



Instructions: All applications submitted to the Commission must be filed electronically with the Commission's Filing Center by sending the filing as an attachment to an e-mail message addressed to the Commission's Filing Center at puc.filingcenter@state.or.us.

OREGON PUBLIC UTILITY COMMISSION

GUIDE FOR FILING A WATER UTILITY RATE CASE

A water utility subject to rate regulation by the Public Utility Commission (PUC) must file tariffs to change or establish its rates. A brief (pages 1-2 of the application) summarizing the filing, written testimony, and supporting exhibits must accompany a tariff filing. Information supporting the proposed rate should be submitted at the time of filing. A filing must include information regarding:

- 1) Utility history and background
- 2) Characteristics and condition of the physical plant
- 3) Rate structures: current and proposed
- 4) New or revised tariff sheets
- 5) Financial records
- 6) Quality of service

Following is a rate case application and tariff sheets. Generally, returning the completed application and attached tariffs constitutes a complete rate case application acceptable for docketing. **Please answer each question.** In instances where the question is not relevant to your situation, please indicate that it is not applicable (n/a). Feel free to include other questions/answers or information that you believe may be relevant for staff's evaluation of your proposed filing.

The tariffs included as **Exhibit A** to the application include references and applications of PUC's water regulation rules adopted by the Commission. **Please read the Rules and Regulations section.** There are several **blanks you will need to fill in** based upon your utility's particular way of doing business.

The plant information included as **Exhibit B** at the end of the application must be filled out.

Please note that the **effective date of the tariffs**, located at the bottom of each tariff sheet, **MUST be dated at least 30 days after the date PUC receives the filing.**

You are required to **notify customers within 15 days** of filing new or revised tariff schedules with the Commission that constitute a general rate revision. **Send a copy of the final notice to the Commission.** (See the notification information)

The instructions on this page, the glossary (next 2 pages), and the notification instructions are for your information. Please do not return them with your completed application.

GLOSSARY

ALJ – Administrative Law Judge (attorney) who is assigned to preside over a water utility case. The ALJ conducts hearings and public meetings, gathers facts in an impartial way, makes a record of evidence, and recommends a decision to the Commission.

ACCUMULATED DEPRECIATION – The accumulation of expense associated with the gradual consumption of utility assets used in the process of providing service. See DEPRECIATION.

AFFILIATED COMPANY – Either a utility’s wholly owned subsidiary or a related entity whose voting stock is controlled by another entity or maintains a degree of control over the regulated utility.

CAPITAL – Investment of utility assets used in the provision of water service.

CAPITAL STRUCTURE – The portions or percentages of debt and equity capital that make up total capital.

CLASSES OF CUSTOMERS – Categories of customers generally including residential, commercial, and irrigation.

COST OF CAPITAL – A weighted average of the cost of debt and the cost of equity, where the weights are the percentages of debt and equity in the company’s CAPITAL STRUCTURE. Also known as the RATE OF RETURN or RETURN ON CAPITAL.

DEPRECIATION – The gradual consumption of the utility asset used in the provision of water service. Wear and tear, decay, obsolescence, or inadequacy can bring about the consumption.

INTERVENOR – A person who applies for and receives intervenor status (full party) in water case.

MATERIALS AND SUPPLIES INVENTORY – Assets kept on hand for future service needs, but which are not currently used.

ORGANIZATION STRUCTURE – The manner in which the company is formed. Some organizational structures include nonprofit, corporation, partnership, proprietorship, homeowner’s association, and cooperative.

PLANT IN SERVICE – Original cost of utility assets (without consideration of depreciation).

RATE BASE – Cost of utility plant in service adjusted to recognize materials and supplies inventory, working cash, contributions in aid of construction, and accumulated depreciation.

RATE DESIGN – The process of distributing revenue requirement among various classes of customers.

RATE SCHEDULE – A schedule reflecting the rates or fees charged by the utility for each type of service.

RATE STRUCTURE – Rates charged to different CLASSES OF CUSTOMERS.

RETURN ON EQUITY – Return component that recognizes the risk associated with plant funded by equity capital.

REVENUE REQUIREMENT – Revenues determined to be necessary to allow the company to recover reasonable expenses and the opportunity to earn a reasonable rate of return on its prudent rate base.

REVENUE REQUIREMENT FORMULA $R = E + (v - d) r$

R – Total revenue required

E – Operating expenses

v – Original cost of utility assets (value of rate base)

d – Accumulated depreciation of utility assets (plant depreciation)

r – Rate of return

SERVICE LIFE – The average length of time that an asset is expected to be used and useful.

TARIFF – A published collection of rate schedules and rules for use of service.

TEST PERIOD or TEST YEAR – Generally, the last 12-month period for which complete financial data is available.

WATER RIGHT – A water right is legal authority to use Oregon’s public water. In 1909, the Legislature declared all surface water to be owned by the public, and, again, in 1954 the Legislature declared all ground water to be owned by the public. Prospective users of the public’s water must acquire a water right before water can be diverted and put to beneficial use. Water rights are issued and administered by the Oregon Water Resources Agency (503-378-8455).

WELL PUMP HP – The horsepower rating for a well pump. Often the range is from one to seven HP (horsepower).

WORKING CASH – One-twelfth of operating expenses representing a 30-day working cash requirement. (Not including depreciation or taxes)

CUSTOMER NOTICE OF PUC FILING

ORS 860-036-2030 requires a water utility to notify customers within 15 days of electronically filing new or revised tariff schedules with the Commission which constitute a general rate revision. The notice must be posted in the water utility's office and on its website, if available, and a copy must be provided to the Commission's Consumer Services Section.

The notice to the customers must be provided as either a separate written notice inserted in the water utility's regular billing or a written notice delivered to each customer.

The customer notice must include:

- (a) The information required by OAR 860-036-1100(2);
- (b) The following statement:

“This notice is to inform customers that (*name of water utility*) filed a general rate revision with the Public Utility Commission. This notice provides general information regarding the utility's proposed changes and the effect it will have on customers' bills if approved by the Commission. Customers may request to receive notice of the time and place of any hearing on the matter by contacting the OPUC, Administrative Hearings Division, at 503-378-6678. The calculations and statements contained in the water utility's filing and this notice are not binding on the Commission.”
- (c) The amount of the change in annual revenue the water utility is seeking;
- (d) The total amount of annual revenue the water utility is requesting;
- (e) A comparison of the current and the proposed average monthly bills for each customer class expressed in dollars;
- (f) The reasons the water utility is requesting the proposed change;
- (g) A statement that copies of the water utility's application, testimony, and exhibits are available at the water utility's main office; and
- (h) The contact information of the water utility's representative that customers may contact to receive additional information or a copy of the filing. Contact information includes name, address, telephone number, and email address if available.

(See SAMPLE Notice of Tariff Filing on Next Page)

CUSTOMER NOTICE

ANNOUNCEMENT OF PROPOSED CHANGES TO WATER SERVICE RATE TARIFFS FILED WITH THE PUC

DATE: 06/20/2019

CLEARWATER SOURCE submitted a general rate filing to the Commission on 06/20/2019. We are seeking to increase our annual revenues by \$8,045 above the \$7,000 for Water services and by \$6,588 above the \$5,733 for Wastewater we collected in 2018. The purpose of this announcement is to provide you with general information regarding the proposed rates and the effect the filing may have on you.

We anticipate the increase will change average monthly water service rates as follows:

Line Size	Current Ave Monthly Bill	Proposed Ave Monthly Bill
Residential		
5/8" & 3/4"	\$26.52	\$56.99
	\$	\$
	\$	\$

We anticipate the increase will change average monthly wastewater service rates as follows:

Line Size	Current Ave Monthly Bill	Proposed Ave Monthly Bill
Residential		
5/8" & 3/4"	\$21.71	\$46.67
	\$	\$
	\$	\$

1. Clearwater Source is seeking the above changes in rates because:
Last rate adjustment was done more than 11 years ago, recent and extensive capital improvement and offset a current and chronic deficit
2. Copies of the utility's application, testimony, and exhibits are available at: Clearwater source 480 322 7924
3. Clearwater source can provide additional information about the rate filing.
If you are interested please contact: Alain Cailler 480 322 7924
4. To request to receive notices of the time and place of hearings on the matter, contact the PUC at 1-800-522-2404; TTY 711, or mail request to:
PUBLIC UTILITY COMMISSION OF OREGON
ADMINISTRATIVE HEARINGS DIVISION
PO BOX 1088
SALEM OR 97308-1088
5. The calculations and statements contained in the water utility's announcement and filing are not binding on the Commission.

cc: PUC Administrative Hearings Division, PO Box 1088, Salem OR 97308-1088

ATTACH A COPY OF NOTICE

PLEASE RETURN THIS AS PAGE 1 OF THE COMPLETED APPLICATION

PLEASE FILL IN ALL BLANKS

TO: PUBLIC UTILITY COMMISSION OF OREGON
PO BOX 1088
SALEM OR 97308-1088

FROM:

Clearwater Source, LLC
(Company name)

4754 Center St NE
(Address)

Salem, OR 97301
(City, State, Zip)

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

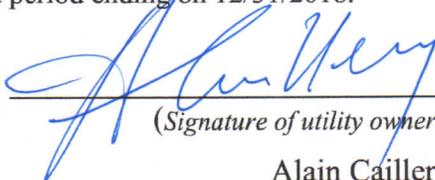
In the Matter of Tariffs for Water Service)
in the State of Oregon filed by) BRIEF
Clearwater Source, LLC)
(Company name))

Alain Cailler
(Name of utility owner)

In accordance with Oregon Revised Statutes 757.205 and 757.220, herewith files tariff sheets designated as PUC Oregon No. 1, Original Tariff Sheets No. 1 through 22 to become effective for service rendered on and after 07/30/2019 (at least 30 days after PUC receives the filing). The purpose of this filing is to:

- 1) Establish rates resulting in total annual revenues of \$27,365.
- 2) This is an increase or decrease to the utility's total annual revenues from \$12,733 to \$27,365 resulting in a net increase/decrease of \$14,632 or 115 percent. After deducting for operating expenses, the projected revenues will produce a 5.64 percent return on a rate base of \$61,570.

The attached testimony summarizes the utility's financial operations, the effects of current rates on the individual classes of customers, and the effects of the proposed rates on the individual classes of customers for the 12-month test period ending on 12/31/2018.


(Signature of utility owner or officer)

Alain Cailler
(Printed name of owner or officer)

Clearwater Source, LLC
(Legal name of Utility)

June 20, 2019
(Date)

President
(Title or position)

Attachment

WATER UTILITY TESTIMONY

1. Q. PROVIDE THE FOLLOWING INFORMATION REGARDING THE WATER UTILITY:

A.

Legal Name	Clearwater Source LLC		
Business Address	2121 via Rivera		
City, State, Zip	Palos Verdes Estates, CA 90274		
Telephone Number	480 322 7924	Emergency Number	
Fax Number		Email Address	amicompany@gmail.com

2. Q. PROVIDE THE FOLLOWING INFORMATION IF DIFFERENT FROM QUESTION #1.

A.

Name			
Title			
Address			
City, State, Zip			
Telephone Number		Emergency Number	
Fax Number		Email Address	

3. Q. PROVIDE THE FOLLOWING INFORMATION REGARDING THE SYSTEM OPERATOR.

A.

Operator Name	Alain Cailler		
Address	2121 via Rivera		
City, State, Zip	Palos Verdes Estates, CA 90274		
Telephone #	480 322 7924	E-Mail Address	amicompany@gmail.com
Certified Operator <input type="checkbox"/> yes <input checked="" type="checkbox"/> no	Certification Level	Registration Number	

4. Q. PROVIDE THE FOLLOWING INFORMATION REGARDING THE WATER UTILITY ACCOUNTANT OR BOOKKEEPER.

A. The utility's accountant or bookkeeper is:

Name	Alain Cailler		
Address	2121 via Rivera		
City, State, Zip	Palos Verdes Estates, CA 90274		
Telephone Number	480 322 7924		
E-Mail Address	amicompany@gmail.com		

5. Q. PROVIDE THE NAME, ADDRESS, AND TELEPHONE NUMBERS OF ALL THE UTILITY OWNERS.

A. The utility owners are:

Name	Alain Cailler		
Address	2121 via Rivera		
City, State, Zip	Palos Verdes Estates, CA 90274		
Telephone Number	480 322 7924		

Name	Patricia Cailler
Address	2121 via Rivera
City, State, Zip	Palos Verdes Estates, CA 90274
Telephone Number	480 322 7924 & 310 704 5930

Name	Mathieu Cailler
Address	2121 via Rivera
City, State, Zip	Palos Verdes Estates, CA 90274
Telephone Number	480 322 7924 & 310 433 5881

(Attach additional page[s] if necessary)

6. Q. PLEASE LIST ALL UTILITY OFFICERS AND PROVIDE THE FOLLOWING INFORMATION.

A. The utility officers are:

Name	Alain Cailler		
Title	President		
Address	2121 via Rivera		
City, State, Zip	Palos Verdes Estates, CA 90274		
# of Hours Worked	480	Annual Salary	7,200
Phone Number	480 322 7924		
E-Mail Address	amicompany@gmail.com		

Name	Patricia Cailler		
Title	Vice President		
Address	2121 via Rivera		
City, State, Zip	Palos Verdes Estates		
Hours Worked	120	Annual Salary	0
Phone Number	480 322 7924		
E-Mail Address	amicompany@gmail.com		

Name	Mathieu Cailler		
Title	Secretary		
Address	2121 via Rivera		
City, State, Zip	Palos Verdes Estates, Ca 90274		
Hours Worked	120	Annual Salary	0
Phone Number	480 322 7924		
E-Mail Address	amicompany@gmail.com		

Name			
Title			
Address			
City, State, Zip			
Hours Worked		Annual Salary	\$
Phone Number			
E-Mail Address			

7. Q. WHAT IS YOUR AFFILIATION WITH THE WATER UTILITY? DESCRIBE YOUR CURRENT WATER UTILITY RESPONSIBILITIES.

A. My affiliation with the water utility and current responsibilities are: President

8. Q. ARE YOU ENGAGED IN OTHER BUSINESS IN ADDITION TO THE WATER UTILITY?

A. No, I am not engaged in other business.

Yes, I am engaged in other business, they are member of manufactured home community

9. Q. DID YOU PREPARE THE EXHIBITS IN THIS TESTIMONY OR WERE THEY PREPARED UNDER YOUR SUPERVISION?

Yes, the exhibits in this testimony were prepared by me or under my supervision.

No, I did not prepare the exhibits in this testimony. The exhibits were prepared by:

Name	
Address	
City, State, Zip	
Telephone Number	
E-Mail Address	

SUMMARY OF THE UTILITY'S PROPOSED RATE REQUEST

10. Q. WHAT CHANGE IN ANNUAL REVENUES IS THE UTILITY SEEKING?

A. The utility's most recent calendar year revenues are \$12,733. The utility seeks a rate:

An increase of \$14,632 or 115 percent in current annual revenues, resulting in total annual revenues of \$27,365.

A decrease of \$ _____ or _____ percent in current annual revenues, resulting in total annual revenues of \$ _____.

11. Q. SUMMARIZE WHY THE UTILITY IS SEEKING THE PROPOSED CHANGE IN RATES.

A. The utility is seeking this change in rates because the company is presently running a chronic and lasting financial deficit due to rates set more than 11 years ago, cost of capital improvements and to allow Clearwater to continue dependable service to his customers.

12. Q. WHAT HISTORICAL 12-MONTH PERIOD IS THE UTILITY SELECTING AS ITS TEST YEAR FOR THIS RATE PROCEEDING?

A. The test period the utility selected is January 1, 2018 to December 31, 2018.

13. Q. WHAT IS THE UTILITY'S AMOUNT OF RATE BASE? (*Rate base is Utility Plant minus accumulated depreciation and other contra plant accounts, plus working cash and materials inventory*)

A. The utility rate base is \$61,570.

14. Q. WHAT IS THE RATE OF RETURN THE UTILITY IS PROPOSING IN THIS RATE PROCEEDING AND WHY?

A. The utility is seeking a 5.64 percent rate of return on a rate base because reasons presented above

GENERAL UTILITY INFORMATION

15. Q. IN WHAT YEAR WAS THE UTILITY ORGANIZED AND HOW WAS IT FORMED?

A. The water utility was legally organized on 07/09/2008, under the laws of the State of Oregon as a:
 Proprietorship Partnership Corporation LLC Other: _____

16. Q. WHAT YEAR WAS THE WATER SYSTEM ORIGINALLY CONSTRUCTED AND WHEN (MONTH/YEAR) DID IT BEGIN PROVIDING WATER SERVICE.

A. The system was originally constructed in 1997, began providing service on 1997.

17. Q. HOW AND WHEN WAS THE UTILITY ACQUIRED BY ITS CURRENT OWNER?

A. The utility was: Purchased Constructed Inherited Other on 05/2018 (mo./yr.).

18. Q. DO ORAL OR WRITTEN CONTRACTS EXIST BETWEEN THE UTILITY AND PERSONS AFFILIATED WITH THE COMPANY? IF YES, PLEASE PROVIDE COPIES OF EACH CONTRACT.

A. No, oral or written contracts **exist** between the utility and its owners and affiliated interests.
 Yes, PUC approved contracts exist between the utility and its owners and affiliated interests.
 Approval found in PUC Order No. 19-179.
 Yes, oral or written contracts do exist, but have not been approved by PUC

19. Q. DOES THE UTILITY HAVE A PUC APPROVED SERVICE TERRITORY?

A. No, the utility has not filed an application with PUC for an approved service territory.
 Yes, the utility's service territory is approved by the PUC, per Order No. _____.

