

Crooked River Ranch
Water Company
PO Box 2319
Terrebonne, Or 97760
WWW.crrwater.com



Frank Day
General Manager
Office: (541) 923-1041
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TTY: 711

Public Utility Commission of Oregon
3930 Fairview Industrial Dr. SE
PO Box 1088
Salem, Or 97302

October 16th, 2014

Crooked River Ranch Water Company
PO Box 2319
Terrebonne, Or 97760

Re: Crooked River Ranch Rate Case Filing

Attention PUC Commission,

Frank Day is the person authorized, on behalf of CRRWC, to receive notices and communications in respect to this case filing.

Crooked River Ranch Water Company is filing for a revenue adjustment to primarily support a loan that we have received from the USDA Rural Development (RD) for an infrastructure improvement project. In June, I sent Water Staff a copy of our 20-year master plan, along with a copy of the preliminary engineering report and the environmental assessment in support of the loan and project.

The process that is required by the USDA is as follows: We took out a line of Credit with Bank of the Cascades for \$400,000 to cover engineering. This loan is an interest only payment and will be reimbursable by RD when bids are awarded. RD will not provide any financial backing until the project is ready to award bids. RD will not authorize the project to go out for bid until Crooked River Ranch Water Company can show proof to RD that we have or will have sufficient rates in place to make our annual loan payment.

Once bids have been awarded, we will acquire a construction loan for the duration of the project. The line of credit for engineering will be paid off by the construction loan, not including interest. Once the project has received final inspection from the RD, they will pay off the construction loan, including the interest.

RD requires the company to have one annual payment \$193,629, placed in a reserve account after ten years. As an alternative, the company could have one annual payment placed in a reserve account at project completion. Our calculations indicate that by starting the new rates at the start of the construction phase and having the required reserve amount already collected, we can save each member \$1.08 every month for the first 10 years. For that reason we are requesting that the rate change be effective June 1st, 2015. June 1st is the projected start date of the construction for this project.

This project will include an elevated water tower and one additional well. The timing for coating the inside of the tower and painting is critical to the long term life of the asset. For this reason it is critical that construction start no later than June 1st 2015. In order for this to happen, the project needs to advertise for bid no later than March 31st, 2015. This can only happen if we are able to finalize the rate structure no later than March 2nd 2015 and provide RD with documentation that we have the rates in place to support repayment of the loan. Any delay in this schedule could postpone the project for up to 12 months due to weather. For this reason we are asking staff to keep this in mind as we move forward.

Please see the following attachments:

Appendix A – Tariff

Appendix B – Plant

Appendix C – USDA Rural Development Letter of Conditions

Appendix D – USDA Rural Development Loan Approval Letter

Appendix E – Well Logs

Appendix F – Water Rights

Appendix G – Calculations

Frank Day

A handwritten signature in black ink, appearing to read 'Frank Day', with a long horizontal flourish extending to the right.

General Manager

PLEASE RETURN THIS AS PAGE 1 OF THE COMPLETED APPLICATION

PLEASE FILL IN ALL BLANKS

**TO: PUBLIC UTILITY COMMISSION OF OREGON
PO BOX 2148
SALEM OR 97308-2148**

FROM:

Crooked River Ranch Water Company
(Name of Water Utility)
PO Box 2319
(Address)
Terrebonne, Or 97760
(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
Crooked River Ranch Water Company)
(utility name))

Crooked River Ranch Water Company

(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 24 to become effective for service rendered on and after June 1st, 2014 (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 \$261,652**. This is an increase or decrease to the utility's total annual **revenues from \$663,580 to \$925,232**, resulting in a net **increase/decrease of \$261,652 or 39.4 percent**. After deducting for operating expenses, the projected revenues will produce a **0 percent return on a rate base of \$636,895**.

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 2013**.



(signature of utility owner or officer)

10-15-2014

(date)

Dennis Kirk

(printed name of owner or officer)

Board President

(title or position)

Crooked River Ranch Water Company

(legal name of utility)

Attachment

WATER UTILITY TESTIMONY

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

A.

Legal Name	Crooked River Ranch Water Company		
Business Address	PO Box 2319		
City, State, Zip	Terrebonne, Or 97760		
Telephone Number	541-923-1041	Emergency Number	541-279-0058
Fax Number	541-923-5936	Email Address	frank@crrwater.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	Frank Day		
Address	PO Box 2319		
City, State, Zip	Terrebonne, Or, 97760		
Telephone #	541-923-1041	E-Mail Address	frank@crrwater.com
Certified Operator	Certification Level WD-2	Registration Number D-08765	

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

A. The utility's accountant or bookkeeper is:

Name	Cynthia Dillman
Address	PO Box 2319
City, State, Zip	Terrebonne, Or, 97760
Telephone Number	541-923-1041
E-Mail Address	cynthia@crrwater.com

5. Q. PROVIDE THE NAME, ADDRESS, AND TELEPHONE NUMBERS OF ALL THE UTILITY Board of Directors.

A. The utility Board of Directors are:

Name	Dennis Kirk		
Address	14016 SW Cinder Cone Loop		
City, State, Zip	Crooked River Ranch, Or 97760		
Telephone Number	(541) 504-0267		

Name	James McCawley		
Address	9398 SW Shad Rd		
City, State, Zip	Crooked River Ranch, Or 97760		
Telephone Number	(541) 504-9158		

Name	Sheridan Loster		
Address	9145 SW Sundown Canyon		
City, State, Zip	Crooked River Ranch, Or 97760		
Telephone Number	(541) 548-3061		

Name	Art Crossley		
Address	14689 Outlook Place		
City, State, Zip	Crooked River Ranch, Or 97760		
Telephone Number	(541) 923-1335		

Name	Judith Lake		
Address	9403 SW Panorama Rd		
City, State, Zip	Crooked River Ranch, Or 97760		
Telephone Number	(541) 504-5569		

Attach additional page[s] if necessary)

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

A. The utility officers are: (Attach additional page[s] if necessary)

Name			
Title			
Address			
City, State, Zip			
# of 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: General Manager

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

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	Frank Day
Address	PO Box 2319
City, State, Zip	Terrebonne, Or, 97760
Telephone Number	541-923-1041
E-Mail Address	frank@crrwater.com

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 \$663,580. The utility seeks a rate:
 increase of \$263,097 or 39.4% in current annual revenues, resulting in total annual revenues of \$916,808.
 decrease of \$_____ or _____% 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 of general rising cost in operation. The remainder of the rate increase is to support a loan granted by the USDA for a infrastructure improvement project. This project has a budget of 5.8million. The loan that was granted by the USDA is for 4.3million. The remaining 1.5million will be issued by the USDA in the form of a grant.

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, 2013 to December 31, 2013.

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 \$552,341.

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

A. The utility is seeking a 0 % rate of return on a rate base because We are a nonprofit utility

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 1974, under the laws of the State of Oregon as a:

Proprietorship Partnership Corporation LLC Other: Non-Profit

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 1972, began providing service on 1972.

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

A. The utility was: Purchased Constructed Inherited Other on Unknown (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. _____.

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 5 full-time and 0 part-time employees.

22. Q. PROVIDE THE FOLLOWING 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:

Employee Name	Position / Title	Monthly Responsibilities / Duties	Hours Per Month	Hourly Wage/ Monthly Salary
Cynthia Dillman	Bookkeeper	Accounts payable, billing, payroll	174	\$3,167
Cindy Shaw	Customer Service	Customer Service, manager work orders, accept payments	174	\$2,814
William (Bill) Hill	Lead Field Tech	System Maintenance, Water Sampling, DCVA Install, Repairs, Customer Support	174	\$3,119
Barry Bright	Field Tech	Assist Bill with project, customer support, verify meters,	174	\$2,426
Frank Day	General Manager		195	\$63,000
				\$
				\$
TOTAL				\$

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	Hours Per Month	Hourly Wage/ Monthly Salary
N/A	N/A	N/A	N/A

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:

Provide Name of Independent Contractors	Description of Contract Services	Annual Charges
Engineering	WHPacific	\$23,968
Accounting	Robert Gould	\$3,200
Legal	Cable Huston	\$8,804
Management / Labor / Advisor	Avion Water	\$59,756

Water Testing /Sampling	Umpqua Research	\$2,432
Labor		\$
Billing and Collection		\$
Meter Reading	Meter Readers	\$22,744
Other (specify) SCADA Support	Comm-Link Communications	\$3,589

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 (%)
Ally Bank	\$ 27,543	\$ 10,637	60 Months	4.84
Ally Bank	\$ 23,095	\$ 12,685	60 Months	4.84
Bank of the Cascades	\$ 39,172	\$ 39,172	60 Months	4.28
Bank of the Cascades \$400K line of Credit for TowerProject	\$ 400,000	\$ 400,000	12 Months	3.25
TOTAL DEBT	\$ 489,810	\$ 462,494		
TOTAL EQUITY	\$	\$ 27,316		
<i>SAMPLE</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 BELOW, PROVIDE THE UTILITY'S HISTORICAL TEST YEAR ACTUAL REVENUE. IN COLUMN B PROVIDE THE UTILITY'S PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) TO COLUMN A FOR THE COMING YEAR. 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 Adjustments \$	Proposed Results (A + B = C) \$
460	Unmetered Water Sales			
461.1	Metered Residential Water Sales	\$573,501	\$239,124	\$812,625
461.2	Metered Commercial/Industrial Water Sales	\$12,809	\$15,461	\$28,270
461.4	Metered Sales to Public Authorities	\$	\$	\$
461.5	Metered Sales to Multiple Family Dwellings	\$	\$	\$
461.6	Metered Sales to Multiple Commercial Unit/Bldg	\$	\$	\$
461.7	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	\$	\$	\$
TOTAL REVENUE		\$586,310	\$254,585	\$840,895

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.)	\$ 9,370
Backflow Prevention Device Services (if offered)	\$ 63,432
Rents from Water Property Acct 472	\$ 4,468
Other (specify)	\$
TOTAL	\$ 77,270

OPERATING EXPENSES

28. Q. IN COLUMN A: PROVIDE THE UTILITY'S ACTUAL ANNUAL EXPENSE FOR ITS CHOSEN TEST YEAR, USING THE APPROPRIATE ACCOUNT FOR EACH EXPENSE. IN COLUMN B: PROVIDE THE UTILITY'S PROPOSED ADJUSTMENTS (INCREASE OR DECREASE) FOR THE COMING YEAR.

IN COLUMN C: PROVIDE THE TOTAL OF COLUMN A PLUS COLUMN B.

Column C (Proposed Results) is the annual total for each expense the utility is requesting in this application.

A. Test period expenses, proposed expense adjustments, and proposed expense results are shown below:

Acct #	OPERATING EXPENSES	Test Year \$	Proposed Adjustments \$	Proposed Results (A + B = C) \$
601	Salaries & Wages – Employees	\$ 179,607	\$ 29,246	\$ 208,853
603	Salaries & Wages – Officers, Directors, Majority Stockholders	\$	\$	\$
604	Employee Pensions and Benefits	\$ 6,118	\$ 4,482	\$ 10,600
610	Purchased Water	\$	\$	\$
611	Telephone/Communications	\$ 10,630	\$ 370	\$ 11,000
615	Purchased Power	\$ 73,325	\$ 6,875	\$ 80,200
616	Fuel for Power Production	\$	\$	\$
617	Utility Services (garbage, gas)	\$ 773	\$ 140	\$ 913

618	Chemicals/Treatment Expense	\$	\$	\$
619	Office Supplies	\$ 5,379	\$ (245)	\$ 5,133
619.1	Postage	\$ 8,489	\$ (115)	\$ 8,374
620	Materials/Supplies (O&M)	\$ 37,097	\$ (34,774)	\$ 2,323
621	Repairs to Water Plant	\$ 24,618	\$ 3,452	\$ 28,070
631	Contractual Services – Engineering	\$ 23,968	\$ (23,968)	\$ 0
632	Contractual Services – Accounting	\$ 3,200	\$ 3,600	\$ 3,800
633	Contractual Services – Legal	\$ 8,805	\$ (201)	\$ 8,604
634	Contractual Services – Mgmt Fees	\$	\$	\$
635	Contractual Services – Testing	\$ 2,432	\$ 2,482	\$ 4,914
636	Contractual Services – Labor	\$ 42,316	\$ (316)	\$ 42,000
637	Contractual Services – Billing/Collect	\$	\$	\$
638	Contractual Services – Meter Reading	\$ 22,744	\$ 133	\$ 22,877
639	Contractual Services – Other	\$ 11,745	\$ 425	\$ 12,170
641	Rental of Building/Real Property	\$	\$	\$
642	Rental of Equipment	\$ 125	\$ 0	\$ 125
643	Small Tools	\$ 3,112	\$ 0	\$ 3112
648	Computer/Electronic Expense	\$ 27,638	\$ (2,375)	\$ 25,263
650	Transportation Expense	\$ 6,593	\$ 7,372	\$ 13,965
656	Insurance – Vehicle	\$ 3,973	\$ (123)	\$ 3,850
657	Insurance – General Liability	\$ 8,992	\$ (6,622)	\$ 2,370
658	Insurance – Workers' Compensation	\$ 1,253	\$ 714	\$ 1,966
659	Insurance – Other D&O, Dishonest Employee	\$ 6,122	\$ 640	\$ 6,762
660	Public Relations/Advertising Expense	\$ 225	\$ 75	\$ 300
666	Amortization of Rate Case Expense	\$	\$	\$
667	Gross Revenue Fee	\$ 1,439	\$ 878	\$ 2317
671	Cross Connection Control Program	\$ 90,674	\$ (12,890)	\$ 77,784
670	Bad Debt Expense	\$ 711	\$ 0	\$ 711
673	Training and Certification Expense	\$ 806	\$ 484	\$ 1290
674	Consumer Confidence Report	\$ 200	\$ 0	\$ 200
675	Miscellaneous Expenses (Itemize on Separate Schedule)	\$ 9,780	\$ (2,011)	\$ 7,769
OE1	Contingency Deposit	\$ 20,000	\$ (5,000)	\$ 15,000
OE2	Short Lived Assets required by USDA	\$ 0	\$ 23,042	\$ 23,042
OE3	Colorado / Silverado	\$ 11,446	\$ 0	\$ 11,446
OE 4	Engineering Line of Credit (Interest Only)	\$ 0	\$ 13,935	\$ 13,935

OE5	USDA Annual Loan Payment	\$ 0	\$ 193,629	\$ 193,629
401	TOTAL OPERATING EXPENSES	\$ 654,334	\$ 203,333	\$ 857,666

OTHER REVENUE DEDUCTIONS				
Acct #	CONTINUED	Test Year	Proposed Adjustments	Proposed Results (A + B = C)
403	Depreciation Expense	\$ 74,211	\$ (28,496)	\$ 45,715
406	Amortization of Utility Plant Acquisition Adjustment	\$	\$	\$
407	Amortization Expense	\$	\$	\$
408	Taxes Other Than Income	\$ 18,903	\$ 2,938	\$ 21,841
409.10	Federal Income Tax	\$	\$	\$
409.11	Oregon Income Tax	\$	\$	\$
409.13	Extraordinary Items Income Tax	\$	\$	\$
TOTAL REVENUE DEDUCTIONS		\$ 747,447	\$ 177,775	\$ 925,222

29. Q PROVIDE LINE ITEMS COMPONENTS OF MISCELLANEOUS EXPENSE, ACCOUNT 675.

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

DESCRIPTION OF MISCELLANEOUS EXPENSES	ANNUAL COST
Bank Service Charges	\$1,474
Merchant Fees	\$ 1,672
License & Fees	\$ 4,128
Dues & Subscriptions	\$ 2,335
Other Misc Fees	\$ 170.58
	\$
	\$
TOTAL	\$ 9,780

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 RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	Current Residential Monthly Base or Flat Rate	Residential Consumption Included in Base Rate	Current Residential Monthly Commodity/Usage Rate
All Meter Sizes	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$23.00	None	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$.83 Per 100cf Tier 2 - \$.93 Per 100cf Tier 3 - \$ Per Up to: 6000 Up to: above6000 Above:
SAMPLE 5/8"	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$20.00	None	<input type="checkbox"/> CF <input checked="" type="checkbox"/> Gal Tier 1 - \$.60 Per 100 gals Tier 2 - \$.82 Per 100 gals Up to 3,000 gal Above 3,000 gal

CURRENT RATES FOR COMMERCIAL SERVICE

Line or Meter Size	Check One	Current Commercial Monthly Base or Flat Rate	Commercial Consumption Included in Base Rate	Current Commercial Monthly Commodity/Usage Rate
All Meter Sizes	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$23.00	None	<input type="checkbox"/> CF <input type="checkbox"/> Gal Tier 1 - \$.83 Per 100cf Tier 2 - \$.93 Per 100CF Up to: 6000 Above: 6000

CURRENT RATES FOR IRRIGATION SERVICE

Line or Meter Size	Check One	Irrigation Current Monthly Base or Flat Rate	Irrigation Consumption Included in Base Rate	Current Irrigation Monthly Commodity/Usage Rate
N/A	<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	N/A	\$
Private Fire Protection	N/A	\$
Hydrant Maintenance	N/A	\$
		\$
		\$

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
N/A	\$

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
N/A	<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 2013.

(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 Beginning of Year	Number of Customers at End of Year	Total Annual Revenues	Total Annual Consumption	Cubic Feet or Gal
Residential	1,461	1,461	\$ 573,501	20,443,100	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal
Commercial/Industrial	38	38	\$ 12,809	1,100,800	<input checked="" 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 (please specify)			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
			\$		<input type="checkbox"/> CF <input type="checkbox"/> Gal
TOTAL	1,499	1,499	\$ 586,310	21,543,900	<input checked="" 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 RATES FOR RESIDENTIAL SERVICE

Line or Meter Size	Check One	<u>Residential Proposed</u> Monthly Base or Flat Rate	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate	
All	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$34.50	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$.97 Per 100 CF Tier 2 - \$1.24 Per 100 CF Up to: 6000 Above: 6000

PROPOSED RATES FOR COMMERCIAL SERVICE

Line or Meter Size	Check One	<u>Commercial Proposed</u> Monthly Base or Flat Rate	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate	
All	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	\$ 34.50	0	<input checked="" type="checkbox"/> CF <input type="checkbox"/> Gal	Tier 1 - \$.97 Per 100 cf Tier 2 - \$1.24 Per 100 cf Up to: 6000 Above: 6000

PROPOSED RATES FOR IRRIGATION SERVICE

Line or Meter Size	Check One	<u>Irrigation Proposed</u> Monthly Base or Flat Rate	Consumption Included in Base Rate	Proposed Monthly Commodity/Usage Rate	
N/A	<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 N/A		\$
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	Proposed Monthly Rate	Proposed 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	Proposed Monthly Rate	Proposed Annual Revenue
Water Hauler	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	<input checked="" type="checkbox"/> CF \$1.24 Per 100cf <input type="checkbox"/> Gal	\$	\$
Temporary Community Event	<input checked="" type="checkbox"/> M <input type="checkbox"/> F	<input checked="" type="checkbox"/> CF \$1.25 per 100cf <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.

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

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	PROPOSED Number of Customers	PROPOSED Average Monthly Bill	PROPOSED Average Monthly Consumption	PROPOSED Total Annual Revenue
Residential All Meter Sizes	1461	\$ 48.08	1,400	\$ 812,625

Customer Class	PROPOSED Number of Customers	PROPOSED Average Monthly Bill	PROPOSED Average Monthly Consumption	PROPOSED Total Annual Revenue
Commercial/ Industrial All Meter Sizes	39	\$ 59.72	2,600	\$ 28,270
Irrigation	N/A	\$		\$
Public Fire Protection	N/A	\$		\$
Private Fire Protection	N/A	\$		\$
Hydrant Maintenance	N/A	\$		\$
TOTAL	1500	\$		\$ 840,895

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
		\$	
		\$	

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
Replace current standpipe with elevated storage tank. Additional well located next to new storage w/gen set.	\$ 5,815,000	10/1/2016

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. Note: Interest rate was high and term was only 25 years. We chose to go to the USDA.

- 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 #	WATER 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 THE UTILITY'S ACTUAL PLANT TOTAL FOR ITS CHOSEN TEST YEAR. IN COLUMN B: PROVIDE THE UTILITY'S 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	Proposed Results (A + B = C)
Total Utility Plant (from above)	\$ 1,051,206	\$ 184,698	\$ 1,235,904
SUBTRACT Accumulated Depreciation of Utility Plant In Service	\$ 553,393	\$ 117,088	\$ 670,481
SUBTRACT Accumulated Amortization of Utility Plant In Service	\$	\$	\$
SUBTRACT Advances For Construction	\$ 0	\$ 0	\$ 0
SUB TOTAL	\$ 497,813	\$ 67,610	\$ 565,423
ADD Plant Material & Supplies Inventory	\$	\$	\$
ADD Working Cash (1/12 total operating expense)	\$ 54,528	\$	\$ 71,472
TOTAL	\$ 552,341	\$ 67,610	\$ 636,895

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 26,111,248 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: Yes, Permit G-11376, Amendment T-7828 and T-9663 (Attched).

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

- A. The utility's source of ground water supply is: 2 Wells
 Well logs are attached.

WELLS & WELL PUMPS

IDENTIFY EACH SEPARATELY

	WELL No. 1	WELL No. 2	WELL No. 3	WELL No. 4	WELL No. 5	WELL No. 6
WELL NAME OR IDENTIFYING NO.	WELL #1	WELL #2				
YEAR CONSTRUCTED	1994	1972 ESTIMATE				
WATER RIGHT PERMIT OR CERTIFICATION NUMBER	G-11376	G-11376				
HYDRAULICALLY CONNECTED TO SURFACE WATER (YES OR NO)	No	No				
WELL DEPTH	980 FEET	486 FEET				
WELL DIAMETER	14"	14"				
PUMPING CAPACITY – GPM	800GPM	500GPM				
PUMP MOTOR – HP	250HP	200HP				
YIELDS OF WELL IN GPD	469,241GPD	65,860GPD				
AUXILIARY POWER	NO	No				
WELL CONSTRUCTION	CEMENT	CEMENT				
CASING	WELDED STEEL	WELDED STEEL				

SOURCE OF SUPPLY OTHER THAN WELLS

IDENTIFY EACH SEPARATELY

	SOURCE	SOURCE	SOURCE	SOURCE	SOURCE
NAME OR IDENTIFYING NO.	N/A				
TYPE OF SOURCE	N/A				
TREATMENT TYPE	N/A				
NUMBER OF INTAKES	N/A				
FISH SCREENING DEVICES	N/A				
WATER RIGHT PERMIT OR CERTIFICATION NUMBER	N/A				
WATER YIELD OF SOURCE REPORT GALLONS PER DAY (GPD)	N/A				

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: No Pressure pumps on System.

