proportionately for meters larger than 3/4 inch meter based on meter size using the meter size factors published by the American Water Works Association ("AWWA") as shown in Attachment A.

- 16 3. Contributions-in-Aid-of-Construction: Funds received from the GFC,
including any interest earned on the funds while held in a separate GFC
account, Treasury account, or other financial institution account, will be
treated as CIAC.
- 17 4. Use of Funds: All future funds received through the GFC, including any
interest earned on the funds while held in a separate GFC account, Treasury
account or other financial institution account, will be used consistent with
480-110-455(3)(a)(i) and (ii).
- 18 5. Investment: Rainier View agrees that it will invest on average at least 30
percent of the total infrastructure cost for projects involving use of General
Facilities Charge funds to preserve the Company's investment ratio for this
source of customer contribution.
- 19 6. Accounting and Reporting Requirements:
- 20 a. Consistent with WAC 480-110-455(4), the Company agrees that
funds collected from the GFC, and any interest earned upon such
funds, will be maintained in a separate bank account, Treasury
account, or other financial institution account by the Company for the
benefit of customers. Funds will be used for developing and
purchasing equipment and facilities needed for source, treatment,
transmission, pumping and storage infrastructure improvements on
Rainier View water systems.
- 21 b. Such funds do not become the property of the Company or Company
owners and may not be disbursed, alienated, attached, or otherwise

encumbered by the Company or its owners (WAC 480-110-455(4)(a)).

22

c. In the event of a sale or transfer of the Company, the trust obligations established in WAC 480-110-455 regarding any accumulated GFC funds will be transferred to the new owner of the Company. Funds received from these charges, including any interest earned on the funds while being held in reserve, are CIAC funds and are restricted to the original purpose for which the funds were collected.

23

d. In accordance with WAC 480-110-455(4)(c), the Company agrees that it will report for the GFC account the following information to the Commission within 60 days of the end of each calendar quarter: (1) beginning balance; (2) amounts received, detailed by source; (3) amounts spent, detailed by project or expense; (4) ending balance; and (5) reconciliation of bank account, Treasury account, or other financial institution account balance to general ledger. See Attachment B for quarterly reporting format.

24

e. The Company agrees that it will report, for investments identified in paragraph 18 above, the following information to the Commission within 90 days of the end of each calendar year: (1) beginning balance; (2) amounts received, detailed by source; (3) amounts spent, detailed by project when over \$20,000 (projects under \$20,000 may be combined for reporting purposes); (4) ending balance; and (5) reconciliation of customer contributions by general facilities charge to

company investment for the calendar year. See Attachment D for annual reporting format. If the amount of Company investment is less than 30 percent of the total of GFCs expended plus Company investment (total infrastructure cost), the Company will provide a narrative explanation of the reason or reasons why, as well as an explanation of specific actions the Company plans to take going forward to meet its commitment in paragraph 18 above to invest on average at least 30 percent of the total infrastructure costs for projects involving use of General Facilities Charge funds. Actions may include, but not be limited to: undertaking/completing projects that will provide at least 30 percent investment ratio of the total of GFCs expended plus Company investment (total infrastructure cost), or depositing adequate funds into the separate bank account, Treasury account or other financial institution account. The Company will also list anticipated opportunities for investment for the current calendar year with anticipated start and completion dates, if known, as well as anticipated costs and Company investments.

25

7. Refunds of General Facilities Charge: Parties agree that, since Order 01 was issued in this docket, three GFCs (in the amount of \$1,210 each) have been collected by the Company pursuant to the temporary rates effective January 27, 2011, and subject to refund. Because the GFC set forth herein is greater (\$1,549), no refunds are due.

C. Lakewood Pipeline Surcharge, All Water Systems

26

1. Application: Rainier View shall be authorized to implement a Lakewood Pipeline Surcharge (“LPS”) on all current and future Rainier View customers, for costs associated with the Lakewood Pipeline Project.