20. Q. IS THE UTILITY AN AFFILIATE OF A PARENT CORPORATION OR HOLDING COMPANY?

A. No, the utility is **not a subsidiary** of a parent corporation or holding company.
 Yes, the utility is a **subsidiary** of a parent corporation or holding company.
 Attached are the parent/holding company's balance sheet/income statements for the last calendar year.

21. Q. HOW MANY FULL OR PART-TIME EMPLOYEES DOES THE UTILITY CURRENTLY EMPLOY?

A. The utility currently employs 1 full-time and 2 part-time employees.

22. Q. PROVIDE INFORMATION FOR ALL EMPLOYEES. (If a position is currently vacant but will be filled within a year, include information for that position.)

A. Current employee detail is listed below:

Name	Position	Responsibilities	Schedule	Wage/Salary
Alain Cailler	President	Day to day operations	40	15
Patricia	Vice president	Assistant	10	0
Mathieu Cailler	Secretary	Office work	10	0
TOTAL			60	15

23. Q. IS THE UTILITY PROPOSING TO ADD ANY FULL OR PART TIME EMPLOYEES WITHIN THE CONTEXT OF THIS RATE FILING OR DURING THE NEXT YEAR?

- A. **No** the utility does not propose adding any full- or part-time employees.
 Yes, the utility proposes to add _____ full-time and/or _____ part-time employees as described below:

Proposed Position	Responsibilities/Duties	Schedule	Wage/ Salary
			\$
			\$
			\$

24. Q. PLEASE IDENTIFY ANY INDEPENDENT CONTRACTORS THE UTILITY HIRES.

- A. **No**, the utility does not contract for any services.
 Yes, the utility contracts for the following services:

Name of Independent Contractors	Description of Services	Annual Charges
Engineering		\$
Accounting		\$
Legal		\$
Management		\$
Water Testing /Sampling		\$
Labor		\$
Billing and Collection		\$
Meter Reading		\$
Other (specify)		\$

25. Q. PLEASE PROVIDE THE UTILITY’S CURRENT CAPITAL STRUCTURE.

- A. The utility’s capital structure is:

Debt	Original Balance	Outstanding Balance	Loan Terms	Interest Rate
AMI company	\$ 25,000	\$ 25,000	n/a	0
	\$	\$		
	\$	\$		
TOTAL DEBT	\$ 25,000	\$ 25,000	n/a	0
TOTAL EQUITY		\$ 36,570	n/a	9.5%
<i>SAMPLE</i>				
<i>Debt</i>	<i>Original Bal.</i>	<i>Current Bal.</i>	<i>Terms</i>	<i>Interest Rate</i>
<i>John Doe Bank</i>	<i>\$15,000</i>	<i>\$7,000</i>	<i>10 years</i>	<i>8.75 %</i>
<i>Utility Equity</i>		<i>\$10,000</i>		<i>9.5 %</i>

OPERATING REVENUES

26. Q. IN COLUMN A PROVIDE UTILITY'S HISTORICAL TEST YEAR ACTUAL REVENUE. IN COLUMN B PROVIDE THE PROPOSED ADJUSTMENTS (INCREASE OR DECREASE). IN COLUMN C PROVIDE THE TOTAL OF COLUMN A AND B.

A. Test period revenues, proposed revenue adjustments, and proposed revenue results are below:

Acct #	OPERATING REVENUE	Test Year \$	Proposed Adj.	(A + B = C) \$
460	Unmetered Water Sales			
461	Metered Residential Water Sales	\$7,000	\$8,045	\$15,045
461	Metered Commercial/Industrial Water Sales	\$	\$	\$
461	Metered Sales to Public Authorities	\$	\$	\$
461	Metered Sales to Multiple Family Dwellings	\$	\$	\$
461	Metered Sales to Multiple Commercial Unit/Bldg	\$	\$	\$
461	Sales to Water Hauling Services	\$	\$	\$
462	Fire Protection Sales Revenue	\$	\$	\$
464	Special Contract Water Sales to Public Authorities	\$	\$	\$
465	Irrigation Water Sales	\$	\$	\$
466	Water Sales for Resale	\$	\$	\$
467	Golf Course Revenue	\$	\$	\$
468	Special Contract Revenue	\$	\$	\$
	Other - Wastewater	\$5,733	\$6,588	\$12,320
TOTAL REVENUE		\$12,733	\$14,632	\$27,365

27. Q. PLEASE PROVIDE LINE ITEM REVENUES FOR OTHER THAN WATER SALES.

A. The following is an itemized list of all revenues other than water sales:

DESCRIPTION OF REVENUE OTHER THAN WATER SALES	ANNUAL AMOUNT
Miscellaneous Fees (i.e. late fees, disconnections, field visits, etc.)	\$
Backflow Prevention Device Services (if offered)	\$
Rents from Water Property Acct 472	\$
Other (specify)	\$
	\$
	\$
TOTAL	\$ 0

OPERATING EXPENSES

28. Q. IN COLUMN A: ACTUAL ANNUAL EXPENSE FOR TEST YEAR. IN COLUMN B: PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) FOR THE COMING YEAR. IN COLUMN C: PROVIDE THE TOTAL OF COLUMN A PLUS COLUMN B.

A. Test period expenses, proposed expense adjustments, and proposed expense results

Acct #	OPERATING EXPENSES	Test Year \$	Proposed Adj.	(A + B = C) \$
601	Salaries & Wages – Employees	\$	\$ 7,200	7,200
603	Salaries & Wages – Officers, Directors	\$	\$	\$
604	Employee Pensions and Benefits	\$	\$	\$
610	Purchased Water	\$ 8,400	\$ -	\$ 8,400
611	Telephone/Communications	\$	\$ 55	55
615	Purchased Power	\$	\$	\$
616	Fuel for Power Production	\$	\$	\$
617	Utility Services (garbage, gas)	\$	\$	\$
618	Chemicals/Treatment Expense	\$	\$	\$
619	Office Supplies	\$ 1800	\$579	\$2,379
619.1	Postage	\$	\$	\$
620	Materials/Supplies (O&M)	\$	\$	\$
621	Repairs to Water Plant	\$	\$	\$
631	Contractual Services – Engineering	\$	\$	\$
632	Contractual Services – Accounting	\$	\$ 425	\$ 425
633	Contractual Services – Legal	\$	\$	\$
634	Contractual Services – Mgmt Fees	\$	\$	\$
635	Contractual Services – Testing	\$	\$	\$
636	Contractual Services – Labor	\$	\$	\$
637	Contractual Services – Billing/Collect	\$ 3,600	\$ (3,600)	\$
641	Rental of Building/Real Property	\$	\$	\$
642	Rental of Equipment	\$	\$	\$
643	Small Tools	\$	\$	\$
648	Computer/Electronic Expense	\$	\$	\$
650	Transportation Expense	\$	\$	\$
656	Insurance – Vehicle	\$	\$	\$
657	Insurance – General Liability	\$	\$	\$

Acct #	OPERATING EXPENSES	Test Year \$	Proposed Adj	(A + B = C) \$
658	Insurance – Workers’ Compensation	\$	\$	\$
659	Insurance – Other	\$	\$	\$
660	Public Relations/Advertising Expense	\$	\$	\$
666	Amortization of Rate Case Expense	\$	\$	\$
667	Gross Revenue Fee	\$ 50	\$ 32	\$82
671	Cross Connection Control Program	\$	\$	\$
670	Bad Debt Expense	\$	\$	\$
673	Training and Certification Expense	\$	\$	\$
674	Consumer Confidence Report	\$	\$	\$
675	Miscellaneous Expenses	\$	\$	\$
401	TOTAL OPERATING EXPENSES	\$ 13,850	\$ 4,691	\$18,541

Acct #	OTHER REVENUE DEDUCTIONS	Test Year	Proposed Adj	(A + B = C)
403	Depreciation Expense	\$	\$ 2,806	\$ 2,806
406	Amortization of Plant/ Acquisition Adj.	\$	\$	\$
407	Amortization Expense	\$	\$	\$
408	Taxes Other Than Income	\$	\$ 1,310	\$1,310
409.10	Federal Income Tax	\$	\$ 924	\$ 924
409.11	Oregon Income Tax	\$	\$ 311	311
409.13	Extraordinary Items Income Tax	\$	\$	\$
TOTAL REVENUE DEDUCTIONS		0	\$ 6,441	\$ 6,441

29. Q PROVIDE LINE ITEMS COMPONENTS OF MISCELLANEOUS EXPENSE.

A. The following is an itemized list of all miscellaneous expenses:

DESCRIPTION OF MISCELLANEOUS EXPENSES	ANNUAL COST
Industry Dues and Memberships	\$
Bank Charges	\$
	\$
	\$
	\$
	\$
	\$
TOTAL	\$

UTILITY CURRENT RATES AND SCHEDULES

30. Q. PLEASE DESCRIBE THE UTILITY'S CURRENT RATES.

A. The utility's current rate structure is described below:

CURRENT WATER RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Residential Consumption Included in Base Rate	Current Residential Monthly Commodity/Usage Rate	
3/4" or 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$17.24	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$3.73 Per 100 CF Tier 2 - \$ Per	Up to: Above:
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
<i>SAMPLE</i> 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$20.00	<i>None</i> <input type="checkbox"/> CF <input checked="" type="checkbox"/> Gal	<i>Tier 1 - \$.60 Per 100 gals</i> <i>Tier 2 - \$.82 Per 100 gals</i>	<i>Up to 3,000 gal</i> <i>Above 3,000 gal</i>

CURRENT WASTEWATER RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Residential Consumption Included in Base Rate	Current Residential Monthly Commodity/Usage Rate	
3/4" or 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$14.13	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$3.05 Per 100 CF Tier 2 - \$ Per	Up to: Above:
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
<i>SAMPLE</i> 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$20.00	<i>None</i> <input type="checkbox"/> CF <input checked="" type="checkbox"/> Gal	<i>Tier 1 - \$.60 Per 100 gals</i> <i>Tier 2 - \$.82 Per 100 gals</i>	<i>Up to 3,000 gal</i> <i>Above 3,000 gal</i>

CURRENT RATES FOR COMMERCIAL SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Commercial Consumption Included in Base Rate	Current Commercial Monthly Commodity/Usage Rate	
3/4" or 5/8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
1 1/2"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
2"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
3"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
4"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
6"	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:

CURRENT RATES FOR IRRIGATION SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Irrigation Consumption Included in Base Rate	Current Irrigation Monthly Commodity/Usage Rate
	<input type="checkbox"/> M <input type="checkbox"/> F	\$	<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per

	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per

CURRENT RATE FOR FIRE PROTECTION OR HYDRANT SERVICE

Type of Service	# of Customers	Monthly Rate
Public Fire Protection		\$
Private Fire Protection		\$
Hydrant Maintenance		\$
		\$
		\$

CURRENT RATE(S) FOR SPECIAL CONTRACT

(State who the contract is with and explain the monthly charge(s) for each special contract.)

Special Contract Company/Person	Monthly Rate
	\$
	\$
	\$
	\$

CURRENT RATE FOR OTHER SERVICE NOT COVERED ABOVE

(State what the service is and explain the monthly charge(s).)

Specify Service	Check One	Current Charges
	<input type="checkbox"/> M <input type="checkbox"/> F	\$
	<input type="checkbox"/> M <input type="checkbox"/> F	\$

31. Q. PLEASE PROVIDE THE FOLLOWING FOR EACH CUSTOMER CLASS FOR THE MOST RECENT COMPLETED CALENDAR YEAR OF 2018.

(Count each dwelling unit, such as each mobile home, each side of the duplex, each condominium as a customer.)

A.

Customer Class	Number of Customers at Start of Year	Number of Customers at End of Year	Total Annual Revenues	Total Annual Consumption	Cubic Feet or Gal
Residential	22	22	\$7,000	491,040	<input type="checkbox"/> CF <input checked="" type="checkbox"/> Gal
Commercial/Industrial			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
Multiple Dwellings			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal

Irrigation			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
Fire Protection			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
Other (Wastewater)	22	22	\$ 5,733	491,040	<input type="checkbox"/> CF <input checked="" type="checkbox"/> Gal
			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
TOTAL	22	22	12,733	491,040	<input type="checkbox"/> CF <input type="checkbox"/> Gal

UTILITY PROPOSED RATES AND SCHEDULES

32. Q. PLEASE DESCRIBE THE RATE STRUCTURE THE UTILITY IS PROPOSING IN THIS RATE PROCEEDING?

A. The utility is proposing the following rate structure:

PROPOSED WATER RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Residential Consumption Included in Base Rate	Proposed Residential Monthly Commodity/Usage Rate		
3/4" or 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$37.05	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$8.02 Per 100 CF Tier 2 - \$ Per	Up to: Above:
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:

PROPOSED WASTEWATER RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Residential Consumption Included in Base Rate	Proposed Residential Monthly Commodity/Usage Rate		
3/4" or 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$30.37	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$6.56 Per 100 CF Tier 2 - \$ Per	Up to: Above:
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:

PROPOSED RATES FOR COMMERCIAL SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Commercial Consumption Included in Base Rate	Proposed Commercial Monthly Commodity/Usage Rate		
3/4" or 5/8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
1 1/2"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
2"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:

4"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
6"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:
8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$ Per Tier 2 - \$ Per	Up to: Above:

PROPOSED RATES FOR IRRIGATION SERVICE

Line or Meter Size	Check One	Monthly Base or Flat Rate	Irrigation Consumption Included	Proposed Irrigation Monthly Commodity/Usage Rate	
3/4" or 5/8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
1"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
1 1/2"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
2"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
4"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
6"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per
8"	<input type="checkbox"/> M <input type="checkbox"/> F	\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$ Per

PROPOSED RATES FOR FIRE PROTECTION OR HYDRANT SERVICE

Type of Service	# of Customers	Proposed Monthly Rate
Public Fire Protection		\$
Private Fire Protection		\$
Hydrant Maintenance		\$
		\$
		\$

PROPOSED RATES FOR SPECIAL CONTRACTS

(State who the contract is with and explain the monthly charge(s) for each special contract.)

Special Contracts	Monthly Rate	Annual Rate
	\$	\$
	\$	\$
	\$	\$
	\$	\$

PROPOSED RATE FOR OTHER SERVICE NOT COVERED ABOVE

(State what the service is and explain the monthly charge(s).)

Specify Service	Check One	Estimated Annual Consumption	Monthly Rate	Annual Revenue
	<input type="checkbox"/> M <input type="checkbox"/> F	<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$	\$
	<input type="checkbox"/> M <input type="checkbox"/> F	<input type="checkbox"/> CF <input type="checkbox"/> Gal	\$	\$

33. Q. IF THE UTILITY’S RATE PROPOSAL WERE ADOPTED, PROVIDE THE FOLLOWING FOR EACH CUSTOMER CLASS AT THE SPECIFIED METER OR LINE SIZE.

A. The utility’s **PROPOSED** number of customers, and average customer monthly bill and consumption for each customer class annual revenues, is shown below.

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption	Total Annual Revenue
Residential 5/8” or 3/4” - Water	22	\$ 56.99	1,860	\$ 15,045
Residential 5/8” or 3/4” - Waste	22	\$ 46.67	1,860	\$ 12,320
Residential 1”		\$		\$
Residential 1 1/2”		\$		\$
Residential 2”		\$		\$
Residential		\$		\$
Residential ”		\$		\$
Residential ”		\$		\$

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption	Total Annual Revenue
Commercial 5/8" or 3/4"		\$		\$
Commercial 1"		\$		\$
Commercial 1 1/2"		\$		\$
Commercial 2"		\$		\$
Commercial 4"		\$		\$
Commercial 6"		\$		\$
Commercial 8"		\$		\$

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption	Total Annual Revenue
Irrigation 5/8" or 3/4"		\$		\$
Irrigation 1"		\$		\$
Irrigation 1 1/2"		\$		\$
Irrigation 2"		\$		\$
Irrigation 4"		\$		\$
Irrigation 6"		\$		\$

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption	Total Annual Revenue
Public Fire Protection		\$		\$
Private Fire Protection		\$		\$

Customer Class	Number of Customers	Average Monthly Bill	Average Monthly Consumption	Total Annual Revenue
Hydrant Maintenance		\$		\$
Other		\$		\$
Golf Course		\$		\$
TOTAL	22	\$ 103.66	1,860	\$ 27,365

UTILITY PLANT

34. Q. HAS THE UTILITY MADE ANY CAPITAL IMPROVEMENTS, ADDITIONS, OR EXTENSIONS TO ITS WATER SYSTEM DURING THE LAST FIVE (5) YEARS OR SINCE ITS LAST RATE CASE?

- A. No, the utility has made no improvements, additions, or extensions to its water system in the last five (5) years or since its last rate case.
 Yes, the utility has made the following improvements, additions, or extensions to its water system in the last five (5) years or since its last rate case as detailed below:

Capital Improvement/ Plant Description	Date Purchased Or Constructed	Cost (including labor)	In Service Date
Repair & Replaced underground 11 water pipes	Spring 2019	\$ 17,300	04/10/2019
Replace all aging water meters	05/2018	\$ 7,700	05/2018
		\$	
		\$	
		\$	

35. Q. DOES THE UTILITY PROPOSE ANY CAPITAL IMPROVEMENT, ADDITIONS, OR EXTENSIONS TO ITS WATER SYSTEM WITHIN THE NEXT 12 MONTHS?

- A. No, the utility does not propose any improvements, additions, or extensions to system plant in the next six months.
 Yes, the utility proposes the following improvements, additions, or extensions to system plant in the next six months.