Pump Type & Pump HP	Average Daily Demand	Annual Peak Demand	Maximum Pumping Capacity	Range of Pressure at Pump	Range of 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 I.E.: STEEL, CONCRETE PNEUMATIC	TANK CAPACITY	GROUND OR ELEVATED	DATE INSTALLED	PRESENT CONDITION
WATER TOWER	STEEL WELDED	700,000 GALLONS	GROUND	1974	FAIR
CISTERN	CONCRETE	100,000 GALLONS	GROUND	EARLY 70	FAIR

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
N/A	N/A	N/A	N/A	N/A

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
Rule #8	Remove any reference to excluding the price of the meter from the cost of installation. Add verbiage regarding private installs. They must be installed to company standards.
Rule #9	Remove wording "or excluding" referencing the meter in Rule #8

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: Water Pressure, we run the storage tank to 98% of capacity all the time.

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: Our 20 year master plan that was developed in 2012 confirmed that water pressure in the system has the potential to drop below 20psi after using 150k gallon of water out of storage. This study also revealed that we currently do not have adequate storage capacity nor adequate production capacity to maintain a reliable system. Copies of the 20-year master plan, Preliminary engineering report, and the environmental assessment has been shipped to Kathy Willis

48. Q. DOES THE UTILITY ROUTINELY FLUSH ITS WATER LINES? IF SO, GIVE THE DATES AND TIMES FLUSHING OCCURS.

- A. No, the utility does not have a regular flushing schedule.
- Yes, the utility regularly flushes its lines every 12 months

49. Q. ARE THE CUSTOMERS AWARE OF THE UTILITY ROUTINE FLUSHING SCHEDULE, DATE AND TIME?

- A. No, the utility has not notified the customers of its regular flushing schedule.
- Yes, the utility has informed the customers of its regular flushing schedule.

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 38 number of hydrants located 5000 feet apart. The utility's fire insurance rating is 5.

51. Q. IS THE UTILITY CURRENT IN 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

Crooked River Ranch Water Company
PO Box 2319
13845 SW Commercial Loop
Terrebonne, Or 97760

541-923-1041

Serving water in the vicinity of
Crooked River Ranch, Oregon

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**SCHEDULE NO. 1
 RESIDENTIAL METERED RATES**

Available: To customers of the Utility at Crooked River Ranch, Oregon, and vicinity.

Applicable: To residential and commercial customers.

Base Rate

SERVICE METER SIZE	MONTHLY BASE RATE	USAGE ALLOWANCE
All Sizes	\$34.50	0

Commodity Usage Rate

	RATE	UNITS	LIMITS
Tier 1	\$.97	Per each 100 cubic feet	Up to 6,000 cubic feet per month
Tier 2	\$1.24	Per each 100 cubic feet	6,001 cubic feet and above per month

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. 28, 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.

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SCHEDULE NO. 2

**RATES FOR TEMPORARY WATER SERVICE FOR
COMMUNITY SPONSORED EVENTS**

Purpose: To provide temporary water service to community sponsored events.

Available: To temporary community sponsored events where Crooked River Ranch Water service is available. The location of the community sponsored event must have an established service connection.

Applicable: To all temporary community sponsored events.

**TEMPORARY COMMUNITY EVENT WATER SERVICE
MONTHLY RATE**

\$1.24 per 100 cubic feet

Special Provisions:

1. Meters will be provided by Crooked River Ranch Water Company.

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SCHEDULE NO. 3
RATES FOR WATER HAULERS

Available: To water haulers in Jefferson County where the Utility's facility and excess capacity exist. Determination of adequacy of facilities and capacity is the sole discretion of Crooked River Ranch Water Company. Each commercial water truck must be equipped with a suitable hydrant meter, suitable backflow prevention devices, and a fire hydrant wrench.

Applicable: To all water haulers

COMMERCIAL WATER HAULERS RATE

\$1.24 per 100cf

Special Provisions:

1. Truck meters must be presented at Crooked River Ranch Water Company office between the 21st and the 25th of each month. Bills for service are due in accordance with this tariff.
2. Commercial water haulers detected not using meters or proper equipment may be denied service for one month for the first offense. Upon Commission approval, CRRWC may deny service based upon evidence of a second offense.

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SCHEDULE NO. 4

BACKFLOW PREVENTION ASSEMBLIES INSTALLATION PROGRAM

Purpose: Crooked River Ranch Water Company (CRRWC) requires an approved double check valve assembly (DCVA) or a reduced-pressure backflow assembly (RPBA) be installed in the meter box on all service connections.

Available: To customers of CRRWC in Crooked River Ranch, Oregon, and vicinity.

Applicable: To residential and commercial/industrial premises.

Requirements:

- 1) Oregon Administrative Rules Chapter 333, Division 061, administered by the Oregon Health Authority, Drinking Water Section (DWS) require CRRWC to develop and implement a Cross Connection Control Program (Program).
- 2) CRRWC's Program requires a DCVA or RPBA (collectively referred to as device) be installed in the meter box on all service connections by CRRWC or an employee contracted by CRRWC. Any device installed by someone other than CRRWC after April 10th, 2013 will not qualify for the program outlined in section 8 of schedule No. 4 and CRRWC will install a device in the meter box and assess the customer a reasonable, at-cost amount for the device and installation. A RPBA must be installed on property where there is a health hazard per OAR 333-061-0020.
- 3) CRRWC will develop a plan to install an appropriate device in all meter boxes.
- 4) CRRWC will publish notice of its installation plan and updates in its newsletter.
- 5) The customer will be assessed a reasonable "at-cost" charge for the device and installation.
- 6) CRRWC will notify customers in writing 30 calendar days prior to installation of the device. The notice will include the estimated cost and advise tenants to contact their landlord regarding payment.
- 7) CRRWC will be responsible for the annual testing, maintenance, repair, and replacement of all the CRRWC-owned devices. The customer will not be billed for these services.
- 8) Property owners that have an approved device installed ~~in~~ or at the meter and is testable as per CRRWC's Cross Connection Control Program, may transfer ownership of the device to CRRWC on January 1, 2014. At that time, CRRWC will assume ownership and all responsibility for testing, maintenance, repair, and replacement at no cost. If the property owner has a backflow device that is not approved by CRRWC or is not testable, the property owner will be required to make any changes needed at their cost before CRRWC will assume ownership of the device. Otherwise, CRRWC will install a device in the meter box and assess the customer a reasonable, at-cost amount for the device and installation.

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- 9) When property is sold, if an approved device is not installed in the meter box CRRWC will install an approved device in the meter box and charge the new customer for the device and installation. This applies even if a previous property owner participated in Section 8 of schedule 4

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SCHEDULE NO. 5

INTERIM ANNUAL TESTING SERVICE

For Property Owners Who Own an Installed Backflow Prevention Assembly

Purpose: CRRWC will provide a DCVA/RPBA (device) testing service for CRRWC property owners that own an approved DCVA/RPBA installed in or at the meter. CRRWC will provide annual testing of the device under this tariff (Schedule No. 5) until January 1, 2014, or until a DCVA/RPBA is installed by CRRWC in the meter box.

Available: This program is available ONLY to property owners who own an approved DCVA/RPBA located in or at the meter.

Applicable: To residential and commercial/industrial premises where the DCVA/RPBA is located in or at the meter.

Program Description:

CRRWC will provide annual testing of a property owner's DCVA/RPBA until CRRWC either takes ownership of the property owner's DCVA/RPBA if gifted to CRRWC under Schedule No. 4 on January 1, 2014, or until a DCVA/RPBA is installed at the meter box by a CRRWC employee or representative. The testing will be performed by a state certified tester pursuant to Oregon Administrative Rules 333-061-0070 through OAR 333-061-0072.

Fees:

1. Annual Testing Charge – \$10.00.
2. CRRWC will separately itemize the testing service fee on the customer's bill. If the customer is a tenant, CRRWC will inform the tenant to contact the landlord for payment.
3. CRRWC reserves the right to propose before the PUC any change in the amount charged for CRRWC's DCVA/RPBA Annual Testing Service.
4. Customers who fail to provide CRRWC with annual Backflow Assembly test results by the customer's annual deadline will be disconnected from water service pursuant to OAR860-036-0245(DISCONNECTION PROCEDURES FOR ALL CUSTOMERS OF WATER UTILITY SERVICES) or OAR 860-036-0215 (EMERGENCY DISCONNECTION).

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**SCHEDULE NO. 6
 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 3/4-inch service	At cost, including meter
Nonstandard 3/4 inch service	At cost, including meter
Larger than 3/4-inch	At cost, including meter
Irrigation hookup (if provided on separate system)	At cost, including meter

DCVA/RPBA Installation	At cost, including device
------------------------	---------------------------

Meter Test (Rule No. 21)

First test within 12-month period	N/C
Second test within 12-month period	\$25

Pressure Test (Rule No. 42)

First test within 12-month period	N/C
Second test within 12-month period	\$25

Late-Payment Charge (Rule No. 22)

Pursuant to OAR 860-036-0130
 (as of 1/1/13 – 1.8%)

Interest Rate on Deposit for Service (Rule No. 5)

Pursuant to OAR 860-036-0040(2)	Pursuant to OAR 860-036-0050 (as of 1/1/13 – 0.2%)
---------------------------------	---

Returned Payment Charge (Rule No. 23)

\$27

Trouble-Call Charge (Rule No. 38)

During normal office hours	\$25 per hour
After normal office hours on special request	\$40 per hour

Disconnection/Reconnect Charge (Rule Nos. 30 & 31)

During normal office hours	\$25
After normal office hours on special request	\$40

Unauthorized Restoration of Service (Rule No. 32)

Reconnection charge plus costs

Damage/Tampering Charge (Rule No. 36)

At cost

Disconnect Field-Visit Charge (Rule No. 31)

\$25

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Crooked River Ranch Water Company

RULES AND REGULATIONS

Rule 1: Jurisdiction of the Commission

The Rules and Regulations contained herein shall be subject to the rules and regulations of the Public Utility Commission of Oregon.

Rule 2 Definitions

- A. **“Utility” shall mean: Crooked River Ranch Water Company (CRRWC)**
- B. “Applicant” shall mean any person, business, or organization that applies for service or reapplies for service at a new or existing location after service has been discontinued, except as noted in the definition of “Customer.”
- C. “Commission” shall mean the Public Utility Commission of Oregon.
- D. “Customer” shall mean any person, business, or organization who has applied for, been accepted to receive, or is currently receiving service. A customer who voluntarily discontinues service at the same or different premises within 20 (twenty) days after discontinuance retains customer status.
- E. “Residential customer premises” shall mean any dwelling and its land including, but not limited to, a house, apartment, condominium, townhouse, cottage, cabin, mobile home, or trailer house.
- F. “Commercial customer premises” shall mean any premises at which a customer carries on any major activity of gaining a livelihood or performing a public service. Such activity may be of a business, industrial, professional, or public nature.
- G. “Main” shall mean the pipe laid in the street, alley, or other right-of-way for the distribution of water to customers. It shall not include service lines.
- H. “Service connection” shall mean the pipe, stops, fittings, meter, and meter box laid from the main to the property line of the premises served.
- I. “Customer line” shall mean the pipe, stops, and fittings leading from the property line to the premises served.
- J. “Point of Delivery” is the property line or the outlet swivel/union of the meter defining where the service connection stops and the customer line starts.

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Crooked River Ranch Water Company

APPLICATION FOR SERVICE

Rule 3: Customer/Applicant Information (OAR 860-036-0015)

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

- A. Instructions on how to read meters, either in writing or by explanation;
- B. Application and contract forms;
- C. Utility rules and regulations;
- D. Commission rules and regulations;
- E. Approved tariffs or statement of rates, whichever is applicable;
- F. Rights and Responsibilities Summary for Oregon Utility Consumers;
- G. Notices in foreign languages, if applicable;
- H. The Utility's business address, telephone number, and emergency telephone number;
- I. Notices approved by the Commission.

Rule 4: Application for Service (OAR 860-036-0035)

Application for water service must be made for each individual service. The application shall identify the applicant, the premises to be served, the billing address if different, the type of use to which the water is to be put, and an agreement to conform to the Rules and Regulations of the Utility as a condition for receiving such service. 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 860-036-0040.

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.

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Rule 5: Establishment of Credit and Deposits (OAR 860-036-0040, 0045, 0050, and 0055)

In accordance with the Commission’s rules for credit establishment and deposits, an applicant for new service or a customer seeking continued service may be required to make a deposit to secure payment of bills for service. The deposit shall not exceed one-sixth (1/6) the amount of reasonable estimated billings for one year’s use of service at the premises during the prior year or upon the type and size of the customer’s equipment that will use the service. (OAR 860-036-0040 and 0045)

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 the following method (OAR 860-036-0050 and 0055):

- 1. Issuing the customer a refund check, or
- 2. Crediting the customer’s account.
(The customer is entitled to a refund check upon request.)

Rule 6: Customer Service Line

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 line or any portion of the customer’s plumbing. All leaks in the customer 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.

Rule 8: Service Connections (OAR 860-036-0060)

The service connection is that portion of the water system between the Utility’s main line and the customer’s property line, including all material and installation (hot tap, pipes, fittings, meter, etc.) necessary to provide water service to the customer. The Utility shall own, operate, maintain, and replace the service connection when necessary and promptly repair 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.

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- A. The Utility may pay for and install the service connection and meter and, generally all materials and labor are included in rate base; or
- B. The Utility may purchase and install the service connection and charge the customer the cost of the service connection. Generally, the cost of the meter is excluded from rate base; or ~~less the cost of the meter. Generally, the cost of the meter is included in rate base; or~~
- C. The customer may pay for the meter and contribute or gift the meter to the Utility. Contributions of this type are generally excluded from rate base.
- D. In special cases and upon approval by the Commission, a customer may purchase and install the service connection (including meter, meter box, parts, and all excavation and plumbing) and contribute or gift the entire service connection to the Utility. ~~Contributions of this type need to meet all water company equipment standards and compatibility standards.~~ Contributions of this type are generally excluded from rate base.

Rule 9: Service Connection Charge

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 860-036-0065)

The Utility shall specify the size, character, and location of pipes and appurtenances in any main line extension. Main line extensions shall normally be along streets, roads, highways, or other satisfactory rights-of-way. All construction work shall conform to all applicable rules, regulations, codes, and industry standards. Each main line extension shall normally extend along applicant's property line to the point the applicant's service line would be at a 90-degree angle to the street or main line.

Rule 11: Main Line Advances and Refunds Policy

Each new customer requesting a main line extension shall advance the Utility the cost-based amount necessary to extend the main line to provide service.

For a period of 5 years after construction of the requested main line extension, the Utility shall also collect from any additional applicants whose connect to the main line extension an amount per foot equal to the new applicant's proportionate share of the main line extension cost for that portion used. The Utility will then refund the share differential amount to those customers who previously shared the cost of said main line extension. Refunds shall not exceed the amount originally advanced.

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No part of the distribution system installed prior to the request for a main line extension shall be used to calculate any customer advance or refund.

Rule 12: 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 13: 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.

Rule 14: Utility Access to Private Property (OAR 860-036-0120(3)(b) and OAR 860-036-0205(3))

Customers shall provide access during reasonable hours to utility-owned service lines that may extend onto the premises of the customer 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 15: Restriction on Entering a Customer Residence (OAR 860-036-0085)

No water 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 16: Refusal of Service Due to Customer Accounts (OAR 860-036-0080(1-3))

The Utility may refuse to serve an applicant until receipt of full payment of overdue amounts, or other obligations related to a prior account of the applicant with the Utility, when the following circumstances exist:

- A. An overdue amount remains outstanding by the applicant at this or another service address; and
- B. The applicant resided at the service address indicated in (A) during the time the overdue charges were incurred; and

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C. The person indicated in (A) will reside at the location to be served under the new application. (OAR 860-036-0080)

Except for irrigation customers or applicants who were disconnected for theft of service, a water utility shall provide service to the irrigation customer or applicant upon receipt of payment equal to at least one-half of any overdue amount. The balance of the amount owed to the utility shall be paid within 30 days of the date service is initiated.

Service shall not be refused for matters not related to irrigation water service. Irrigation service shall not be refused due to obligations connected with nonirrigation 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.

Rule 17: Refusal of Service Due to Utility Facilities (OAR 860-036-0080(7))

The Utility shall not accept an application for service or materially change service to a customer if the Utility does not have adequate facilities or water resources 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 informing applicant that the details upon which the Utility's decision was based may be requested. A copy of such notice will be sent to the Commission. The details will include, but not be limited to:

- A. Current capacity and load measured in gallons or cubic feet per minute;
- B. Current capacity and load measured in pounds per square inch;
- C. Cost to the Utility for additional capacity in order to provide the additional service; and
- D. Information regarding the appeal process of the Utility's refusal to provide service is available through the Commission's dispute resolution process pursuant to OAR 860-036-0025.

Rule 18: Refusal of Service Due to Customer Facilities (OAR 860-036-0080(4-6))

The Utility shall refuse service to an applicant or customer 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 customer within 10 working days stating the reason(s) for refusal and providing information regarding the Commission's complaint process. A copy of the notification will also be sent to the Commission.

METERS

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Rule 19: Utility Meters (OAR 860-036-0105)

The Utility shall purchase, own, maintain, and operate all meters. Meters placed in service shall 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 shall be provided with a suitable cover.

Where additional meters are furnished by the Utility or relocated for the convenience of the customer, a reasonable charge may be made in accordance with a schedule approved by the Commission.

The water 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.

Each customer shall provide the Utility with regular access to the meter on the customer's property. Failure to permit access at reasonable times and after reasonable notice by the Utility requesting access is grounds for disconnection. (OAR 860-036-0120) Should damage result to the meter from molesting, tampering, or willful neglect on the part of the customer, the Utility shall repair or replace the meter and may bill the customer for the reasonable cost. (OAR 860-036-0105(7))

Rule 20: Meter Testing (OAR 860-036-0110)

The meter shall be tested prior to or within 30 (thirty) days of installation to determine it is accurate to register not more than 2 percent error. No meter shall be allowed to remain in service if it registers an error in excess of 2 percent (fast or slow) under normal operating conditions. The Utility shall maintain a record of all meter tests and results. Meter test result records shall include:

- A. Information necessary to identify the meter;
- B. Reason for making the test;
- C. Date of test;
- D. Method of testing;
- E. Meter readings;
- F. Test results; and
- G. Any other information required to permit convenient checking of methods employed.

Rule 21: Customer-Requested Meter Test (OAR 860-036-0115)

A customer may request that the Utility test the service meter. Such test shall be made within 20 working days of the receipt of the request. 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. A written report shall be provided to the customer stating:

- A. Customer's name;
- B. Date of the customer's request;

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- C. Address at which the meter has been installed;
- D. Meter identification number;
- E. Date of actual test; and
- F. Test results.

The first meter test in a twelve-month period is at no cost to the customer. If a customer requests a meter test more often than once in any 12-month period, the fee listed on the Miscellaneous Service Charges Schedule may be required to recover the cost of the test. If the meter is found to register more than 2 percent fast or slow under conditions of normal operation, the Utility shall refund the fee to the customer.

BILLING

Rule 22: Billing Information & Late-Payment Charge
(OAR 860-036-0120, OAR 860-036-0125 & OAR 860-036-0130)

All bills, including closing bills, are due and payable at the Utility office within **15 days (at least 15 day requirement)** 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 at monthly intervals on the corresponding day of each meter reading or billing period.

The bill shall be rendered immediately thereafter. (OAR 860-036-0120(3) requires water utilities to bill at monthly intervals. However, a Utility may request, upon application, special authority from the Commission to bill at intervals other than monthly.)

The Utility will keep at least 10 years of all billings records (flat or metered rates) and three years of meter readings. The Utility shall make a reasonable effort to prepare opening and closing bills from actual meter readings. When there is good reason for doing so, estimated bills may be submitted. Any estimated billings shall be clearly designated as such. When requested, the Utility shall demonstrate to the Commission the reason for the estimated billing.

All water service bills shall show:

- A. Beginning and ending meter readings for the billing period;
- B. Beginning and ending dates of the period of service to which the bill applies;
- C. For all metered bills, beginning and ending meter readings for the period for which the bill is rendered;
- D. Number of units of service supplied stated in gallons or cubic feet;
- E. Schedule number under which the bill was computed;

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- F. Delinquent date of the bill;
- G. Total amount due; and
- H. Any other information necessary for the computation of the bill.

All bills become delinquent if not paid within 30 days of the date the Utility mailed or delivered the bill. (OAR 860-036-0125 requires a minimum of 15 days.)

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.

Rule 23: 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 24: 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 25: Adjustment of Bills (860-036-0135)

When an underbilling or overbilling occurs, the Utility shall provide written notice to the customer detailing the circumstances, period of time, and the amount of the adjustment. If it can be shown that the error was due to an identifiable cause, the date of which can be fixed, the overcharge or undercharge shall be computed back to such date. If no date can be fixed, the Utility shall refund the overcharge or rebill the undercharge for no more than six months' usage. In no event shall an overbilling or underbilling be for more than three years' usage. No billing adjustment shall be required if a meter registers less than 2 percent error under conditions of normal operation.

When a customer is required to repay an underbilling, the customer shall be entitled to enter into a time-payment agreement without regard to whether the customer already participates in such an agreement. If the customer and the Utility cannot agree upon payment terms, the Commission shall

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establish terms and conditions to govern the repayment obligation. The Utility shall provide written notice advising the customer of the opportunity to enter into a time-payment agreement and of the Commission’s complaint process.

Rule 26: Application of Partial Payments (860-036-0140)

Partial payments or one payment for more than one type of service, absent written instructions from the customer, must be applied in the following order:

- A. Past due regulated tariffed services;
- B. Currently due regulated tariffed services;
- C. Non-regulated services.

Rule 27: Transfer Billings (860-036-0140)

If a water utility identifies a balance a customer owes from the customer’s prior account for Oregon service, the water utility shall have the option to transfer the amount to the customer’s current account. The water 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.

The utility has the option to send a separate notice to the customer giving the same information, but collecting the amount for the prior account separately from the customer’s current account. 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.

This rule also applies to customers who change service locations, and who applied for the new service within 20 days of closing the prior account (thereby retaining customer status).

DISCONNECTION OF WATER SERVICE

Rule 28: Voluntary Discontinuance (OAR 860-036-0210)

Except for emergencies, customers who (for any reason) wish to have service discontinued shall provide the Utility at least five business-days’ advance notice of the requested to discontinue service. The customer is responsible to identify the date of disconnection and for all service rendered until the Utility receives the customer’s notice and the service is discontinued on the requested date.

