

CROOKED RIVER RANCH WATER COMPANY

August Board Meeting

August 9, 2023

CRRWC Board Room

Call to Order:

President Nathan Russell called the meeting to order at 15:00 hours.

Roll Call:

- | | |
|---|--|
| <input type="checkbox"/> Nate Russell | <input type="checkbox"/> Jim Hussey |
| <input type="checkbox"/> Carina Soubiea | <input type="checkbox"/> Dale Wiley |
| <input type="checkbox"/> Beth Gatchell | <input type="checkbox"/> Frank Day (General Manager) |

ATTENDEES:

Kim Koopman

Mark Schneider

Pat Kruis – Madras Pioneer

Brad Pahl

Lamar Long

Todd Hill

Kent Inman

Herb Parker

Stephanie Proffitt

Jeff Murtaugh

Linda Murtaugh

Additions to the agenda

- Carina -Like to add to new business to set a time, date and place for the annual meeting.

Approve Minutes from the February 2023 Board Meeting

- **Motion:** Moved by Jim Hussey and seconded by Dale Wiley. **Motion Passed.**

Approve Minutes from the May 2023 Board Meeting

- **Motion:** Moved by Dale Wiley and seconded by Jim Hussey. **Motion Passed.**

Treasurer's Report (Carina)

	Period: Q2 2023	Q1 2023
<i>Financial Report for April through June 2023</i>		
REVENUE		
Water Sales:	\$ 211,646	\$ 209,628
Misc. Service Revenue:	\$ 4,156	\$ 4,447
Cross Connection:	\$ 1,804	\$ 681
Lease Revenue:	\$ 10,200	\$ 9,929
Total Revenue	\$ 227,806	\$ 224,686
EXPENSES		
Total Operating Expenses	\$ (197,105)	\$ (214,548)
Net Operating Income	\$ 30,701	\$ 10,138
Other Income & Expense	\$ 0	\$ (27)
Net Income	\$ 30,701	\$ 10,111

Period: Q2 2023

Q1 2023

2023 Deposits to Loan/Contingency:	\$ 31,500	\$ -
2023 Asset Investment Expenses	\$ 31,327	\$ 210,336
Net after Investment and Transfers:	\$ (32,126)	\$ (200,225)

Year to Date

6/30/23 Contingency Fund Balance	\$ 139,528	\$ 151,204
6/30/23 Loan Payment Reserve Balance	\$ 206,724	\$ 175,224

- **Motion:** Moved by Jim Hussey and seconded by Beth Gatchell to approve the Treasurer’s report as presented. **Motion Passed.**

Old Business

Rate Case Update - Frank Day

- We made it through the settlement process, the Documents have been signed and are making the way to the PUC Commission for their final stamp.
- Referred to new rate chart and rate calculator.

RESIDENTIAL/COMMERCIAL METERED RATES

Base Rate SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
5/8 inch or 3/4 inch	\$42.16	None
1 inch	\$63.24	None
1½ inches	\$105.40	None
2 inches	\$168.63	None
3 inches	\$632.37	None
4 inches	\$1,053.96	None
6 inches	\$2,107.92	None

Commodity Usage Rate COMMODITY RATE	NO. OF UNITS	MEASURING UNIT
\$1.51	1 Per Unit	1 unit = 100 Cubic Feet

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.

We requested a 36% rate increase in our revenue and received 31% increase in our revenue, it is not unexpected to receive a little less than what you requested. You don’t purposely request high, but when you go through settlement there’s negotiations you talk back and forth things

get taken out things get added in. That's how things go in settlement, we can't talk too much about the settlement hearing as everyone involved signed a non-disclosure statement, so those things talked about in the hearings are confidential and can't share them.

How to calculate your water bill under the new rates, I understand not everyone knows the exact Meter size. I'm working on the website where you will be able to click on your street and look up your meter size through your address, the website should be up and running shortly. The new rates are scheduled to go into effect on September 22nd, is when the order is final. Means that the water bill at the end of September will have the new rate on it, we will be putting notices on the August bill and putting out email notice along with links to the website on how to calculate your water bill if you'd like to.

We have not finalized the Tariffs yet, as there are a couple changes in the tariffs to be made and we don't have those yet. One being written is, if we're asked to move an asset by the water company, then the person that asked to move that asset has to pay to have it moved. Example: If someone wants a water meter moved to a different location, then you'd have to pay all parts, labour and everything to move that water meter. The only EXCEPTION to the rule is that if you are an entity where Oregon Statute allows you to manage the move, then the Oregon Statute Superceeds the rule.

We we get our the governing documents they come canned and basically the verbiage and everything is there, we can change a few things but comes canned. There's a rule in there, that multi-dwelling units are calculated by the number of units connected to that meter. For Example of an RV park, if we left that rule in there, then if you had 30 spaces connected to that meter. You would be charged the 30 times \$42.16 a month for base rate, we didn't feel that necessary nor was it realistic. So we asked that the rule be removed and it was removed, so it would have put an extraordinary cost on the HOA Rv Park or other RV parks around. We don't have any final word on all the rules as yet, like service charges for disconnects, how much to charge go turn on water or afterhours charges etc. We don't have those things finalized yet. That's the update on the rate case, I realize there's probably lots of questions and will leave questions until the member comment period and should be able to answer the majority of them.