Future Plant Description	Estimated Cost (including labor)	Est. Date In Service
	\$	
	\$	
	\$	
	\$	
	\$	

36. Q. HAS THE UTILITY APPLIED FOR FUNDS FROM THE SAFE DRINKING WATER STATE REVOLVING FUND TO IMPROVE THE WATER SYSTEM? IF YES, DESCRIBE THE IMPROVEMENTS AND AMOUNT REQUESTED.

- A. No, the utility has not applied for funds from the Safe Drinking Water State Revolving Fund.
 Yes, the utility has applied for funds from the Safe Drinking Water State Revolving Fund.

37. Q. PROVIDE THE FOLLOWING INFORMATION ON UTILITY PLANT IN SERVICE.

You may attach a plan/depreciation schedule if available. In a separate schedule include all plant or cash donated or contributed to the utility by a developer or by customers that is not intended to be repaid.

A. Utility plant is shown below: (see Attached)

ACCT #	UTILITY PLANT ACCOUNTS	IN SERVICE DATE	ORIGINAL COST
301	Organization		\$
302	Franchises		\$
303	Land & Land Rights		\$
304	Structures & Improvements		\$
305	Collecting/Impounding/Reservoirs		\$
306	Lake, River & Other Intakes		\$
307	Wells & Spring		\$
308	Infiltration Galleries & Tunnels		\$
309	Supply Mains		\$
310	Power Generation Equipment		\$
311	Pumping Equipment		\$
320	Water Treatment Equipment		\$
330	Distribution/Reservoirs/Standpipes		\$
331	Transmission & Distribution Mains		\$
333	Services		\$
334	Meters & Meter Installation		\$
335	Hydrants		\$
336	Cross Connections (Utility Owned)		\$
339	Miscellaneous Plant & Equipment		\$
340	Office Furniture & Equipment		\$
341	Transportation Equipment		\$
343	Tools, Shop & Garage Equipment		\$
344	Laboratory Equipment		\$
345	Power Operated Equipment		\$
346	Communication Equipment		\$
347	Electronic/Computer Equipment		\$
348	Miscellaneous Equipment		\$
	TOTAL		\$

38. Q. IN COLUMN A: PROVIDE ACTUAL PLANT TOTAL FOR TEST YEAR. IN COLUMN B: PROVIDE THE PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) FOR THE COMING YEAR. IN COLUMN C PROVIDE THE TOTAL OF COLUMN A PLUS COLUMN B.

A. Plant accounts are shown below:

UTILITY PLANT	Test Year	Proposed Adjustments	(A + B = C)
Total Utility Plant (from above)	\$ 90,276	\$ 17,300	\$ 107,576
SUBTRACT Accumulated Depreciation of Utility Plant In Service	\$ 47,551	\$	\$ 47,551
SUBTRACT Accumulated Amortization of Utility Plant In Service	\$	\$	\$
SUBTRACT Advances For Construction	\$	\$	\$
SUB TOTAL	\$ 42,725	\$ 17,300	\$ 60,025
ADD Plant Material/Supplies Inventory	\$	\$	\$
ADD Working Cash (1/12 total operating expense)	\$ 1,154	\$ 391	\$ 1,545
TOTAL	\$ 43,879	\$ 17,691	\$ 61,570

39. Q. DOES THE UTILITY HAVE A MASTER METER AT ITS WATER SUPPLY SOURCE? IF SO, PROVIDE THE TOTAL AMOUNT OF WATER PUMPED DURING THE LAST CALENDAR YEAR.

- A. No, the utility does not have a master meter at its water supply source.
 Yes, the utility has a master meter at its water supply source. The total amount of water pumped during the last calendar year was 491,040 gallons or cubic feet.

40. Q. DOES THE UTILITY HAVE WATER RIGHT PERMITS OR CERTIFICATED WATER RIGHTS AS REQUIRED BY THE OREGON WATER RESOURCES DEPARTMENT?

A. Water Right Information: _____.

41. Q. PLEASE DESCRIBE THE UTILITY’S SOURCE OF WATER SUPPLY.

- A. The utility’s source of ground water supply is: City of Salem
 Well logs are attached.

	WELL No. 1	WELL No. 2	WELL No. 3	WELL No. 4	WELL No. 5
WELL NAME OR IDENTIFYING NO.					
YEAR CONSTRUCTED					
WATER RIGHT PERMIT OR CERTIFICATION NUMBER					
HYDRAULICALLY CONNECTED TO SURFACE WATER (YES OR NO)					
WELL DEPTH					
WELL DIAMETER					
PUMPING CAPACITY – GPM					
PUMP MOTOR – HP					
YIELDS OF WELL IN GPD					
WELL CONSTRUCTION					
CASING					

42. Q. PLEASE DESCRIBE THE UTILITY'S PUMPING SYSTEM FOR DISTRIBUTION, INCLUDING THE RANGE OF PRESSURE AT WHICH THE WATER IS PUMPED INTO THE DISTRIBUTION SYSTEM AND DELIVERED TO THE CUSTOMERS.

A. Pumping System: _____.

Pump Type & Pump HP	Ave Daily Demand	Annual Peak Demand	Max Pumping Capacity	Pressure at Pump	Pressure at Customers' Property

43. Q. PLEASE PROVIDE THE INFORMATION REGARDING THE UTILITY'S WATER STORAGE CAPACITY BELOW.

A.

STORAGE TANKS/RESERVOIRS					
IDENTIFY EACH SEPARATELY					
NAME OR IDENTIFYING NUMBER	DESCRIPTION IE.: STEEL, CONCRETE PNEUMATIC	TANK CAPACITY	GROUND OR ELEVATED	DATE INSTALLED	PRESENT CONDITION

44. Q. PLEASE FILL IN THE INFORMATION REGARDING THE UTILITY'S WATER TREATMENT FACILITIES BELOW.

A.

WATER TREATMENT FACILITIES				
NAME OR IDENTIFYING NO.	TYPE	MAKE	GALLONS PER DAY CAPACITY	METHOD OF MEASUREMENT

45. Q. IS THE UTILITY ESTABLISHING NEW RULES OR PROPOSING CHANGES TO ITS CURRENT RULES?

- A. The utility is proposing to establish new rules.
 The utility is not proposing any rule changes.
 The Utility is proposing to change the following rules (include rule number and a summary of the proposed changes.

RULE NUMBER	PROPOSED CHANGE

SERVICE QUALITY

46. Q. PLEASE DESCRIBE THE TYPE AND NUMBER OF SERVICE PROBLEMS AND CUSTOMER COMPLAINTS THE UTILITY HAS EXPERIENCED IN THE LAST YEAR. DESCRIBE ANY ACTION TAKEN BY THE UTILITY TO RESOLVE THE PROBLEMS.

- A. **No**, the Utility has not experienced any service problems or customer complaints in the last year.
 Yes, the Utility has experienced service problems and/or customer complaints as listed below and has taken the following steps to correct or improve them:

47. Q. DOES THE UTILITY HAVE ANY CURRENT SERVICE PROBLEMS THAT IT PROPOSES TO CORRECT OR IMPROVE IN THE NEXT CALENDAR YEAR?

- A. **No**, the utility does not have any service problems that it proposes to correct/improve during the next calendar year.
 Yes, the utility has service problems that it proposes to correct or improve during the next calendar year as described below:

50. Q. DOES THE UTILITY HAVE ANY FIRE HYDRANTS? IF YES, PLEASE LIST HOW MANY, HOW MANY FEET APART ARE THEY, AND THE UTILITY'S HYDRANT MAINTENANCE SCHEDULE (INCLUDING EXERCISING VALVES). WHAT IS THE UTILITY'S FIRE INSURANCE RATING?

- A. **No**, the utility does not have any fire hydrants.
 Yes, the utility does have fire hydrants. There are _____ number of hydrants located _____ feet apart. The utility's fire insurance rating is _____.

51. Q. IS THE UTILITY CURRENT WITH ALL OF THE OREGON DEPARTMENT OF HUMAN SERVICES DRINKING WATER PROGRAM (DWP) REQUIREMENTS? IF NOT, PLEASE DESCRIBE THE REQUIREMENTS THE UTILITY HAS NOT COMPLIED WITH.

- A. **Yes**, the utility is current in all its DWP requirements.
 No, the utility is not current all its DWP requirements. It has not complied with _____

52. Q. IF YOU HAVE FEWER THAN 200 TOTAL CUSTOMERS, PLEASE ATTACH A CURRENT AND COMPLETE CUSTOMER MAILING LIST. INCLUDE EACH CUSTOMER'S NAME AND MAILING ADDRESS.

- A. I have over 200 customers.
 I have fewer than 200 customers and have attached a customer mailing list.

53. Q. WOULD YOU LIKE TO TESTIFY REGARDING OTHER ISSUES?

- A. **No**.
 Yes, I would like to testify additionally regarding the following:
Attach pages with additional testimony.

54. Q. DOES THIS CONCLUDE YOUR TESTIMONY?

- A. Yes.

**Containing Rules and Regulations
Governing Water Utility Service**

NAMING RATES FOR

Clearwater Source, LLC
4754 Center St NE
Salem, OR, 97301

480-322-7924

Serving water in the vicinity of
Salem, Oregon

Issue Date / Filing Date	June 20, 2019	Effective for Service on or after	July 30, 2019
Issued By Utility	Clearwater Source, LLC		

Advice No.

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Issue Date / Filing Date	June 20, 2019	Effective for Service on or after	July 30, 2019
Issued By Utility	Clearwater Source, LLC		

Advice No.

SCHEDULE NO. 1
RESIDENTIAL METERED RATES

Available: To customers of the Utility at Salem, Oregon, and vicinity.

Applicable: To residential premises.

Base Rate

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	37.05	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$8.02	Per Unit	1 unit = 100 cubic ft

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

Issue Date / Filing Date	June 20, 2019	Effective for Service on or after	July 30, 2019
Issued By Utility	Clearwater Source, LLC		

Advice No.

SCHEDULE NO. 2
RESIDENTIAL WASTEWATER METERED RATES

Available: To customers of the Utility at Salem, Oregon, and vicinity.

Applicable: To commercial customers.

Base Rate

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	30.37	0

Commodity Usage Rate

COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$6.56	Per Unit	1 unit = 100 cubic ft

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

Issue Date / Filing Date	June 20, 2019	Effective for Service on or after	July 30, 2019
Issued By Utility	Clearwater Source, LLC		

Advice No.

SCHEDULE NO. 3**MISCELLANEOUS SERVICE CHARGES**

This schedule lists the miscellaneous charges included in the Utility's Rules and Regulations; refer to the appropriate Rules for an explanation of charges and conditions under which they apply.

Connection Charge for New Service (Rule Nos. 8 & 9)

Standard ¾-inch service	At cost
Nonstandard ¾-inch service	At cost
Larger than ¾-inch	At cost
Irrigation hookup (if provided on separate system)	At cost

Meter Test (Rule Nos. 19 & 20)

First test within 12-month period	N/C
Second test within 12-month period	\$20

Pressure Test (Rule No. 39)

First test within 12-month period	N/C
Second test within 12-month period	\$20

Late-Payment Charge (Rule No. 21)

Pursuant to OAR 860-036-1400

Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-1220

Returned-Check Charge (Rule No. 22)

\$20

Trouble-Call Charge (Rule No. 35)

During normal office hours	\$25
After normal office hours on special request	\$35

Disconnection/Reconnect Charge (Rule Nos. 28 & 29)

During normal office hours	\$25
After normal office hours on special request	\$35

Unauthorized Restoration of Service (Rule No. 30)

Disconnection/Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 28)

At cost

Disconnect Site-Visit Charge (Rule No. 29)

\$20

Issue Date / Filing Date	June 20, 2019	Effective for Service on or after	July 30, 2019
Issued By Utility	Clearwater Source, LLC		

Advice No.

RULES AND REGULATIONS

Rule 1: Jurisdiction of the Commission

Water systems are subject to regulation as provided under ORS [Chapter 757](#)

Rule 2: Definitions

- A. "Applicant" means a person who does not meet the definition of a customer, who applies for service with a water utility.
- B. "Commission" shall mean the Public Utility Commission of Oregon.
- C. "Commercial service" means water service provided by the water utility that the customer uses in the promotion of a business or business product that is a source of revenue or income to the customer or others using the premises.
- D. "Customer" means a person who is currently receiving water service and is entitled to certain rights as a customer under these rules. A residential customer retains customer status for 20 calendar days following voluntary disconnection of service and must be treated as a customer if he or she reapplies for service within that 20 calendar day period.
- E. "Customer's service line" is defined as the facilities used to convey water from the point of connection to the customer's point of usage. The customer owns and maintains the customer service line.
- F. "Residential service" means water service provided for domestic or irrigation purposes in a residential area and is not considered a commercial service.
- G. "Served" for purpose of delivery of any required notice or document, unless otherwise specifically noted, means: delivered in person, by personal contact over the telephone, or in writing delivered to the party's last known address. If delivered by US Mail, the notice is considered served two calendar days after the date postmarked, the date of postage metering, or deposit in the US Mail, excluding Sundays and postal holidays.
- H. "Utility" shall mean: Clearwater Source, LLC
- I. "Water service connection" is defined as the facilities used to connect a water utility's distribution network to the point of connection at the customer's service line. The water utility owns and maintains the water service connection.

Issue Date / Filing Date	June 20, 2019	Effective for Service on or after	July 30, 2019
Issued By Utility	Clearwater Source, LLC		

Advice No.

APPLICATION FOR SERVICE

Rule 3: Information for Applicants and Customers (OAR 860-036-1100)

The Utility shall provide or be able to provide customers or applicants with the following information:

- A. A copy of its approved tariffs or statement of rates;
- B. A copy of the utility’s rules and regulations applicable to the type of service being provided; and
- C. The option to receive electronic copies of all written notices to be issued on the customer’s account.

Rule 4: Application for Service (OAR 860-036-1200)

Application for water service must be made for each individual property to be served. The application shall identify the name of the applicant, the service address, the billing address, the contact information where the applicant can be reached, the type of water service requested and its intended use, and the name to be used to identify the account, if different than the applicant’s actual name. The applicant shall, at this time, pay any scheduled fees or deposits. An application is a request for service and shall not be accepted until the applicant establishes credit as set forth in OAR 860-036-1210.

An application for service must be made where:

- A. An applicant, who has not previously been served by the Utility, requests service; or
- B. Service has been involuntarily discontinued in accordance with the Utility and Commission rules, and service is requested; or
- C. Service has been voluntarily discontinued and a request to restore service has not been made within 20 days; or
- D. There is a change in the type of use to which the water is put, or the number of premises served.

Rule 5: Establishment of Credit, Surety Agreements, Deposits, Interest, and Refunds of Deposits (OAR 860-036-1210, 1220, 1230, 1240, 1250, and 1260)

The utility may require an applicant or customer to pay a deposit as a guarantee of payment for services provided. Amounts held by a water utility may not exceed one-sixth of the actual or estimated annual billing for the premises. (OAR 860-036-1220)

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The water utility may adjust the deposit amount when a customer moves to a new location within the water utility's service area, and the anticipated bill at the new residence will be at least 20 percent greater than the basis of the existing deposit. (OAR 860-036-1220(5))

The Utility must inform any residential applicant or customer who is required to pay a deposit of the opportunity to provide a written surety agreement in lieu of paying the deposit. A surety agreement obligates another qualifying residential customer of the same utility to pay an amount up to the required deposit if the secured account is later disconnected and a balance remains owing following the due date for the closing charges. To qualify as a surety, the other residential customer must have had 12 months of continuous service with the Utility without a late payment. (OAR 860-036-1230)

The Utility shall pay interest on deposits at the rate established by the Commission. After the customer has paid its water service bills for 12 consecutive months without having had service discontinued for nonpayment, or did not have more than two occasions in which a shut-off notice was issued, and the customer is not then delinquent in the payment of bills, the Utility shall promptly and automatically refund the deposit plus accrued interest by **(check one)** (OAR 860-036-1250 and 1260):

- 1. Issuing the customer a refund check, or
- 2. Crediting the customer's account; however, a customer is entitled to a refund upon request pursuant to OAR 860-036-1260

Rule 6: Customer Service Line (OAR 860-036-1300(2))

The customer shall own and maintain the customer service line and promptly repair all breaks and leaks. For non-metered service, the customer service line begins at the property line or utility-owned shut-off valve. For metered service, the customer service line begins on the customer's side of the meter or utility-owned shut-off valve. The Utility shall not be responsible for any damage or poor service due to inadequacy of the customer service line or any portion of the customer's plumbing. All leaks in the customer service line, faucets, and all other parts of the plumbing owned or controlled by the customer shall be promptly repaired so as not to waste water.

Rule 7: Separate Control of Service

All premises supplied with water will be served through service lines so placed as to enable the Utility to control the supply to each individual premise using a valve placed within and near the line of the street, the Utility right-of-way, or at the meter.

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Rule 8: Water Service Connections (OAR 860-036-1300)

The water service connection is defined as the facilities used to connect the Utility’s distribution network to the point of connection at the customer’s service line. The Utility owns, operates, maintains, and replaces the service connection when necessary and promptly repairs all breaks and leaks. The customer shall not be responsible for any damage or poor service due to inadequacy of the Utility’s service lines or any portion of the Utility’s plumbing.

Rule 9: Service Connection Charge (OAR 860-036-1300(3))

An applicant requesting permanent water service to a premise not previously supplied with permanent service by the Utility may be required to pay the cost of the service connection, including or excluding the meter as provided in Rule No. 8 and the Utility’s Miscellaneous Service Charges in this tariff.