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

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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.

Rule 29: Emergency Disconnection (OAR 860-036-0215)

The Utility may terminate service in emergencies when life or property is endangered without following the procedures set forth in OAR 860-036-0245. 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.

Rule 30: Disconnection of Water Service Charge for Cause (OAR 860-036-0205 and 0245)

When a customer fails to comply with the Utility's rules and regulations, or permits a bill or charge for regulated irrigation services to become delinquent (except for nonpayment of a time-payment agreement), the Utility shall give at least five business days' written notice before water service may be shut off. The notice shall state:

- A. The reason(s) for the proposed disconnection;
- B. The earliest date for disconnection;
- C. The amount to be paid to avoid disconnection;
- D. An explanation of the time-payment provision of OAR 860-036-0125;
- E. Information regarding the Commission's dispute resolution process; and
- F. The Commission's Consumer Services toll-free number, 1-800-522-2404.

Prior to disconnection on the day that the Utility intends to disconnect service, the Utility must make a good-faith effort to physically contact the customer to be disconnected or an adult at the customer's premise to be disconnected to advise the customer or adult 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 or is about to be disconnected. The Utility shall document its efforts to contact the customer or an adult at the premises and make that documentation available to the customer upon request.

Service shall not be shut off for non-emergencies on a Friday or the day of a state- or Utility-recognized holiday or the day prior to such holiday. (OAR 860-036-0220) The Utility shall not disconnect irrigation service due to the failure to pay or meet obligations associated with nonirrigation service. (OAR 860-036-0225)

Residential customers who are notified of pending disconnection may choose between two Time Payment Agreement options. The Utility will offer such customers a choice of a levelized-payment

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plan and an equal-pay arrearage plan. A Utility and customer may mutually agree to an alternate payment arrangement provided it be in writing and signed by all parties. NOT APPLICABLE TO COMMERCIAL IRRIGATION CUSTOMERS.

Disconnection for Failure to Comply With a Time Payment Agreement

A time-payment agreement disconnection occurs when a residential 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. Before the water service may be disconnected, the Utility must give the customer a 15-day' written notice and a 5-business day written notice. NOT APPLICABLE TO COMMERCIAL IRRIGATION CUSTOMERS.

Rule 31: Disconnection and Reconnection of Water Service and Field Visit Charge

Disconnection Charge

When service was disconnected pursuant to OAR 860-036-0245 or OAR 860-036-0250, the water utility may charge the disconnect fee stated in its tariff.

Reconnection Charge

Service must be reconnected after the customer or applicant has requested reconnection, paid all applicable charges, provided necessary credit information, and satisfied all requirements for service when service was disconnected pursuant to OAR 860-036-0245 or OAR 860-036-0250, the water utility may charge the reconnection fee stated in its tariff.

Field Visit Charge

A water utility may assess a field visit charge whenever the water utility visits a customer service address intending to reconnect or disconnect service, but due to customer action, the water utility is unable to complete the reconnection or disconnection at the time of the visit. The field visit charge must be either filed in its tariffs or included in its statement of rates, whichever is applicable.

A field visit charge may not be assessed to a customer for delivery of any disconnect notice when the Utility has a viable address(es) for the customer. If a Utility delivers a disconnect notice, it is responsible to document its efforts to send the disconnect charge by mail and demonstrate to the Commission the reasonableness of delivering any disconnect notice to the customer's residence.

Rule 32: Unauthorized Restoration of Service

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 without notice. Service shall not be reconnected until all arrearages; all cost-of-service disconnection and reconnection, charges listed on the Miscellaneous Service Charges Schedule are paid in full.

Rule 33: Unauthorized Use

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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. Meter tampering, diverting service, or any other unauthorized use of service will automatically cause a disconnection of the water service and may result in meter removal. All applicable fees, costs of disconnection and reconnection, past-due billings, and service charges listed on the Miscellaneous Service Charges Schedule must be paid in full before any service is restored. An advance deposit for restoration of service may be required.

Rule 34: Interruption of Service (OAR 860-036-0075)

The Utility shall have the right to shut off the water supply temporarily for repairs and other necessary purposes. The Utility shall use all reasonable and practicable measures to notify affected customers in advance of such discontinuance of service except in the case of emergency repairs. The Utility shall not be liable for any inconvenience suffered by the customer or damage to the customer's property arising from such discontinuance of service.

The Utility shall keep a record of all service interruptions affecting its whole system or a major section thereof, including the time and date of interruption, duration, and cause or purpose of interruption.

Rule 35: Water Supply/Usage Restrictions (OAR 860-036-0325)

The Utility shall exercise due diligence to furnish a continuous and adequate supply of water to its customers. If water restrictions are necessary to equitably apportion its available water supply among its customers with due regard to public health and safety, the Utility shall provide written notification to its customers and the Commission including:

- A. Reason for the restriction;
- B. Nature and extent of the restriction;
- C. Effective date of the restriction; and
- D. Probable date of termination of such restriction.

Rule 36: Damages/Tampering

Should damage result to any of the Utility's property from molesting or willful neglect by the customer to a meter or meter box located in the customer's building, the Utility will repair or replace such equipment and will bill the customer for the costs incurred.

SERVICE QUALITY

Rule 37: System Maintenance (OAR 860-036-0305)

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The Utility shall have and maintain its entire plant, distribution system, and hydrants in such condition that it will furnish safe, adequate, and reasonable continuous service. The Utility shall inspect its facilities in such manner and with such frequency as may be necessary to ensure a reasonably complete knowledge of its condition and adequacy at all times.

The Utility shall keep such records of all routine maintenance as considered necessary for the proper maintenance of its system, including regular flushing schedules, exercising of valves, and valve inspections.

Rule 38: 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 39: Water Purity (OAR 860-036-0310)

The Utility shall deliver water for domestic purposes free from bodily injurious physical elements and disease-producing bacteria and shall cause such tests to be made and precautions taken as will ensure the constant purity of its supply. The Utility shall keep a record of all water quality tests, results, monitoring, and reports. NOT APPLICABLE TO IRRIGATION SERVICE.

The Utility shall deliver domestic water that is reasonably free from elements that cause physical damage to customer property such as pipes, valves, appliances, and personal property. A water supply that causes such damage will be remedied until the conditions are such as to not reasonably justify the necessary investment.

Rule 40: Water Pressure (OAR 860-036-0315)

Each water Utility shall maintain pressure at a minimum of 20 pounds per square inch (psi) for health reasons to each customer at all times. The 20 psi standard is not presumed to be adequate service and do not restrict the authority of the Commission to require improvements where water pressure or flow is inadequate.

In general, 40 psi of water pressure in the water mains is usually adequate for the purposes of this rule. However, adequate pressure may vary depending on each individual water system and customers' circumstances. In the case of a dispute, the Commission will determine the appropriate water pressure for the water utility.

Rule 41 Pressure Surveys (OAR 860-036-0320)

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The Utility shall have a permanently placed pressure gauge located on a main that is representative of the system's pressure. A portable gauge in good working condition shall be available for checking pressure conditions in any part of the distribution area.

Rule 42 Customer-Requested Pressure Test (OAR 860-036-0320)

Upon customer request, the Utility will perform a water pressure test within 20 working days of the request. The first pressure test in any 12- month period shall be at no charge. If the customer requests more than one pressure test within any 12-month period, a deposit to recover the reasonable cost of the additional test may be required of the customer. The deposit shall be returned if the pressure test indicates less than 20 psi. The customer or designated representative has the right to be present at the pressure test, and said test shall be conducted at a mutually agreeable time. For metered service, the pressure will be tested at a point adjacent to the meter on the customer's service line.

For non-metered service, the pressure will be tested at the customer's service line or hose bibb or other reasonable point likely to best reflect the actual service pressure.

Rule 43: Maps/Records (OAR 860-036-0335)

The Utility shall keep on file current maps and records of the entire plant showing size, location, character, and date of installation of major plant items, including shut-off valves.

Rule 44: Utility Line Location (One Call Program) (OAR 860-036-0345)

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 45: Cross Connection/Backflow Prevention Program

The Utility will comply with the rules and regulations for the Cross Connection/Backflow Prevention Program, as provided for in ORS Chapter 333 and the Utility's approved Backflow Prevention Program.

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PLANT & DEPRECIATION

Acct No.	Account Description Organization	Date Acquired	Utility Plant Orig Cost	Less Excess Capacity Adj to Plant	Total Adj Plant	NARUC Asset Life	Annual Deprec	Final Month of Deprec												Accumulated Depreciate Ending 2014	Remaining Plant Beginning 2015	Deprec Expense for 2015					
									2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014				2015				
301					0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
302	Franchises				0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
303	Land and Land Rights																										
	Land Well #4	Jan 1994	7,187		7,187	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,187	0		
	New Office/Shop Land	Mar 1997	20,100		20,100	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,100	0		
	Land Phase 7, Lot 133 for Future Well \$30,000 - not yet used and useful	Mar 2001			0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Land, Phase 16, Lot 45 for Future \$31,420 - allow 1/3 cost due to partial land for storage	Oct 2004	10,473		10,473	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,473	0		
	Water rights work	Oct 2011	405		405	3	135	Oct 2014	0	0	0	0	0	0	0	34	135	135	101	0	0	0	0	405	0		
	Water rights extensions	Feb 2011	1,075		1,075	3	358	Feb 2014	0	0	0	0	0	0	0	0	328	358	358	31	0	0	0	1,075	0		
304	Structures and Improvements																										
	Cistern Fence	Jan 1990	2,328		2,328	35	67	Jan 2025	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	1,875	653	67	
	Cistern Fan	Jan 1992	217		217	35	6	Jan 2027	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	138	79	6	
	New Shop - Existing Building	Mar 1997	20,100		20,100	35	574	Mar 2032	574	574	574	574	574	574	574	574	574	574	574	574	574	574	574	10,236	9,864	574	
	New Shop Remodel	May 1997	7,233		7,233	35	207	May 2032	207	207	207	207	207	207	207	207	207	207	207	207	207	207	207	3,657	3,576	207	
	98 Remodel Costs	Jun 1998	15,833		15,833	35	452	Jun 2033	452	452	452	452	452	452	452	452	452	452	452	452	452	452	452	7,496	8,337	452	
	Security Wiring	Jun 1998	400		400	35	11	Jun 2033	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	182	216	11	
	Building Costs (Changed to 25 year recovery to match loan)	Oct 1998	82,736		82,736	35	2,364	Oct 2033	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	38,415	44,321	2,364	
	Fence	Jul 1999	5,695		5,695	35	163	Jul 2034	163	163	163	163	163	163	163	163	163	163	163	163	163	163	163	2,527	3,168	163	
	Landscaping	Sep 1999	2,103		2,103	35	60	Sep 2034	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	920	1,183	60	
	Main Shop Extension	Dec 1999	2,000		2,000	35	57	Dec 2034	57	57	57	57	57	57	57	57	57	57	57	57	57	57	57	860	1,140	57	
	Parking Lot	Nov 2004	7,342		7,342	35	210	Nov 2039	35	210	210	210	210	210	210	210	210	210	210	210	210	210	210	2,135	5,207	210	
	Office Extension	Jan 2005	36,693		36,693	35	1,048	Jan 2040	0	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	10,480	26,213	1,048	
	Asphalt - Hap Taylor - Added by Staff - UW 120	Jul 2006	1,052		1,052	35	30	Jul 2041	0	15	30	30	30	30	30	30	30	30	30	30	30	30	30	255	797	30	
	6' and 4' Blocks - Hooker Creek - Added by Staff - UW 120	Aug 2006	1,275		1,275	35	36	Aug 2041	0	0	15	36	36	36	36	36	36	36	36	36	36	36	36	303	972	36	
	Golf Course Bypass - Added by Staff - UW 120	Dec 2006	19,934		19,934	35	570	Dec 2041	0	0	48	570	570	570	570	570	570	570	570	570	570	570	570	4,608	15,326	570	
	Blocks - Hooker Creek - Added by Staff - UW 120	Jun 2007	270		270	35	8	Jun 2042	0	0	0	5	8	8	8	8	8	8	8	8	8	8	8	8	61	209	8
	Exterior Painting Office - Langley's	Aug 2007	2,675		2,675	35	76	Aug 2042	0	0	0	32	76	76	76	76	76	76	76	76	76	76	76	76	564	2,111	76
	Goodman Heat Pump Office - Cascade Heating	Sep 2007	9,243		9,243	35	264	Sep 2042	0	0	0	88	264	264	264	264	264	264	264	264	264	264	264	1,936	7,307	264	
	Solar Film Application Office Windows - Custom	Jan 2008	1,140		1,140	35	33	Jan 2043	0	0	0	0	33	33	33	33	33	33	33	33	33	33	33	33	231	909	33
	Well 2 & 4 Unit Heaters - Grainger	Feb 2010	1,173		1,173	35	34	Feb 2045	0	0	0	0	0	31	34	34	34	34	34	34	34	34	34	167	1,006	34	
	Cistern Unit Heater - Grainger	Mar 2010	500		500	35	14	Mar 2045	0	0	0	0	0	0	12	14	14	14	14	14	14	14	14	68	432	14	
	Fuel Tank Enclosed Carport - Coast to Coast Carports	Apr 2010	2,412		2,412	35	69	Apr 2045	0	0	0	0	0	0	52	69	69	69	69	69	69	69	69	328	2,084	69	
	Drainage Culvert Well #4 - ADG Excavation	Nov 2011	1,035		1,035	35	30	Nov 2046	0	0	0	0	0	0	5	30	30	30	30	30	30	30	30	95	940	30	
	East Cascade Alarm System	Jul 2012	916		916	35	26	Jul 2047	0	0	0	0	0	0	0	13	26	26	26	26	26	26	26	65	851	26	
	Door Opener for shop extension	Oct 2013	600		600	35	17	Oct 2048	0	0	0	0	0	0	0	0	4	17	17	17	17	17	17	21	579	17	
305	Collecting and Impounding Reservoirs				0	50	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
306	Lake, River and Other Intakes				0	35	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
307	Wells and Springs																										
	Source of Supply - CIAC - \$113,896	Jul 1974	0		0	25	0	Jun 1999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Well #2 - 95 Repairs	Sep 1995	23,690		23,690	25	948	Sep 2020	948	948	948	948	948	948	948	948	948	948	948	948	948	948	948	18,328	5,362	948	
	Well #4	May 1995	397,850		397,850	25	15,914	May 2021	15,914	15,914	15,914	15,914	15,914	15,914	15,914	15,914	15,914	15,914	15,914	15,914	15,914	15,914	15,914	297,061	100,789	15,914	
	Well No. 2 Improvements	Mar 2004	2,597		2,597	25	104	Mar 2029	87	104	104	104	104	104	104	104	104	104	104	104	104	104	104	1,127	1,470	104	
	Well#2 - Repairs/Flex Smart Motor Controller	Sep 2010	6,366		6,366	25	255	Aug 2035	0	0	0	0	0	0	106	255	255	255	255	255	255	255	255	1,126	5,260	255	
	New Well - CWIP - (Engineer - \$22,997 & Attorney Fees - \$58,702 & Survey of Land - \$3,550) = \$85,249 - UW 120 Question prudence of attorney fees				0	25	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Well #2 Upgrade Phase 1 (See notes on project file)	Sep 2012	7,515		7,515	25	301	Sep 2037	0	0	0	0	0	0	0	0	100	301	301	301	301	301	702	6,813	301		
	Well #1 Electrical Upgrade	Feb 2013	6,098		6,098	25	244	Feb 2038	0	0	0	0	0	0	0	0	224	244	244	244	244	244	468	5,630	244		
	Well #2 Electrical Upgrade	Jan 2013	8,405		8,405	25	336	Jan 2038	0	0	0	0	0	0	0	0	0	336	336	336	336	336	672	7,733	336		
308	Infiltration Galleries and Tunnels				0	25	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
309	Supply Main																										
	CV Speed Control/Repair Kit - GC Systems	Aug 2008	554		554	50	11	Jul 2058	0	0	0	0	6	11	11	11	11	11	11	11	11	11	11	72	482	11	
	2" Pressure Reducing Valve - GC Systems	Sep 2008	1,565		1,565	50	31	Aug 2058	0	0	0	0	13	31	31	31	31	31	31	31	31	31	31	199	1,366	31	
	CV Speed Control/Valve Position Indicator - GC Systems	Sep 2008	570		570	50	11	Aug 2058	0	0	0	0	5	11	11	11	11	11	11	11	11	11	11	71	499	11	
	Gate Valves - HD Fowler																										

Crooked River Ranch Water Co.
PLANT & DEPRECIATION

Acct No.	Account Description	Date Acquired	Utility Plant Orig Cost	Less Excess Capacity Adj to Plant	Total Adj Plant	NARUC Asset Life	Annual Deprec	Final Month of Deprec	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Accumulated Depreciate Ending 2014	Remaining Plant Beginning 2015	Deprec Expense for 2015
	20 Year Master Plan (WHPacific)	Jan 2012	9,532		9,532	20	477	Jan 2032	0	0	0	0	0	0	0	0	477	477	477	477	1,431	8,101	477
	20 Year Master Plan (WHPacific)	Feb 2012	22,602		22,602	20	1,130	Feb 2032	0	0	0	0	0	0	0	0	1,036	1,130	1,130	1,130	3,296	19,306	1,130
	20 Year Master Plan (WHPacific)	Mar 2012	2,114		2,114	20	106	Mar 2032	0	0	0	0	0	0	0	0	88	106	106	106	300	1,814	106
	20 Year Master Plan (WHPacific)	Apr 2012	2,114		2,114	20	106	Apr 2032	0	0	0	0	0	0	0	0	80	106	106	106	292	1,822	106
	20 Year Master Plan (WHPacific)	May 2012	1,268		1,268	20	63	May 2032	0	0	0	0	0	0	0	0	42	63	63	63	168	1,100	63
	20 Year Master Plan (WHPacific)	Aug 2012	2,446		2,446	20	122	Aug 2032	0	0	0	0	0	0	0	0	51	122	122	122	295	2,151	122
	20 Year Master Plan (WHPacific)	Sep 2012	3,750		3,750	20	188	Sep 2032	0	0	0	0	0	0	0	0	63	188	188	188	439	3,311	188
	20 Year Master Plan (WHPacific)	Dec 2012	2,396		2,396	20	120	Dec 2032	0	0	0	0	0	0	0	0	10	120	120	120	250	2,146	120
	Grant Application Assistance (WHPacific)	Dec 2012	545		545	10	55	Dec 2022	0	0	0	0	0	0	0	0	5	55	55	55	115	430	55
	Grant Application Assistance (WHPacific)	Jan 2013	75		75	10	8	Jan 2023	0	0	0	0	0	0	0	0	0	8	8	8	16	59	8
	Grant Application Assistance (WHPacific)	Feb 2013	1,621		1,621	10	162	Feb 2023	0	0	0	0	0	0	0	0	0	149	162	162	311	1,310	162
	Grant Application Assistance (WHPacific)	Mar 2013	527		527	10	53	Mar 2023	0	0	0	0	0	0	0	0	0	44	53	53	97	430	53
	Grant Application Assistance (WHPacific)	May 2013	643		643	10	64	May 2023	0	0	0	0	0	0	0	0	0	43	64	64	107	536	64
	Grant Application Assistance (WHPacific)	Jun 2013	2,831		2,831	10	283	Jun 2023	0	0	0	0	0	0	0	0	0	165	283	283	448	2,383	283
	Grant Application Assistance (WHPacific)	Sep 2013	226		226	10	23	Sep 2023	0	0	0	0	0	0	0	0	0	8	23	23	31	195	23
340	Office Furniture and Equipment																						
	Office Furniture - Sold - 7/01/2008 (\$24)	Jan 1992	0		0	20	0	Dec 2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Office Equipment - FULLY DEPRECIATED	Jan 1992	3,075		3,075	20	154	Dec 2011	154	154	154	154	154	154	154	154	290	0	0	0	3,075	0	0
	Office Equipment - Sold - 7/01/06 (\$53)	Aug 1992	0		0	20	0	Aug 2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Office Equipment - Sold - 7/01/06	Apr 1993	0		0	20	0	Apr 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Office Equipment - Sold - 7/03/06 (\$8)	May 1993	0		0	20	0	May 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Office Equipment - Sold - 7/01/06	Nov 1993	0		0	20	0	Nov 2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Shop Shelves	May 1997	502		502	20	25	May 2017	25	25	25	25	25	25	25	25	25	25	25	25	442	60	25
	Tables & Chairs	Oct 1998	1,876		1,876	20	94	Oct 1998	94	94	94	94	94	94	94	94	94	94	94	94	1,528	348	94
	Stacking Chairs	Oct 1998	832		832	20	42	Oct 2018	42	42	42	42	42	42	42	42	42	42	42	42	683	149	42
	Office Equipment - Sold - 07/01/06 (\$25)	Apr 2001	0		0	20	0	Apr 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Folder/inserters	Oct 2005	3,850		3,850	20	193	Oct 2025	0	48	193	193	193	193	193	193	193	193	193	193	1,785	2,065	193
	4 - Office Chairs - Staples	Feb 2011	540		540	20	27	Jan 2031	0	0	0	0	0	0	0	0	27	27	27	27	108	432	27
	File Cabinet	Apr 2014	302		302	20	15	Apr 2034	0	0	0	0	0	0	0	0	0	0	0	11	15	291	15
341	Transportation Equipment																						
	Pick-up - Sold - 07/31/06	Jul 1991	0		0	7	0	Jun 1998	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1992 Ford Ranger Pick-up FULLY DEPRECIATED	Nov 1993	6,010		6,010	7	859	Nov 2000	0	0	0	0	0	0	0	0	0	0	0	0	6,010	0	0
	1993 Pick-up FULLY DEPRECIATED	Jun 1995	6,496		6,496	7	928	Jun 2002	0	0	0	0	0	0	0	0	0	0	0	0	6,496	0	0
	Ford Ranger FULLY DEPRECIATED	Jul 1999	17,627		17,627	7	2,518	Jul 2006	2,518	2,518	1,260	0	0	0	0	0	0	0	0	0	17,627	0	0
	Trailer FULLY DEPRECIATED	Jul 1999	3,845		3,845	7	549	Jul 2006	549	549	276	0	0	0	0	0	0	0	0	0	3,845	0	0
	Diamond B Trailer FULLY DEPRECIATED	Mar 2001	6,595		6,595	7	942	Feb 2008	942	942	42	942	79	0	0	0	0	0	0	0	6,595	0	0
	Chevrolet Silverado - Added by Staff - UW 120	Apr 2006	38,923		38,923	7	5,560	Mar 2013	0	0	4,633	5,560	5,560	5,560	5,560	5,560	5,560	930	0	0	38,923	0	0
	Chevrolet Steps - Added by Staff - UW 120	Apr 2006	400		400	7	57	Mar 2013	0	0	48	57	57	57	57	57	57	10	0	0	400	0	0
	Chevrolet Seat Covers - Added by Staff - UW 120	Apr 2006	344		344	7	49	Mar 2013	0	0	41	49	49	49	49	49	49	9	0	0	344	0	0
	Chevrolet Seat Covers - Added by Staff - UW 120	Aug 2006	344		344	7	49	Jul 2013	0	0	25	49	49	49	49	49	49	25	0	0	344	0	0
	Pup Trailer - Added by Staff - UW 120	Sep 2006	465		465	7	66	Sep 2013	0	0	22	66	66	66	66	66	66	66	0	0	465	0	0
	* Chevrolet Silverado 2011 (expensed)	Nov 2011	0		0	7	0	Oct 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	* Chevrolet Colorado 2012 (expensed)	Nov 2011	0		0	7	0	Oct 2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Spray on Bed Liner Chev Silverado - Central Oregon Line - X	Nov 2011	500		500	7	71	Oct 2018	0	0	0	0	0	0	0	0	18	71	71	71	231	269	71
	Lumber rack, toolbox & beacon light Chev Silverado - The Truck Works	Dec 2011	2,499		2,499	7	357	Nov 2018	0	0	0	0	0	0	0	0	60	357	357	357	1,131	1,368	357
	Load Binders & Mud Flaps Chev Silverado - The Truck Works	Dec 2011	374		374	7	53	Nov 2018	0	0	0	0	0	0	0	0	9	53	53	53	168	206	53
343	Tools, Shop, and Garage Equipment																						
	Sump Trash Pump	Jul 1990	797		797	15	53	Jun 2005	53	24	0	0	0	0	0	0	0	0	0	0	797	0	0
	Pipe Saw	Jul 1990	361		361	15	24	Jun 2005	24	11	0	0	0	0	0	0	0	0	0	0	361	0	0
	Tools & Equipment	Jan 1992	778		778	15	52	Dec 2006	52	52	98	0	0	0	0	0	0	0	0	0	778	0	0
	Shop Tools & Equipment	Jan 1993	1,056		1,056	15	70	Dec 2007	70	70	70	140	0	0	0	0	0	0	0	0	1,056	0	0
	Backhoe	Apr 1994	19,500		19,500	15	1,300	Apr 2009	1,300	1,300	1,300	1,300	1,300	325	0	0	0	0	0	0	19,500	0	0
	Dump Truck	Dec 1994	6,000		6,000	15	400	Dec 2009	400	400	400	400	400	367	0	0	0	0	0	0	6,000	0	0
	Ackley Tool	Apr 1996	644		644	15	43	Apr 2011	43	43	43	43	43	43	43	43	10	0	0	0	644	0	0
	Eyewash Station	Dec 1998	279		279	15	19	Nov 2013	19	19	19	19	19	19	19	19	19	10	0	0	279	0	0
	Battery Charger	Dec 1998	179		179	15	12	Nov 2013	12	12	12	12	12	12	12	12	12	9	0	0	179	0	0
	Shop Tools & Equipment	Dec 1998	27,280		27,280	15	1,819	Dec 2014	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,662	0	27,280	0	0
	Backhoe	Aug 2000	25,000		25,000	15	1,667	Aug 2015	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	967	24,033	967
	Crane - \$13,500 paid twice by customers. No documentation to indicate otherwise.	May 2002	0		0	15	0	May 2017	0	0	0	0	0</										

