

CROOKED RIVER RANCH WATER COMPANY
2016 ANNUAL MEETING
August 19, 2017 – McPherson Park

The meeting was called to order at 10:00 AM by President, Dennis Kirk

Roll Call/ Introduction of Current Directors: Dennis Kirk, President; Sherry Loster, Secretary/Treasurer; Judy Lake, Director; Nate Russel, Director; Archie McCawley was on an excused absence. Aside from the Board of Directors and General Manager approximately 20 – 30 people were present at the meeting.

Approval of Minutes of Last Meeting: Dennis Kirk called for approval of the minutes of the last meeting. **Nate Russel moved and Sherry Loster seconded that the minutes of the May 10, 2017 meeting be approved as written. Motion carried.**

TREASURER’S REPORT:

Sherry Loster provided the Financial Report from January through July, 2017 as follows:

Total Revenue:	\$520,972
Total Expenses:	<u>\$451,075</u>
Net Income:	\$ 69,897

Year to Date:	Balance
Contingency Fund Balance:	\$ 405,300
Loan Payment Reserve Balance	243,976
To Date Expenses on Tower Project	\$6,381,546

Dennis Kirk reported that of the \$6,381,546, \$1.5M was paid for by grant money so the amount actually financed by the Water Company was approximately \$5M. Dennis Kirk also reported that at about the time that the loan was being closed the loan rate was reduced to 1.87% for 40 years. Frank Day, General Manager, commented that this was a savings of \$1.4 Million over the life of the loan.

OLD BUSINESS: None

NEW BUSINESS:

A. President’s Message

Dennis Kirk, President indicated that Frank Day, General Manager, has put together a very nice packet of information demonstrating what projects have been done over the last seven years and showing what condition the various facilities in the Water Company

were in when this Board took over and what has been done to resurrect those facilities and bring them up to the standards of today. Frank and the crew have taken a lot of pride in doing these upgrades which had been sorely neglected such as pressure reduction valves which had not been replaced or maintained since the 1970s. That is where the money you pay for your water goes. Not only does the water have to be extracted from the ground but has to be brought to you through a system that is safe and up to standard in order to deliver some of the best water anywhere to you the same way it comes out of the ground. That process costs money.

The Water Tower Project and the new well were completed this past year which has taken care of most of the pressure problems that have been prevalent over the years. One of the things that the Water Company has fought in the past has been the presence of coliform in the summer months. One of the most important things with the new system was getting the pressures up to prevent any pollutants from getting into the system. Another important result of the new system is that the fire hydrants now have enough water for the Fire Department to actually use and the plan is to add additional hydrants throughout the ranch now that the system can support them with the pressures and volume of water that we now have. Dennis went on to point out that the new tank holds 1million plus gallons of water, all usable down to the last drop. The old tank which held 70,000 could only be drawn down to 50,000 gallons and then there was no pressure so the remainder of the water sat in the tank and was unusable. There also is a generator on the new well and everything else is gravity fed so in the event of a power outage, we still will have the ability to provide water. These improvements with the new system are a benefit to everyone.

While a lot of work has already been accomplished, there are still two projects remaining that are important components of the system. One is the main line which goes from the water tower to the cistern at Rim and Chinook. There was recently a failure in that line in front of the Maintenance building and when it was dug up for repair, it was noted that the bedding was unstable and the pipe was lying on boulders. We want to make sure that we look at that main line since it is the backbone of the system and assure that it is not prone to failure. We are looking at options as to how the line can be rebuilt. The other project is the cistern and what kind of shape it is in for the future. We need to know if we must repair it or replace it and have contracted with an engineering firm to do a study so that we can determine what needs to be done for the longevity of the system.

Dennis Kirk also reported that Frank Day is a fire volunteer and an officer and key person and he is often called upon to do an EMS run or go on a fire. This is being mentioned because the Water Company serves the community and the Fire Department serves the community and, as such, any member of our staff will go as called unless there is an emergency at the Water Company. The Water Company supports that staff time is not docked because that work is a service to the community.

B. General Manager's Report

Frank Day began his report by mentioning the Board's approval of a service truck purchase that will be used to carry all materials to make repairs to do emergency service work. The truck will have to be large enough to carry the 16,200 weight load of the VAC truck in addition. The truck purchased will probably be a Ford F-550 which will be able to handle the weight load requirements.

Frank went on to say that he hoped that everyone had a chance to thumb through the packet of material provided for the meeting for two reasons. One: he loves to share information and two: he hoped that the information provided would start a conversation and prompt people to ask questions because some special things have been done, especially in the last year, to the system and we are continuously looking at the system to determine what can be done in the future to extend the longevity. Frank began his discussion as follows:

New Infrastructure: Frank pointed out the major components and the benefits of the new well and water tower as provided in the packet, most important being the water pressure and decreasing potential health risks. He went on to say that the Water Company has had a problem with coliform for years and had not been able to alleviate the problem. The State has blamed this problem on Well #2 and on the poor circulation in the old tower. With the new tower, the pressure has been increased and the water is better circulated in the tank. Now, unlike the old tank, water from both wells replenishes the water tank from the top and withdraws water from the bottom of the tank. This allows for fresh water from the wells to mix in the tank, keeping the 1.1 million gallons of water fresh and well circulated. Well No. 2 will not be used again except in the case of an extreme emergency. The system was chlorinated over the winter to eliminate any traces of coliform that remained after the new system was in place and the samples have come back clean since that time. Frank asked members to do through review the pamphlet and ask any questions they may have on any of the material presented.