27

2. Amount: The LPS will be divided into two phases. Upon Commission approval of this Agreement, the Phase 1 surcharge will be \$2.00 per month, to recover costs⁴ estimated at \$1,173,907 for Phase 1. Phase 1 will involve engineering, design, construction documents and site acquisitions. To expedite the Lakewood Pipeline Project, when Phase 1 work is complete, Phase 2 will start. The outstanding Phase 1 surcharge will continue until costs currently estimated at \$1,173,907 are paid in full. Phase 2 would involve the actual construction of the pipeline and completion of all testing and in-service placement. The Commission will set the Phase 2 surcharge at the appropriate time, and the amount is tentatively calculated at \$5.40 per month to service estimated construction costs⁵ of \$11,949,719 and interest costs⁶ of \$3,427,043 for Phase 2. The Company agrees that the Phase 2 LPS may be recalculated at the time construction begins using then-current customer counts, known construction costs, and using the actual terms of financing secured by the Company to do the construction. Phase 1 and Phase 2 surcharges may run concurrently and will expire when their respective loans and interest costs are recovered.

⁴Company-estimated costs adjusted to reflect 3% annual inflation.

⁵Company- estimated costs adjusted to reflect 3% annual inflation.

⁶ Interest calculation assumes a loan or loans with a 15-year term with an interest rate of 3.5%.

28

3. Inflation Assumptions: The Phase 1 surcharge amount and the tentatively-calculated Phase 2 surcharge amount set forth above are based on the Company's estimated costs of completing the Lakewood Pipeline Project (\$11,572,658), adjusted to reflect three percent annual inflation due to future timing.

29

4. Use of Funds: All surcharge amounts collected, including any interest earned on the funds while held in a separate pipeline project bank account, Treasury account, or other financial institution account, shall be used for the purpose of paying the costs of planning and construction of the Lakewood Pipeline Project and to pay principal and interest on loans obtained for the project. Cash amounts accumulated in a separate pipeline project bank account, Treasury account, or other financial institution account will be used in the following order:

30

a. for the purpose of paying current expenses incurred for and associated with the planning and construction of the Lakewood Pipeline Project;

31

b. to make regularly-scheduled payments to service related construction loans obtained for the Lakewood Pipeline Project; and

32

c. if additional funds are received above the current expenses or regularly-scheduled payment, to pre-pay principal on construction loans obtained for the Lakewood Pipeline Project.

33

5. Loan Details: The Company has a willingness and ability to obtain loans with a 15-year term at a variable interest rate, currently at three and one-half (3.5) percent interest. The Company agrees that, upon closing of any loan, it

will provide Staff with loan documents in order that Staff may reassess financial assumptions that were made related to the LPS.

34

6. Expiration: The Phase 1 LPS will expire when costs associated with Lakewood Pipeline Project engineering, design, construction documents and site acquisitions estimated at \$1,173,907 are paid in full. The Phase 2 LPS will expire when costs associated with construction of the pipeline and completion of all testing and in-service placement estimated at \$11,949,719 and interest costs of \$3,427,043 are paid in full.

35

7. Contributions-in-Aid-of-Construction: Funds received from the LPS including interest earned on the funds while held in a separate pipeline project bank account, Treasury account, or other financial institution account will be treated as CIAC.

36

8. Accounting and Reporting Requirements:

37

- a. Consistent with WAC 480-110-455(4), the Company agrees that funds collected from the LPS, and any interest earned upon such funds, will be maintained in a separate pipeline project bank account, Treasury account, or other financial institution account by the Company for the benefit of customers. Funds will be used for engineering, design, construction documents, and site acquisitions (Phase 1) and the actual construction of the pipeline, completion of all testing, and in-service placement (Phase 2).

38

- b. Such funds do not become the property of the Company or Company owners and may not be disbursed, alienated, attached, or otherwise encumbered by the Company or its owners (WAC 480-110-455(4)(a))

except as may be required by lenders in order to secure construction loans.