Crooked River Ranch Water Co.
PLANT & DEPRECIATION

Acct No.	Account Description	Date Acquired	Utility Plant Orig Cost	Less Excess Capacity Adj to Plant	Total Adj Plant	NARUC Asset Life	Annual Deprec	Final Month of Deprec	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Accumulated Depreciated Ending 2014	Remaining Plant Beginning 2015	Deprec Expend for 2015
	Tool Chest - Big R	Aug 2011	660		660	15	44	Jul 2026	0	0	0	0	0	0	0	22	44	44	44	44	44	154	506	44
	Combo Tool Set - Western Tool Supply	Aug 2011	506		506	15	34	Jul 2026	0	0	0	0	0	0	0	17	34	34	34	34	34	119	387	34
	Pressure Testing Gauges & Accessories - Pollardwater.com	Sep 2011	719		719	15	48	Aug 2026	0	0	0	0	0	0	0	20	48	48	48	48	48	164	555	48
	Hillas Packaging Sealer for Meter Box Insulation	Jul 2012	438		438	15	29	Jul 2027	0	0	0	0	0	0	0	0	15	29	29	29	29	73	365	29
	H-185 Peanut Dispenser for Meter Insulation	Jul 2012	188		188	15	13	Jul 2027	0	0	0	0	0	0	0	0	7	13	13	13	13	33	155	13
	Stepladder	Oct 2012	219		219	15	15	Oct 2027	0	0	0	0	0	0	0	4	15	15	15	15	15	34	185	15
	Sorting Shelving	Jan 2012	811		811	15	54	Jan 2027	0	0	0	0	0	0	0	0	54	54	54	54	54	162	649	54
	Used Backflow Test Meter	Jul 2013	400		400	15	27	Jul 2028	0	0	0	0	0	0	0	0	0	14	27	27	27	41	359	27
	Backflow Test Meter	Feb 2013	805		805	15	54	Feb 2028	0	0	0	0	0	0	0	0	0	50	54	54	54	104	701	54
344	Laboratory Equipment				0	15	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
345	Power Operated Equipment				3,995	10	400	Feb 2006	400	400	28	0	0	0	0	0	0	0	0	0	0	3,995	0	0
	Power Valve Exer. & Tool	Feb 1996	3,995		3,995	10	400	Feb 2006	400	400	28	0	0	0	0	0	0	0	0	0	0	3,995	0	0
	12" Backhoe Bucket	Sep 2011	600		600	10	60	Aug 2021	0	0	0	0	0	0	0	25	60	60	60	60	60	205	395	60
	VacMasters Spoilvac SPV 800 DT4/W	Oct 2014	39,232		39,232	10	3,923	Oct 2024	0	0	0	0	0	0	0	0	0	0	981	3,923	981	38,251	3,923	
346	Communication Equipment				2,791	10	279	May 2004	94	0	0	0	0	0	0	0	0	0	0	0	0	2,791	0	0
	Motorola Radio Equipment	Jun 1994	2,791		2,791	10	279	May 2004	94	0	0	0	0	0	0	0	0	0	0	0	0	2,791	0	0
	Temp /Motion Sensor - Well #2	Mar 1999	949		949	10	95	Mar 2009	95	95	95	95	95	95	95	95	95	95	95	95	95	949	0	0
	Temp /Motion Sensor - Well #4	Mar 1999	997		997	10	100	Mar 2009	100	100	100	100	100	100	14	0	0	0	0	0	0	997	0	0
	Cellular Telephone Blocker (Scada) - Comm-Link	Mar 2007	609		609	10	61	Feb 2017	0	0	0	56	61	61	61	61	61	61	61	61	61	483	126	61
	Sentridial Alarm System/Solar Panel (Scada) - Comm-Link	Aug 2008	1,171		1,171	10	117	Jul 2018	0	0	0	0	59	117	117	117	117	117	117	117	117	761	410	117
	Thermocouple (Scada) - Comm Link	Dec 2009	368		368	10	37	Nov 2019	0	0	0	0	0	6	37	37	37	37	37	37	37	191	177	37
	Decoder Board (Scada) - Comm Link	Aug 2010	533		533	10	53	Jul 2020	0	0	0	0	0	0	27	53	53	53	53	53	53	239	294	53
	Motorola M120 40 watt 2 Channel Radio - Comm-Link	Sep 2010	667		667	10	67	Aug 2020	0	0	0	0	0	0	28	67	67	67	67	67	67	296	371	67
347	Electronic/Computer Equipment				2,984	5	597	Dec 1996	0	0	0	0	0	0	0	0	0	0	0	0	0	2,984	0	0
	Copier	Jan 1992	2,984		2,984	5	597	Dec 1996	0	0	0	0	0	0	0	0	0	0	0	0	0	2,984	0	0
	Software - Sold - 7/1/06 (\$21)	Jan 1992	0		0	5	0	Dec 1996	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Computer - Sold - 7/1/06 (\$335)	Jan 1992	0		0	5	0	Dec 1996	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Computer Updates - Sold - 7/1/06 (\$25)	Jan 1992	0		0	5	0	Dec 1996	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Computer Mouse - Sold - 7/1/06 (\$8)	Jan 1992	0		0	5	0	Dec 1996	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Computer Monitor	Sep 1994	999		999	5	200	Sep 1999	0	0	0	0	0	0	0	0	0	0	0	0	0	999	0	0
	Billing Software - Sold - 7/1/06	Sep 1994	0		0	5	0	Sep 1999	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Mach Tech	Jan 1995	2,641		2,641	5	528	Jan 2000	0	0	0	0	0	0	0	0	0	0	0	0	0	2,641	0	0
	Computer Equipment - Sold - 7/31/06	Jan 1995	0		0	5	0	Jun 2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Virtual Office System - Sold - 8/7/01/06	Sep 1995	0		0	5	0	Aug 2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Panasonic TV	Oct 1998	350		350	5	70	Oct 2003	0	0	0	0	0	0	0	0	0	0	0	0	0	350	0	0
	VOS 3P Monitor - Sold - 8/7/01/06	Dec 1998	0		0	5	0	Dec 2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Computer & Monitor - Sold - 8/7/01/06	Jan 1999	0		0	5	0	Jan 2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Camera	Apr 1999	1,267		1,267	5	253	Apr 2004	65	0	0	0	0	0	0	0	0	0	0	0	0	1,267	0	0
	Copier - Sold - 7/1/06	Aug 1999	0		0	5	0	May 2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Canon Image Runner 2000	Oct 2002	6,000		6,000	5	1,200	Oct 2007	1,200	1,200	1,200	900	0	0	0	0	0	0	0	0	0	6,000	0	0
	Printer	Jan 2003	719		719	5	144	Jan 2008	144	144	144	144	144	-1	0	0	0	0	0	0	0	719	0	0
	4-New Computers, Monitors	Sep 2004	9,805		9,805	5	1,961	Sep 2009	654	1,961	1,961	1,961	1,961	1,307	0	0	0	0	0	0	0	9,805	0	0
	SCADA Computer	Nov 2004	1,658		1,658	5	332	Nov 2009	55	332	332	332	332	332	275	0	0	0	0	0	0	1,658	0	0
	Dell Computer - Added by Staff - UW 120	Dec 2005	1,411		1,411	5	282	Dec 2010	0	24	282	282	282	282	259	0	0	0	0	0	0	1,411	0	0
	Photo Printer - Added by Staff - UW 120	Jun 2006	242		242	5	48	Jun 2011	0	0	28	48	48	48	48	22	0	0	0	0	0	242	0	0
	Typewriter - Added by Staff - UW 120	Dec 2006	500		500	5	100	Dec 2011	0	0	8	100	100	100	100	92	0	0	0	0	0	500	0	0
	Tribbox Phone System - Added by Staff - UW 120	Apr 2007	1,013		1,013	5	203	Apr 2012	0	0	152	203	203	203	203	203	49	0	0	0	0	1,013	0	0
	Martin Yale Paper Jogger	Apr 2010	630		630	5	126	Mar 2015	0	0	0	0	0	0	105	126	126	126	126	126	21	609	21	
	3-HP Computers (front desk, accounting & Sherry)	Nov 2010	1,500		1,500	5	300	Oct 2015	0	0	0	0	0	0	75	300	300	300	300	300	225	1,275	225	
	Server W/Drives	Nov 2010	610		610	5	122	Oct 2015	0	0	0	0	0	0	31	122	122	122	122	122	91	519	91	
	GIS Server	Dec 2010	590		590	5	118	Nov 2015	0	0	0	0	0	0	118	118	118	118	118	118	98	492	98	
	5 Disk Drives For GIS Server	Dec 2010	390		390	5	78	Nov 2015	0	0	0	0	0	13	78	78	78	78	78	78	65	325	65	
	HP Pavilion dv6t Laptop - HP Home & Office Store	Feb 2011	520		520	5	104	Jan 2016	0	0	0	0	0	0	104	104	104	104	104	104	104	416	104	
	Powercom Kin-2200AP (Pwr backup-Phones & Server) Newegg	Feb 2011	235		235	5	47	Jan 2016	0	0	0	0	0	0	0	47	47	47	47	47	47	188	47	
	6 - APC 450VA Back-UPS ES - Walmart.com	Mar 2011	279		279	5	56	Feb 2016	0	0	0	0	0	0	0	51	56	56	56	56	56	219	60	
	HP Pavilion P7-1010 & Hard Drive(Frank's Office) - Office Max	Aug 2011	629		629	5	126	Jul 2016	0	0	0	0	0	0	0	63	126	126	126	126	126	441	188	
	Frank's computer	Apr 2012	1,628		1,628	5	326	Apr 2017	0															

Crooked River Ranch Water Co.
PLANT & DEPRECIATION

Acct No.	Account Description	Date Acquired	Utility Plant Orig Cost	Less Excess Capacity Adj to Plant	Total Adj Plant	NARUC Asset Life	Annual Deprec	Final Month of Deprec	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Accumulated Depreciate Ending 2014	Remaining Plant Beginning 2015	Deprec Expense for 2015	
	BMI DCVA Tracking Software	Apr 2013	820		820	5	164	Apr 2018	0	0	0	0	0	0	0	0	0	123	164	164	287	533	164	
	Windows 8 Software	Sep 2013	130		130	5	26	Sep 2018	0	0	0	0	0	0	0	0	0	9	26	26	35	95	26	
	Office 2013 Managers Computer	Sep 2013	400		400	5	80	Sep 2018	0	0	0	0	0	0	0	0	0	0	27	80	80	107	293	80
	GIS Direct Mapping Software Startup	Dec 2013	4,412		4,412	5	882	Dec 2018	0	0	0	0	0	0	0	0	0	74	882	882	956	3,456	882	
348	Miscellaneous Equipment																							
	Art Contingent - Sold - 7/01/06 (\$9)	Jul 2006	0		0	10	0	Dec 2001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Fire Equipment	Jun 1998	530		530	10	53	Jun 2008	53	53	53	53	22	0	0	0	0	0	0	0	530	0	0	
	Equipment - Machinery	Oct 1998	325		325	10	33	Sep 2008	33	33	33	33	17	0	0	0	0	0	0	0	325	0	0	
	Equipment - Improvements	Feb 1999	478		478	10	48	Jan 2009	48	48	48	48	48	-2	0	0	0	0	0	0	478	0	0	
	Equipment - Improvements	Apr 2001	118		118	10	12	Mar 2011	12	12	12	12	12	12	12	0	0	0	0	0	118	0	0	
	Shredder - Added by Staff - UW 120	Apr 2007	200		200	10	20	Apr 2017	0	0	0	15	20	20	20	20	20	20	20	20	155	45	20	
	Ramp Closed Kit - Alert Safety	Mar 2011	936		936	10	94	Feb 2021	0	0	0	0	0	0	0	86	94	94	94	94	368	568	94	
	M-40 air Monitor - Alert Safety	Dec 2011	800		800	10	80	Nov 2021	0	0	0	0	0	0	0	13	80	80	80	80	253	547	80	
	MQ Jumping Jack	Jan 2014	2,792		2,792	10	279	Jan 2024	0	0	0	0	0	0	0	0	0	0	279	279	279	2,513	279	
	Husqvarna k760 Demolition Saw	Jan 2014	925		925	10	93	Jan 2024	0	0	0	0	0	0	0	0	0	0	93	93	93	832	93	
	Trash Pump	Mar 2014	389		389	10	39	Mar 2024	0	0	0	0	0	0	0	0	0	33	39	39	33	356	39	
	Parts for Trash Pump (Motion Flow)	Mar 2014	238		238	10	24	Mar 2024	0	0	0	0	0	0	0	0	0	20	24	24	20	218	24	
	Parts for Trash Pump (Pollardwater)	Apr 2014	56		56	10	6	Mar 2024	0	0	0	0	0	0	0	0	0	5	6	6	5	51	6	
	Replace A/C Well #4	Jul 2014	239		239	10	24	Jun 2024	0	0	0	0	0	0	0	0	0	14	24	24	14	225	24	
	Clean up Crater Loop Property (Fire Safe)	Nov 2013	1,200		1,200	10	120	Nov 2023	0	0	0	0	0	0	0	0	0	20	120	120	140	1,060	120	
	TOTALS		1,235,904	0	1,235,904		0		33,880	36,575	39,969	40,596	39,816	37,956	36,412	39,510	44,125	42,299	44,668	45,715	670,481	565,421	45,715	

Original Plant In Service Cost	1,235,904
Less: Excess Capacity	0
"Used & Useful" Plant	1,235,904
Less Accum Depreciation	670,481
NET PLANT	565,423

Sale of Plant - zero out per MD
Allow only 1 backhoe
Do not allow crane

2015 Depreciation Expense	45,715
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- Plant Added in UW 120
- CIAC
- Plant Sold
- Fully Depreciated Plant
- Plant transferred from expense accounts
- Added 2013

* Two Chevy trucks have been expensed and therefore orig cost has been removed from plant.



September 5, 2014

Dennis Kirk, President
Crooked River Ranch Water Company
13845 Commercial Loop
Terrebonne OR 97760

RE: Rural Development Loan and Grant Conditions,
Water System Improvement Project

Dear Mr. Kirk and Board of Directors:

LETTER OF CONDITIONS

USDA, Rural Development, Rural Utilities Service (RUS), hereby establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. Any changes in project cost, source of funds, scope of services, and/or any other significant changes in the project or applicant must be reported to and approved by Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. This letter is not to be considered as loan approval or as a representation as to the availability of funds.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application. This form also includes the request for the lowest interest rate possible. This will be either the interest rate at approval or loan closing, whichever is lowest. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

If the conditions set forth in this letter, except those to be met at loan closing, are not met within 60 days from the date in this letter, Rural Development reserves the right to discontinue the processing of the application.

The term "Owner" as used in this letter refers to the above named addressee organization. Rural Development administers the RUS Water and Waste Disposal loan program. The term "facilities" refers to the water system, to be improved to serve the residences and businesses in the area.

Project Description:

The project will consist of the installation of a new 1million gallon elevated storage tank; drilling of new well ; and pipe well to the new tank.

Rural Development • Redmond Area Office
625 SE Salmon Ave. Suite 5• Redmond, OR 97756
Voice (541) 923-4358, Ext 137 • Fax (541) 504-4396

USDA is an equal opportunity provider and employer.

1. **Amount**

The Rural Development, RUS, loan will not exceed \$4,300,000. The grant will not exceed \$1,515,046.

2. **Loan Payment Schedule**

The loan will be payable over a period of 40 years from the date of loan closing. An amortized payment of principal and interest will be scheduled on an annual basis. The Owner will issue a Promissory Note and Deed of Trust. The annual payments will be \$193,629.00, unless you are notified otherwise.

Rural Development will utilize the Preauthorized Debit (PAD) payment process to allow loan payments to be electronically withdrawn from the owner's bank account on the day the payment is due. Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," will be used to formalize authorization of this process.

3. **Interim Financing**

Interim financing shall be obtained immediately prior to the start of construction to finance the facilities during construction. A written commitment from the lender is required prior to RD's concurrence to the award. **Rural Development cannot issue a commitment letter to an interim lender until we have received closing instructions from USDA, Office of General Counsel and construction bids have been obtained confirming that the project can be completed based on available funding.**

These funds, along with other project funds received from other agencies and sources, shall be placed in a "Project Construction Account." Such funds will be expended only for eligible project expenses approved by Rural Development. The term of the interim financing will be for no less than the total construction period. Upon completion of the project, RUS loan funds will be used to purchase the interim financing debt. The amount of the interim financing will not exceed \$4,300,000.00 including interest.

4. **Disbursement of Funds**

Owner's contribution will be expended before the disbursal of any RUS funds. Other funding, including interim financing will be expended prior to RUS grant funds may be drawn when the interim financing is exhausted.

When interim financing is utilized RUS loan funds will be advanced to the Owner when the loan is closed. RUS loan funds will be exchanged for the Promissory Note and Deed of Trust and the RUS loan funds will be disbursed by the Owner to reimburse interim financing provided by a commercial lender or other approved source. After providing for all authorized project costs, any remaining RUS project funds advanced but not utilized will be returned to Rural Development and canceled.

Once the funds are deposited into the Construction Account, they become your responsibility. Financial institutions or depositaries accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral. General requirements for designating depositaries and regulations governing the pledging of collateral are identified in 31 CFR

Part 202 (“Depositories and Financial Agents of the Federal Government”). Treasury’s current acceptability and valuation requirements are identified in 31 CFR Part 380 (“Collateral Acceptability and Valuation”) and specific eligibility and valuation guidance is provided in Treasury’s procedural instructions and on Treasury’s Bureau of the Public Debt website at www.publicdebt.treas.gov.

All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account at any one time.

Any RD grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account except as follows:

- a. Federal grant awards (includes all federal funding sources) are less than \$120,000 per year.
- b. The best available interest bearing account would not be expected to earn in excess of the following:

Non-Profits

Interest earned on grant funds in excess of \$250 per year will be remitted to the RUS annually as required in 7CFR3019.

Public Bodies

Interest earned on grant funds in excess of \$100 per year will be submitted to RUS at least quarterly as required in 7CFR3016.

5. **Project Budget** - Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project costs:</u>	<u>Total Budgeted:</u>
Construction	\$4,317,663
Engineering Fees (Incl. environmental fees)	\$ 877,947
Legal Counsel	\$ 46,270
Interim Interest	\$ 141,400
Project Contingency	\$ 431,766
TOTALS	\$5,815,046

6. **Excess RUS Loan & Grant Funds**

Your funding needs will be reassessed if there is a significant reduction in project costs after bids are received. Obligated loan or grant funds not needed to complete the proposed project will be de-obligated. Any reduction will be applied to grants first. An “Amended Letter of Conditions” will be issued for any revised project budget.

<u>Project Funding Sources</u>	<u>Funding Amount:</u>
Applicant Contribution	\$ -0-
USDA RUS Loan	\$4,300,000
USDA RUS Grant	\$1,515,046
TOTALS	\$5,815,046

Any changes in funding sources following obligation of RUS funds must be reported to the processing official. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter.

