

CROOKED RIVER RANCH WATER COMPANY
2019 ANNUAL MEETING
August 17, 2019 – McPherson Park

I. The Annual Meeting was called to order at 10:00 AM by President Nathan Russell. Roll was called and those present were: President Nathan Russell, Vice President Jim Hussey, Secretary/Treasurer Sherry Loster, Board Member Archie McCawley (arrived late), and Board Member Dennis Kirk. Aside from the Board of Directors, General Manager Frank Day, and Julia Turek (taking meeting minutes). There were approximately 12 residents in attendance at the Annual Water Company meeting.

II. APPROVAL OF MINUTES: Sherry Loster then presented the financial report for January through July 2019 as follows:

Revenue

Water Sales:	\$491,514
Misc. Service Revenue:	\$8,867
Cross Connection:	\$45,731
Cell Tower Rent:	\$16,938
Total Revenue:	\$563,050

Expenses Total:	\$458,632
Total Revenue:	\$563,050
Net Income:	\$104,417

Deposits to Savings Accounts: \$128,710

Year to Date

Contingency Fund Balance:	\$398,936
Loan Payment Reserve Balance:	\$242,981

Questions from members of the audience:

Frank, what is Cross Connection?

Frank explained that Cross Connection income is from the Backflow program that was started back in 2013. It is the money that comes in every year from the program. New owners are charged to have the backflow installed in the meter box.

III. INVESTMENTS

Frank Day explained that the Contingency Fund is used largely in part for investments back into the water system and Water Company. Frank went on to list future investments in the Water Company.

A. AMR Meter Program

Future investments include the Automatic Meter Reading program (AMR). Frank noted that it will be an ongoing program and that the Water Company plans to install more in the coming years. A total of 369 AMR Meters have been installed so far, which has saved the Water Company \$3,879 in meter reader costs.

B. Secondary Water Line

The Water Company will be looking at installing a secondary water line coming down from SW Outlook Place down to the lower section of The Ranch. A study will be done by Parametrix this fall to determine how much it will cost to install the new line and how it will affect the water system as a whole. The project is tentatively planned to take place 2021-2022 to a cost of around \$400,000.

C. Removal of Old Cistern and New Structure to House Pressure Reducing Valve

The removal of the old cistern would take place shortly after the secondary water line down to the lower section of the Ranch has been installed, in 2023. Since there will be a secondary water line, Frank said that there would no longer be a need for the cistern anymore. Frank then said that after the cistern has been removed, a new structure will be built in its place to house the Pressure Reducing system.

D. Replace Fencing Around Shop Area

Frank then announced that the Water Company is looking at replacing the fencing around the shop area. The entry gate is narrow and it is hard to maneuver vehicles in and out.

IV. OPERATIONAL UPDATE

A. Backflow Program Update

Back in 2013, the Water Company Started the Backflow program. The program requires all property owners to have a backflow in their meter box. Today, the Water Company is now 95% complete on the backflow program. Frank reported that after today there will be 86 properties left that still need to have a backflow installed in the meter box. Next year those backflows will be installed, and at the end of 2020 the backflow program will be 100% complete. Frank then went on to say that the backflow project has gotten the Water Company recognition with state agencies. Crooked River Ranch Water Company is one of the only water systems that are 100% tested every year. Usually water systems have to fight with their residents to get their backflows tested every year, and those numbers have to be reported to the state. With CRR Water Company's program, fields techs test the residents' backflow annually, and they are 100% compliant every year. Its been a very successful program.

B. Automatic Meter Read (AMR) System

The Water Company first started installing AMR meters back in September 2018, and since then a total of 369 AMR meters have been installed. The AMR meters have detected a total of 43 high leaks on water services that members have the ability to

correct and help reduce their water bills. The Water Company has saved \$3,879 on meter reading costs so far. A member of the audience asked what constitutes a High leak? Frank went on to explain a high leak is determined when the meter reading increases every hour for 96 hours straight. Frank went on to say that you should typically see hours within the day where there is no water usage- whether it's at night while you are sleeping or during the day while you are at work. If the AMR meter detects an increase in water usage every hour for 96 hours straight it will show up on the leak report at the end of the month when the meters are read. Another question was asked- Is that something that the AMR system determines? And Frank said yes. When a property appears on the leak report as a high leak, Julia will go out and pull a detailed usage report from the meter that will give you the hour by hour usage and reading. The Water Company has been able to tell members exactly when their leak started and when their leak was fixed. Frank explained that the Water Company was able to provide a detailed usage report for a member, who was then able to use it on an insurance claim. The member's insurance had claimed that it was an ongoing slow leak at their property, but by pulling the detailed usage report we were able to show that there was no leak until a specific date and hour. Frank noted that not everyone on the water system has an AMR yet- a total of 369 have been installed, and that it is a long term program. A member of the audience then asked if The water company was going to install AMR meters on the mainline as well? How else you do detect a leak on the mainline? Frank went on the explain that 90% of our mainline leaks we do detect through water leaks on the ground because they are so small, a meter would not capture the leak. Frank went on to say that we do have meters on both the water tank and the Cistern that are set with alarms. When the water hits a certain flow it will send out an alert to Frank and the field techs so they know. Water Company uses pressure monitoring to help detect leaks aswell.