Rule 10: Main Line Extension Policy (OAR 860-036-1310)

A main line extension is defined as the extension of the Utility's main line necessary to provide service to a customer when the property does not currently have main line frontage.

Main line extension charges, if any, are stated in the Utility's tariff or statement of rates.

The Utility maintains a main line extension policy that lists all applicable charges; and describes the advance and refund provisions, including a description of the mechanisms for collecting and rebating the amount charged equitably among the customers who paid for the cost of the line, and provides the time period during which the advance and rebate provisions apply.

Rule 11: Types of Use

Water service may be supplied for residential, commercial, irrigation, temporary construction, special contracts, fire prevention, and other uses. The Utility shall file separate rate schedules for each type of use and basis of supply.

Rule 12: Multiple Residences/Commercial Users

An apartment building, mobile home park, motel, trailer camp, duplex, townhouse, or any property consisting of more than one residential/commercial unit, if served through one service line, shall be considered to be equivalent to the number of dwelling units when determining the customer count.

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Rule 13: Utility Access to Private Property (OAR 860-036-1370, -1500)

Customers shall provide regular access to Utility-owned service lines that may extend onto the customer’s premises for the purposes of reading meters, maintenance, inspections, or removal of Utility property at the time service is to be discontinued. Where the customer does not cooperate in providing reasonable access to the meter or to the premises, as required by law or to determine if a health or safety hazard exists, it is grounds for disconnection.

Rule 14: Restriction on Entering a Customer Residence (OAR 860-036-1330)

No Utility employee shall enter the residence of its customers without proper authorization except in an emergency when life or property is endangered.

REFUSAL OF SERVICE

Rule 15: Refusal of Service Due to Customer Accounts (OAR 860-036-1270)

The Utility may refuse to provide service if:

- A. The applicant has amounts owing under a tariff or statement of rates; or
- B. The applicant for residential service has a roommate with amounts owing under a tariff or statement of rates, and the applicant lived with the roommate at the time the amounts owing were incurred.

Exception: If the applicant for residential service was a former residential customer with amounts owing, was involuntarily disconnected for non-payment, and applies for service within 20 calendar days of the disconnection, the Utility must provide service upon receipt of one-half of the amount owed with the remainder due within 30 calendar days. If the former customer fails to pay the remaining amounts within 30 calendar days, the Utility may disconnect service after issuing a 7-calendar day disconnection notice in accordance with OAR 860-036-1510(4).

If service is disconnected, the Utility may refuse to restore service until it receives full payment of all amounts owing, including reconnection charges allowed under OAR 860-036-1580.

Service shall not be refused for matters not related to water service.

Residential service shall not be refused due to obligations connected with nonresidential service. If service is refused under this rule, the Utility shall inform the applicant or customer of the reasons for the refusal and of the Commission’s dispute resolution process.

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Rule 16: Refusal of Service Due to Utility Facilities (OAR 860-036-1270)

The Utility shall not accept an application for service or materially change service to a customer if the Utility does not have adequate facilities, resources or capacity to render the service applied for, or if the desired service is of a character that is likely to unfavorably affect reasonable service to other customers.

For refusal of service under this rule, the Utility shall provide a written letter of refusal to the applicant within seven calendar days, informing applicant that the details upon which the Utility's decision was based may be requested.

The details will include, but not be limited to:

- A. Provide the information required by OAR 860-036-1100(2);
- B. Explain the specific reasons for refusing water service;
- C. Inform the applicant of the right to request details upon which the Utility's decision was based; and
- D. Inform the applicant of the right to dispute the refusal by contacting the Consumer Services Section at the contact information provided in OAR 860-001-0020(2).

Rule 17: Refusal of Service Due to Customer Facilities (OAR 860-036-1270)

The Utility will refuse service to an applicant whose facilities do not comply with applicable plumbing codes or, if in the best judgment of the Utility, are of such a character that safe and satisfactory service cannot be given.

If service is refused under this rule, the Utility will provide written notification to the applicant within seven calendar days stating the reason(s) for refusal and providing information regarding the Commission's complaint process.

METERS

Rule 18: Utility Meters (OAR 860-036-1350)

The Utility owns, maintains, and operates all meters. Meters placed in service will be adequate in size and design for the type of service, set at convenient locations, accessible to the Utility, subject to the Utility's control, and placed in a meter box or vault between the street curb and property line. Each meter box or vault will be provided with a suitable cover.

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Where additional meters are installed by the Utility or relocated for the convenience of the customer, the actual cost incurred for any meter relocation requested by the customer will be assessed.

The Utility shall have the right to set meters or other devices for the detection and prevention of fraud or waste without notice to the customer.

Rule 19: Meter Testing (OAR 860-036-1350)

The meter will be tested prior to or within 30 days of installation to determine it is accurate to register not more than two percent error. No meter will be allowed to remain in service if it registers an error in excess of two percent (fast or slow) under normal operating conditions. The Utility will maintain a record of all meter tests and results. Meter test result records will include:

- A. Meter identification number and location;
- B. Reason for making the test;
- C. Method of testing;
- D. The beginning and ending meter readings;
- E. Test results and conclusion; and
- F. All data taken at the time of the test.

Rule 20: Customer-Requested Meter Test (OAR 860-036-1360)

A customer may request that the Utility test the service meter once every 12 months at no cost. Such test shall be made within seven calendar days of the receipt of the request unless the customer fails to provide the Utility reasonable access to the meter. The customer or the customer’s representative has the right to be present during the test, which is to be scheduled at a mutually agreeable time. Within seven calendar days of performing the requested meter test, report shall be provided to the customer stating:

- A. The name of the customer requesting the test and the service address where the meter was tested;
- B. The date the meter test was requested and the date the meter test was performed;
- C. The name of the person performing the test;
- D. The meter identification number and location;
- E. The beginning and ending meter readings; and
- F. The actual test results and conclusion.

If a customer requests a meter test more often than once in any 12-month period, and the test results indicate that the meter is registering within the two percent performance standard, the

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customer may be assessed a reasonable charge for the test if the charge is included in the Miscellaneous Service Charges Schedule. If the meter registers outside the two percent performance standard, the Utility may not charge the customer for the meter test.

BILLING

Rule 21: Billing Information and Late-Payment Charge (OAR 860-036 1100(2), 1400, and 1430)

All bills, including closing bills, are due and payable at the Utility office within at least 15 days when rendered by deposit in the mail or other reasonable means of delivery, unless otherwise specified on the bill. The date of presentation is the date on which the Utility mails the bill.

As near as practical, meters shall be read **(check one)** monthly, bimonthly, or quarterly on the corresponding day of each meter reading or billing period. The bill will be rendered immediately thereafter. The Utility will provide its customers with timely billings every month or as indicated in its tariffs or statement of rates.

All water service bills will show:

- A. Separate line items for past due balance, payments and credits, new charges, late fees, and total account balance;
- B. The date new charges are due;
- C. Calculation of new charges including base or flat rate, usage billing tiers and rates, beginning and ending meter readings, the dates the meter was read, rate schedule, billing period, and number of days in the billing period;
- D. The date any late payment charge was applied and an explanation of the terms of the late payment charge; and
- E. Any other information necessary for the computation of the bill.

A late-payment charge may be assessed against any account that has an unpaid balance when the next bill is being prepared. The charge will be computed on the delinquent balance owing at the time of preparing the subsequent month's bill at the late-payment rate specified in the Miscellaneous Service Charges Schedule. The late-payment rate is determined annually by the Commission, and the Utility will be notified of the rate.

If an account is permitted to become delinquent, the Utility may disconnect water service by giving proper notice to the customer as provided in Rules 28 & 29, prior to or after the Utility assesses the late payment charge.

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Rule 22: Returned Payment Charge

The Returned Payment Charge listed on the Miscellaneous Service Charges Schedule shall be billed for each occasion a customer submits any type of noncash payment (check, debit, electronic, etc.) that is not honored, for any reason, by a bank or other financial institution.

Rule 23: Prorating of Bills

Initial and final bills will be prorated according to the number of days service was rendered and on the basis of a 31-day month. For metered services, a reasonable effort will be made to read the meter upon opening and closing a customer’s account. Consumption will be charged at scheduled rates. Any minimum monthly charge will be prorated.

Rule 24: Adjustment of Bills (OAR 860-036-1440)

When an overbilling occurs, the Utility will refund or credit amounts incorrectly collected. No refund or credit will be issued for incorrect billings which occurred more than three years before the incorrect billing was discovered.

When an underbilling occurs, the Utility will issue a bill to collect amounts owing for the 12-month period ending on the date on which the water utility issued the last incorrect bill. When such under collected amounts are billed to customers, the Utility will provide written notice to the customer detailing:

- A. The circumstances and time period of the billing error;
- B. The corrected bill amount and the amount of the necessary adjustment;
- C. The Commission’s consumer complaint process; and
- D. The right for a current or former customer to enter into a time-payment agreement with the Utility.

The Utility will not bill for services provided more than two years before the underbilling was discovered. No billing adjustment will be required if a meter registers less than two percent error under conditions of normal operation. The Utility may waive rebilling or issuing a refund check when the costs make such action uneconomical.

Rule 25: Transfer Billings (OAR 860-036-1450)

If the Utility determines that a customer owes an amount from a closed account the customer previously held with the Utility, the Utility may transfer the closed account balance to the customer's current account.

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The Utility will give the customer prior notice of the transfer, including:

- A. The amount due under the prior account; and
- B. The period when the balance was incurred; and
- C. The service address under which the bill was incurred.

If the customer has an amount remaining on an existing time-payment agreement, the customer may enter into a new time-payment agreement to include the transfer. The Utility will not transfer a balance owing on a non-residential account to a residential account.

DISCONNECTION OF WATER SERVICE

Rule 26: Voluntary Discontinuance (OAR 860-036-1560)

A customer requesting disconnection of service must provide the Utility with at least seven calendar days' advance notice. The customer is responsible for all service provided for seven calendar days following the request for disconnection or until service is disconnected, whichever comes first; or if the customer identified a specific date for disconnection in excess of seven calendar days, the customer is responsible for service rendered up to and including the requested date of disconnection.

Rates are based on continuous service. Disconnect and reconnect transactions do not relieve a customer from the obligation to pay the base rate or minimum charge that accumulates during the period of time the service is voluntarily disconnected for up to 12 months. Should the customer wish to recommence service within 12 months at the same premise, the customer will be required to pay the accumulated minimum monthly charge or base rate as if service had been continuous. The reconnection charge listed on the Miscellaneous Service Charges Schedule will be applicable at the time of reconnection.

Nothing in this rule prevents the Utility from temporarily interrupting service to protect the health and safety of its customers or to maintain the integrity of its system.

Rule 27: Emergency Disconnection (OAR 860-036-1630)

The Utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-1630. Immediately thereafter, the Utility will notify the customer and the Commission. When the emergency termination was through no fault of the customer, the Utility shall not charge the customer for disconnection or restoration of service.

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Rule 28: Disconnection of Water Service Charge for Cause (OAR 860-036-1500, -1510, -1520, -1530, and 1550)

The Utility may disconnect service when:

- A. A customer fails to pay charges due for services rendered under a water utility tariff or statement of rates;
- B. A customer fails to pay a deposit, fails to timely provide a surety under OAR 860 036-1230 or comply with its terms, or fails to comply with the terms of a deposit installment agreement under OAR 860-036-1240;
- C. A customer fails to comply by the terms of a payment agreement under OAR 860 036-1240(3) or 860-036-1420;
- D. A customer provides false identification to establish or to continue service;
- E. A customer has facilities that do not comply with the applicable codes, rules, regulations, or the best practices governing safe and adequate water service, including compliance with the water utility's Cross Connection Control Program;
- F. A customer fails to provide reasonable access to the meter or premises;
- G. A customer tampers with water utility facilities or engages in theft of service or unauthorized use of water;
- H. A customer fails to comply with water restriction requirements under OAR 860-036-1670; or
- I. The Commission approves the disconnection of service.

If the disconnection is due to failure to pay a deposit, secure a surety agreement, abide by a deposit installment agreement, abide by the terms of a payment arrangement, or due to the theft of service, tampering with utility property, diverting water, or unauthorized use of water, the Utility will provide one 7-day written disconnection notice prior to disconnection. For other disconnections, the Utility will provide two written notices in advance of disconnection: one 15-day notice and one 7-day notice.

If the disconnection is due to a customer's failure to comply with a water use restriction imposed under OAR 860-036-1670, the utility may disconnect the customer without issuing either a 15-calendar day or 7 calendar day disconnection notice.

The notices shall include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility,
- B. State that the customer's water service is subject to disconnection on or after a specific date;

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- C. Provide the grounds for the proposed disconnection;
- D. State what actions the customer must take in order to avoid disconnection; and
- E. A statement that the customer may dispute the disconnection by contacting the Commission’s Consumer Services Section.

If the disconnection notice is for nonpayment, the notice shall also include:

- A. The amount the customer must pay to avoid disconnection;
- B. Provide information about the customer’s eligibility for a time-payment agreement provided in OAR 860-036-1420 for residential customers, unless the customer is being disconnected for failing to comply with an existing time-payment agreement or has engaged in theft of service, tampering with utility property, diverting water, or unauthorized use of water; and; and
- C. A statement that once service is disconnected, the water utility will reconnect service only after the customer reapplies for service and pays all applicable charges..

The 7-calendar day and 15-calendar day advance written notices of disconnection will be hand-delivered in person to the customer or adult at the premises, or sent by the US Mail to the customer’s billing address and designated representative. Mailed notices are considered served two calendar days after deposited in the US Mail, excluding Sundays and postal holidays. If the customer has requested to receive notices electronically, the Utility will provide an electronic notice in addition to the written notices.

Within 48 hours of disconnection, the Utility will make a good-faith effort to contact the customer or an adult at the residence and provide notice of the proposed disconnection. If contact is not made, the Utility shall leave a notice in a conspicuous place at the customer’s premise informing the customer that service has been disconnected.

Disconnection of Water Service to Tenants:

- A. If a water utility's records show that a residential billing address is different from the service address, the water utility must mail a duplicate notice to the service address, unless the utility has verified that the service address is occupied by the customer.
- B. If a water utility's records show that the service location is a master-metered, multi-dwelling service address, the water utility must provide a duplicate of the 7-calendar day disconnection notice to each unit at the service address. The disconnection notice must be addressed to "Tenant." The envelope must bear a bold notice stating, "IMPORTANT NOTICE REGARDING DISCONNECTION OF WATER UTILITY SERVICE." Tenant notices may not include the dollar amount owing.

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C. The water utility must notify the Consumer Services Section at least seven calendar days before disconnecting service to a master-metered, multi-dwelling premise.

Time Payment Agreements (OAR 860-036-1420)

Customers who are notified of pending disconnection, due to reasons other than theft of service, tampering, unauthorized use of water, or failure to abide by the terms of a Time Payment Plan, may choose between two Time Payment Agreement options. The Utility will offer such customers a choice of a levelized-payment plan and an equal-pay arrearage plan. The Utility and customer may mutually agree to an alternate payment arrangement provided it be in writing and signed by all parties.

Disconnection for Failure to Comply With a Time Payment Agreement (OAR 860-036-1510(4)(b))

A time-payment agreement disconnection occurs when a customer fails to comply with the terms of a written time-payment agreement between the customer and the Utility, or the Utility permits a time-payment agreement charge to become delinquent. The Utility will give the customer a 7- day written notice before the water service may be disconnected.

Rule 29: Disconnection, Reconnection and Field Visit Charge (OAR 860-036-1580)

Disconnection and Reconnection Charges

When service was disconnected pursuant to (OAR 860-036-1500), the Utility may charge the disconnect fee and reconnect fee stated in its tariff prior to reconnecting service.

Field Visit Charge

The Utility may assess a field visit charge whenever the Utility visits a residential service address intending to reconnect or disconnect service, but due to customer action, the Utility is unable to complete the reconnection or disconnection at the time of the visit. The field visit charge is listed in the tariff.

Rule 30: Unauthorized Restoration of Service (OAR 860-036-1590)

After the water has been disconnected or shut off at the curb stop or at the meter, if any person not authorized by the Utility should turn it on, the water service line may be disconnected as provided by OAR 860-036-1510.

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Rule 31: Unauthorized Use (OAR 860-036-1590)

No person shall be allowed to make connection to the Utility mains, or to make any alteration to service connections, or to turn a curb stop off or on to any premises without written permission of the Utility. If the Utility discovers that a customer tampered with or engaged in unauthorized use of utility property facilities, the Utility shall notify the customer of the violations and may take one or more of the following actions:

- A. Repair or restore the facilities and charge the customer the costs incurred;
- B. Adjust the customer’s prior billing for loss of revenue under applicable tariffs or schedule of rates;
- C. Initiate a service disconnection as provided by OAR 860-036-1510;
- D. Require a new application for service that accurately reflects the customer’s proposed water use; and
- E. Assess a deposit for restored or continued service.

Rule 32: Interruption of Service (OAR 860-036-1630, -1640)

The Utility may perform an unscheduled interruption of service as necessary to protect the health and safety of its customers or to maintain the integrity of its system. If an unscheduled interruption of service is required, the water utility must:

- A. Make a reasonable effort to notify the customers affected and the Consumer Services Section in advance of the interruption;
- B. Report the unscheduled interruption to the Consumer Services Section at the contact information provided in OAR 860-001-0020(2), and
- C. Restore service as soon as it is reasonably possible after resolving the issue, unless other arrangements are agreed to by the affected customers.