6. User Verification

This letter of conditions is based upon you providing evidence or a certification that there will be at least 1540 residential users and 39 commercial users on the (existing and proposed) system when construction has been completed.

Before the Agency can agree to the project being advertised for construction bids, you must provide evidence or a certification that the total required number of users are currently using the system or signed up to use the system and that the monthly water usage projected for each by the engineer is reasonable. In the event any of the large volume users discontinue the offered service, you must obtain enough additional revenue (i.e., increase in user rates, sign up of an adequate number of other users, reduction in project scope to reduce debt service and O&M, etc.) to make up the projected income that would be lost by not having those users on the system.

You must provide a positive program to encourage connection requirements, you must provide evidence of the ordinance and a certification attesting to the number of users that will be required to connect to the proposed system prior to advertisement bids. A guide for developing your "Positive Program to Encourage Connections" is available if needed.

7. Security Requirements

Security for the loan will be:

- a. Promissory Note and Deed of Trust on all lands owned
- b. Assignment of Income; this assignment is perfected in RUS Bulletin 1780-28, "Loan Resolution Security Agreement" (Non Profits) and the UCC-1 Financing Statement
- c. Assignment of Water Rights
- d. An assignment of all easements
- e. UCC-1 Financing Statement (for a Transmitting Utility) reflecting all movable equipment

The Owner, through its Counsel, is to provide Rural Development with a complete transcript for the Note. The opinion from the Counsel that is to accompany the

Promissory Note Transcript must show that the Note is a valid obligation of the Crooked River Ranch Water Company (See RUS Instruction 1780.14, Section 1780.14 (a)).

8. **Property Rights**

Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights-of-ways needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation and Real Property Acquisition Act.

The Owner has obtained the minimum amount of land necessary for the construction of the facilities. The land was acquired by patent, deed, permit, easement or right-of-way. Any land purchased will be subject to concurrence by the Rural Development and no land will be purchased where the price exceeds the present market value of the land. Prior to advertising for construction bids and in order for Rural Development to obtain closing instructions from its legal counsel and authorize a lender to provide interim financing, the Owner shall provide the following evidence of title to property and evidence of control over the land and rights necessary for the project:

- a. Title Insurance on any land upon which a Water Reservoir, Pump Station, Well or any other structure costing more than \$1,000.00 is to be constructed. A preliminary title report should be provided to RUS as soon as practical.
- b. Right-of-Way easements prepared on Form RD 442-20 or other approved form for all Rights-of-Way which the applicant obtained for the proposed project.
- c. Right-of-Way Map.
- d. A Right-of-Way Certificate prepared by the Owner on Form RD 442.21.
- e. An Opinion of Counsel Relative to Rights-of-Way prepared on Form RD 442-22.
- f. The owner, contractor or responsible party will be required to obtain all required permits for the project prior to advertisement for construction bids. A narrative opinion from your attorney concerning all permits, certificates, licenses and other items necessary to show that all legal requirements can be met and stating how they will be met.

9. **Pollution Control Standards & Other Governmental Requirements**

The Owner is to provide a certificate or letter from the Oregon Department of Water Resources or the Department of Environmental Quality certifying that the facilities will meet applicable pollution control standards. In addition, the owner is to comply with all other requirements of RUS Instruction 1780, Section 1780.57 (g) (h).

10. **Civil Rights & Equal Opportunity –**

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

Section 504 of the Rehabilitation Act of 1973-Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C.794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving agency financial assistance.

Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

11. **Proposed Operating Budget and User Rate Structure**

You must maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance (O&M), debt service, and reserves. You will be required to submit a copy of your proposed annual operating budget and rate analysis to the Agency which supports the proposed loan repayment prior to the Agency giving you written authorization to proceed with the bidding phase. The operating budget should be based on a typical year cash flow after completion of the construction phase. Form RD 442-7 - "Operating Budget" attached or similar form may be utilized for this purpose.

The rate analysis will be required to show the number of users, their average consumption based on a twelve month consecutive average, and rate structure to support

the necessary revenue to make the operating budget cash flow. It is expected that O&M will change over each successive year and user rates will need to be adjusted on a regular basis.

Technical assistance resources may be available to help you evaluate and complete a rate analysis on your system. If you are interested please contact our office for phone numbers and contacts of these organizations.

12. **Business Operations and User Charges**

The Owner is to conduct the business operations in accordance with applicable State Codes and the Owner's rules and regulations. The Owner will provide service from the facilities to all areas where it is economically feasible.

The Owner is to adopt and enforce Rules and Regulations so that all users will pay equitable rates and water conservation will be promoted. The Owner will provide Rural Development copies of these Rules and Regulations adopted by the Owner prior to the start of construction. The rate schedule should result in sufficient income from the users for the Owner to obtain adequate income to pay estimated O&M, reserves and debt service.

13. **Accounts, Records, and Audit Reports**

You may be required to obtain the services of an independent licensed Certified Public Accountant (CPA). When permitted by state statutes or with the approval of the Agency, a state or Federal auditor may perform the audit in lieu of a CPA.

Audit Requirements – You must enter into a written audit agreement with the auditor and submit a copy to the Agency prior to advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided and how irregularities will be reported.

Prior to the advertisement for bids, your accountant must certify to you and the Agency that the accounts and records as required by your bond resolution have been established and are operational.

The following management data will be required from you on an annual basis and be submitted to the Agency as specified below:

- a. A borrower that expends \$500,000 or more in federal financial assistance per fiscal year shall submit an audit performed in accordance with the requirements of OMB Circular A-133. As described above, the total federal funds expended from all sources shall be used to determine federal financial assistance expended. Projects financed with interim financing are considered federal expenditures.
- b. A borrower that expends less than \$500,000 in Federal financial assistance per fiscal year and an outstanding Agency loan balance of \$1,000,000 or more shall

submit an audit performed in accordance with Generally Accepted Government Auditing Standards, (GAGAS).

- c. A borrower that expends less than \$500,000 in Federal financial assistance per fiscal year and has an outstanding Agency loan balance of less than \$1,000,000 may submit a management report, which includes at a minimum a Balance Sheet and an Income and Expense Statement.

Annual Budget and Projected Cash Flow - Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. With the submission of the annual budget, you will be required to provide a current rate schedule, a current listing of the Board or Counsel Members and their terms.

All borrowers who are not required to submit an audit report will, within 60 days following the end of the fiscal year furnish Rural Development with annual financial statements, consisting of a verification of the organization's balance sheet and statement of income and expense report signed by an appropriate official of the organization or other documentation as determined appropriate by the approval official. Form RD 442-2, Statement of Budget, Income and Equity, and RD 442-3, Balance Sheet may be used for this purpose.

Quarterly Reports – Quarterly management reports will be required until the processing office waives the required reports. You may use RD form 442-2 and complete schedule 1, page 1, columns 2-6 as appropriate and page 2. The area office will notify you in writing when the Quarterly reports are no longer required.

14. Insurance and Bonding

Prior to loan closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible.

The Agency strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of the Agency to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. General Liability Insurance – Include vehicular coverage.
- b. Workers' Compensation - In accordance with appropriate State laws.
- c. Position Fidelity Bond(s) or Acceptable Dishonesty Insurance- All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. You should have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The coverage may be increased during construction of this project based on

the anticipated monthly advances. The minimum coverage acceptable to the Agency will be for each position to be bonded for an amount at least equal to one annual installment on your Agency loan or \$193,629. The amount of coverage should be discussed and approved by the Agency. Form RD 440-24, "Position Fidelity Bond" may be used for this purpose.

- d. National Flood Insurance - If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing.
- e. Real Property Insurance – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured and subsurface lift stations except for the value of electrical and pumping equipment. Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all facilities identified above.

15. **Reserve Account**

Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise.

It has been determined as part of this funding proposal that you have sufficient funds to establish reserves for the following purposes and amounts:

As part of this RUS loan proposal you must establish and fund annually a debt service reserve fund equal to 10% of the annual payment each year over the life of the loan until the city accumulates an amount equal to one annual installment. This reserve is required to establish an emergency fund for maintenance and repairs and debt repayment should the need arise. Ten percent of the proposed loan installment is \$19,363 per year.

This reserve should be maintained in a separate bookkeeping account and proof of the reserve balance will be provided each year in the Balance Sheet and/or the Notes to the Financial Statements in the Annual Audit Report. This reserve is in addition to any existing or future reserve account obligations of the Owner.

In addition to the debt service reserve account, you must fund a short lived asset replacement reserve by deposition a sum of \$23,042 annually.

16. **Loan Resolution**

RUS Bulletin 1780-28 "Loan Resolution Security Agreement" (non-profits) and a Resolution of Member or Stockholders showing the correct amount of loan is to be adopted and executed by the Owner and provided to Rural Development prior to the loan closing.

17. **Grant Agreement**

Attached is a copy of RUS Bulletin 1780-12, "Water or Waste System Grant Agreement," for your review. You will be required to execute a completed form prior to the advertisement for construction bids.

18. **Professional Service Contracts**

- a. **Engineering Services** – The Agency must approve any agreements and modifications to agreements for professional engineering services.

The agreement for engineering services should consist of the Engineers Joint Contract Documents Committee (EJCDC) documents as indicated in RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance" or other approved form of agreement.

- b. **Resident Inspector** – Full-time inspection is required unless a written exception is made by the Agency upon your written request. This service is to be provided by the consulting engineer or other arrangements as approved by the Agency.

Prior to the pre-construction conference, a resume of qualifications of the resident inspector(s) will be submitted to the owner and Agency for review and approval. The owner will provide a letter of acceptance for all proposed observers to the engineer and Agency. The resident inspector must attend the pre-construction conference.

- c. **Agreement for Other Professional Services** – Professional services of the following may be necessary: Attorney, bond counsel, accountant, auditor, appraiser, environmental professionals, and financial advisory of fiscal agent (if desired by applicant). Contracts or other forms of agreements for other services including management, operation, and maintenance will be developed by the applicant and presented to the Agency for review and concurrence. Guidance on entering into agreements or contracts of these types is available from the Agency.

19. **Construction Contract Documents, Final Plans and Bidding**

- a. The contract documents should consist of the EJCDC Construction Contract Documents as indicated in RUS Bulletin 1780-26 or other approved form of agreement.
- b. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Construction and Inspections and be submitted to the Agency for approval prior to advertisement for bids.
- c. The use of any procurement method other than competitive bidding must be requested in writing and approved by the Agency.

- d. A preconstruction conference must be held prior to the start of construction with the contractors, the engineer, Owner, resident inspector, other funding agencies' representatives and Rural Development. (Specific attention will be given to the responsibilities of the Owner, its consultants [project architect or engineer], and Rural Development regarding project monitoring, change orders, approval of pay requests, etc.). Rural Development Form RD 1924-16, "Record of Pre-construction Conference," or similar form will be used for the agenda.
- e. The Agency requires prior agency concurrence with all Change Orders, Invoices, and Payment Estimates.

20. **Construction Accounting and Monitoring**

A construction account must be set up and must provide for detailed accounting of all project costs. Payment requests must reflect the dollar amount of each funding agency's share in addition to the Rural Development share.

Project Monitoring Reports: All billed cost or disbursements for the project must be submitted monthly to Rural Development on OR Guide 21, "Project Monitoring Report." The owner must submit copies of all bills, invoices, or statements with the Monitoring Report.

The owner shall provide Rural Development with the initial monthly report prior to the pre-construction conference and continuing until the project is completed and accepted by the owner.

All funds will be disbursed by the owner for authorized construction that has been completed in accordance with approved construction plans and specifications and for land, legal, engineering, interest, and administrative costs related to the project. All proposed payments for construction will be documented on Form RD 1924-18, "Partial Payment Estimate," and will be submitted monthly to Rural Development for review and concurrence **prior to payment by the Owner.**

Electronic Fund Transfer: Once all interim financing funds and contributions by the owner and other agencies have been expended Rural Development grant funds will be advanced to the owner by the Rural Development on a 30-day basis as needed. The owner will provide Rural Development with a complete Form RD 440-11, "Estimate of Funds Needed for 30 Day Period Commencing XXX," or similar form for each advance of funds.

To facilitate a prompt disbursement, Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form" will need to be completed and submitted prior to the initial grant fund request.

21. **Bid Authorization** – Projects are not to be advertised for construction bids until permission to do so has been received from the Rural Development Area Office. Once all conditions outlined in this letter have been met, the Agency may authorize you to advertise the project for construction bids. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide the Agency with (a) bid tabulation and (b) your engineer's evaluation of bids and (c) your recommendation for contract awards.

If the Agency agrees that the construction bids received are acceptable adequate funds are available to cover the total project costs, and all administrative conditions of loan approval have been satisfied, loan closing instructions will be issued to you setting forth any further requirements that must be met before a Notice of award may be issued.

22. **Refinancing and Graduation to Other Credit**

The Owner agrees that if at any time it shall appear to the Government that the Owner is able to refinance the indebtedness from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the Owner will, upon request of the Government, apply for and accept such financing in sufficient amount to repay the Government and will take all action necessary to obtain the financing. Graduation is required by section 333(c) of the Consolidated Farm and Rural Development Act [7 U.S.C. 1983(c)].

23. **Drug-Free Workplace Act of 1988 (P.P. 100-690)**

The Owner must execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants)."

24. **Vulnerability Assessments (VA) and Emergency Response Plans (ERP)**

Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water Act (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VA's and ERP's.

Rural Development requires all financed water and wastewater systems to have a Vulnerability Assessment (VA) and an Emergency Response Plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP is complete prior to bid authorization.

You will also be required to provide a certification that the VA and ERP are complete and are current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide on site assistance if desired.

25. **Debarment, Suspension, and Other Responsibility Matters**

Executive Order 12549 requires the following certifications:

- a. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters." The Owner must execute this form to certify it is not debarred or suspended from Government assistance.

- b. Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion." This form is to be used by the Owner to obtain a certification from any person or entity with which it contracts exceeding \$25,000 in regard to this facility.

26. **Applicable State Statutes and Requirements** – Evidence must also be provided indicating your system has a licensed operator, meeting State requirements, will be available prior to the system becoming operational or a suitable supervisory agreement with a licensed operator is in effect.

27. **Equal Opportunity**

Compliance with Executive Order 11246 is required. The Owner shall complete and adopt Form RD 400-1, "Equal Opportunity Agreement."

28. **Historic Preservation**

The Owner agrees that all facilities will be designed and constructed in a manner which will contribute to the preservation and enhancement of sites, structures, and objects of historical, architectural, and archaeological significance. All facilities must comply with the National Historic Preservation Act of 1966 (16 U.S.C. 470) as supplemented by 36 CFR 800 and Executive Order 11593, "Protection and Enhancement of the Cultural Environment."

29. **Small and Minority Business Utilization**

Affirmative steps should be taken by the Owner to assure that small and minority businesses are utilized when possible as sources of supplies, equipment, construction and services. The Owner should utilize OR Guide 19 of OR Instruction 1942-A when developing a plan for utilizing minority and small business firms. The Owner will submit a written statement or other evidence to Rural Development of the steps taken to comply with this condition.

30. **Environmental Requirements -**

- a. **Mitigation** - At the conclusion of the proposal's environmental review process, specific actions were determined necessary to avoid or minimize adverse environmental impacts. The following list of actions are required for successful completion of the project and must be adhered to during project design and construction:

1. The Crooked River Ranch Water Company shall obtain and comply with all required County, State, and federal permits, including mitigations measures;
2. Notices to land owners and residents with property access along roads to be impacted during construction should receive notices prior to beginning construction with estimated construction schedules and duration of traffic

impacts. Proper signage or traffic control measures should be implemented during construction for vehicle safety.

3. An Inadvertent Discovery Plan (IDP) must be "in place" before construction begins. If earth disturbing activities during project construction uncover cultural materials (i.e. structural remains, historic artifacts, or prehistoric artifacts), the area around the discovery shall be secured, all work shall cease, and the appropriate authorities shall be contacted to discuss appropriate protocol for removal, inventory, and proper preservation of the resource(s). These authorities are: 1) RD State Environmental Coordinator (SEC) Charlotte Rollier, at (503) 414-3356; 2) the Oregon State Historic Preservation Office Archaeologist, Dennis Griffin, at (503) 986-0674. The RD SEC will notify any applicable tribal contacts;
 4. If earth disturbing activities in any portion of the project area uncover human remains, all work shall cease immediately in accordance with Treatment of Native American Human Remains Discovered Inadvertently or through Criminal Investigations on Private and Public, State-Owned Lands in Oregon and ORS 97.740-.994 and 358.905-961. The area around the discovery shall be secured and the Jefferson County Coroner and RD SEC shall be notified immediately. The RD SEC shall notify the State Archeologist at SHPO and the appropriate tribes without delay;
 5. The project will require a Stormwater Management Plan that must be kept at the construction site with records of weekly inspections and storm event monitoring reports. Construction specifications shall contain requirements that reflect DEQ Best Management Practices (BMP) for temporary erosion and sedimentation controls during construction of the project;
 6. When disposing of excess, spoil, or other construction materials on public or private property, the ultimate recipient shall not fill in or otherwise convert wetlands or 100-year floodplain areas delineated on the latest Federal Emergency Management Agency (FEMA) floodplain maps.
- b. Project Modifications – The project as proposed has been evaluated to be consistent with all applicable environmental requirements. If the project or any project element deviates from or is modified from the original approved project, additional environmental review may be required.

31. Restrictions on Lobbying

In order to comply with Section 319 of Public Law 101-121 which prohibits applicants and recipients of Federal contracts, grants and loans from using Federal appropriated funds for lobbying the Federal Government in connection with the award of a specific contract, grant or loan, all contractors and subcontractors must:

- a. Execute the attached Certification for Contracts, Grants, and Loans.
- b. Complete Standard Form LLL, "Disclosure of Lobbying Activities". The Certification (and, if appropriate, the Disclosure) must be provided to Rural Development.

32. **Cost Overruns** – Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date. Cost overruns must be due to high bids or unexpected construction problems that cannot be reduced by negotiations, redesign, use of bid alternatives, rebidding or other means prior to consideration by the Agency for subsequent funding. Such requests will be contingent on the availability of funds.

33. **Use of Remaining Funds**

Applicant contributions and connection or tap fees will be the first funds expended in the project. Remaining funds may be considered in direct proportion to the amounts obtained from each source and handled as follows:

- Remaining funds may be used for eligible loan and grant purposes, provided the use will not result in major changes to the original scope of work and the purpose of the Loan and grant remains the same.
- Agency loan funds that are not needed will be deobligated within 60 days of project completion.
- Grant funds not expended for authorized purposes will be cancelled within 60 days of project completion. Prior to actual cancellation, you and your attorney and engineer will be notified of the Agency's intent to cancel the remaining funds and given appropriate appeal rights.

34. **Loan and Grant Closing**

The loan will be closed in accordance with instructions to be issued by the USDA Office of General Counsel.

Before the loan is closed, the Owner will be required to provide Rural Development with statements from the contractor, engineer, and attorney that they have been paid to date in accordance with their contract or other agreements and in the case of the contractor, he has paid his suppliers and subcontractors. Any exceptions must be authorized under Rural Development Instruction 1780, Section 1780.45.

The RUS loan will be closed after the Owner has complied with the following conditions:

- a. Construction of the project is completed and the Owner, project engineer, and Rural Development approve and accept the project.
- b. The contractors have provided the required warranty bonds.
- c. The Owner shall submit a final report of project funds upon completion of the project. The report shall be in sufficient detail to allow Rural Development to determine that

interim financing funds were expended in compliance with Rural Development loan approval conditions.

Enclosed is the Processing Checklist, which lists the various steps and docket items necessary to accomplish in order to complete the proposed loan. We look forward to continue working with you to complete this project and if you have any questions please contact me at 541-923-4358, ext. 137; or at pam.swires@or.usd.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Pam Swires". The signature is fluid and cursive, with a large initial "P" and a long horizontal stroke extending to the right.

PAM SWIRES
Community Programs Specialist

cc: Sam Goldstein, Community Programs Director
Rachel Reister, CP Specialist
Niall Boggs, PE, WH Pacific, Consulting Engineers
Tommy Brooks, Attorney

Enclosures for Letter of Conditions

Form SF-3881 "Electronic Funds Transfer Payment..."
Form RD 400-1, "Equal Opportunity Agreement"
Form RD 400-4, "Assurance Agreement"
Form AD 3031 "Assurance Regarding Felony Conviction..."
Form RD 440-11, "Estimate of Funds Needed"
Form RD 440-24, "Position Fidelity Schedule Bond"
Form RD 442-2, "Statement of Budget, Income and Equity"
Operating Budget
Form RD 442-20, "Right-of-Way Easement"
Form RD 442-21, "Right-of-Way Certificate"
Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way"
Form RD 1940-1, "Request for Obligation of Funds"
Form RD 1942-46, "Letter of Intent to Meet Conditions"
Form RD-3550-28 "Authorization Agreement for Preauthorized Payments"
Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and
Voluntary Exclusion - Lower Tier Covered Transactions"
RUS Bulletin 1780-12, "Water or Waste System Grant Agreement"
Form RD 1942-8 "Resolution of Membership or Stockholders"
RUS Bulletin 1780-28, "Loan Resolution Security Agreement" (Non Profits)
OR Guide 1, 1780-6, "Processing Checklist"

NOTE: you may access our web-site for many of these forms

www.usda.gov/rus/water



United States Department of Agriculture

Rural Development

September 15, 2014

Oregon State Office

1201 NE Lloyd Blvd
Suite 801
Portland, OR 97232

Voice: (503) 414-3300
Fax: (503) 414-3392

Crooked River Ranch Water Company
Attn: Dennis Kirk, President
13845 Commercial Loop
Terrebonne, OR 97760

RE: Crooked River Ranch Water Company
\$4,300,000.00 Loan and \$1,515,046.00 Grant
Water System Improvement Project

Dear Mr. Kirk:

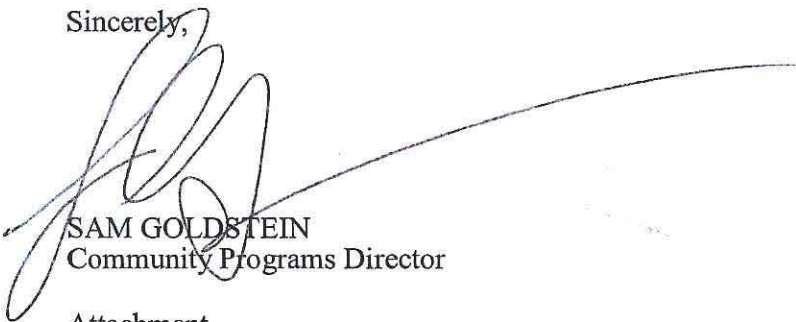
Rural Development is pleased to advise you that your request for a loan in the amount of \$4,300,000.00 and a grant in the amount of \$1,515,046.00 has been approved. We have received official notification from our Finance Office that funds have been set aside for the project as of today.

