

May 31, 2007

**Alesa Properties, Inc.  
PO Box 1930  
Newport, OR 97365**

Vikie Bailey-Goggins  
Oregon Public Utility Commission  
PO Box 2148  
Salem, OR 97308-2148

RE: **Alesa Properties, Inc.** Affiliated Interest Application with **Grimstad & Associates** pursuant to ORS 757.495 and OAR 860-036-0730

Dear Ms. Bailey-Goggins:

This affiliated interest application is submitted in the manner and form indicated by OAR 860-036-0730.

#### **INFORMATION REQUIREMENTS**

**a. The applicant's exact name and the address of its principal business office;**

Alesa Properties, Inc.  
PO Box 1930  
Newport, OR 97365

**b. The name and address of the person authorized on the water utility's behalf, to receive notices, inquiries, and communications regarding the information;**

Signe Grimstad  
PO Box 1930  
Newport, OR 97365

**c. A statement describing the relationship between the water utility and the contracting entity as defined by ORS 757.015 and 757.490;**

Corporation and Signe Grimstad, President  
Grimstad & Associates, 100% owner

**d. The amount, kind, and ratio to total voting securities held, if applicable;**

One voting share  
Five shares to 100 outstanding shares

- e. **A list of all officers and directors of the affiliated interest who are also officers or directors of the applicant;**

Signe Grimstad, President  
Signe Grimstad, owner Grimstad & Associates

- f. **The pecuniary interest, directly or indirectly, of any officer or director who is a party to the contract;**

Monthly service fee charges hourly. See attached sheet of rate history.

- g. **A description of the goods or services to be provided, the cost incurred in providing each of the goods or services, the market value of the goods or services if different from the costs, and the method or methods proposed for pricing those goods or services;**

Hired to provide bookkeeping services: accounts receivable, accounts payable, reconcile banks, tend to the customer needs, maintain the water system and keep the water system in compliance with all regulatory agencies. Services are billed by the hour.

- h. **An estimate of the amount the water utility will pay annually for the goods or services and the accounts in which it will record the charges;**

Fees are charged by the hour for bookkeeping. History annually:

2007	\$4,306.50
2006	5,174.08
2005	6,768.79
2004	4,447.05
2003	4,237.00

- i. **The reasons, in detail, relied upon by the water utility for procuring the proposed goods or services from the affiliate and benefits, if any, utility customers and the general public will derive from the provision of goods or services,**

Client was able to provide consistent, routine service to the customer. We are also in a position to address complaints and water customer needs in a timely manner. Historically this service had been a problem, prior to us taking over.

- j. **A description of the procurement process and the reasons, in pertinent detail appropriate to the complexity of the procurement, relied upon by the water utility for procuring the proposed goods or services without a competitive procurement process, if such a process is not used,**

No one else wanted the job. The job included loaning the corporation money to exist, contracting out for a new system and dealing with unhappy customers as well as keeping the county and state regulators informed.

- k. **Transfer prices in contracts or agreements for the procurement of goods or services under competitive procurement shall be presumed to be the market value, subject to evaluation of the procurement process;**

The Board contracted with Grimstad & Associates in the early 2001. We took over the billing and accounts payable. In June of 2001, Signe Grimstad was elected as President. Minutes of that board meeting are enclosed.

**ATTACHMENTS**

- l. **A copy of the proposed contract or agreement between the water utility and the contracting entity; and**

There was no formal agreement signed for services in 2001. An engagement letter for financial statements was signed in August of 2002 when more services were requested.

- m. **Copies of all resolutions of directors authorizing the proposed transactions and, if stockholders' approval has been obtained, copies of the resolutions approved by the stockholders.**

Board minutes June 2001.

For the reasons set forth above, **Aalsea Properties, Inc.** respectfully requests that the Commission issue an order approving the affiliated interest contract between, **Aalsea Properties, Inc.** and **Grimstad & Associates**, pursuant to the provisions of ORS 757.495 and OAR 860-0386-730.

Date: \_\_\_\_\_

\_\_\_\_\_  
Name of Company

\_\_\_\_\_  
Signature of Authorized Person

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title