The Utility may schedule water service interruptions for maintenance and repairs in such a manner that reasonably minimizes customer inconvenience. The Utility will provide advance written notice to all customers affected by any scheduled service interruption, and will post the notice in the utility's office and on its website, if available. The notice will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The date, time, and estimated duration of the scheduled interruption;
- C. The purpose of the interruption;
- D. A statement cautioning customers to avoid using water during service interruptions to prevent debris in the customers' service lines; and
- E. The contact information for the Consumer Services Section provided in OAR 860 001-0020(2).

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Notices of scheduled interruptions of service must be served by a door hanger or personal delivery to an adult at the affected premises at least five calendar days in advance of the service interruption or by US Mail at least ten calendar days prior to the service interruption. In addition electronic notice must be provided to customers who requested to receive notices electronically.

Rule 33: Water Usage Restrictions (OAR 860-036-1670)

The Utility shall exercise due diligence to furnish a continuous and adequate supply of water to its customers. During times of water shortage, the Utility will equitably apportion its available water supply among its customers with regard to public health and safety. In times of water shortages, the Utility may restrict water usage after providing written notice to its customers and the Consumer Services Section. Notice will also be posted in the Utility’s office and on its website, if available. The notification must state the reason and nature of the restrictions, the date restrictions will become effective, the estimated date the restrictions end, and that failure to comply with the restrictions is grounds for disconnection.

If a customer fails to comply with the water restrictions after receiving written notification, the Utility will provide a separate written warning letter to the customer including:

- A. The date;
- B. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- C. The customer’s name, account number, mailing address, service address if different;
- D. The water use restrictions and statement of how the customer is violating those restrictions;
- E. A statement that the customer’s water service is subject to disconnection on or after a specific date;
- F. A warning to the customer that failure to immediately comply with the restrictions may result in disconnection of service; and
- G. A statement that the customer may dispute disconnection by contacting the Consumer Services Section. The notice must include the Consumer Services Section’s contact information provided in OAR 860-001-0020(2).

If a customer fails to comply with the water restrictions after receiving written notification and the warning letter, the Utility will consult with the Consumer Services Section to determine if disconnection is appropriate.

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SERVICE QUALITY

Rule 34: Adequacy of Water Service (OAR 860-036-1600)

The Utility will maintain its facilities according to industry rules, regulations, and standards and in such condition to provide safe, adequate, and continuous service to its customers.

The Utility will not intentionally diminish the quality of service below the level that can reasonably be provided by its facilities.

Rule 35: Trouble Call

The trouble-call charge listed on the Miscellaneous Service Charges Schedule may be billed whenever a customer requests that the Utility visit the customer’s premises to remedy a service problem and the problem is due to the customer’s facilities.

Rule 36: Water Purity (OAR 860-036-1610)

The Utility will provide a domestic water supply that is free from bodily injurious physical elements and disease-producing bacteria and reasonably free from elements that cause physical damage to customer property, including but not limited to pipes, valves, appliances, and personal property.

Rule 37: Water Pressure (OAR 860-036-1650)

The Utility will maintain adequate water pressure. In general, water pressure measuring between 45 and 80 pounds per square inch in the water mains is considered adequate. However, adequate pressure may vary depending on each individual water system.

The Utility may temporarily reduce or increase water pressure for fire flows, noticed repairs and maintenance, scheduled or emergency flushing, and unscheduled or emergency repairs and outages.

Rule 38: Pressure Surveys (OAR 860-036-1650)

The Utility will maintain permanent pressure recording gauges at various locations to measure the system's water pressure, and will have a portable gauge to measure water pressure in any part of the system. The Utility will maintain all pressure gauges in good operating condition, test periodically for accuracy, and recalibrate or replace when necessary.

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Rule 39: Customer-Requested Pressure Test (OAR 860-036-1660)

Upon customer request, the Utility will perform a water pressure test within seven calendar days of the request. The first pressure test in any 12- month period will be at no charge. If the customer requests an additional pressure test within any 12-month period at the same premises, the Utility will assess the customer a charge in accordance with the service charges set forth in Schedule 9 of the tariff. The pressure will be measured at a point adjacent to the meter on the customer service line or other reasonable point most likely to reflect the actual service pressure.

The Utility will provide a written report to the customer within seven calendar days of the pressure test. The report will include:

- A. The name, mailing address, telephone number, emergency telephone number, and email address or website of the Utility;
- B. The customer’s name and service address where the pressure was tested;
- C. The date the pressure test was requested and the date the pressure test was performed;
- D. The name of the company or employee performing the test;
- E. The place where the pressure was measured;
- F. The actual pressure reading; and
- G. The conclusion based on the test result.

Rule 40: Utility Line Location (One Call Program)

The Utility and its customers will comply with the requirements of OAR 952-001-0010 through and including OAR 952-001-0090 (One Call Program) regarding identification and notification of underground facilities.

Rule 41: Cross Connection/Backflow Prevention Program (OAR 860-036-1680)

All customers must comply with the Utility’s Cross Connection Control Program to protect the water system from contamination. A customer's failure to comply is grounds for disconnection under OAR 860-036-1500.

The Utility will comply with the rules and regulations for the Cross Connection/Backflow Prevention Program, as provided in ORS Chapter 333 and the Utility’s approved Backflow Prevention tariff or statement of rates.

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Using January 1, 2018 through December 31, 2018 as a test year, please provide answers to the following question:

1. Please provide a breakdown between water and wastewater for revenue and expenses.
2. Please provide details on what the costs are associated with both water rates and wastewater rates. Include the monthly base rate for each and the consumption charges for water.
3. Please provide a breakdown on the percentage of time spent on water related work and wastewater related work.
4. Please provide invoices on the amount of water purchased from the City of Salem.
5. Provide invoices for telephone expenses.
6. Is there an office space provided within the service area? If so, what are the expenses associated with it? Rent, power, insurance, telephone, etc.
7. What is included in the Office Supplies category? Where are these items stored?
8. Repairs to water plant are listed at \$206. Are these actual repairs? Are they parts?
9. Accounting at \$4,480. What is included? Is there a contract?
10. Legal, provide invoices.
11. Provide testing invoices. Will need statement from lab that does testing estimating what the costs will be over next three years to include all required testing.
12. There are no labor expenses. Who does the repairs and where are these expenses recorded?
13. Billing/Collection: What is included in this? Is there a contract?
14. Is there a meter reader? If so where is the salary included? Is there a contract?
15. Where are repair supplies kept? Where were the meters that were recently installed, stored, where is the pipe kept?
16. There is a backhoe listed in plant. Where is it stored? Is there insurance on it?
17. What are the cross connection program costs?
18. Are there costs incurred for the yearly CCR report? What are they?

19. Miscellaneous expenses included \$400 in bank charges, what does this include? Also included was Tax prep of \$266, is this a separate service from accounting services?
20. Miscellaneous expenses included \$243 for computer expenses. What does this include? Where is the computer kept?
21. Provide backup for the \$8,832 depreciation expense.
22. Were there federal income taxes?
23. Please provide the invoices and costs associated with the meter replacement last June, including wages paid for this project.
24. Please provide all the invoices and costs associated with the pipe replacement; to date and any estimates going forward, including wages paid.
25. Please provide any other repair invoices and wages on other major projects, during the test year or known to be needed going forward.

April 2, 2019

CLEARWATER SOURCE, LLC

Alain Cailler
2121 Via Rivera
Palos Verdes Estates, CA 90274

Dear Mrs. Grindeland,

Following our meeting on Tuesday, February 5, 2019 with you and Mr. Beitzel, I was under the impression that since I gave you more than 20 pages of required documents for a rate adjustment of water & wastewater I left the meeting confident and reassured.

Unfortunately, a few days later I was made aware of a major water leak at the entrance of the park and received your email containing 25 questions.

Since one of the questions related to income tax, I had to wait for the CPA to file the tax returns and now I am able to answer to the best of my ability your inquiry point by point with documents, proofs and justification.

ANSWERS TO QUESTIONS:

#1, 2, 3 (see pages 1 & 2)

Since May 4, 2009 PUC authorized Clearwater to charge residents:

- \$17.34 mini water charge
- \$14.13 mini wastewater charge
- \$3.73 per 100 CF for water
- \$3.05 per 100 CF for wastewater

Regarding the amount of time spent on water vs wastewater: I would say it's about the same since filing, checking, billing, reporting, collecting etc..... required the same involvement. But since PUC determined more than 10 years ago that the ratio water/wastewater was 0.82 (\$17.24 vs \$14.13) I suggest we keep the same breakdown.

#4 (see pages 3, 4, 5, 6, 7, 8, 9)

I attached the latest water bill showing a monthly increase of the charge for that component alone

#5 (see page 10)

The very minimum bill from Verizon for a business cell is about \$65 and I only charge Clearwater \$55 since that entity is in a financial distress.

#6, 7

Regarding office space and office supplies: the 3 members of Clearwater (Alain, Patricia & Mathieu) work from a home office and do not charge Clearwater.

In consideration of the involvement and the time spent on all aspect of running Clearwater, we propose to charge Clearwater a flat compensation of \$500 a month for the president Alain Cailler.

Office supplies of \$274 and postage of \$135 are common in order to run daily operations of the company (items like paper, pen, staple, ink for printer etc....) and those items are stored in home office.

#8

Repair \$206 (see page 21)

On May 1, 2018 the previous owner paid on my behalf a bill of \$225 to fix a clog in wastewater line but since I did him a little favor before the event he insisted to be paid only \$206.

#9/10 Accounting

As stated previously and to IRS the contractual service \$425 (see page 17 for CPA), subcontractor \$1,770 & legal/professional \$1640 represent annual fee for reading, calculating, billing and collecting which represent about \$300 a month (no contract).

#11 Testing (see page 11)

#12 Labor expenses

Since all the meters were outdated I changed them all at the cost of \$7,700 (see pages 12 & 13)

Following a major leak, we detected a leak at 698 Royalty Circle and were advised to change ALL copper piping being eroded by the high acidity of the ground at the cost of \$17,215.23 (see pages 14, 15, 16)

#13/14 Billing & Collection

About \$300 a month as stated above under paragraph #9 & 10. No contract

#15 Repair supplies

Spare meters, pipes etc. are keep by Anselmo Hernandez 641 Brenner st NE Salem OR 97301 503 881- 4508 average cost for storage and occasional repair \$150

#16/17/18

N/A

#19 Miscellaneous expenses

Out of the \$400 bank charges and Tax preparation only the \$425 for CPA should repeat itself In the future since the rest was due to a resident who left without paying his bill and won't be repeated.

#20 Computer

\$243 annual cost represent the proration of all electronic equipment dedicated to Clearwater and mostly included, but not limited to cell, desktop, PC, printer, scanner etc.... All this equipment is in home office.

#21 Depreciation

Out of the \$8,832 listed as depreciable the CPA suggested the removal of \$1,132 since it was repair paid directly to the previous owner and for which I failed to ask for a formal receipt. Therefore, only \$7,700 are depreciable and listed as such to the IRS.

#22 Tax return

See item page 18 for full tax return and page 19 for state tax

#23, 24, Meters

See pages 12 & 13

#25 Going forward

Here is the center piece of the present request for the rate adjustment. If we want Clearwater to survive financially and continue to service residents, here is the proposed budget:

Per priority:

1. Water @\$700 monthly	\$8,400
2. Debt repayment (280+7,700+3000+14,000) \$25,000 over 7Y 0 interest.....	\$3,600
3. Day to day operation (tax, backflow, office, PUC, CPA, Tel) \$150.....	\$1,800
4. Management \$300 & <u>President</u> \$500:.....	\$9,600
5. Reserve (between water line & wastewater line 2/3 of a mile to maintain)	(\$6,000)
Total needed	\$29,400

Versus today unsustainable reality (see page 20)

The average water consumption per resident is 1,860 gallons per month and is average bill
(Water mini \$17.34 + Wastewater mini \$14.13+ water \$6.93 + Wastewater \$5.67= \$43.97)

Status quo means \$44 average X 22 residents X 12 months

Total projected..... \$11,616

In conclusion, Clearwater is running a projected deficit of \$18,000 a year!

Accordingly, and since the previous owner failed to request a rate adjustment those last 10 years due to the complex endeavor, it falls upon me to request PUC an increase of at least 100% which possibly with the authorization of PUC could be spread and implemented over time in order for the residents to adjust to the steep increase.

Cordially yours,

Alain Cailler

Manager of Clearwater Source, LLC

480-322-7924

SCHEDULE NO. 1

METERED RESIDENTIAL WATER RATES

Available: To customers of the Utility at Salem, Oregon, and vicinity.

Applicable: To residential premises.

Residential Base Rate

Service Meter Size	Monthly Base Rate	Usage Allowance	Unit of Measure
5/8 or 3/4 inch	\$17.24	0	<input type="checkbox"/> cubic feet <input type="checkbox"/> gallons
1 inch	\$		<input type="checkbox"/> cubic feet <input type="checkbox"/> gallons
1½ inches	\$		<input type="checkbox"/> cubic feet <input type="checkbox"/> gallons

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance		Unit of Measure
\$3.73	Per	100	<input checked="" type="checkbox"/> cubic feet <input type="checkbox"/> gallons	Above	0	<input type="checkbox"/> cubic feet <input type="checkbox"/> gallons

(Sample: \$1.00 per 100 gallons above 3000 gallons)

Special Provisions:

1. These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.
2. Water used during the construction of buildings, etc., shall be metered. Charges shall be made at the rates specified in this schedule. When setting of a meter is impracticable, the amount of water used shall be estimated, and the charges shall be made at specified rates for the amounts so estimated.

Issue Date:	Issued By:	Effective for Services On & After:
	Clearwater Source LLC.	
Title Provide Below:	Signature Below:	Print Name Below:

Advice No. _____
(FOR PUC USE ONLY)

2

SCHEDULE NO. 2

METERED RESIDENTIAL WASTEWATER RATES

Based on Water Usage

Available: To customers of the Utility at Salem, Oregon, and vicinity.

Applicable: To residential premises.

WASTEWATER Base Rate

CUSTOMER CLASS	BASE RATE	USAGE ALLOWANCE AND UNIT OF MEASURE
MEASURED Residential WASTEWATER Sales	\$14.13	N/A

Commodity Usage Rate

Commodity Rate		Number of Units	Unit of Measure	Base Usage Allowance		Unit of Measure
\$3.05	Per	100	<input checked="" type="checkbox"/> cubic feet	Above	0	<input type="checkbox"/> cubic feet
			<input type="checkbox"/> gallons			<input type="checkbox"/> gallons

(Sample: \$1.00 per 100 gallons above 3000 gallons)

Special Provisions:

These rates are based on continuous service. Discontinuation of service may not be employed to avoid monthly charges for service. See Rule No. 26, Voluntary Discontinuance.

Issue Date:	Issued By:	Effective for Services On & After:
	Clearwater Source LLC.	
Title Provided Below:	Signature Below:	Print Name Below:

Advice No. _____
 (FOR PUC USE ONLY)

APPENDIX A
 PAGE 12 OF 27

Action Drain and Roofing Service

#20

Invoice: 115296

3690 Kashmir Way SE
Salem, OR 97317

DATE: 5/1/2018

503-370-7321

BILL TO:
Hidden View Inc. Loren Malcom 3445 Hidden View Ln NE Salem, OR 97305

Service Tech: Cory

P.O. NUMBER: <input type="text"/>	TERMS: 30 Days	DUE DATE: 5/31/2018
---	--------------------------	-------------------------------

DESCRIPTION	QTY	RATE	AMOUNT
Centerview *Video Inspection & Electronic Pipe Locate Video inspect section of storm drain to locate wye, near Unit 652.		225.00	225.00

Thank You!

Total \$225.00

11

Invoice

Oregon Backflow Inc.
P.O. Box 82
Rickreall, OR 97371

Dave Joslin
Certified & Licensed
Backflow Assembly Tester
Ph. 503-580-2744
CCB # 129648

DATE	TEST #
7/19/2018	34635

BILL TO

AMI Company LLC
2121 Via Rivera
Palos Verdes Estates, CA 90274

Balance Due \$103.00
\$
Amount enclosed

Please detach and return with payment

TERMS
Due on receipt

DATE OF TEST	TEST FOR
7/18/18	Salem

ITEM	DESCRIPTION	RATE	AMOUNT
150	Backflow Test 3" - 8" assembly	45.00	45.00
160	Confined Space Fee for testing the above assembly inside concrete vault	30.00	30.00
102	Backflow Assembly Test 1/2"-2 1/2"	28.00	28.00
<p>PASSED</p> <p>A copy of the test has been filed with the City of Salem</p>			
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>We now take Credit Card payments by phone.</p> </div>			
Please make checks payable to Oregon Backflow Inc.		Total \$103.00	

Oregon Backflow Inc. - P.O. Box 82 - Rickreall Oregon 97371
Ph. 503-580-2744



AT YOUR SERVICE
 Customer Services Utility Billing
 503-588-6099 or Fax 503-588-6480
 Service Hours: 8 a.m. to 5 p.m.

Service Address
 4754 CENTER ST NE
 SALEM OR 97301-3104

Account Number 29866-0003
Security Code 050818
Bill Date 7/20/2018
Account Class Multi-Family
Account Area City of Salem
*** DO NOT PAY * #3**

Service Period
Beginning Date 06/16/2018
Ending Date 07/17/2018

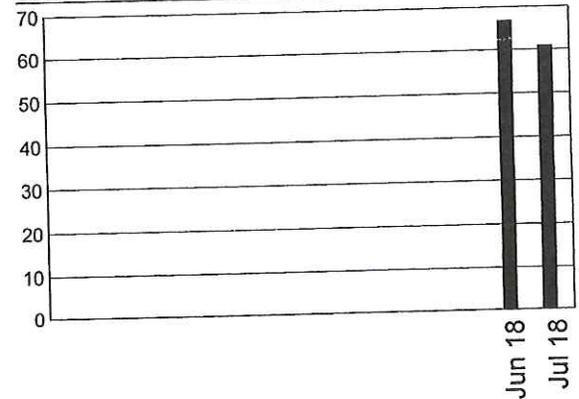
Usage Summary

Living Units 24
 Wastewater Volume (Units) 68.00
 Stormwater Area (Square Feet) 106,405
 Water Meter Size (Inches) 2.00
 Previous Meter Reading 125
 Current Meter Reading 1,433 125
 Consumption Units* 1,494 61

*One consumption unit is 100 cubic feet or 748 gallons.