39

- c. In the event of a sale or transfer of the Company, the trust obligations established in WAC 480-110-455 regarding any accumulated LPS funds will be transferred to the new owner of the Company. Funds received from these charges, including any interest earned on the funds while being held in reserve, are CIAC funds and are restricted to the original purpose for which the funds were collected. If the Lakewood Pipeline Project is not constructed, all funds will be returned to all customers of the Company through bill credits. The Company agrees to include in any purchase and sale agreement language describing all accumulated funds generated by the LPS and treated as CIAC and all restrictions upon their use.

40

- d. In accordance with WAC 480-110-455(4)(c), the Company agrees that it will report for the LPS account the following information to the Commission within 60 days of the end of each calendar quarter: (1) beginning balance; (2) amounts received, detailed by source; (3) amounts spent, detailed by project or expense; (4) ending balance; and (5) reconciliation of bank account, Treasury account, or other financial institution account balance to general ledger. See Attachment B for expected quarterly reporting format.

D. Lakewood Pipeline Facilities Charge, All Water Systems

- 41 1. Application: Rainier View will be authorized to implement a Lakewood Pipeline Facilities Charge (“LPFC”) that will apply to all new customers on all water systems.
- 42 2. Amount: The LPFC shall be \$5,756 for a 3/4 inch or smaller meter. The LPFC increases proportionately for meters larger than 3/4 inch meter based on meter size using the meter size factors published by the American Water Works Association (“AWWA”). For purposes of this Agreement, all LPFCs shall be based on meter sizes as shown in Attachment A.
- 43 3. Use of Funds: All future funds received through the LPFC, including any interest earned on the funds while held in a separate pipeline project bank account, Treasury account, or other financial institution account, will be used in the following order:
- 44 a. for the purpose of paying current expenses incurred for and associated with the planning and construction of the Lakewood Pipeline Project;
- 45 b. to make regularly-scheduled payments to service related construction loans obtained for the Lakewood Pipeline Project; and
- 46 c. if additional funds are received above the current expenses or regularly-scheduled payment, to pre-pay principal on construction loans obtained for the Lakewood Pipeline Project.
- 47 1. Loan Details: The Company has a willingness and ability to obtain loans with a 15-year term at a variable interest rate, currently at three and one-half (3.5) percent interest. The Company agrees that, upon closing of any loan, it

will provide Staff with loan documents in order that Staff may reassess financial assumptions that were made related to the LPFC.

48

2. Expiration:

49

a. The LPFC will expire after future customers representing 2,280 ERUs have paid the LPFC.

50

b. Any amounts from LPFCs collected (up to 2,280 ERUs) after payoff of all Lakewood Pipeline Project construction loans, and after expiration of the LPS per the above, will be passed through to all existing customers on a semi-annual basis in the form of a bill credit.

51

3. Contributions-in-Aid-of-Construction: Funds received from the LPFC, including any interest earned on the funds while held in a separate pipeline project bank account, Treasury account, or other financial institution account, will be treated as CIAC.

52

4. Accounting and Reporting Requirements:

53

a. Consistent with WAC 480-110-455(4), the Company agrees that funds collected from the LPFC, and any interest earned upon such funds, will be maintained in a separate pipeline project bank account, Treasury account, or other financial institution account by the Company for the benefit of customers. Funds will be used for the Lakewood Pipeline Project to include paying costs incurred for and associated with the planning and construction of the Lakewood Pipeline Project, make regularly-scheduled payments to service related construction loans and pay down any borrowed loan principal

or outstanding amounts obtained to finance the planning and construction of the Lakewood Pipeline Project.

54

- b. Such funds do not become the property of the Company or Company owners and may not be disbursed, alienated, attached, or otherwise encumbered by the Company or its owners (WAC 480-110-455(4)(a)) except as may be required by lenders in order to secure construction loans.