For your official records, we are providing you with Form RD 1940-1, "Request for Obligation of Funds."

Please continue to comply with the requirements listed in our Letter of Conditions, dated **September 5, 2014**.

If you have any questions, please contact Pam Swires, Community Programs Specialist in the Redmond Area office, telephone (541) 923-4358 ext. 137.

Sincerely,



SAM GOLDSTEIN
Community Programs Director

Attachment

cc: Pam Swires, Community Programs Specialist, Redmond Area Office, Rural Development

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

STATE OF OREGON
WATER SUPPLY WELL REPORT

(as required by ORS 537.765)
 Instructions for completing this report are on the last page of this form

JEFF 50662
 50662

WELL ID # L L43040

(START CARD) # 131169

(1) OWNER: Well Number: 2

Name Crooked River Ranch Water Company
 Address P.O. Box 1388
 City Crooked River Ranch State OR Zip 97780

(2) TYPE OF WORK:
 New Well Deepening Alteration (repair/recondition) Abandonment

(3) DRILL METHOD:
 Rotary Air Rotary Mud Cable Auger
 Other

(4) PROPOSED USE:
 Domestic Community Industrial Irrigation
 Thermal Injection Livestock Other

(5) BORE HOLE CONSTRUCTION:
 Special Construction approval Yes No Depth of Completed Well 461+ ft.
 Explosives used Yes No Type _____ Amount _____

HOLE		SEAL		Amount
Diameter	From To	Material	From To	sacks or pounds
15.5	0 462	Not Disturbed		

RECEIVED

How was seal placed: Method A B C D E
 Other Not Disturbed AUG 28 2000
 Backfill placed from _____ ft. to _____ ft. Material _____
 Gravel placed from _____ ft. to _____ ft. Size of gravel _____

(6) CASING/LINER: SALEM, OREGON

	Diameter	From	To	Gauge	Steel	Plastic	Welded	Threaded
Casing:					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liner:	14in	+2.5	461	.250	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Final location of shoe(s) _____

(7) PERFORATIONS/SCREENS:

From	To	Slot size	Number	Diameter	Tele/pipe size	Casing	Liner
341	401	1/8	1680	14in	pipe	<input type="checkbox"/>	<input checked="" type="checkbox"/>
401	461	1/8	3360	14in	pipe	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(8) WELL TESTS: Minimum testing time is 1 hour
 Pump Bailor Air Flowing Artesian

Yield gal/min	Drawdown	Drill stem at	Time
850	2	340	24 hr.

Temperature of Water 48 Depth Artesian Flow found _____
 Was a water analysis done? Yes By whom Coffey Labs
 Did any strata contain water not suitable for intended use? Too little
 Salty Muddy Odor Colored Other _____
 Depth of strata: _____

(9) LOCATION OF WELL by legal description:
 County Jefferson Latitude _____ Longitude _____
 Township 13S N or S. Range 12E E or W. of W.M.
 Section 24B SW 1/4 NW 1/4
 Tax lot 2800 Lot _____ Block _____ Subdivision _____
 Street Address of Well (or nearest address) 13845 SW Commercial Loop, Crooked River Ranch, OR

(10) STATIC WATER LEVEL:
282 ft. below land surface. Date 6/28/2000
 Artesian pressure _____ lb. per square inch. Date _____

(11) WATER BEARING ZONES:

Depth at which water was first found _____

From	To	Estimated Flow Rate	SWL

(12) WELL LOG: Ground elevation 2540

Material	From	To	SWL
Well was surveyed and found to have significant deflection zones beginning just below the existing surface seal. The records indicate that this well was originally drilled with a cable tool. While the hole was fairly straight it had alignment problems that would prevent the placement of liner casing in the borehole without removing the crooked zones. The drill string was tooled up with two 20ft. full bodied stabilizers and a 15.5" roller cone hole opener bit. Reaming and straightening was necessary from top to bottom. The most significant deviation was from 325 ft. to 380 ft. After making several passes with the drill string, casing placement occurred without event until the 400 ft. level where we had to push on it from time to time to advance the casing to the borehole bottom. We believe there is a significant water bearing zone in the well bottom as we had very little in the way of material from reaming operations in the hole. Our determination is that there is live moving water in the bottom to carry drill cuttings away.			

Date started 6/21/2000 Completed 6/29/2000

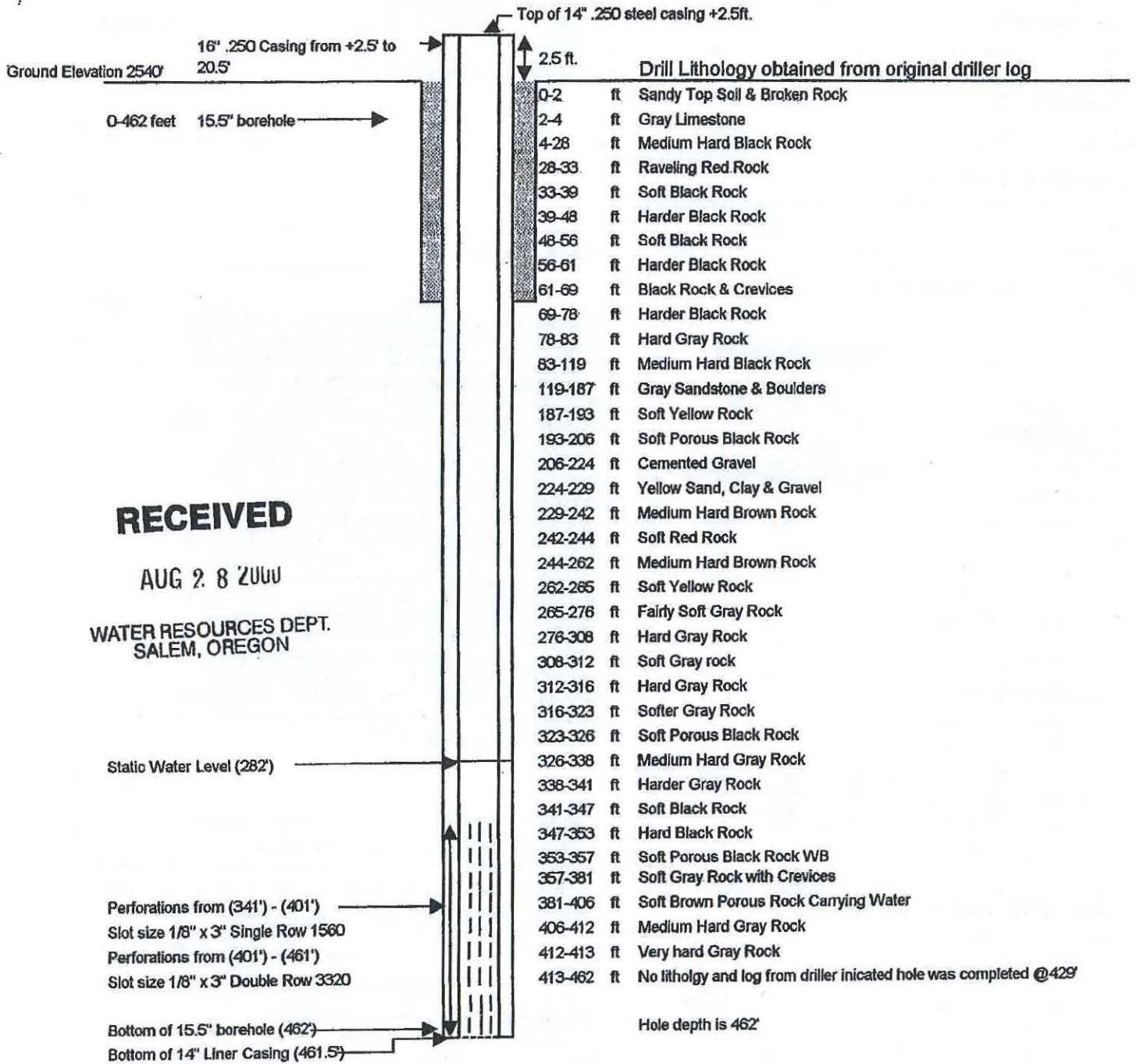
(unbonded) Water Well Constructor Certification:
 I certify that the work I performed on the construction, alteration, or abandonment of this well is in compliance with Oregon water supply well construction standards. Materials used and information reported above are true to my best knowledge and belief.
WESTERN WATER DEVELOPMENT
 P.O. Box 1670 WWC Number _____
 Signed _____ Date _____
Redmond, OR 97756

(bonded) Water Well Constructor Certification:
 I accept responsibility for the construction, alteration, or abandonment work performed on this well during the construction dates reported above. All work performed during this time is in compliance with Oregon water supply well construction standards. This report is true to the best of my knowledge and belief.
 Signed Robert Buckner WWC Number 1385 Date 7/21/2000
Robert Buckner

JEFJEFF 50662
50662

WESTERN WATER DEVELOPMENT
P.O. Box 1670
Redmond, OR 97756

**Crooked River Ranch Water Company
WELL #2 CONSTRUCTION DIAGRAM**



Crooked River Ranch Water Co.
PO Box 1388
Crooked River Ranch, OR 97760

JEFF
488

13S/12E/24
13S/12E/24-bbc

Application 6-12579
Permit 6-11376

480 V

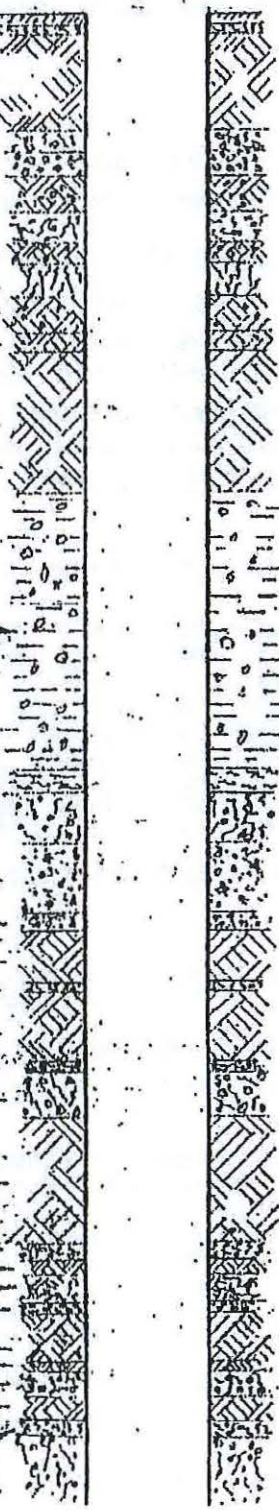
Well #2
Community Supply
Total Depth = 429 ft
Completed Depth = 429 ft
Date Drilled ?

GRR WELL LOG Jefferson County

WELL NO. 2
NOT TO SCALE

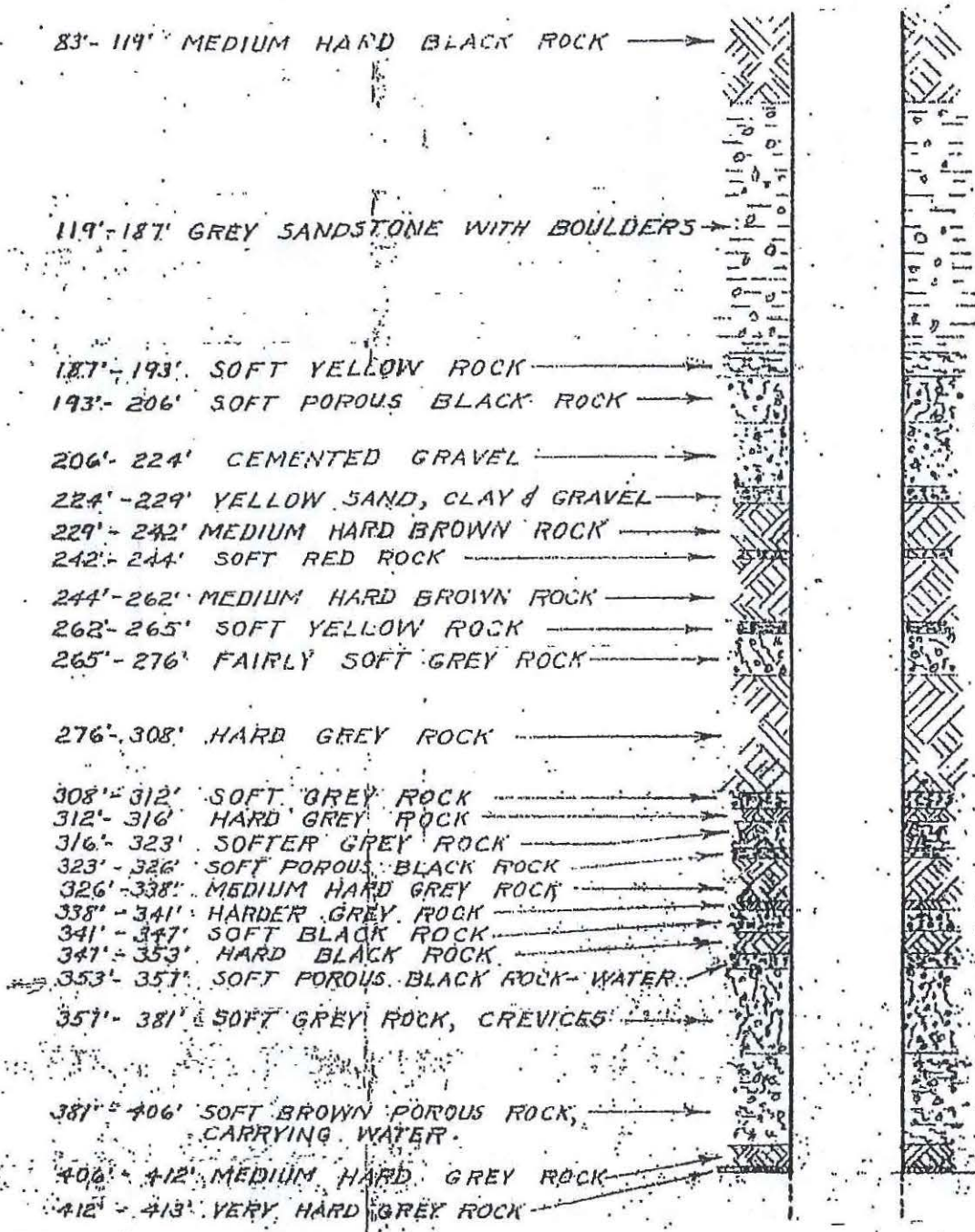
AUTO
TRANSFORM
START

- 1'-2' TOPSOIL
- 2'-4' GREY LIMESTONE
- 4'-28' MEDIUM HARD BLACK ROCK
- 28'-33' RAVELING RED ROCK
- 33'-39' SOFT BLACK ROCK
- 39'-48' HARDER BLACK ROCK
- 48'-56' SOFT RED ROCK
- 56'-61' HARDER BLACK ROCK
- 61'-69' BLACK ROCK, CREVICES
- 69'-78' HARDER BLACK ROCK
- 78'-83' HARD GREY ROCK
- 83'-119' MEDIUM HARD BLACK ROCK
- 119'-187' GREY SANDSTONE WITH BOULDERS
- 187'-193' SOFT YELLOW ROCK
- 193'-206' SOFT POROUS BLACK ROCK
- 206'-224' CEMENTED GRAVEL
- 224'-229' YELLOW SAND, CLAY & GRAVEL
- 229'-242' MEDIUM HARD BROWN ROCK
- 242'-244' SOFT RED ROCK
- 244'-262' MEDIUM HARD BROWN ROCK
- 262'-265' SOFT YELLOW ROCK
- 265'-276' FAIRLY SOFT GREY ROCK
- 276'-308' HARD GREY ROCK
- 308'-312' SOFT GREY ROCK
- 312'-316' HARD GREY ROCK
- 316'-323' SOFTER GREY ROCK
- 323'-326' SOFT POROUS BLACK ROCK
- 326'-338' MEDIUM HARD GREY ROCK
- 338'-341' HARDER GREY ROCK
- 341'-347' SOFT BLACK ROCK
- 347'-353' HARD BLACK ROCK
- 353'-357' SOFT POROUS BLACK ROCK - WATER
- 357'-391' SOFT GREY ROCK CREVICES



S
N07

* Data from water right application file 6-12579.
Well located by USGS in 1994 as part of Middle
Deschutes groundwater study.
Karl L. Wozniak



NOTES

1. REMOVE EXISTING 2" CONCRETE SLAB. INSTALL 6" CONCRETE SLAB WIT WIRE MESH REINFORCING.
2. EXTEND 16" Ø CASING 18" TO 21" TO PROVIDE 24" FROM TOP OF CASING FINISHED FLOOR SLAB, FULL DEPTH WBLD.
3. INSTALL 2" Ø WELL VENT WITH SCREENED RETURN BEND. WELD 2" Ø PIPE TO PLACEMENT OF NEW CONCRETE SUPPORT.
4. INSTALL AIR LINE TO 1320 FT LEVEL. MOUNT DEPTH GAGE (READING IN FT. CF)
5. DRILL EXISTING CONS. SUPPORT & SET 8-3/4" x 12" STL. DOWELS WITH EPXY.
6. INSTALL 3" STL. RETURN LINE FROM PRESSURE RELIEF VALVE TO 16

Application No. 6-12579

Permit No. SANITARY SURVEY REPORT OREGON HEALTH DIVISION DRINKING WATER PROGRAM COMMUNITY WATER SYSTEMS	SUPPLY NAME: CROOKED RIVER RANCH ID NUMBER : 4100862 COUNTY : JEFFERSON SURVEYED BY: JOHN STRAUGHAN DATE : 1/24/90
Sheets Attached:	
<input type="checkbox"/> Narrative Summary/Recommendations <input type="checkbox"/> Inventory Master Data <input type="checkbox"/> Water System Schematic <input type="checkbox"/> Location Map(s)	<input type="checkbox"/> Storage/Distribution <input type="checkbox"/> Booster Pumps/Production Data <input type="checkbox"/> Certification <input type="checkbox"/> Monitoring/Water Quality
Additional Attachments:	WELL LOGS, CODE SHEETS
Narrative Summary:	<p>Crooked River Ranch is a community system in Jefferson county bounded by the Deschutes River, the Crooked River and Deschutes county. The water system relies on an 800 gpm well for their source and the golf course well as an emergency source. There are two reservoirs which have a combined volume of 800,000 gallons. The water system was started as a development about 1973, Therefore system is relatively new and in good repair.</p>
Requirements/Recommendations:	<p>REQUIREMENTS:</p> <ol style="list-style-type: none">1. Prepare a sampling plan for the water system.2. Complete monitoring for radiological contaminates, sodium and corrosivity as per monitoring section. <p>RECOMMENDATIONS:</p> <ol style="list-style-type: none">1. Seal holes in well pump bases.2. Contact a professional engineer to prepare a master plan for the water system.

RECEIVED
JUN 18 1991

WATER RESOURCES DIV.
SALEM, OREGON

INVENTORY MASTER INFORMATION

SUPPLY NAME: CROOKED RIVER RANCH
ID NUMBER : 4100862

Date of Last Survey:	(MM/DD/YY)	7/30/86
System Type:		C
Ownership of System:	(1,2,3,4,5)	2
Population Served:	(Total Number)	1200
Number of Connections:	(Total Number)	600
Twelve-Month Period:		T
Year-Round Residents		Y
Primary Service Characteristic:	(R,T,S,O)	R
Secondary Service Characteristic:	(1,2,3,4,5,6,9)	4
Number of Sources:	(Total Number)	2
Counties Served (Refer to Codes):	(_/_/_)	16
Emergency Systems Available (Name & ID Number):		
PWS _____	(41_____)	-
PWS _____	(41_____)	-
PWS _____	(41_____)	-
Percent Ground:	(%)	100
Percent Surface:	(%)	-
Percent Purchased Ground:	(%)	-
Percent Purchased Surface:	(%)	-
Active:	(Y/N)	Y
Activate Date	(MM/DD/YY)	-
Deactivate Date	(MM/DD/YY)	-
Deactivate Reason:	(A,C,D,M,N,O,P,R,S,U,O)	-
Number of Tanks in Supply:	(Total Number)	2
Number of Gallons in Storage:	(Total Number)	800,000

Mailing Address	PO BOX 1388
City/State/Zip	CROOKED RIVER RANCH, OR 97760
Contact Name/Phone	KEN WOLF 923 1041
Comments	OPERATOR

Legal (Owner) Address	PO BOX 1388
City/State/Zip	CROOKED RIVER RANCH, OR 97760
Contact Name/Phone	DICK BROWNLEY
Comments	CHAIRMAN WATER ASSOCIATION

Supply Address	SAME
City/State/Zip	
Contact Name/Phone	
Comments	

SOURCE DATA (Sources for Individual Compliance Monitoring)

Source ID	Source Name	Type	Seller	Status	VOC	SOC	SWI
A	WELL #2	G	41	P	Y	-	N
B	WELL #3	G	41	E	Y	-	N
C			41				
D			41				

* (S)urface/(G)round/(P)urchased Surface/(W)urchased Ground
 ** (P)ermanent/(S)easonal/(E)mergency/(O)ther/(I)nterim
 *** Vulnerability to Contamination - (Y)es/(N)o
 VOCs/SOCs/Surface Water Influence

SOURCE OF SUPPLY - WELL

SUPPLY NAME: CROOKED RIVER RANCH
ID NUMBER : 4100862

Source ID/Detail ID - Well Detail Name

A	A	WELL #2
B	A	WELL #3

Well Data:

Source ID Letter:		A	B		
Detail ID Letter:		A	A		
Well/Spring/Stream:		W	W		
Source/Detail Status:	(P/S/E/O/I)	P	E		
Treatment Objective/Process:	()	A	A		
Treatment Objective/Process:	()	-	-		
Treatment Objective/Process:	()	-	-		
Treatment Objective/Process:	()	-	-		
Capacity:	(GPM)	3000	2500		
Latitude: Degrees	()	44	44		
Minutes	()	26	25		
Seconds	()	05	20		
Longitude: Degrees	()	123	123		
Minutes	()	14	14		
Seconds	()	48	10		
Location Map Included (USGS):	(Y/N)	Y	Y		
Well Log Attached:	(Y/N)	Y	N		
Depth of Well:	(FT.)	429	494		
Year of Installation:	(19)	-	49		
Casing Diameter:	(IN.)	16	16		
Grout Seal:	(Y/N)	Y	Y		
Gravel Pack:	(Y/N)	N	N		
Openings - Screens/Slots/Torch:	(S/L/T)	-	-		
Length of Open Interval:	(FT.)	28	35		
Depth to Top of Intake:	(FT.)	353	307		
Water Level Device:	(Y/N)	Y	Y		
Static Water Level:	(FT.)	280	286		
Pumping Water Level:	(FT.)	282	288		
Comments:					