CLEARWATER SOURCE LLC
 2121 VIA RIVERA
 PALOS VERDES ESTATES CA 90274

Water Consumption History



Previous Balance	\$710.37
Payments	(710.37)
Adjustments	0.00
Previous Balance	<u>\$0.00</u>
	\$129.32
Water Volume	22.87
Water Base	231.88
Wastewater Volume	43.40
Wastewater Base	190.82
Stormwater Impervious Area	10.39
Stormwater Base	31.43
Franchise Fee	1.50
Backflow Prevention Fee	10.40
Streetlight Fee	

Current Charges \$672.01
Total Amount Due \$672.01
Current Charges Due 08/14/2018

Traducción será proporcionada si lo solicita al 503-588-6099.
 Additional payment options: pay online at www.cityofsalem.net or by phone call 1-800-430-1378

WS



Account Number: 29866-0003
Customer Name: CLEARWATER SOURCE LLC
Service Address: 4754 CENTER ST NE

Current Charges Due 08/14/2018
Total Amount Due \$ 672.01



**DO NOT PAY. Amount
 will be deducted
 automatically.**

CITY OF SALEM UTILITY BILLING
 PO BOX 2795
 PORTLAND OR 97208-2795

99000029866000301000672019

CITY OF *Salem*
 AT YOUR SERVICE
 Customer Services Utility Billing
 503-588-6099 or Fax 503-588-6480
 Service Hours: 8 a.m. to 5 p.m.
 Monday - Friday

Service Address 2/6
 4754 CENTER ST NE
 SALEM OR 97301-3104

Account Number 29866-0003
Security Code 050818
Bill Date 8/20/2018
Account Class Multi-Family
Account Area City of Salem
 * DO NOT PAY * #4

Service Period
Beginning Date 07/18/2018 **Ending Date** 08/14/2018

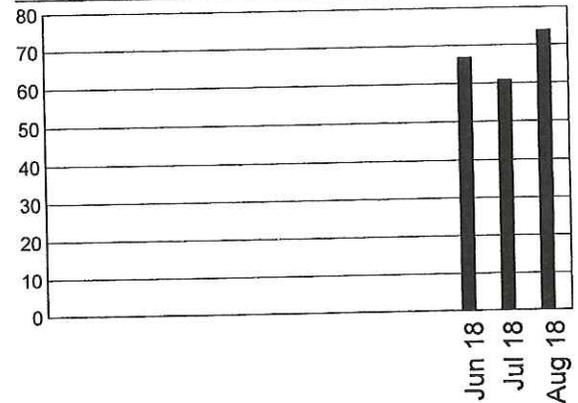
CLEARWATER SOURCE LLC
 2121 VIA RIVERA
 PALOS VERDES ESTATES CA 90274

Usage Summary

Living Units	24
Wastewater Volume (Units)	68.00
Stormwater Area (Square Feet)	106,405
Water Meter Size (Inches)	2.00
Previous Meter Reading	1,494
Current Meter Reading	125 1,568
Consumption Units*	125 74

*One consumption unit is 100 cubic feet or 748 gallons.

Water Consumption History



Previous Balance	\$672.01
Payments	(672.01)
Adjustments	0.00
Balance	\$0.00

Water Volume	\$156.88
Water Base	22.87
Wastewater Volume	231.88
Wastewater Base	43.40
Stormwater Impervious Area	190.82
Stormwater Base	10.39
Franchise Fee	32.81
Backflow Prevention Fee	1.50
Streetlight Fee	10.40

Current Charges	\$700.95
Total Amount Due	\$700.95
Current Charges Due	09/14/2018

Traducción será proporcionada si lo solicita al 503-588-6099.
 Additional payment options: pay online at www.cityofsalem.net or by phone call 1-800-430-1378

WS



Account Number: 29866-0003
Customer Name: CLEARWATER SOURCE LLC
Service Address: 4754 CENTER ST NE

Current Charges Due 09/14/2018
Total Amount Due \$ 700.95



DO NOT PAY. Amount will be deducted automatically.

CITY OF SALEM UTILITY BILLING
 PO BOX 2795
 PORTLAND OR 97208-2795

CITY OF **Salem**
 AT YOUR SERVICE
 Customer Services Utility Billing
 503-588-6099 or Fax 503-588-6480
 Service Hours: 8 a.m. to 5 p.m.
 Monday - Friday

Service Address 3/6
 4754 CENTER ST NE
 SALEM OR 97301-3104

Service Period
Beginning Date 08/15/2018
Ending Date 09/14/2018

Account Number 29866-0003
Security Code 050818
Bill Date 9/20/2018
Account Class Multi-Family
Account Area City of Salem
*** DO NOT PAY * # 5**

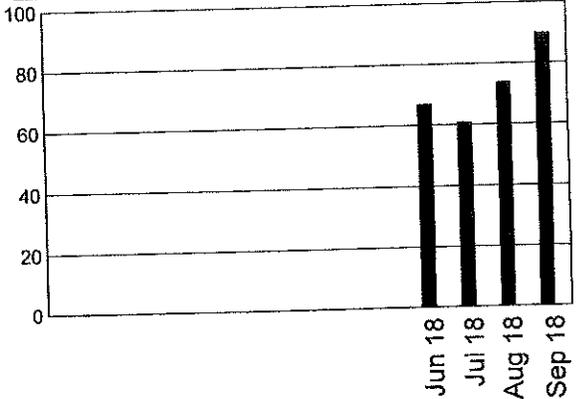
Usage Summary

Living Units	24
Wastewater Volume (Units)	68.00
Stormwater Area (Square Feet)	106,405
Water Meter Size (Inches)	2.00
Previous Meter Reading	1,568
Current Meter Reading	125 1,658
Consumption Units*	125 90

*One consumption unit is 100 cubic feet or 748 gallons.

CLEARWATER SOURCE LLC
 2121 VIA RIVERA
 PALOS VERDES ESTATES CA 90274

Water Consumption History



Previous Balance	\$700.95
Payments	(700.95)
Adjustments	0.00
Balance	\$0.00
<hr/>	
Water Volume	\$190.80
Water Base	22.87
Wastewater Volume	231.88
Wastewater Base	43.40
Stormwater Impervious Area	190.82
Stormwater Base	10.39
Franchise Fee	34.51
Backflow Prevention Fee	1.50
Streetlight Fee	10.40

Current Charges	\$736.57
Total Amount Due	\$736.57
Current Charges Due	10/15/2018

Traducción será proporcionada si lo solicita al 503-588-6099.
 Additional payment options: pay online at www.cityofsalem.net or by phone call 1-800-430-1378

WS

CITY OF **Salem**
 AT YOUR SERVICE

Account Number: 29866-0003
Customer Name: CLEARWATER SOURCE LLC
Service Address: 4754 CENTER ST NE

Current Charges Due 10/15/2018
Total Amount Due \$ 736.57



DO NOT PAY. Amount will be deducted automatically.

CITY OF SALEM UTILITY BILLING
 PO BOX 2795
 PORTLAND OR 97208-2795

99000029866000301000736574



Customer Services Utility Billing
503-588-6099 or Fax 503-588-6480
Service Hours: 8 a.m. to 5 p.m.
Monday - Friday

Service Address
4754 CENTER ST NE
SALEM OR 97301-3104

4/6

Service Period
Beginning Date 09/15/2018
Ending Date 10/12/2018

Account Number 29866-0003
Security Code 050818
Bill Date 10/20/2018
Account Class Multi-Family
Account Area City of Salem
*** DO NOT PAY #6**

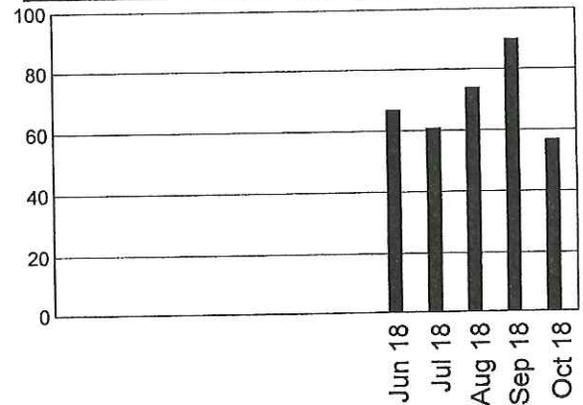
Usage Summary

Living Units	24
Wastewater Volume (Units)	68.00
Stormwater Area (Square Feet)	106,405
Water Meter Size (Inches)	2.00
Previous Meter Reading	1,658
Current Meter Reading	125 1,715
Consumption Units*	125 57

CLEARWATER SOURCE LLC
2121 VIA RIVERA
PALOS VERDES ESTATES CA 90274

*One consumption unit is 100 cubic feet or 748 gallons.

Water Consumption History



Previous Balance	\$736.57
Payments	(736.57)
Adjustments	0.00
Balance	\$0.00

Water Volume	\$120.84
Water Base	22.87
Wastewater Volume	231.88
Wastewater Base	43.40
Stormwater Impervious Area	190.82
Stormwater Base	10.39
Franchise Fee	31.01
Backflow Prevention Fee	1.50
Streetlight Fee	10.40

Current Charges	\$663.11
Total Amount Due	\$663.11
Current Charges Due	11/14/2018

Traducción será proporcionada si lo solicita al 503-588-6099.
Additional payment options: pay online at www.cityofsalem.net or by phone call 1-800-430-1378

WS



Account Number: 29866-0003
Customer Name: CLEARWATER SOURCE LLC
Service Address: 4754 CENTER ST NE

Current Charges Due 11/14/2018
Total Amount Due \$ 663.11



**DO NOT PAY. Amount
will be deducted
automatically.**

CITY OF SALEM UTILITY BILLING
PO BOX 2795
PORTLAND OR 97208-2795

99000029866000301000663117

CITY OF Salem AT YOUR SERVICE Customer Services Utility Billing 503-588-6099 or Fax 503-588-6480 Service Hours: 8 a.m. to 5 p.m. Monday - Friday	Service Address 4754 CENTER ST NE SALEM OR 97301-3104	Account Number 29866-0003 Security Code 050818 Bill Date 11/20/2018 Account Class Multi-Family Account Area City of Salem * DO NOT PAY * # 7
	Service Period Beginning Date 10/13/2018 Ending Date 11/14/2018	

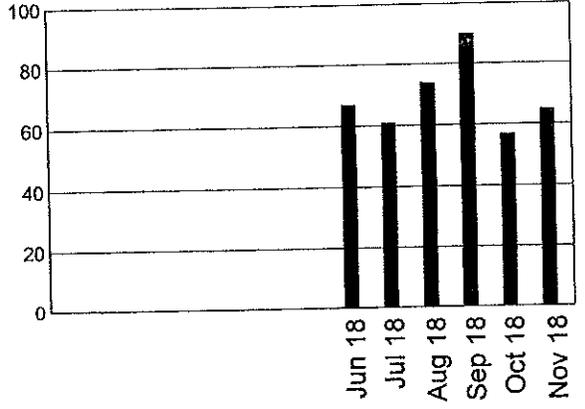
CLEARWATER SOURCE LLC
 2121 VIA RIVERA
 PALOS VERDES ESTATES CA 90274

Usage Summary

Living Units	24
Wastewater Volume (Units)	68.00
Stormwater Area (Square Feet)	106,405
Water Meter Size (Inches)	2.00
Previous Meter Reading	125
Current Meter Reading	1,715
Consumption Units*	1,780

*One consumption unit is 100 cubic feet or 748 gallons.

Water Consumption History



Previous Balance	\$663.11
Payments	(663.11)
Adjustments	0.00
Balance	\$0.00

Water Volume	\$137.80
Water Base	22.87
Wastewater Volume	231.88
Wastewater Base	43.40
Stormwater Impervious Area	190.82
Stormwater Base	10.39
Franchise Fee	31.86
Backflow Prevention Fee	1.50
Streetlight Fee	10.40

Current Charges	\$680.92
Total Amount Due	\$680.92
Current Charges Due	12/15/2018

Traducción será proporcionada si lo solicita al 503-588-6099.
 Additional payment options: pay online at www.cityofsalem.net or by phone call 1-800-430-1378

WS



Account Number: 29866-0003
Customer Name: CLEARWATER SOURCE LLC
Service Address: 4754 CENTER ST NE

Current Charges Due 12/15/2018
Total Amount Due \$ 680.92



DO NOT PAY. Amount will be deducted automatically.

CITY OF SALEM UTILITY BILLING
 PO BOX 2795
 PORTLAND OR 97208-2795

CITY OF **Salem**
AT YOUR SERVICE
Customer Services Utility Billing
503-588-6099 or Fax 503-588-6480
Service Hours: 8 a.m. to 5 p.m.
Monday - Friday

Service Address
4754 CENTER ST NE
SALEM OR 97301-3104

6/6

Account Number 29866-0003
Security Code 050818
Bill Date 12/20/2018
Account Class Multi-Family
Account Area City of Salem
*** DO NOT PAY * #8**

Service Period
Beginning Date 11/15/2018
Ending Date 12/14/2018

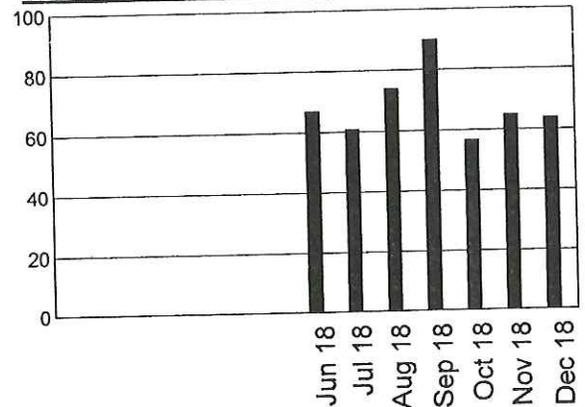
Usage Summary

Living Units	24
Wastewater Volume (Units)	68.00
Stormwater Area (Square Feet)	106,405
Water Meter Size (Inches)	2.00
Previous Meter Reading	1,780
Current Meter Reading	125 1,844
Consumption Units*	125 64

*One consumption unit is 100 cubic feet or 748 gallons.

CLEARWATER SOURCE LLC
2121 VIA RIVERA
PALOS VERDES ESTATES CA 90274

Water Consumption History



Previous Balance	\$680.92
Payments	(680.92)
Adjustments	0.00
Balance	\$0.00

Water Volume	\$135.68
Water Base	22.87
Wastewater Volume	231.88
Wastewater Base	43.40
Stormwater Impervious Area	190.82
Stormwater Base	10.39
Franchise Fee	31.75
Backflow Prevention Fee	1.50
Streetlight Fee	10.40

Current Charges	\$678.69
Total Amount Due	\$678.69
Current Charges Due	01/14/2019

Traducción será proporcionada si lo solicita al 503-588-6099.
Additional payment options: pay online at www.cityofsalem.net or by phone call 1-800-430-1378

WS

CITY OF **Salem**
AT YOUR SERVICE

Account Number: 29866-0003
Customer Name: CLEARWATER SOURCE LLC
Service Address: 4754 CENTER ST NE

Current Charges Due 01/14/2019
Total Amount Due \$ 678.69



**DO NOT PAY. Amount
will be deducted
automatically.**

CITY OF SALEM UTILITY BILLING
PO BOX 2795
PORTLAND OR 97208-2795

99000029866000301000678693

CITY OF *Salem*
AT YOUR SERVICE
Customer Services Utility Billing
503-588-6099 or Fax 503-588-6480
Service Hours: 8 a.m. to 5 p.m.
Monday - Friday

Service Address
4754 CENTER ST NE
SALEM OR 97301-3104

Account Number 29866-0003
Security Code 050818
Bill Date 2/20/2019
Account Class Multi-Family
Account Area City of Salem
*** DO NOT PAY * #9**

Service Period
Beginning Date 01/16/2019
Ending Date 02/11/2019

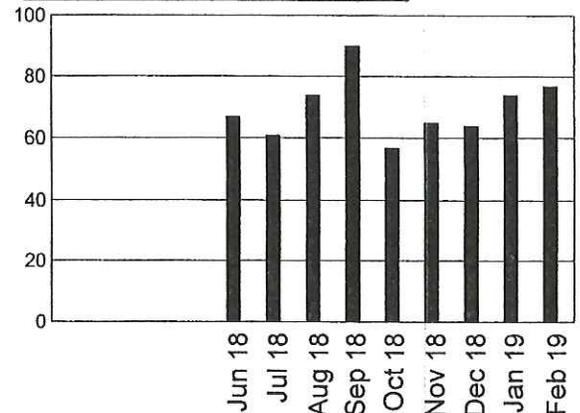
Usage Summary

Living Units 24
Wastewater Volume (Units) 68.00
Stormwater Area (Square Feet) 106,405
Water Meter Size (Inches) 2.00
Previous Meter Reading 125 1,918
Current Meter Reading 125 1,995
Consumption Units* 77

*One consumption unit is 100 cubic feet or 748 gallons.