55

- c. In the event of a sale or transfer of the Company, the trust obligations established in WAC 480-110-455 regarding any accumulated LPFC funds will be transferred to the new owner of the Company. Funds received from these charges, including any interest earned on the funds while being held in reserve, are CIAC funds and are restricted to the original purpose for which the funds were collected. If the Lakewood Pipeline Project is not constructed, all funds will be returned to all customers of the Company through bill credits. The Company agrees to include in any purchase and sale agreement language describing all accumulated funds generated by the LPFC and treated as CIAC and all restrictions upon their use.

56

- d. In accordance with WAC 480-110-455(4)(c), the Company agrees that it will report, for the LPFC account, the following information to the Commission within 60 days of the end of each calendar quarter: (1) beginning balance; (2) amounts received, detailed by source; (3) amounts spent, detailed by project or expense; (4) ending balance; and

(5) reconciliation of bank account, Treasury account, or other financial institution account balance to general ledger. See Attachment B for expected quarterly reporting format.

- 57 5. Refunds of facilities charges: Parties agree that, since Order 01 was issued in this docket, three facilities charges (in the amount of \$5,270 each) have been collected by the Company from customers for purposes of funding the Lakewood Pipeline Project, pursuant to the temporary rates effective January 27, 2011, and subject to refund. Because the LPFC set forth herein is greater (\$5,756), no refunds are due.

E. Initial Funding of Accounts

58 Currently, Rainier View has collected a large balance of funds in a “City of Tacoma Account.” A portion of the funds has been committed to purchase general infrastructure. The committed portion of these funds is estimated, at the time of agreement, to be approximately \$2,681,850 (see Attachment C) and will be allocated and deposited into the LPFC account for future use.

59 The remaining balance of uncommitted funds is estimated, at the time of agreement, to be approximately \$680,591 (see Attachment C) and will be allocated to pay initial costs associated with the Lakewood Pipeline Project previously described. These funds will be allocated and deposited into the LPFC account for immediate use. This initial funding of the LPFC account will help to reduce the recovered cost from new and current customers through the Lakewood Pipeline Surcharge and Lakewood Pipeline Facilities Charge. The initial fund balance will also allow the Company to begin work immediately. Since the amounts described on Attachment C are estimates, final numbers will be reported to the

Commission once actual expenditure amounts for the items listed on Attachment C are known.

F. Tariff Filings and Customer Notice

60 The tariff filing currently in effect in this docket does not include the LPS on existing customers as proposed above, and customers have not received notice of either phase 1 or phase 2 surcharges. The Company agrees to file substitute replacement tariff page(s) in this docket, adding a new page for the LPS phase 1, in accordance with WAC 480-07-530, along with all required work papers and any specific requests for exemption (e.g., usage data).

61 The Company agrees to provide notice of the proposed LPS phase 1 and phase 2 surcharges to existing customers in the form of a separate mailing or insert included with the next billing, consistent with notice requirements in WAC 480-110-425. The notice to customers will also contain a summary of the Agreement disclosing the LPSs, phase 1 and phase 2 and also the use of LPFC's for funding. The Company must submit a draft customer notice to the Commission for review at least one week before the Company's planned printing date for distribution.

62 The Company and Staff agree to recommend and support a timeline for consideration of this Agreement that provides sufficient notice to customers and opportunity to comment on the proposed surcharge prior to Commission action.

G. Effective Date

63 The Parties agree that the agreed rate changes identified herein will be effective the first day of the month after the Commission approves the Agreement.

H. Discovery and Procedural Schedule

64 The Parties agree to suspend all discovery in this proceeding pending filing and consideration of this Agreement. In the event the case resumes, the Parties agree to work cooperatively to develop a new schedule taking into consideration the delay associated with this Agreement.

I. General Provisions

65 The Parties agree that this Agreement is in the public interest and would produce rates for the Company that are fair, just, reasonable, and sufficient. The Parties agree to support this Agreement as a settlement of all contested issues in this proceeding. The Parties further agree that this Agreement, upon its approval by the Commission, resolves and concludes this docket. The Parties understand that this Agreement is not binding on the Commission or either Party unless and until it is approved.