The Sundown Canyon project is a hot topic for the year, the last SRD Meeting I attended I was asked by Sue to come up with a price and way to protect the vault on the right side of Sundown canyon going down the hill. Due to unforeseen circumstances and budgetary means, we will not be able to tackle that until 2024, but it is on our agenda. I'm reaching out to the Engineer to get a budgeted price to have the design work done and what we need to do to get some sort of protection around the vault.

New Business:

- Well 5, The Variable Frequency Drive was found to have a ground fault. It had to be replaced, as I reached out to the company they were out until February. That wasn't going to work for us, we were fortunate to find it local so we sent a field tech to get it and had it on Monday to install. The electrician and programmer were able to work diligently to get up and programed.

The cost of the VFD was \$52,000.00, we haven't received the Electricians bill or the Programer bill as yet. Over all it went fairly smoothe, but everything is a process.

- At the last board meeting we talked about a Customer Portal, where customers could monitor their own consumption and be notified if they have leaks. Julie and I had a meeting (8/8/2023) yesterday with a company that does the customer portal, the portal

allows customers to see the water system, see the water they're using, look at trends, set up leak notifications. The portal allows us to send out notifications to just a certain street and groups customers to be isolated with the alert the way you want, email/push/or text message. There are a lot of benefits to the program, downside it is \$12,000 a year so it's expensive and \$5,000 installation cost. As a board this will come up during the budget season, talk about feasibility and whether or not want to work it or not. If one person signs up it's that cost, if all 1600 people sign up same cost. If we decide to do it we'll put out a huge campaign to try and get everyone signed up, it will be a benefit the water company as well. There are benefits to it, the board will have to weigh in and decide if we have all the pros and cons. Hopefully get good feedback today.

One of the stipulations of the rate case is a Financial audit for 2022, it will be done by our current accountant Pauly Rogers and starting soon. Due by April 1st, the accountant will be working on what they can before year end.

The other part of the stipulation agreement is a Compliance audit also due by April 1st.

Carina – **Motion**: That we hold the annual meeting on September 16th, which is a Saturday at 4pm here at the Water Company. Seconded by Dale Wiley. **Motion Passed.**

Operational Report

New field techs passed their backflow tester class, waiting on cert from the state.

- Our focus is on:

Meter Size Survey is Complete, tech's have gone and verified all meter sizes are correct in our system. Please call if you have questions on meter size or email us.

Backflow Testing (99%) and repairing as needed.

Hydrant Maintenance – take on a few each year

Backflow installs for new owners (13 new owners to get done this year)

Replace Valve cans with metal valve -50 a year, making maintenance easier and locating in the snow with metal detector.

Lead service line investigation – Any homes older than 1985 have to digup 20% on the customer side to verify there aren't Any lead pipes and take picture. Homes with lead pipes must be publicized and will be put on our website by law.

Member Comment Period

Stephanie Proffitt – Looking at website, where is the calculation located to find your monthly bill?

Frank – It isn't available yet, probably mid next week.

Jeff Murtaugh – Is there a reason for moving the annual meeting away from the HOA Annual meeting its been together 10years?

Frank –It's something we've been talking about a long time, we've been needing to separate ourselves from the HOA.

Linda Murtaugh -Why?

Frank – A lot of people get confused for one and think we are part of the HOA, we are not. The relationship has struggled for the last few years, although I work really well with the department heads and I think they're great. It's something we feel we need to do is kind of distance ourselves from the HOA when we can.

Lamar Long – Why does the board feel like the annual meeting needs to be separate?

Carina –This is my first year as a board meeting, we have unique entities on the ranch. I have to admit I haven't been to any of the annual meetings, but this is where the water company does business. So I think we should have it here, it doesn't matter where we have it right?

Nate – I can say that after a year or so, when we started our meeting we had a bunch of people come to us all angry and asking us all kinds of questions like they thought we were the HOA. We hadn't even been to the HOA meeting we were coming later, they were jumping on us for things they heard at the HOA meeting. Another thing is that we start our meeting right after that and everyone hangs around the outside and has their little talks, then we can't hear what were doing. So that's my feeling about it, and it just seemed better to move it somewhere else.

Jeff Murtaugh – It was more convenient to go to 2 meetings on one day.

Jeff Murtaugh – Can we go back to the separation of the Water company and the HOA, in 2006 a memo was filed with the Oregon secretary of state. Says if you're a board member of the HOA, Fire District or SRD you are not qualified to be on the water board. It's posted exactly just like the articles of incorporation, just wondering if all are aware of it?

Frank – We didn't know about this and are having our attorney looking into it, to see if the judgements are still valid or not. Once we get the determination we can move forward in what ever direction. If you want to call and check progress on the attorney findings, in a week or so please call me.

Meeting Adjourned – Nate Russell dismissed at 15:59pm