CLEARWATER SOURCE LLC
2121 VIA RIVERA
PALOS VERDES ESTATES CA 90274

Water Consumption History



Previous Balance \$700.95
Payments (700.95)
Adjustments 0.00
Balance 0.00

Water Volume \$166.32
Water Base 32.44
Wastewater Volume 237.32
Wastewater Base 44.10
Stormwater Impervious Area 204.30
Stormwater Base 10.63
Franchise Fee 34.76
Backflow Prevention Fee 1.50
Streetlight Fee 10.40

Current Charges \$741.77
Total Amount Due \$741.77
Current Charges Due 03/17/2019

Traducción será proporcionada si lo solicita al 503-588-6099.
Additional payment options: pay online at www.cityofsalem.net or by phone call 1-800-430-1378

WS



Account Number: 29866-0003
Customer Name: CLEARWATER SOURCE LLC
Service Address: 4754 CENTER ST NE

Current Charges Due 03/17/2019
Total Amount Due \$ 741.77



CITY OF SALEM UTILITY BILLING
PO BOX 2795
PORTLAND OR 97208-2795

DO NOT PAY. Amount will be deducted automatically.

#10



Billing period Jan 29, 2019 to Feb 28, 2019 | Account # 270873538-00001 | Invoice # 9173720486



Taxes and government fees

CA State 911 Fee	\$0.20
CA Teleconnect Fund Surchg	\$0.14
CA State High Cost Fund (A)	\$0.07
Lifeline Surcharge - CA	\$0.83
CA Advanced Srvc Fund (CASF)	\$0.10
CA Relay Srvc/Comm Device Fund	\$0.10

\$1.44

Surcharges and taxes are charged per line. A detailed copy of your bill is available in My Verizon.



Alain Cailer

310.704.5930 | LG G5

Estimated top activities*



Web & Apps
55%



Social
18%



Video
11%

*Top activities are estimated for general information purposes only.

Go unlimited (Mar 1 - Mar 28) **\$55.00**

Total Equipment Coverage (Mar 1 - Mar 28) **\$9.00**

\$64.00

Save \$5/qualifying line each month when you enroll in Auto Pay (using bank account or debit card) and paper-free billing. Enroll using the My Verizon app, or at vzw.com/myverizon.

COLR700A 1154 5011 125 07 20190302 PG 2 OF 4
00459257 32597564.19 0-0

#12

Invoice

METRON SUSTAINABLE SERVICES, INC

5665 AIRPORT BOULEVARD, STE 105
Boulder, CO 80301

303.449.8833 Ext 6725

Customer No.1650-0001

Invoice No.6280

Bill To:

Center View Estates MHP

608-698 Royalty Circle NE
Salem, OR 97301

Ship To:

Center View Estates MHP

608-698 Royalty Circle NE
Salem, OR 97301

Date	Ship Via	F.O.B. Origin	Terms			
05/26/18						
Purchase Order Number		Invoice Date	Sales Person			
		05/26/18				
Our Order Number						
Quantity			Item Number	Description	Unit Price	Amount
Required	Shipped	B.O.				
22				Center View Estates - Meters Installed as Agreed	350.00	7700.00
Invoice subtotal						7700.00
Invoice total						7700.00

Thank You

METRON SUSTAINABLE SERVICES, INC

1:02 pm

Accounts Receivable Detail Report

#13

Customer IDs 1650-0001 to 1650-0001

All Transactions

Transaction	Txn Date	Description / Dist	Amount	Original Balance	Current Balance
1650-0001		Center View Estates MHP			
6280	05/26/18			7700.00	0.00
Pay -CrCard	05/29/18	6280 / 6280	7700.00		
		Customer Total		7700.00	0.00
		Report Total		7700.00	0.00

14

Action Drain and Rooter Service

3690 Kashmir Way SE
Salem, OR 97317

503-370-7321

Invoice: 166457

DATE: 2/13/2019

BILL TO:
Clearwater Source, LLC c/o AMI Company 2121 Via Rivera Pales Verdes Estates, CA 90274

Service Tech: Larry

P.O. NUMBER:

--

TERMS:

30 Days

DUE DATE:

3/15/2019

DESCRIPTION	QTY	RATE	AMOUNT
Royalty Circle NE - Center Street Mobile			
*Electronic Line Locating Including Mobilization - 2 Hrs Located all remaining copper water services. Sprinkler system in North driveway off 698, 698 main, for house, irrigation in driveway off 604, 619, 629, shop, house between 642 and 652, 679, 683, and 689 are all copper. The only one leaking is meter for 698. Line needs replaced to main, 35' away in road. Ten units not replaced.	2	140.00	280.00

Thank You!

Total

\$280.00

Action Drain and Rooter Service

3690 Kashmir Way SE
Salem, OR 97317

503-370-7321

Invoice: 161456 #15

DATE: 2/15/2019

PAID
03/17/2019

BILL TO:
Clearwater Source, LLC
c/o AMI Company
2121 Via Rivera
Pales Verdes Estates, CA 90274

Service Tech: Blair

P.O. NUMBER:
TERMS: 30 Days
DUE DATE: 3/17/2019

DESCRIPTION	QTY	RATE	AMOUNT
698 Royalty Circle NE			
Equipment Mobilization	1	300.00	300.00
2-15-2019 Blair, Kevin & Jesse Excavator & 3 Men - 6 1/2 Hrs	6.5	200.00	1,300.00
2-16-2019 Blair, Kevin & Jesse Excavator & 3 Men - 2 1/2 Hrs	2.5	200.00	500.00
Replaced 41' of 3/4" copper pipe with wirsbo under asphalt. Saw cut asphalt and dug up line and replaced. Back filled with crushed rock, paved.			
Asphalt Saw & Diamond Blade Rent	1	90.00	90.00
Jumping Jack Rent	1	70.00	70.00
Asphalt Roller Rent	1	125.00	125.00
41' of 3/4" Wirsbo Pipe	41	1.26	51.66
3/4" Pinch Dresser	1	19.87	19.87
Dump Truck Hauling & Dump Fees	7	16.50	115.50
Crushed Rock - 7 yards	7	23.50	164.50
Asphalt Hot Mix - 2.5 Tons	2.5	77.08	192.70
Hot Tar Sealer	1	15.00	15.00

Thank You!

Total \$2,944.23

ACTION DRAIN

**3690 Kashmir Way SE
Salem, OR 97317**

503-932-2401 - Jess
503-585-8304 - Fax

PROPOSAL # 16

DATE: 3/12/19

JOB NUMBER: A32262

TO: Allain Cailler

JOB: Centerview Estates Mobile Park

Fax

Phone: 480-322-7924

We hereby submit specifications and estimates for:

WATER SERVICE REPLACEMENT

- * The Water Services from the corp fitting off the water main to the incoming side of the water meter will be replaced for unit #'s 619, 629, 648, 679, 683 & 689 Royalty Circle NE.
- * The Water Service serving the Irrigation system will be replaced beginning at the corp fitting off the water main and extending approx. 73' where it will be connected to the existing Irrigation system.
- * Sections of asphalt in the street will be saw cut, removed, repaved and edges sealed as needed to allow access for waterlines.
- * Dirt removed from trenches under asphalt & gravel areas will be hauled off.
- * Crushed rock will be backfilled and compacted in trenches asphalt and gravel areas.
- * Wirsbo Pex Water Pipe & Fittings will be installed to replace the old pipes.

COST: \$13,991.00

Please call me if you have any questions. Thanks!! Jess Risenmay cell 503-932-2401

We Propose hereby to furnish material & labor - complete in accordance with the above specifications for the sum of:

\$13991.00

Payment is to be made as follows:

In full upon completion of above described work.

Add a 4% fee if Payment is made by Credit Card

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Unstable Soil, Rocky Soil or CDF removal may be an additional cost. Any unforeseen underground utilities located in repair area may be an additional cost. Note: This proposal may be withdrawn by us if not accepted within 90 days.

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. you are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: _____ Signature: _____

RICHARD K. GOVENAR

Certified Public Accountant

✓ #17

2510 West 237th Street, Suite 104
Torrance, California 90505
Telephone: (310) 539-9432
Fax: (310) 539-9362
Email: rkgcpa@sbcglobal.net

MEMBER:
American Institute of Certified
Public Accountants
California Society of Certified Public
Accountants

March 19, 2019

Clearwater Source, LLC
2121 Via Rivera
Palos Verdes Estates, CA 90274

Income tax services rendered in connection with the preparation of the 2018 Federal and Oregon
partnership income tax returns

\$ 425.00
=====

18

Form 1065

U.S. Return of Partnership Income
For calendar year 2018, or tax year beginning _____, 2018, ending _____, 20

OMB No. 1545-0123

2018

Department of the Treasury Internal Revenue Service

Go to www.irs.gov/Form1065 for instructions and the latest information.

A Principal business activity

Utility

B Principal product or service

Water and Sewer

C Business code number

221300

Type or Print

Clearwater Source, LLC
2121 Via Rivera
Palos Verdes Estates, CA 90274

D Employer identification no.

82-5482445

E Date business started

7/01/2018

F Total assets (see instructions)

\$

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify)

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year.

J Check if Schedules C and M-3 are attached.

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Table with 30 rows and 4 columns. Rows include: 1a Gross receipts or sales (8,165), 1b Returns and allowances (125), 1c Balance (8,040), 2 Cost of goods sold, 3 Gross profit (8,040), 4-7 Other income/loss, 8 Total income (8,040), 9-20 Deductions (Total 9,704), 21 Total deductions (9,704), 22 Ordinary business income (loss) (-5,248), 23-26 Taxes, 27 Total balance due, 28-30 Payment/Amount owed/Overpayment.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of partner or limited liability company member: Richard K. Govenar. Date: [blank].

May the IRS discuss this return with the preparer shown below? See instructions. [X] Yes [] No

Paid Preparer Use Only

Print/Type preparer's name: Richard K. Govenar. Preparer's signature: Richard K. Govenar. Date: [blank]. Check [X] if self-employed. PTIN: P01330528. Firm's name: Richard K. Govenar, CPA. Firm's address: 2510 W. 237th St., #104 Torrance, CA 90505-5234. Firm's EIN: 33-0641120. Phone no.: 310-539-9432.

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:	Yes	No
a <input type="checkbox"/> Domestic general partnership		
b <input type="checkbox"/> Domestic limited partnership		
c <input checked="" type="checkbox"/> Domestic limited liability company		
d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership		
f <input type="checkbox"/> Other ▶		
2 At the end of the tax year:		
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.		X
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.	X	
3 At the end of the tax year, did the partnership:		
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below.		X
---	--	---

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

4 Does the partnership satisfy all four of the following conditions?	Yes	No
a The partnership's total receipts for the tax year were less than \$250,000.		
b The partnership's total assets at the end of the tax year were less than \$1 million.		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d The partnership is not filing and is not required to file Schedule M-3. If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.	X	
5 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
6 During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
7 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
8 At any time during calendar year 2018, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country.		X
9 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.		X
10a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		X

Schedule B Other Information (continued)

	Yes	No
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
11 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) <input type="checkbox"/>		
12 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
13 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions ▶		
14 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
15 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
16a Did you make any payments in 2018 that would require you to file Form(s) 1099? See instructions.		X
b If "Yes," did you or will you file required Form(s) 1099?		
17 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		
18 Enter the number of partners that are foreign governments under section 892. ▶ 0		
19 During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		X
20 Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938.		X
21 Is the partnership a section 721(c) partnership, as defined in Treasury Regulations section 1.721(c)-1T(b)(14)?		X
22 During the tax year, did the partnership pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions. If "Yes," enter the total amount of the disallowed deductions. ▶ \$		
23 Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
24 Does the partnership satisfy one of the following conditions and the partnership does not own a pass-through entity with current year, or prior year, carryover excess business interest expense? See instructions.	X	
a The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year do not exceed \$25 million, and the partnership is not a tax shelter, or		
b The partnership only has business interest expense from (1) an electing real property trade or business, (2) an electing farming business, or (3) certain utility businesses under section 163(j)(7). If "No," complete and attach Form 8990.		
25 Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3. ▶ If "No," complete Designation of Partnership Representative below.		X

Designation of Partnership Representative (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR ▶	Alain Cailler	U.S. taxpayer identification number of PR ▶	
U.S. address of PR ▶	2121 Via Rivera Palos Verdes Estates, CA 90274	U.S. phone number of PR ▶	
If the PR is an entity, name of the designated individual for the PR ▶		U.S. taxpayer identification number of the designated individual ▶	
U.S. address of designated individual ▶		U.S. phone number of designated individual ▶	

26 Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund?		X
If "Yes," enter the amount from Form 8996, line 13. ▶ \$		

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	-5,248.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach stmt)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income	5	
	6 Dividends and dividend equivalents: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	c Dividend equivalents	6c	
	7 Royalties	7	
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8		
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
d Other deductions (see instructions) Type ▶	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	-2,624.
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a Name of country or U.S. possession ... ▶		
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
	d Section 951A category ▶ e Foreign branch category ▶	16e	
	f Passive category ▶ g General category ▶ h Other (att. stmt.) ▶	16h	
	Deductions allocated and apportioned at partner level		
	i Interest expense ▶ j Other	16j	
	Deductions allocated and apportioned at partnership level to foreign source income		
	k Section 951A category ▶ l Foreign branch category ▶	16l	
	m Passive category ▶ n General category ▶ o Other (att. stmt.) ▶	16o	
p Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16p		
q Reduction in taxes available for credit (attach statement)	16q		
r Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties — gross income	17d	
	e Oil, gas, and geothermal properties — deductions	17e	
	f Other AMT items (attach stmt)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
	20a Investment income	20a	
b Investment expenses	20b		
c Other items and amounts (attach stmt)		See Statement 2	

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16p.						1	-5,248.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other	
a General partners							
b Limited partners		-5,248.					

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach stmt)				
7a	Loans to partners (or persons related to partners)				
b	Mortgage and real estate loans				
8	Other investments (attach stmt)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach stmt)				
14	Total assets				
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach stmt)				
18	All nonrecourse loans				
19a	Loans from partners (or persons related to partners)				
b	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach stmt)				
21	Partners' capital accounts				
22	Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The partnership may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest ... \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16p, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16p (itemize):		a Depreciation ... \$	
a Depreciation ... \$		8 Add lines 6 and 7	
b Travel and entertainment ... \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	
5 Add lines 1 through 4			

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books			
4 Other increases (itemize):		8 Add lines 6 and 7	
5 Add lines 1 through 4		9 Balance at end of year. Subtract line 8 from line 5	

SCHEDULE B-1

(Form 1065)

(Rev. September 2017)
Department of the Treasury
Internal Revenue Service

Information on Partners Owning 50% or More of the Partnership

▶ **Attach to Form 1065.**

▶ **Go to www.irs.gov/Form1065 for the latest information.**

OMB No. 1545-0123

Name of partnership

Clearwater Source, LLC

Employer identification number (EIN)

82-5482445

Part I **Entities Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Part II **Individuals or Estates Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Alain Cailler	2	United States	50.000

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule B-1 (Form 1065) (Rev. 9-2017)

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.
▶ See separate instructions.

Final K-1 Amended K-1

651118
OMB No. 1545-0123

Part I Information About the Partnership													
A Partnership's employer identification number	82-5482445												
B Partnership's name, address, city, state, and ZIP code	Clearwater Source, LLC 2121 Via Rivera Palos Verdes Estates, CA 90274												
C IRS Center where partnership filed return	Ogden, UT												
D <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)													
Part II Information About the Partner													
E Partner's identifying number													
F Partner's name, address, city, state, and ZIP code	Alain Cailler 2121 Via Rivera Palos Verdes Estates, CA 90274												
G <input checked="" type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member													
H <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner													
I1 What type of entity is this partner?	Individual												
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/>													
J Partner's share of profit, loss, and capital (see instructions):													
	<table border="1"> <thead> <tr> <th></th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td>50 %</td> <td>50 %</td> </tr> <tr> <td>Loss</td> <td>50 %</td> <td>50 %</td> </tr> <tr> <td>Capital</td> <td>50 %</td> <td>50 %</td> </tr> </tbody> </table>		Beginning	Ending	Profit	50 %	50 %	Loss	50 %	50 %	Capital	50 %	50 %
	Beginning	Ending											
Profit	50 %	50 %											
Loss	50 %	50 %											
Capital	50 %	50 %											
K Partner's share of liabilities:													
	<table border="1"> <thead> <tr> <th></th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Nonrecourse</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>Qualified nonrecourse financing</td> <td>\$</td> <td>\$</td> </tr> <tr> <td>Recourse</td> <td>\$</td> <td>\$</td> </tr> </tbody> </table>		Beginning	Ending	Nonrecourse	\$	\$	Qualified nonrecourse financing	\$	\$	Recourse	\$	\$
	Beginning	Ending											
Nonrecourse	\$	\$											
Qualified nonrecourse financing	\$	\$											
Recourse	\$	\$											
L Partner's capital account analysis:													
Beginning capital account	\$												
Capital contributed during the year	\$												
Current year increase (decrease)	\$												
Withdrawals & distributions	\$												
Ending capital account	\$												
<input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book													
<input type="checkbox"/> Other (explain)													
M Did the partner contribute property with a built-in gain or loss?													
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
If "Yes," attach statement (see instructions)													

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	15	Credits
	-2,624.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents		
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8	Net short-term capital gain (loss)	17	Alternative minimum tax (AMT) items
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9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
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12	Section 179 deduction		
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		AB	100,000.
		Z	-2,624.
14	Self-employment earnings (loss)		
A	-2,624.		