Pump Data:

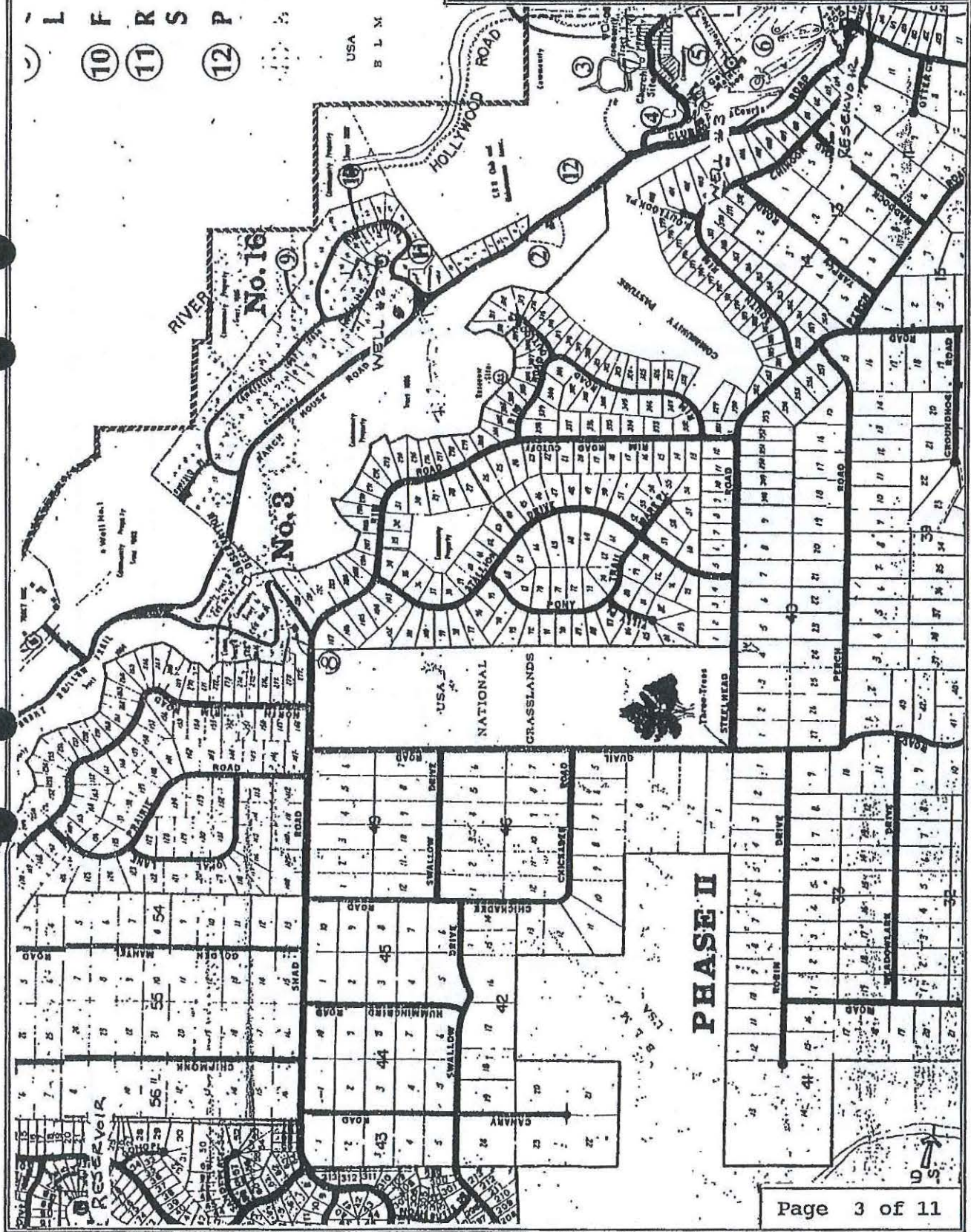
Pump Type:	(VT, SU, CE, SJ, DJ, OT)	VT	VT		
Pump Setting:	(FT.)	319	380		
Capacity:	(GPM)	800	475		
At TDH:	(FT.)	580	570		
Discharge Pressure:	(PSI)	105	80		
Horsepower:	(HP)	150	100		
Date Pump Pulled:	(19)	-	-		
Bearing Lubrication - (Oil/Water):	(O/W)	W	W		
Pump Base Sealed:	(Y/N)	Y	Y		
Comments:					

WATER SYSTEM OVERALL SCHEMATIC

SUPPLY NAME: CROOKED RIVER RANCH
ID NUMBER : 4100862

L F R S P
⑩ ⑪ ⑫

USA
BLM



PHASE II

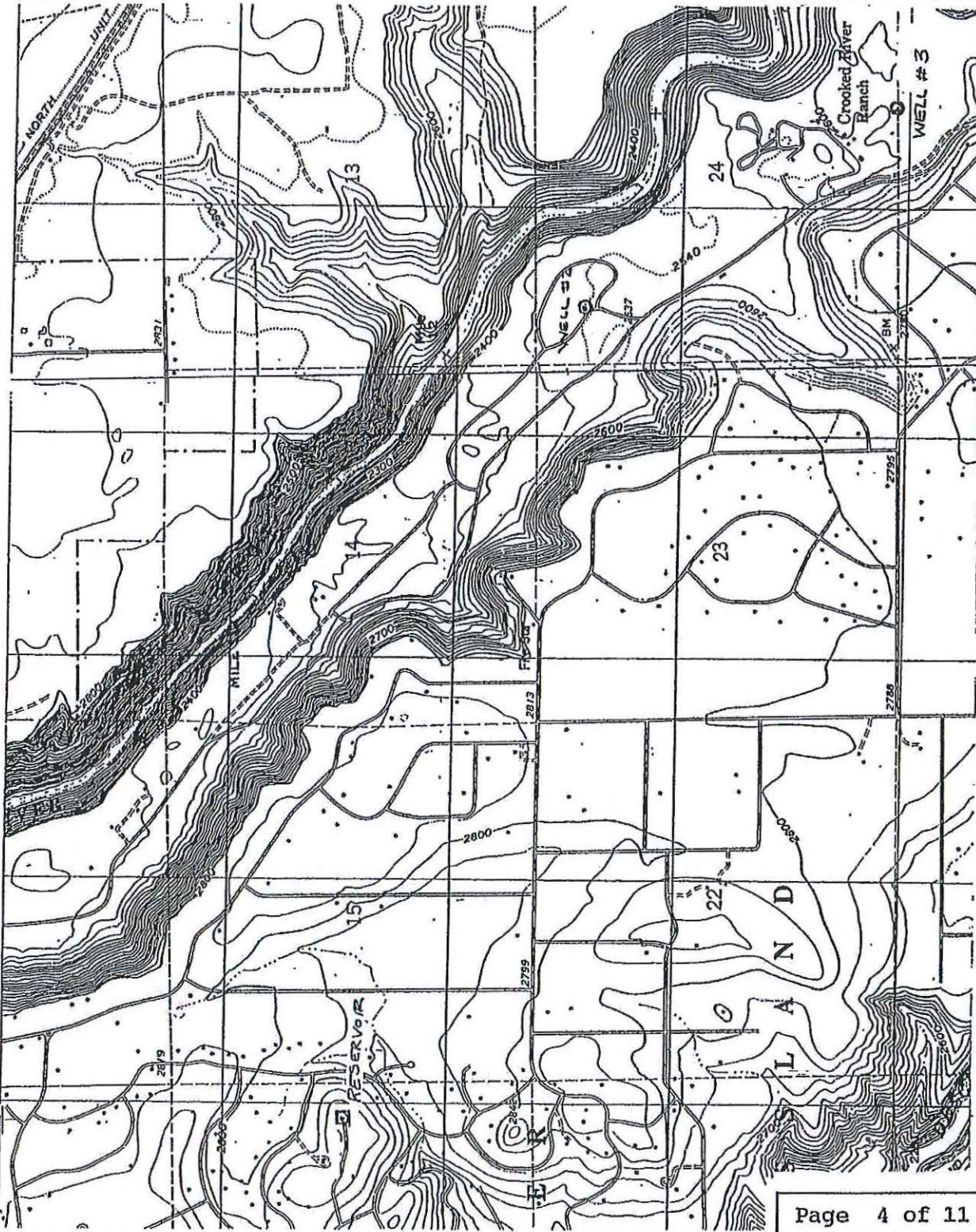
LOCATION MAP (USGS QUAD SHEET)

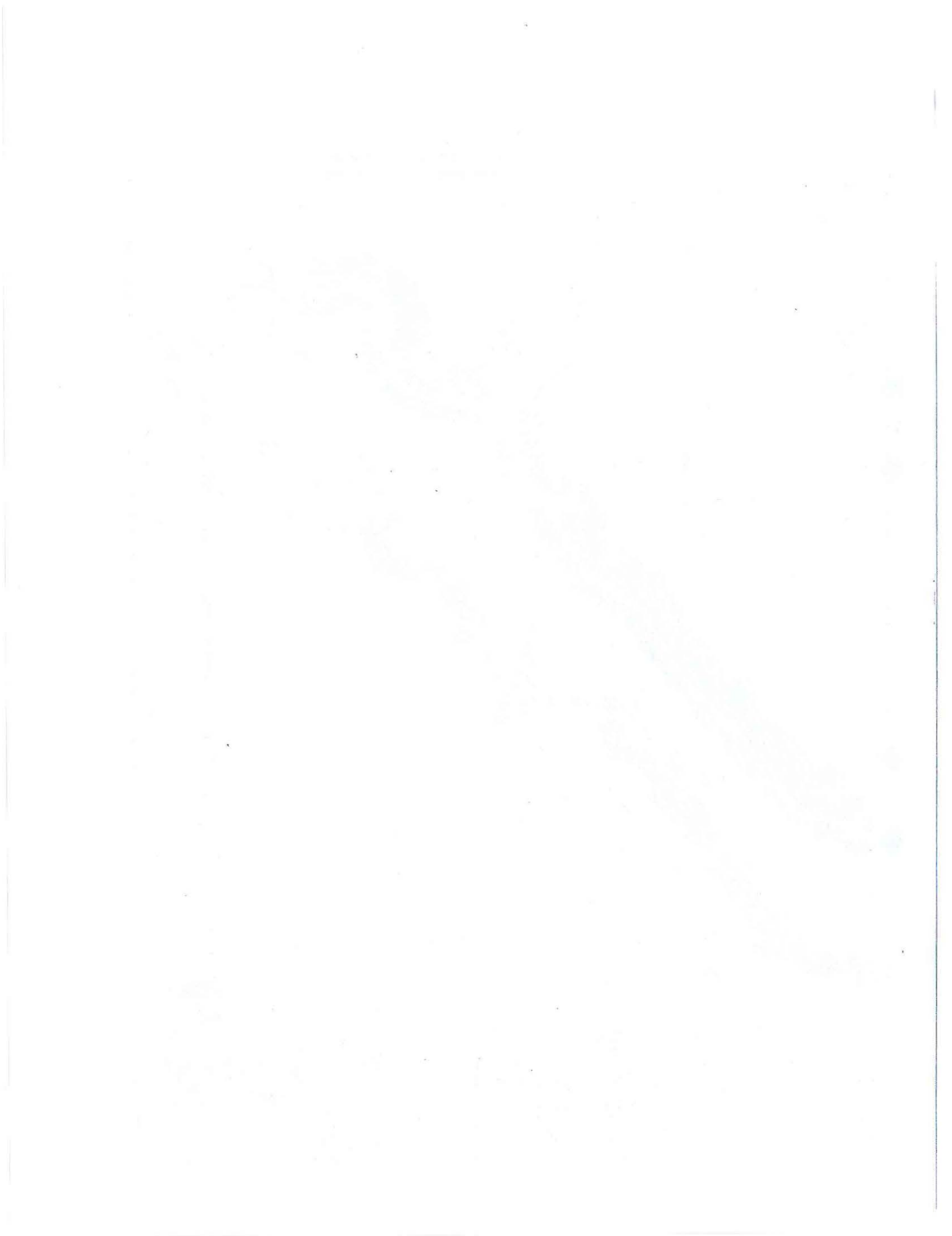
SUPPLY NAME: CROOKED RIVER RANCH
ID NUMBER : 4100862

Quadrangle Map

USGS Map Name - OPAL CITY, OREG
USGS Map Number - 44121-D2-TF-024

STEELHEAD FALLS, OREG
44121-D3-TF-024





STATE OF OREGON
WATER WELL REPORT
 (as required by ORS 537.765)

JEFF
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 PAGE 1 of 2

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13s/12e/16de
 pg. 1

(START CARD) #65238

(1) OWNER:

Well Number: **4**
 Name Crooked River Ranch
 Address: PO Box 1388
 City Crooked River Ranch State OR Zip 97760

(2) TYPE OF WORK:

New Well Deepen Recondition Abandon

(3) DRILL METHOD:

Rotary Air Rotary Mud Cable
 Other

(4) PROPOSED USE:

Domestic Community Industrial Irrigation
 Thermal Injection Other

(5) BORE HOLE CONSTRUCTION:

Special Construction approval Yes No Depth of Completed Well 951 ft.
 Explosives used Yes No Type _____ Amount _____

HOLE			SEAL		Amount	
Diameter	From	To	Material	From	To	sacks or pounds
20	0	16	Cement	0	30	35 sacks
18	16	762	7 Sack Slur	30	495	14 yards
13	762	882	Cement	495	520	50 sacks
12 1/2	882	951				

How was seal placed: Method A B C D E
 Other

Backfill placed from _____ ft. to _____ ft. Material _____
 Gravel placed from _____ ft. to _____ ft. Size of gravel _____

(6) CASING/LINER:

Casing/Liner	Diameter	From	To	Gauge	Material			
					Steel	Plastic	Welded	Threaded
Casing	14	+1	762	.375	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Liner					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Final location of shoe(s) _____

(7) PERFORATIONS/SCREENS:

Perforations Method Swift Factory Perf.
 Screens Type _____ Material _____

From	To	Slot size	Number	Diameter	Tele/pipe size	Casing	Liner
640	760	3/8x2	5600	14		<input checked="" type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>

(8) WELL TESTS: Minimum testing time is 1 hour

Pump Bailor Air Flowing Artesian

AIR pump

Yield gal/min	Drawdown	Drill stem at	Time
890	N/A	951	1 hr.
750	2'	602	8 hr.
1400	8'	602	5 min.

Temperature of Water 54 Depth Artesian Flow Found _____

Was a water analysis done? Yes By whom _____

Did any strata contain water not suitable for intended use? Too little

Salty Muddy Odor Colored Other _____

Depth of strata: _____

(9) LOCATION OF WELL by legal description:

County Jefferson Latitude _____ Longitude _____
 Township 13 S N or S. Range 12 E B or W. WM.
 Section 16 NE 1/4 SE 1/4
 Tax Lot 72 Lot # 7 Block _____ Subdivision _____
 Street Address of Well (or nearest address) Cinder Road

(10) STATIC WATER LEVEL:

502 ft. below land surface. Date 5-26-93

Artesian pressure _____ lb. per square inch. Date _____

(11) WATER BEARING ZONES:

Depth at which water was first found 504

From	To	Estimated Flow Rate	SWL
600	762	300	502
762	951	500	502

(12) WELL LOG:

Ground elevation _____

Material	From	To	SWL
Clay and large cobbles Br.	0	6	
Basalt fractured Grey	6	18	
Basalt hard Grey	18	28	
Basalt fractured Grey	28	33	
Basalt weathered Grey with clay soft yellowish brown	33	50	
Sandstone med. conglomerate	50		
Brown			
Sandstone	50		
Conglomerate		128	
Pumice	128	132	
Conglomerate	132	156	
Lava med. gry. rounded	156	208	
Basalt and gry. & brn. with fractures	208	216	
Basalt lavender hard	216	225	
Basalt gry. & brn. hard	225	260	
Basalt very hard	260	326	
Soft rock brn. weathered	326	345	
Sandstone conglomerate	345	425	
Basalt red hard	425	470	

cont. page 2

Date started _____ Completed _____

(unbonded) Water Well Constructor Certification:

I certify that the work I performed on the construction, alteration, or abandonment of this well is in compliance with Oregon well construction standards. Materials used and information reported above are true to my best knowledge and belief.

Signed [Signature] WWC Number 1358
 Date 6-8-94

(bonded) Water Well Constructor Certification:

I accept responsibility for the construction, alteration, or abandonment work performed on this well during the construction dates reported above. All work performed during this time is in compliance with Oregon well construction standards. This report is true to the best of my knowledge and belief.

Signed [Signature] WWC Number 1358
 Date 6-8-94

STATE OF OREGON
WATER WELL REPORT
 (as required by ORS 537.765)

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 880
 PAGE 2 of 2

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 pg. 2

WATER RESOURCES DEPT. (START CARD) # 65238

(1) OWNER: Well Number 4
 Name Crooked River Ranch
 Address PO Box 1388
 City Crooked River Ranch State OR Zip 97760

(2) TYPE OF WORK:
 New Well Deepen Recondition Abandon

(3) DRILL METHOD:
 Rotary Air Rotary Mud Cable
 Other

(4) PROPOSED USE:
 Domestic Community Industrial Irrigation
 Thermal Injection Other

(5) BORE HOLE CONSTRUCTION:
 Special Construction approval Yes No Depth of Completed Well _____ ft.
 Explosives used Yes No Type _____ Amount _____

HOLE Diameter	From To		SEAL Material	From To		Amount sacks or pounds

How was seal placed: Method A B C D E
 Other

Backfill placed from _____ ft. to _____ ft. Material _____
 Gravel placed from _____ ft. to _____ ft. Size of gravel _____

(6) CASING/LINER:

Diameter	From	To	Gauge	Material			
				Steel	Plastic	Welded	Threaded
Casing:				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Liner:				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Final location of shoe(s) _____

(7) PERFORATIONS/SCREENS:

Perforations Method _____
 Screens Type _____ Material _____

From	To	Slot size	Number	Diameter	Telc/pipe size	Casing	Liner
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>
						<input type="checkbox"/>	<input type="checkbox"/>

(8) WELL TESTS: Minimum testing time is 1 hour

Pump Bailor Air Flowing Artesian

Yield gal/min	Drawdown	Drill stem at	Time
			1 hr.

Temperature of Water _____ Depth Artesian Flow Found _____
 Was a water analysis done? Yes By whom _____
 Did any strata contain water not suitable for intended use? Too little
 Salty Muddy Odor Colored Other _____
 Depth of strata: _____

SALEM, OREGON
 (9) LOCATION OF WELL by legal description:
 County Jefferson Latitude _____ Longitude _____
 Township 13 S N or S, Range 12 E E or W. WM.
 Section 16 NE 1/4 SE 1/4
 Tax Lot 72 Lot # 7 Block _____ Subdivision _____
 Street Address of Well (or nearest address) Cinder Road

(10) STATIC WATER LEVEL:
 _____ ft. below land surface. Date _____
 Artesian pressure _____ lb. per square inch. Date _____

(11) WATER BEARING ZONES:

Depth at which water was first found _____

From	To	Estimated Flow Rate	SWL

(12) WELL LOG: Ground elevation _____

Material	From	To	SWL
Pumice conglomerate	470	562	
Sandstone brn.	562	600	
Basalt grey hard	600	633	
Sandstone brn. conglomerate	670		
Soft drilling		695	
Basalt gry. hard	695	708	
Basalt med. weathered	708	714	
Basalt hard gry. with fractures	714	762	
Conglomerate	762	845	
Pumice conglomerate	845	865	
Basalt grey hard	865	882	
Lava pourous red & brn.	882	913	
Hard grey	913	921	
Lava red broken & pourous	921	927	
Basalt grey hard	927	951	

Date started 4-25-94 Completed 5-26-94

(unbonded) Water Well Constructor Certification:
 I certify that the work I performed on the construction, alteration, or abandonment of this well is in compliance with Oregon well construction standards. Material used and information reported above are true to my best knowledge and belief.

Signed Byron B. Hatfield WWC Number _____
 Date _____

(bonded) Water Well Constructor Certification:
 I accept responsibility for the construction, alteration, or abandonment work performed on this well during the construction dates reported above. All work performed during this time is in compliance with Oregon well construction standards. This report is true to the best of my knowledge and belief.

Signed Byron B. Hatfield WWC Number 1358
 Date 6-8-94

STATE OF OREGON
COUNTY OF JEFFERSON AND DESCHUTES
PERMIT TO APPROPRIATE THE PUBLIC WATERS

THIS PERMIT IS HEREBY ISSUED TO

CROOKED RIVER RANCH WATER COMPANY
P.O. BOX 879
CROOKED RIVER RANCH, OREGON 97760

503-548-8939

to use the waters of WELLS 2 & 3 in the CROOKED RIVER BASIN for QUASI-MUNICIPAL USE.

This permit is issued approving Application G-12579. The date of priority is JUNE 18, 1991. The use is limited to not more than 5.0 CUBIC FEET PER SECOND (CFS), BEING 2.5 CFS FROM EACH WELL, or its equivalent in case of rotation, measured at the well.

The wells are located as follows:

NW 1/4 NW 1/4, SW 1/4 SE 1/4, SECTION 24, T 13 S, R 12 E, W.M.; WELL 2 - 680 FEET SOUTH AND 780 FEET EAST FROM NW CORNER, SECTION 24, WELL 3 - 80 FEET NORTH AND 480 FEET EAST FROM S 1/4 CORNER, SECTION 24.

The use shall conform to such reasonable rotation system as may be ordered by the proper state officer.

A description of the proposed place of use under this permit is as follows:

NW 1/4 NW 1/4
S 1/2 SW 1/4
SECTION 4
E 1/2 NE 1/4
SE 1/4 SW 1/4
SE 1/4
SECTION 5
NE 1/4
NE 1/4 NW 1/4
SECTION 8
NW 1/4 NW 1/4
S 1/2 NW 1/4
S 1/2
SECTION 9
S 1/2 NW 1/4
SW 1/4
S 1/2 SE 1/4
SECTION 10
SW 1/4 SW 1/4
SECTION 13
SW 1/4 NE 1/4
NW 1/4 NW 1/4
S 1/2 NW 1/4
S 1/2
SECTION 14
ALL
SECTION 15
ALL
SECTION 16
E 1/2 NE 1/4
E 1/2 SE 1/4
SECTION 17
N 1/2
SECTION 21

T-9663 dpa
V.61 p.532
T-7222 L. L. L. L.