C. Remote Pressure Monitoring

The Water Company uses a pressure monitoring system at our different site locations to help monitor water in the system. There were two remote pressure monitoring systems installed this year that will send out an alarm if the water pressure drops to a certain level. For example, if there was a substantial leak down on the lower section of the ranch of about 400 GPM (gallons per minute) it would send an alert to Frank and the field techs that the pressure has dropped. Frank went on to say that there is another pressure monitor in the Shad/Sand Ridge area because that is a high-pressure zone and if a valve fails, it will notify Frank by sending him an alert.

V. **MEMBER COMMENT PERIOD**

-A member of the audience inquired about having higher pressure at his property this year.

Frank explained that the water pressure, in general, is the same because the water is gravity fed. Frank went on to say that it could be timing, at certain times of the day a water truck, etc. could be filling up its tank down on Chinook and can cause the water

pressure to drop while it is filling. Board Member Dennis Kirk also wanted to mention that he saw a few comments on Nextdoor regarding members experiencing water low pressure. Dennis said that the question there is instead of consulting Nextdoor- Give Frank a call or call the water company so they can tell you directly whats going on.

- How much are the unit cost of the new meters and their life expectancy?

The unit cost for the new meters is about \$215.00 each. The meters have 10-year full replacement warranty, at 15 years it's 50% warranty, and at 20 years its 25% warranty. The battery life of the meter is expected to last at least 20 years.

-Are all the meters on the water system going to be replaced?

Frank said eventually yes, but it is going to be a project that takes time. If you were to replace \$100,000 worth of meters this year, in 15-20 years you'll have to replace another \$100,000 worth of meters. This project is going to take about 5-7 years depending on time and money coming in. Right now the Water Company is budgeting for 130-140 AMR meters to be installed each year.

- How do you determine where new meters will be installed?

Frank said that he has a two-year plan right now- saying that he tries to keep them in clusters and cul de sacs to make it easier for the meter reader to go along reading meters uninterrupted. Areas that already have the new meter installed Chinook, Horny Hollow, Business Circle, Commercial Loop, Clubhouse Rd, Rim Rd, Mustang, etc.

-Are the batteries on the AMR meters replaceable after 20 years?

The batteries are not replaceable. The whole meter will need to be replaced.

-What are Other Contract Services for \$21,000? (referring to the financial report for January through July 2019)

It is for professional services that the water company uses, like Avion. Frank said he did not remember exactly which items/vendors were included on that list, but he would be more than happy to look up that information for the member.

-The cost of computer expenses is really high; Why is that?

Frank said that the office got a server upgrade this year and that a few computers were replaced. The server upgrade alone was pretty expensive. Frank noted that the price includes all the annual software costs and paying for an IT department to help monitor our system and keep software up to date.

-What about Miscellaneous Expenses?

Frank said that it includes bank service charges, licensing/fees, and credit card merchant fees. Frank noted that Credit card merchant fees run about \$800.00 a month.

-Secretary/Treasurer Sherry Loster noted that it would be beneficial for any member that would like to come down and walk through the office and see the computer system and the upgrades made to the office.

-Frank explained that if anyone has any questions regarding what exactly goes into each category on the financial report, that he would be more than happy to share the budget information with them.

-Will the Water Company come and test water pressure at the house?

Yes they can come up to your house and test your pressure for you.

-The Water Company is not allowed to trace the waterline on the member's

property? The Water Company can only trace up to the meter, they cannot trace a water line that someone else has put in. The Water Company is only up to the meter box and past that it is up to the property owner.

-How do get past the “know before you dig”?

Call before you dig- It also applies to phone and power lines. No water company will trace a waterline past the meter. The Water Company can only locate what belongs to them and what they put in the ground. You can hire a plumber or a locate service to trace your waterline.

-How much time does Frank spend at the fire station during working hours?

Frank said that he spends maybe an hour each week or so at the fire station during working hours. If he goes on a call while working, he will deduct that time off his time card. Frank must maintain an average of 160 hours over two pay periods.

VI. AUGUST RAINSTORM

There was a massive rainstorm this month that caused some havoc on the Ranch. Frank noted that when this happens meter boxes can fill with water, insulation can float out, and meters can get buried. Frank said that if you see anything like that, please call the office.

VII. LOAN PAYMENT RESERVE BALANCE

The annual payment for the water tower is \$175,000. As of right now, the balance in the account is \$242,000. By the time December rolls around, there will be \$350,000 in the account and that is because the USDA requires the Water Company to keep a minimum of one years payment in the account at all times. The loan payment is due in December and after the payment has been made, the account will go back to having \$175,000.

VIII. MEET BOARD CANDIDATES

The Water Company has one candidate running for the board this year, and that is Steven Proffit. Mr. Proffit will on the ballot that will go out at the end of September. The new board member will be sworn in on November 1st. Dennis Kirk will be retiring from the board this year, after serving ten years. Frank went on to thank Dennis for his time and service.

IX. AVION

The Water Company is still using Avion on retainer. Avion still helps with occasional locates that involve the water mainline. They will also help with mainline repairs and can be on call when the field techs are unavailable. The cost to keep Avion on retainer is \$2,000 a month. They are listed in the “Other Contract Services” listed on the Financial Report.

X. ADJOURNMENT

There being no further business, the meeting was adjourned by President Nathan Russell at 10:45 AM.