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership

- A** Partnership's employer identification number
82-5482445
- B** Partnership's name, address, city, state, and ZIP code
Clearwater Source, LLC
2121 Via Rivera
Palos Verdes Estates, CA 90274
- C** IRS Center where partnership filed return
Ogden, UT
- D** Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

- E** Partner's identifying number
- F** Partner's name, address, city, state, and ZIP code
Patricia Cailler
2121 Via Rivera
Palos Verdes Estates, CA 90274
- G** General partner or LLC member-manager Limited partner or other LLC member
- H** Domestic partner Foreign partner
- I1** What type of entity is this partner? Individual
- I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here
- J** Partner's share of profit, loss, and capital (see instructions):
- | | Beginning | Ending |
|---------|-----------|--------|
| Profit | 25 % | 25 % |
| Loss | 25 % | 25 % |
| Capital | 25 % | 25 % |
- K** Partner's share of liabilities:
- | | Beginning | Ending |
|---|-----------|--------|
| Nonrecourse | \$ | \$ |
| Qualified nonrecourse financing | \$ | \$ |
| Recourse | \$ | \$ |
- L** Partner's capital account analysis:
- Beginning capital account \$
- Capital contributed during the year \$
- Current year increase (decrease) \$
- Withdrawals & distributions \$
- Ending capital account \$
- Tax basis GAAP Section 704(b) book
 Other (explain)
- M** Did the partner contribute property with a built-in gain or loss?
 Yes No
If "Yes," attach statement (see instructions)

Final K-1 Amended K-1

651118

OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	-1,312.		
2	Net rental real estate income (loss)		
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For IRS Use Only

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.
▶ See separate instructions.

Final K-1 Amended K-1

651118
OMB No. 1545-0123

Part I Information About the Partnership													
A Partnership's employer identification number	82-5482445												
B Partnership's name, address, city, state, and ZIP code	Clearwater Source, LLC 2121 Via Rivera Palos Verdes Estates, CA 90274												
C IRS Center where partnership filed return	Ogden, UT												
D <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)													
Part II Information About the Partner													
E Partner's identifying number													
F Partner's name, address, city, state, and ZIP code	Mathieu Cailler 2121 Via Rivera Palos Verdes Estates, CA 90274												
G <input type="checkbox"/> General partner or LLC member-manager <input checked="" type="checkbox"/> Limited partner or other LLC member													
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14	Self-employment earnings (loss)		

*See attached statement for additional information.

For IRS Use Only

**Depreciation and Amortization
(Including Information on Listed Property)**

2018

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.
▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

Attachment
Sequence No. **179**

Name(s) shown on return

Identifying number

Clearwater Source, LLC

82-5482445

Business or activity to which this form relates

Form 1065

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2017 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instrs	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2019. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2018	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B – Assets Placed in Service During 2018 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property	7/01/18	200,000.	27.5 yrs	MM	S/L	3,334.
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 30-year			30 yrs	MM	S/L	
d 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	3,334.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**Statement 1
Form 1065, Line 20
Other Deductions**

Annual Backflow.....	\$	103.
Computer Hardware.....		266.
Contractual Service.....		400.
Legal and Professional.....		1,640.
Office Expense.....		274.
Postage.....		135.
Subcontractors.....		1,770.
Telephone.....		660.
Transport.....		243.
Utilities.....		4,213.
	Total \$	<u>9,704.</u>

**Statement 2
Form 1065, Schedule K, Line 20c
Other Reportable Items**

Section 199A Qualified Business Income.....	\$	-5,248.
Section 199A Unadjusted Basis.....		200,000.

12/31/18

2018 Federal Depreciation Schedule

Page 1

Client CLEARWAT

Clearwater Source, LLC

82-5482445

3/19/19

11:19AM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.	
Form 1065																	
Improvements																	
1	Improvements **	7/01/18		200,000							200,000		S/L	MM	27.5	.01667	3,334
	Total Improvements			200,000		0	0	0	0	0	200,000	0					3,334
	Total Depreciation			200,000		0	0	0	0	0	200,000	0					3,334
	Grand Total Depreciation			200,000		0	0	0	0	0	200,000	0					3,334

**Asset included in unadjusted basis immediately after acquisition for the QBI calculation.

12/31/18

2018 Federal Alternative Minimum Tax Depreciation Schedule

Page 1

Client CLEARWAT

Clearwater Source, LLC

82-5482445

3/19/19

11:19AM

No.	Description	Date Acquired	Date Sold	AMT Basis	AMT Prior Depr	AMT Method	AMT Life	AMT Rate	AMT Depr	Reg. Depr	Ownr. Pct	Post-86 Depr Adj	Real Prop Pref	Leas Pers Prop Pref	59 (e)(2) Amort
Form 1065															
Improvements															
1	Improvements	7/01/18		200,000		S/L MM	27.5	.01667	3,334	3,334					0
	Total Improvements			200,000	0				3,334	3,334		0	0	0	0
	Total Depreciation			<u>200,000</u>	<u>0</u>				<u>3,334</u>	<u>3,334</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Grand Total Depreciation			<u>200,000</u>	<u>0</u>				<u>3,334</u>	<u>3,334</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**SCHEDULE B-1
(Form 1065)**

(Rev. September 2017)
Department of the Treasury
Internal Revenue Service

**Information on Partners Owning 50% or
More of the Partnership**

▶ Attach to Form 1065.

▶ Go to www.irs.gov/Form1065 for the latest information.

OMB No. 1545-0123

Name of partnership

Clearwater Source, LLC

Employer identification number (EIN)

82-5482445

Part I Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Alain Cailler		United States	50.000

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule B-1 (Form 1065) (Rev. 9-2017)

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018

ending / /

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership													
A	Partnership's employer identification number 82-5482445												
B	Partnership's name, address, city, state, and ZIP code Clearwater Source, LLC 2121 Via Rivera Palos Verdes Estates, CA 90274												
C	IRS Center where partnership filed return Ogden, UT												
D	<input type="checkbox"/> Check if this is a publicly traded partnership (PTP)												
Part II Information About the Partner													
E	Partner's identifying number												
F	Partner's name, address, city, state, and ZIP code Alain Cailler 2121 Via Rivera Palos Verdes Estates, CA 90274												
G	<input checked="" type="checkbox"/> General partner or LLC member-manager <input type="checkbox"/> Limited partner or other LLC member												
H	<input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner												
I1	What type of entity is this partner? <u>Individual</u>												
I2	If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/>												
J	Partner's share of profit, loss, and capital (see instructions):												
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M	Did the partner contribute property with a built-in gain or loss? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach statement (see instructions)												

Final K-1

Amended K-1

651118
OMB No. 1545-0123

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*See attached statement for additional information.

For IRS Use Only

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2018

Partner 1

PTPA0312L 08/31/18

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

Final K-1

Amended K-1

651118

OMB No. 1545-0123

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.
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13	Other deductions	20	Other information
		AB	50,000.
		Z	-1,312.
14	Self-employment earnings (loss)		

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

Final K-1

Amended K-1

651118
OMB No. 1545-0123

beginning / / 2018 ending / /

Partner's Share of Income, Deductions, Credits, etc.
▶ See separate instructions.

Part I Information About the Partnership	
A Partnership's employer identification number	82-5482445
B Partnership's name, address, city, state, and ZIP code	Clearwater Source, LLC 2121 Via Rivera Palos Verdes Estates, CA 90274
C IRS Center where partnership filed return	Ogden, UT
D <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)	
Part II Information About the Partner	
E Partner's identifying number	
F Partner's name, address, city, state, and ZIP code	Mathieu Cailler 2121 Via Rivera Palos Verdes Estates, CA 90274
G <input type="checkbox"/> General partner or LLC member-manager <input checked="" type="checkbox"/> Limited partner or other LLC member	
H <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner	
I1 What type of entity is this partner?	Individual
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here <input type="checkbox"/>	
J Partner's share of profit, loss, and capital (see instructions):	
	Beginning Ending
Profit	25 % 25 %
Loss	25 % 25 %
Capital	25 % 25 %
K Partner's share of liabilities:	
	Beginning Ending
Nonrecourse	\$ \$
Qualified nonrecourse financing	\$ \$
Recourse	\$ \$
L Partner's capital account analysis:	
Beginning capital account	\$
Capital contributed during the year	\$
Current year increase (decrease)	\$
Withdrawals & distributions	\$
Ending capital account	\$
<input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book	
<input type="checkbox"/> Other (explain)	
M Did the partner contribute property with a built-in gain or loss?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," attach statement (see instructions)	

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	15	Credits
	-1,312.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss)		
11	Other income (loss)		
		19	Distributions
12	Section 179 deduction		
13	Other deductions	20	Other information
		AB	50,000.
		Z	-1,312.
14	Self-employment earnings (loss)		

*See attached statement for additional information.

For IRS Use Only

**Depreciation and Amortization
(Including Information on Listed Property)**

2018

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.
▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

Attachment
Sequence No. **179**

Name(s) shown on return

Clearwater Source, LLC

Identifying number
82-5482445

Business or activity to which this form relates

Form 1065

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2017 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instrs	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2019. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2018	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B – Assets Placed in Service During 2018 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only – see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property	7/01/18	200,000.	27.5 yrs	MM	S/L	3,334.
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 30-year			30 yrs	MM	S/L	
d 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations – see instructions	22	3,334.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Client CLEARWAT

Clearwater Source, LLC

82-5482445

3/19/19

11:19AM

Statement 1
Form 1065, Line 20
Other Deductions

Annual Backflow.....	\$	103.
Computer Hardware.....		266.
Contractual Service.....		400.
Legal and Professional.....		1,640.
Office Expense.....		274.
Postage.....		135.
Subcontractors.....		1,770.
Telephone.....		660.
Transport.....		243.
Utilities.....		4,213.
	Total \$	<u>9,704.</u>

Statement 2
Form 1065, Schedule K, Line 20c
Other Reportable Items

Section 199A Qualified Business Income.....	\$	-5,248.
Section 199A Unadjusted Basis.....		200,000.

#19

Paid by AMI
3/20/19

MAIL PAYMENT AND FORM OR-65-V TO:

OREGON DEPARTMENT OF REVENUE
P.O. BOX 14260
SALEM, OR 97308-5060

Visit www.oregon.gov/dor/forms to print more vouchers.

Detach Here

Detach Here

1032 01

ORPA0401L 12/14/18

Form OR-65-V, Oregon Partnership Return of Income Payment Voucher

• Tax year:

Begins: 01/01/2018

Ends: 12/31/2018

• FEIN: 82-5482445

Office use only

• Payment type (check only one):

Original return

Amended return

Extension payment



Name of contact person			
Name of partnership CLEARWATER SOURCE, LLC			
Partnership mailing address 2121 VIA RIVERA 480 322 7924			
City PALOS VERDES ESTATES	State CA	ZIP code 90274	Contact phone 310-697-6966

Enter payment amount

\$

150.00

150-101-066 (Rev. 12-18)

1902000000825482445CLEA000000000201812310101032019

Monthly Water Utility Charge Report

20

Property: Center View MHP
 Consumption and Service Charges
 02/15/2019 Until 03/14/2019

Unit List	Account Number	Name	Consumption
01-698		Karla Hunter	1553.000
02-688		Lorrie Grumbling Jean Powel	1317.000
03-682		Pam Hames	1036.000
04-672		Vera Sellers	1037.000
05-668		Les & Virginia Best	1924.000
06-662		Mike Kler	1776.000
07-658		Donna Curtis	5676.000
08-652		Mike & Yvonne Owens	1280.000
09-648		Jon & Sheila Ellis	1233.000
10-642		Sharon & Michele Maerki	1378.000
11-663		John & Artes Agee	2093.000
12-669		Helen Wilson	8423.000
13-673		Patrick & Ellen Reed	1846.000
14-679		Fred & Evelyn Palmer	2360.000
15-683		Ron & Wanda Webster	2920.000
16-689		Anita Blower	2285.000
17-639		Terry & Joan Pohl	1531.000
18-629		Leigh & Shirley Lumley	2221.000
19-619		Bill & Patricia Mick	1929.000
20-613		Doug & Deborah Debber	2926.000
21-608		Christa Hegyi	1814.000
22-604		Roy & Virginia Carver	2168.000

TOTAL CONSUMPTION FOR 20 RESIDENTS * 37,207
 OR 1,860 GALLONS A MONTH. AVERAGE MONTHLY

* EXCLUDING 2 OF THOSE 22 RESIDENTS FOR BEING TOTALLY OUT OF NORMAL RANGE
 # SPACE 7 FOR KEEPING FAUCET DREERING 24/7 FEARING PIPE FREEZING.
 # SPACE 12 MAJOR LEAK (FIXED BY NOW). BOTH WERE NOTIFIED

Clearwater Source, LLC
4754 Center St NE
Salem, OR 97301

June 20th, 2019

Customer Notice

Announcement of proposed changes to your water and wastewater services

Clearwater Source, LLC submitted a general rate filing and proposed tariffs with the Public Utility Commission of Oregon (Commission) on June 20th, 2019. This notice is to inform customers that Clearwater Source, LLC filed a general rate revision with the Public Utility Commission. This notice provides general information regarding the utility's proposed changes and the effect it will have on customers' bills if approved by the Commission. Customers may request to receive this notice of the time and place of any hearing on the matter by contacting the Public Utility Commission of Oregon, Administrative Hearing Division at 503-378-6678. The calculations and statements contained in the water utilities filing and this notice are not binding the Commission.

The present rates for water and wastewater were granted more than 11 years ago to the previous owner and were never readjusted. Since then, the cost of doing business has increased substantially, especially because Clearwater Source must provide constant reliable water distribution and wastewater services. Over the course of the last 12 months, Clearwater Source is proud to have addressed all existing and potential water leaks, and changed all water meters. Therefore, in order to readjust rates established in 2008, including future rates, the recent capital improvements, and to give Clearwater Source, LLC solid financial footing, the proposed rates are:

For water service: the company's revenue over the last 12 months is \$7,000. Clearwater is seeking to increase its annual water revenues by \$8,045, resulting in total annual revenue of \$15,045. The current Base rate is \$17.24 with a Commodity rate of \$3.73 per 100 cubic feet. The proposed Base rate would be \$37.05 with a Commodity rate of \$8.02. The average customer bill for the water service portion would change from \$26.52 to \$56.99.

For wastewater services: the company's revenue over the last 12 months is \$5,733. Clearwater is seeking to increase its annual wastewater revenues by \$6,588, resulting in a total annual revenue of \$12,320. The current Base rate is \$14.13 with a Commodity rate of \$3.05 per 100 cubic feet. The proposed Base rate would be \$30.37 with a Commodity rate of \$6.56. The average customer bill for the water service portion would change from \$21.71 to \$46.67.

In consideration of the present increase and to soften the full impact of the 115% increase, Clearwater Source proposes to fully implement the proposed increase over 24 months: 55% upon approval, and another 30% after the 12-month anniversary, and a 30% increase on the second anniversary.

Copies of the utility's application, testimony, and exhibits are available at: Clearwater Source, LLC, 2121 Via Rivera, Palos Verdes Estates, CA, 90274. Clearwater Source, LLC can provide additional information about the rate filing. If you are interested please contact: Alain Cailier at 480-322-7924 or amicompany@gmail.com.

To request to receive notices of the time and place of hearings on the matter, contact the PUC's Consumer Services Section at 1-800-522-2404; TTY 711, or mail request to:

PUBLIC UTILITY COMMISSION OF OREGON
ADMINISTRATIVE HEARINGS DIVISION
PO BOX 1088
SALEM OR 97308-1088

Asset Schedule

Acct No.	Asset Description	Date Acquired	Utility Plant Orig Cost	Less Excess Capacity Adj to Plant	Total Adj Plant	Asset Life	Annual Deprec	Final Month of Deprec
309	Connect to Existing - DIRT, Inc. (lline to city	7/1997	1,250		1,250	50	25	Jul 2047
309	Vault	7/1997	1,600		1,600	50	32	Jul 2047
309	Construction Permit - 8" master meter	10/1996	12,471		12,471	50	249	Oct 2046
309	Connection to City (cost of permit)	10/1996	9,457		9,457	50	189	Oct 2046
309	Wtr Main Tap & Chlorination	10/1996	1,559		1,559	50	31	Oct 2046
309	SNC-Water (cost of permit)	10/1996	3,445		3,445	50	69	Oct 2046
309	Construction Permit - Fire Service	10/1996	510		510	50	10	Oct 2046
309	Connection to City (cost of permit)	10/1996	263		263	50	5	Oct 2046
331	685' of 8" PVC C-900	7/1997	14,728		14,728	50	295	Jul 2047
331	537' of 6" PVC C-900	7/1997	11,009		11,009	50	220	Jul 2047
331	4 8" gate valves	7/1997	1,800		1,800	50	36	Jul 2047
331	2 6" gate valves	7/1997	670		670	50	13	Jul 2047
331	1 8" tee	7/1997	410		410	50	8	Jul 2047
331	1 8" cross	7/1997	500		500	50	10	Jul 2047
331	2 6" bends	7/1997	780		780	50	16	Jul 2047
331	a.c. cut & patch 40'	7/1997	3,240		3,240	50	65	Jul 2047
333	24 - 1" water services (laterals)	7/1997	6,864		6,864	30	229	Jul 2027
339	2 hydrants assemblies	7/2007	3,420		3,420	40	86	Jul 2047
336	8 inch double check valve	7/2007	8,600		8,600	15	573	Jul 2022
331	Pipes	4/2019	17,300		17,300	50	346	Apr 2069
334	22 meters	6/2018	7,700		7,700	20	385	Jun 2038