66 The Parties agree that this Agreement represents a compromise of the positions of the Parties. As such, conduct, statements, and documents disclosed in the negotiation of this Agreement shall not be admissible as evidence in this or any other proceeding.

67 The Parties agree that this Agreement represents the entire agreement of the Parties, and it supersedes any and all prior oral or written understandings or agreements related to this docket or this Agreement, if any, and no such prior understanding, agreement or representation shall be relied upon by any Party. The Parties have negotiated this Agreement as an integrated document. Accordingly, the Parties recommend that the Commission adopt this Agreement in its entirety.

68 The Parties shall cooperate in submitting this Agreement promptly to the Commission for acceptance, and cooperate in supporting this Agreement throughout the

Commission's consideration of this Agreement. In particular, each Party shall cooperate in filing supporting testimony, as described in WAC 480-07-740(2)(a) and (b). The Parties agree to support the Agreement throughout the Commission's consideration of this Agreement, and abide by the procedures determined by the Commission for its review of this Agreement. If necessary, each Party will provide witnesses to sponsor and support this Agreement at a Commission hearing. If the Commission decides to hold such a hearing, each Party will recommend that the Commission issue an order adopting the Agreement. In the event the Commission rejects this Agreement, the provisions of WAC 480-07-750(2)(a) shall apply. In the event the Commission accepts the Agreement upon conditions not proposed herein, the provisions of WAC 480-07-750(2)(b) shall apply. In the event the Commission accepts the Agreement upon conditions not proposed herein, or approves resolution of this proceeding through provisions that are different than recommended in this Agreement, each Party reserves the right, upon written notice to the Commission and all parties to this proceeding within seven days of the Commission's order, to state its rejection of the conditions. If any Party rejects a proposed new condition, the Parties will: (1) request the prompt reconvening of a prehearing conference for purposes of establishing a procedural schedule for the completion of the case pursuant to WAC 480-07-750(2)(a); and (2) cooperate in development of a schedule that concludes the proceeding on the earliest possible date, taking into account the needs of the Parties in participating in hearings and preparing briefs.

69

In the event the Commission determines that it will reject the Agreement or accept the Agreement upon conditions not proposed herein, the Parties request that the Commission

issue an order as soon as possible so that the Parties may promptly invoke the provisions of WAC 480-07-750.

70 The Parties enter into this Agreement to avoid further expense, inconvenience, uncertainty, and delay. By executing this Agreement, no Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed in arriving at the terms of this Agreement, nor shall any Party be deemed to have agreed that any provision of this Agreement is appropriate for resolving issues in any other proceeding, except to the extent expressly set forth in the Agreement.

71 This Agreement may be executed in counterparts and each signed counterpart shall constitute an original document. A Party may authorize another Party to sign on the first Party's behalf. A signed signature page that is faxed or emailed is acceptable as an original signature page signed by that Party.

72 This Agreement is the product of negotiation and no part shall be construed against any Party on the basis that it was the drafter.

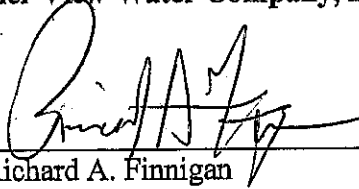
73 Each Party agrees to provide all other Parties the right to review in advance of publication any and all announcements or news releases that any other Party intends to make about the Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements). Each Party also agrees to include in any news release or announcement a statement to the effect that the Commission Staff's recommendation to approve the Agreement is not binding on the Commission itself.

74 The effective date of this Agreement is the date of the Commission order approving it, subject to the procedures described in paragraph 68, above.

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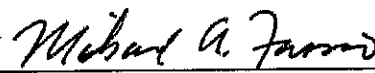
This AGREEMENT is entered into by each Party as of the date entered below.

Rainier View Water Company, Inc.