Frank also reported that there was a problem on Crescent Pl. with very low pressure that it was originally felt would not be able to be fixed with the new system. The issue there was that the water going to properties on that road had gone through a pressure reducer and the homes were all higher than the pressure reducer and there was no way to change that. The Water Company was able to do a supplemental bid item to go through a property to run a new line from the tower down to Crescent. The property owners who allowed easements through their properties were extremely cooperative to allow this project which was extremely successful and allowed the water pressure to be increased by 70-110 % in that area. Another issue that he commented on was a high pressure event that took place over the last winter wherein the pressure on Sundown Canyon got up to 180 psi. This was caused by one of the pressure reducers becoming stuck open. This was one of the things on our list to work on. We have to prioritize projects as we have the money to do them; however, this event happened and needed to

be handled. At most of the houses, the water heater pressures blew and the water drained under the houses. In one case that did not happen and the pipe broke and flooded the home. That is why we carry insurance and we worked well with that homeowner to their satisfaction. The section on “Updating the System” describes that new blow off units were installed this last spring. These units will release any excess pressure into drainage areas and will protect homes and property if one of these events occurs.

Frank continued by noting that now that the most urgent issues have been addressed, the Water Company will begin looking at projects to continue to maintain and upgrade the system. These projects will be as follows:

- 1) Air releases – water naturally has air in it which can bubble up and constrict pipes, cause lack of flow and foggy water so these will be worked on over the next couple of years.
- 2) Fire hydrants – now that they can be supported by the new system, more fire hydrants will be added over the next two years.
- 3) Engineering Study – we will be continuing to work with Parametrix on the study being done to continue to determine future upgrades needed for the system.
- 4) Backflow system – backflow system has been in place since 2013 with 700 units placed from volunteers and new builds. Now the Water Company feels comfortable with requiring property owners to put in backflow devices for the protection of the entire system. Next year will be the first year that we will **require** 100 backflows to be installed and hope to do another 50 through volunteers and new builds. There was then some public comment concerning experiences with backflows.

Dennis Kirk then commented about the packet showing pictures of differences between how things had been done in the past and how things look now after having been repaired by current staff members.

MEMBER COMMENT PERIOD:

Questions were asked for from the audience and comments were made. One question that came up was about a budget line item on “bad debts” which apparently was higher than usual. It was noted that this amount included an unusual exception to the rule. This was caused by non-payment of a large water bill where there had been a leak and where the bill had been unpaid for several months when the owner left the ranch. As it was determined that the owner had no means of ever paying the debt back, it was written off. Frank Day indicated that with the normally small amounts of unpaid bills experienced by the Water Company, it doesn’t pay to do collections or take out a lien on property. He went on to say that we are fortunate to have a small water company where it is possible for staff to do everything possible to assist members who have trouble paying their water bills.

BOARD CANDIDATE PRESENTATIONS

Dennis Kirk then introduced those candidates for the Water Board who were present and wanted to address the audience as follows:

Jim Hussey – Gave a short address indicating that he had moved to the ranch three years ago and had been in the construction business for 41 years working with many water treatment and waste water treatment systems. He said that he felt the current system was running wonderfully well and his objective in being a member of the Board is to ensure that everything keeps moving forward.

Tim Pope – Not present at meeting

Nathan Russell (Incumbent) – Gave a short address indicating that he and his wife had moved here 15 years ago after he retired after 30 years as Public Works Manager in charge of the water system in St. Helens, Oregon. He went on to say that he has a good understanding of the water system here and is pleased with what has been done and that he will do his best to continue serving.

James (Archie) McCawley (Incumbent) – Dennis Kirk read Archie McCawley’s statement as he was absent from the meeting which stated that he was running for another term as a board member. He said that many improvements and upgrades have been made to the system that will serve us well into the future. He went on to state that the company is managed by a very competent General Manager and staff and that he and the rest of the board have always tried to make sure that the interest of the Water Company is the first priority and will continue to do so in the future.

Dennis Kirk then indicated that the ballots would be coming out at the end of September and the election closes at the end of October

There was one additional comment about the recent house fire wherein the audience member commended both the Fire Department and the Water Company with getting that fire out without it destroying the trees or without it spreading to other homes in the area. Frank Day reported that it used to take 10 minutes to fill a tender but with the added water pressure now it took only four minutes to fill the tender making the turn-around time much faster.

There being no further business, the meeting was adjourned at 10:51 AM.

/s/ Sheridan Loster

Sheridan Loster, Secretary/Treasurer

November 15, 2017

Date