

Agenda Date: July 31, 2003
Item Number: A5

Supplement

Docket Number: UW-021603
Company Names: Kayak Point Water Co., Inc., and
Kayak Estates Water, LLC

Staff: Jim Ward, Regulatory Analyst

Recommendation:

Approve the joint application for a sale and transfer of assets from Kayak Point Water Co., Inc., to Kayak Estates Water, LLC, in Docket UW-021603 to become effective August 1, 2003.

Discussion:

On July 30, 2003, Kayak Estates Water, LLC, (Kayak Estates) filed additional information related to Staff's concerns with a sale and transfer of the Kayak Point water system.

Kayak Estates has now signed an Agreed Order in Docket No. 03-017 with the Department of Health (DOH) designed to resolve on-going water quantity and water quality concerns with regard to the Kayak Point water system. Staff believes this agreement adequately addresses our concerns regarding water quality and quantity (Nos. 4 and 5) in our first memo written for this Open Meeting.

The DOH Agreed Order formalizes the following actions by the new owner:

1. Revise water facilities inventory form.
2. Maintain minimum system pressure.
3. Respond to low pressure (less than 30 psi) or out of water events.
4. Respond to customers need to be informed of low-pressure events.
5. Operate the water system in accordance with the approved water system design.
6. With respect to manganese, provide treated water quality commensurate with the degree of consumer acceptance and their willingness to bear the cost of meeting the secondary standard.
7. Prepare an updated water system plan.
8. Notify customers that the water company has entered into this agreed order.

Iliad, Inc., and the Kayak Estates' attorney have provided copies of conditional liens (to be released upon the sale and transfer being approved by this Commission and the companies involved) and assurances that customers affected by the liens will be provided notice that they can request reimbursement for costs incurred to remove a lien. Staff believes these adequately address our concerns regarding liens (Nos. 1, 2 and 3) in our first memo written for this Open Meeting.

Docket No. UW-021603
July 31, 2003
Page 2

Conclusion

Staff recommends that the Commission Approve the sale and transfer of assets from Kayak Point Water Co., Inc., to Kayak Estates Water, LLC, in Docket UW-021603, to become effective August 1, 2003.