By 
Richard A. Finnigan
Attorney

Date: April 4, 2012

**Staff of the Washington Utilities and
Transportation Commission**

By 
Michael A. Fassio
Assistant Attorney General

Date: April 4, 2012

Attachment A

Rainier View Water Company
Settlement Attachment A
UW-110054

General Facilities Charge

Meter Size	AWWA Meter Size Factor *			
3/4 inch or smaller	1.00	\$	1,549	Base Charge
1 inch	1.67	\$	2,587	
1 1/2 inch	3.33	\$	5,158	
2 inch	5.33	\$	8,256	
3 inch	10.00	\$	15,490	
4 inch	16.67	\$	25,822	
6 inch	33.33	\$	51,628	

Lakewood Pipeline Facilities Charge

Meter Size	AWWA Meter Size Factor *			
3/4 inch or smaller	1.00	\$	5,756	Base Charge
1 inch	1.67	\$	9,613	
1 1/2 inch	3.33	\$	19,167	
2 inch	5.33	\$	30,679	
3 inch	10.00	\$	57,560	
4 inch	16.67	\$	95,953	
6 inch	33.33	\$	191,847	

* AWWA Factor based on 3/4 inch meter basis.

Attachment B

Surcharge / Facilities Charge Quarterly Report

For the Quarter Ended _____

Fund Balance Per Last Report \$ 8,470.00

<u>Receipts:</u>	<u>Amounts Received</u>		<u>Collected</u>
	<u>Surcharges</u>	<u>Facilities Charges</u>	
Month 1 _____	\$ _____	\$ 54,950.00	\$ 54,950
Month 2 _____	\$ _____	_____	\$ -
Month 3 _____	\$ _____	_____	\$ -

Total CIAC Received this Period \$ 54,950.00

<u>Expenditures:</u>	<u>Amounts Expended</u>
_____	\$ (1,500.00)
_____	_____
_____	\$ (5,000.00)
_____	_____
_____	_____
_____	_____

Total Capital Expenditures this Period \$ (6,500.00)

Net this quarter \$ 48,450.00

Fund Balance @ End of Quarter \$ 56,920.00

Notes: _____

 Signature

 Date

Attachment C

Rainier View Water Company
 Settlement Attachment C
 UW-110054

City of Tacoma Account

Balance as of January 1, 2011				\$5,938,790
Lakewood annual fee (2011)				(132,630)
Received connection	\$ 5,270	1		5,270
Lakewood Extension				(2,459,529)
Balance July 7, 2011				<u>\$3,351,901</u>

Lakewood Pipeline Project Account

Rainier View Commitments (from Initial Investment)				
Booster Station			(977,700)	
Treatment station			(500,000)	
Intertie Lakewood / Tacoma			(500,000)	
Lakewood annual fee (years)	\$ 140,830	5	(704,150)	
			Committed Funds	<u>(\$2,681,850)</u>
Received connection	\$ 5,270	2		10,540
(collected one in August and one in September 2011)				
Balance for Lakewood Pipeline Project				\$680,591

Beginning Balance General Facilities Charge Account. **\$0.00**

Attachment D

INVESTMENT Reporting

Reporting period

Current Actual Investment	6,000	Future Investment Obligation	2,570	Calculated Ratio	21%
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GFC CIAC Account	\$ 20,100	Investment Calculation	\$	Total GFC plus Company Investment	28,570
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Beginning Balance
 (should match last report's Ending Balance)

GFC

Amount Received
 Amount Received

	664	30%	2,213
	193	30%	643
	857		

Detail by source

Amount Expended
 Amount Expended

	2,400	30%	8,000
	3,664	30%	12,214
	6,064		

Detail by Project

Company Investment
 Amount Expended
 Amount Expended

	(500)	(500)
	(850)	(850)
	(6,650)	(1,350)

Detail by Project

Annual Balance

\$ (12,151)	\$ 23,070
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Ending Balance

\$ 7,849	\$ 51,640
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Note: Balance should reconcile to bank statement

Notes:

Investment Ratio	30%	Gross Up Factor	1.43	Gross Up Factor Formula	1/(1-ratio)

Signature

Date