N 1/2
NW 1/4 SW 1/4
N 1/2 SE 1/4
SE 1/4 SE 1/4
SECTION 22
NE 1/4
E 1/2 NW 1/4
E 1/2 SW 1/4
SE 1/4
SECTION 23
NW 1/4
S 1/2
SECTION 24
ALL
SECTION 25
ALL
SECTION 26
E 1/2
N 1/2 NW 1/4
SE 1/4 NW 1/4
NE 1/4 SW 1/4
S 1/2 SW 1/4
SECTION 27
N 1/2 NE 1/4
SW 1/4 NE 1/4
NW 1/4
E 1/2 SW 1/4
SE 1/4
SECTION 34
ALL
SECTION 35
N 1/2 NE 1/4
SW 1/4 NE 1/4
W 1/2
SE 1/4
SECTION 36

TOWNSHIP 13 SOUTH, RANGE 12 EAST, W.M.

S 1/2 SW 1/4
SW 1/4 SE 1/4
SECTION 31

TOWNSHIP 13 SOUTH, RANGE 13 EAST, W.M.

N 1/2 NE 1/4
N 1/2 NW 1/4
SW 1/4 NW 1/4
SECTION 1
N 1/2 NE 1/4
SE 1/4 NE 1/4
W 1/2 SW 1/4
SE 1/4 SW 1/4
SECTION 2

ALL
SECTION 3
NW 1/4 NW 1/4
SECTION 11

TOWNSHIP 14 SOUTH, RANGE 12 EAST, W.M.

NW 1/4 NE 1/4
N 1/2 NW 1/4
SECTION 6

TOWNSHIP 14 SOUTH, RANGE 13 EAST, W.M.

Within one year from the date the Water Resources Commission adopts rules describing the schedules, standards and procedures for water conservation management plans by water suppliers, Crooked River Ranch Water Company shall submit a plan which is consistent with said rules.

Within one year of permit issuance, Crooked River Ranch Water Company shall prepare a plan/timetable for the Water Resources Commission which shall indicate the steps which the Water Company intends to pursue to obtain a long-term water supply.

The wells shall be constructed in accordance with the General Standards for the Construction and Maintenance of Water Wells in Oregon. The works shall be equipped with a usable access port, and may also include an air line and pressure gauge adequate to determine water level elevation in the wells at all times. When required by the department, the permittee shall install and maintain a weir, meter, or other suitable measuring device, and shall keep a complete record of the amount of ground water withdrawn.

Prior to receiving a certificate of water right, the permit holder shall submit the results of a pump test meeting the department's standards, to the Water Resources Department. The Director may require water level or pump test results every ten years thereafter.

Actual construction work shall begin on or before November 18, 1992, and shall be completed on or before October 1, 1993. Complete application of the water shall be made on or before October 1, 1994.

B+C to 10-1-98
Failure to comply with any of the provisions of this permit may result in action including, but not limited to, restrictions on the use, civil penalties, or cancellation of the permit.

This permit is for beneficial use of water without waste. The water user is advised that new regulations may require use of best practical technologies or conservation practices to achieve this end.

By law, the land use associated with this water use must be in compliance with statewide land-use goals and any local acknowledged land-use plan.

The use of water shall be limited when it interferes with any prior surface or ground water rights.

Issued this date, NOVEMBER 18, 1991.

/s/ WILLIAM H. YOUNG

Water Resources Department
William H. Young
Director

C08

AMENDED by special order
v. 51 pg. 1235

Oregon Water Resources Department
Water Rights Division



Water Rights Application
Number G-12579

**Final Order Incorporating Stipulation and Agreement
Extension of Time for Permit Number G-11376
(modified by Permit Amendments T-7828 and T-9663)**

Appeal Rights

This is a final order in other than a contested case. This order is subject to judicial review under ORS 183.484. A request for judicial review must be filed within the 60 day time period specified by ORS 183.484(2). Pursuant to ORS 536.075 and OAR 137-004-0080 you may either file for judicial review, or petition the Director for reconsideration of this order. A petition for reconsideration may be granted or denied by the Director, and if no action is taken within 60 days following the date the petition was filed, the petition shall be deemed denied.

Application History

The Department issued Permit G-11376 on November 18, 1991, and was modified by Permit Amendments T-7828 and T-9663 on October 30, 1997 and September 20, 2004, respectively. The permit called for completion of construction by October 1, 1993, and complete application of water to beneficial use by October 1, 1994. On January 12, 2009, Crooked River Ranch submitted an application to the Department for an extension of time for Permit G-11376 (modified by Permit Amendments T-7828 and T-9663). In accordance with OAR 690-315-0050(2), on October 13, 2009, the Department issued a Proposed Final Order (PFO) proposing to extend the time to complete construction and apply water to full beneficial use to October 1, 2028. The protest period closed November 27, 2009, in accordance with OAR 690-315-0060(1). A protest was timely filed by the Crooked River Ranch Club and Maintenance Association.

The attached Stipulation and Agreement is hereby incorporated into this Final Order as if set forth fully herein. Except as expressly stated herein, the Department adopts and incorporates by reference the Proposed Final Order dated October 13, 2009.

As per the terms of the Stipulation and Agreement, paragraphs 2, 6, 7, 8, 12, 13, 14, 15, 16, 17, 18, 24, 29, 30 and 34 of the *Findings of Fact* of the Proposed Final order are modified as follows:

- a. Paragraph 2 shall be revised as follows:

On October 30, 1997 the Department approved Permit Amendment T-7828 (Special Order Final Order: Permit G-11376

Volume 51, Page 1235) authorizing an additional point of appropriation (CRRW Co. Well 1, formerly CRRW Co. Well 4). On September 20, 2004 the Department approved Permit Amendment T-9663 (Special Order Volume 61, page 532) moving the Point of Appropriation from Association Well 3 near the Golf Maintenance Shop to Crater Loop Rd, located 2550 ft North and 2100 ft West from the SE Corner of Section 16 (CRRW Co. Well 3).

b. Paragraph 6 shall be revised as follows:

An "Application for Extension of Time" was submitted to the Department on January 12, 2009, requesting the time to complete construction of the Water Company's water system and apply water to full beneficial use under the terms and conditions of Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) be extended from October 1, 2008 to October 1, 2028.

c. Paragraph 7 shall be revised as follows:

Notification of the Application for Extension of Time for Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) was published in the Department's Public Notice dated April 14, 2009. Public comments were received regarding the extension application from Peter Mohr on behalf of the Association under a letter dated May 14, 2009.

d. Paragraph 8 shall be revised as follows:

On January 12, 2009, the Department received a completed application for extension of time and the fee specified in ORS 536.050.

e. Paragraph 12 shall be revised as follows:

A total of 5.0 cfs of water is authorized under Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) from CRRW Co. Well 1 (formerly CRRW Co. Well 4; Well ID JEFF 880), CRRW Co. Well 2 (Well ID JEFF 888 & JEFF 50662), and CRRW Co. Well 3.

f. Paragraph 13 shall be revised as follows:

The Crooked River Ranch Water Company has not yet made beneficial use of 1.25 cfs of water under Permit G-11376 (modified by Permit Amendments T-7828 and T-9663).

g. Paragraph 14 shall be revised as follows:

As of January 12, 2009, Crooked River Ranch Water Company utilized a peak demand of 3.75 cfs of water from Permit G-11376 (modified by Permit Amendment T-7828 and T-9663).

h. Paragraphs 15, 16, 17, 18, 29 and 30 shall be revised to the extent that the terms "Water Company" shall be inserted immediately after all references to "Crooked River Ranch."

i. Paragraph 24 shall be revised as follows:

Since the issuance of Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) on November 18, 1991, approximately 3.75 cfs of the 5.0 cfs allowed has been appropriated from CRRW Co. Well 1 (formerly CRRW Co. Well 4, Well ID JEFF 880) CRRW Co. Well 2 (Well ID JEFF 888 & JEFF 50662), and Association Well 3 for beneficial quasi-municipal purposes under the terms of this permit.

j. Paragraph 34 shall be revised as follows:

According to Crooked River Ranch Water Company, delay of development under Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) is due in part to civil litigation which temporarily encumbered the company's operations."

As agreed to in item B.4., page 2 of the Stipulation and Agreement, except as provided under the Stipulation and Agreement, all other and remaining terms and conditions of the PFO shall remain in any final order and therefore govern any approval issued by the Department.

At time of issuance of the Proposed Final Order the Department concluded that, based on the factors demonstrated by the applicant, the permit may be extended subject to the following conditions:

CONDITIONS

1. Development Limitations


Appropriation of any water beyond 3.75 cfs under Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) shall only be authorized upon issuance of a final order approving a Water Management and Conservation Plan (WMCP) under OAR Chapter 690, Division 86. The required WMCP shall be submitted to the Department within three years of an approved extension application. Use of water under Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) must be consistent with this and subsequent WMCP's approved under OAR Chapter 690, Division 86 on file with the Department.

The deadline established in this Final Order for submittal of a WMCP shall not relieve a permit holder of any existing or future requirement for submittal of a WMCP at an earlier date as established through other orders of the Department. A WMCP submitted to meet the requirements of this order may also meet the WMCP submittal requirements of other Department orders

Order

The extension of time for Application G-12579, Permit G-11376 (modified by Permit Amendments T-7828 and T-9663), therefore, is approved subject to conditions contained herein. The deadline for completing construction is extended to October 1, 2028. The deadline for applying water to full beneficial use is extended to October 1, 2028.

DATED: November 30, 2011



Dwight French, Administrator of
Water Rights and Adjudications
for

Phillip C. Ward, Director

If you have any questions about statements contained in this document, please contact
Ann Reece at (503) 986-0827.

If you have other questions about the Department or any of its programs, please contact our
Water Resources Customer Service Group at (503) 986-0900

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NOV 28 2011

WATER RESOURCES DEPT
SALEM, OREGON

BEFORE THE OREGON WATER
RESOURCES DEPARTMENT

In the Matter of the Application for an)	
Extension of Time for Permit G-11376)	
(modified by Permit Amendments T-7828)	STIPULATION AND
T-9663), Water Right Application G-12579,)	AGREEMENT
in the name of Crooked River Ranch Water)	
Company)	
_____)	

The Oregon Department of Water Resources (the "Department"), applicant the Crooked River Ranch Water Company (the "Water Company"), and protestant the Crooked River Ranch Club and Maintenance Association (the "Association") (collectively, the "Parties") do hereby stipulate and agree as follows:

A. Stipulation

1. On August 23, 2010, the Circuit Court in and for Jefferson County entered a Limited Judgment in Case No. 09-CV-0049 (the "Limited Judgment") determining that: (a) the Water Company, owner of Permit G-11376 as modified, was never dissolved as a matter of law; (b) the Crooked River Ranch Water Cooperative was not an entity validly formed as an entity separate and distinct from the Water Company; and (c) the Water Company shall "resume carrying on its activities as if dissolution had never occurred," a copy of which judgment is attached hereto and incorporated herein as Exhibit A.

2. Following entry of the Circuit Court's Limited Judgment, and having never been subject to corporate dissolution, the Water Company was administratively reinstated as an operating entity under its amended annual report filed with the Oregon Secretary of State's Office on November 18, 2010.

3. At the time the application for extension (the "Application") was filed, the Water Company assets included, and still include as of the effective date of this Stipulation and Agreement (the "Agreement"), Permit G-11376 as modified and any and all water subject to withdrawal under such permit.

4. The Water Company is a lawfully organized entity and has at all times possessed all right, title and interest in and to the Application as a matter of law.

5. Any act of the Crooked River Ranch Water Cooperative with respect to the Application was performed in its capacity as the agent for the Water Company.

B. Agreement

The Parties stipulate and agree to the following:

1. Any issues timely raised by the Association under its protest to the Proposed Final Order issued on October 13, 2009 (the "PFO") regarding the Crooked River Ranch Water Cooperative's alleged ownership in the Water Company's Permit G-11376 and the then-pending Application are resolved and satisfied on the terms and conditions described in this Agreement.

2. Any alleged assignments of interests maintained within the Department's records and which are purportedly executed by the Water Company to benefit Crooked River Ranch Water Cooperative were and are invalid as a matter of law and shall not be considered of any force or effect regarding any issue or matter within the Department's jurisdiction including, but not limited to, the approval of this Application.

3. Based on the Court's determination in its opinion and order resulting in the Limited Judgment, the Water Company shall be deemed to have submitted the Application, and any act of the Crooked River Ranch Water Cooperative regarding the Application shall be deemed to have been performed on behalf of the Water Company.

4. Except as provided under this Agreement, all other and remaining terms and conditions of the PFO shall remain in any final order and therefore govern any approval issued by the Department.

5. The final order granting the Water Company's Application shall contain revisions to paragraphs 2, 6, 7, 8, 12, 13, 14, 15, 16, 17, 18, 24, 29, 30 and 34 of the *Findings of Fact* of the PFO as follows:

a. Paragraph 2 shall be revised as follows:

On October 30, 1997 the Department approved Permit Amendment T-7828 (Special Order Volume 51, Page 1235) authorizing an additional point of appropriation (CRRW Co. Well 1, formerly CRRW Co. Well 4). On September 20, 2004 the Department approved Permit Amendment T-9663 (Special Order Volume 61, page 532) moving the Point of Appropriation from Association Well 3 near the Golf Maintenance Shop to Crater Loop Rd, located 2550 ft North and 2100 ft West from the SE Corner of Section 16 (CRRW Co. Well 3).

b. Paragraph 6 shall be revised as follows:

An "Application for Extension of Time" was submitted to the Department on January 12, 2009, requesting the time to complete construction of the Water Company's water system and apply water to full beneficial use under the terms and conditions of Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) be extended from October 1, 2008 to October 1, 2028.

c. Paragraph 7 shall be revised as follows:

Notification of the Application for Extension of Time for Permit G-11376 (modified by

Permit Amendments T-7828 and T-9663) was published in the Department's Public Notice dated April 14, 2009. Public comments were received regarding the extension application from Peter Mohr on behalf of the Association under a letter dated May 14, 2009.

d. Paragraph 8 shall be revised as follows:

On January 12, 2009, the Department received a completed application for extension of time and the fee specified in ORS 536.050.

e. Paragraph 12 shall be revised as follows:

A total of 5.0 cfs of water is authorized under Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) from CRRW Co. Well 1 (formerly CRRW Co. Well 4; Well ID JEFF 880), CRRW Co. Well 2 (Well ID JEFF 888 & JEFF 50662), and CRRW Co. Well 3.

f. Paragraph 13 shall be revised as follows:

The Crooked River Ranch Water Company has not yet made beneficial use of 1.25 cfs of water under Permit G-11376 (modified by Permit Amendments T-7828 and T-9663).

g. Paragraph 14 shall be revised as follows:

As of January 12, 2009, Crooked River Ranch Water Company utilized a peak demand of 3.75 cfs of water from Permit G-11376 (modified by Permit Amendment T-7828 and T-9663).

h. Paragraphs 15, 16, 17, 18, 29 and 30 shall be revised to the extent that the terms "Water Company" shall be inserted immediately after all references to "Crooked River Ranch."

i. Paragraph 24 shall be revised as follows:

Since the issuance of Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) on November 18, 1991, approximately 3.75 cfs of the 5.0 cfs allowed has been appropriated from CRRW Co. Well 1 (formerly CRRW Co. Well 4, Well ID JEFF 880) CRRW Co. Well 2 (Well ID JEFF 888 & JEFF 50662), and Association Well 3 for beneficial quasi-municipal purposes under the terms of this permit.

j. Paragraph 34 shall be revised as follows:

According to Crooked River Ranch Water Company, delay of development under Permit G-11376 (modified by Permit Amendments T-7828 and T-9663) is due in part to civil litigation which temporarily encumbered the company's operations.

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6. Each party represents, warrants, and agrees that the person who has executed this Agreement on its behalf has the full right and authority to enter into this Agreement on behalf of that party and bind that party to the terms of the Agreement.

7. This Agreement is binding on the Parties hereto and their respective successors, legal representatives, assigns, or any other person(s) claiming a right or interest through the Parties.

8. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement, binding on the Parties. Delivery of an executed signature page to this Agreement by facsimile transmission is effective as delivery of an original signed counterpart of this Agreement.

9. The Parties agree that this Agreement has been reached in good faith negotiations for the purpose of resolving legal disputes. The Parties agree that neither offers or compromises made in the course of these negotiations nor any of the terms and conditions contained herein shall be construed as admissions against interest.

10. This Stipulation and Agreement is effective as of the date of the last signature hereto.

OREGON WATER RESOURCES DEPARTMENT

By: Dwight French
Dwight French, Water Right Services
Administrator, for Phillip C. Ward, Director
Oregon Water Resources Department

11-8-11
Date

CROOKED RIVER RANCH WATER COMPANY

By: Dennis Kirk
Dennis Kirk, President

11-21-11
Date

CROOKED RIVER RANCH CLUB AND
MAINTENANCE ASSOCIATION

By: Ben Johnson
Ben Johnson, President

11-21-11
Date

034920/00008/3113665v1

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STATE OF OREGON

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IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF JEFFERSON

Case No. 09CV0049

CHARLES NICHOLS, PETER NEUFELD,
LAURENCE ROBBINS, RICHARD
CARNER, DENNIS KIRK, HAROLD LEE,
JIMMY QUIRICONI, KEITH BUCKLEY,
ROBERT RANDIS, BARBARA ROBERTS,
CHARLIE VAWTER, PENNY PLAZZA,
MARY ANN CROSSLEY, SHERIDAN
LOSTER, GEORGE BENTLEY, WILBUR
DURFEE, STAN KIRK, JAMES
McCAWLEY, DALTON CLARK, MIKE
DRUMM, DON BLACK, JACK C.
DEWING, KEVIN SMITH, KAREN
SINIZER and RONALD MEISNER,

Plaintiffs,

v.

CROOKED RIVER RANCH WATER
COMPANY, an Oregon non-profit
corporation; CROOKED RIVER RANCH
WATER COOPERATIVE, an Oregon
cooperative; RICHARD A. KEEN JR.,
RANDOLPH M. SCOTT, BRIAN A.
ELLIOTT, and RICHARD J. MILLER., in
their capacity as board members of the
Crooked River Ranch Water Company and the
Crooked River Ranch Water Cooperative;
JOHN COMBS, in his capacity as a board
member of the Crooked River Ranch Water
Company; JAMES H. ROOKS, in his capacity
as general manager of the Crooked River
Ranch Water Company and as a board
member of the CROOKED RIVER RANCH
WATER COOPERATIVE; and the OREGON
PUBLIC UTILITY COMMISSION, an
administrative agency of the State or Oregon

Defendants.

G-11376 Stip. & Agmt. Exh. A

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1 STATE OF OREGON, by and through John
2 R. Kroger, Attorney General,

3 Intervenor-Plaintiff

4 v.

5 CROOKED RIVER RANCH WATER
6 COMPANY, an Oregon non-profit
7 corporation; CROOKED RIVER RANCH
8 WATER COOPERATIVE, an Oregon
9 cooperative; RICHARD A. KEEN JR.,
10 RANDOLPH M. SCOTT, BRIAN A.
11 ELLIOTT, RICHARD J. MILLER, JOHN
12 COMBS, and JAMES H. ROOKS,

13 Defendants.

Case No. 09CV0049

LIMITED JUDGMENT

14 The Parties, below, stipulate and agree, and the Court finds:

15 A. The Parties stipulating to this limited judgment are:

16 1. Charles Nichols; Peter Neufeld; Laurence Robbins; Richard Carner; Dennis Kirk;
17 Harold Lee; Jimmy Quiriconi; Keith Buckley; Robert Randis; Barbara Roberts; Charles Vawter;
18 Penny Piazza; Mary Jo Crossley; Sheridan Loster; George Bentley; Wilbur Durfee; Stan Kirk;
19 James McCawley; Dalton Clark; Mike Drumm; Don Block; Jack C. Dewing; Kevin Smith;
20 Karen Sinizer; and Ronald Meisner ("Plaintiffs");

21 2. Crooked River Ranch Water Company, an Oregon non-profit corporation;
22 Crooked River Ranch Water Cooperative, an Oregon cooperative; Richard A. Keen, Jr.,
23 Randolph Scott, Brian A. Elliott, and Richard J. Miller, in their capacity as board members of the
24 Crooked River Ranch Water Company and the Crooked River Ranch Water Cooperative; John
25 Combs, in his capacity as a board member of the Crooked River Ranch Water Company;
26 James H. Rooks, in his capacity as general manager of the Crooked River Ranch Water
Company and as a board member of the Crooked River Ranch Water Cooperative;
("Defendants"); and

1 3. The State of Oregon, by and through John R. Kroger, Attorney General
2 ("Intervenor").

3 B. All Parties stipulating to this judgment are parties to this case filed in Jefferson County
4 Circuit Court captioned Nichols, et al. v. Crooked River Ranch Water Company, et al., and State
5 of Oregon, by and through John R. Kroger, Attorney General v. Crooked River Ranch Company
6 et al., case number 09CV-0049 (the "Litigation").

7 C. This limited judgment resolves the First, Second, Third and Fourth Claims for Relief in
8 plaintiffs' Second Amended Complaint and all of the Intervenor's claims for relief with respect
9 to the dissolution of Crooked River Ranch Water Company, but fewer than all of the claims or
10 parties; there is no just reason for delay of entry of a limited judgment.

11 D. In a letter opinion dated July 13, 2010, a copy of which is attached as Exhibit A, and the
12 findings in which are incorporated by this reference, the Court, Honorable Gary Williams,
13 concluded that Crooked River Ranch Water Company's dissolution and reorganization as a
14 cooperative was invalid.

15 E. The parties, above, have reached a Settlement Agreement, a copy of which is attached as
16 Exhibit B.

17 F. That good cause exists to set aside the dissolution of Crooked River Ranch Water
18 Company; to adopt the Settlement Agreement and order the parties, above, to comply with it; to
19 provide that the court will retain jurisdiction pending full performance of the Settlement
20 Agreement; and, to provide that upon the court finding the Settlement Agreement has been
21 performed, that the court will dismiss all remaining claims (all claims except the setting aside of
22 the dissolution) with prejudice and without costs to any Party; now, therefore

23 **IT IS ORDERED AND ADJUDGED**

24 1. The dissolution of Crooked River Ranch Water Company, filed with the Secretary
25 of State on July 5, 2006 is set aside and said corporation shall resume carrying on its activities as
26 if dissolution had never occurred.

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1 2. The Parties' Settlement Agreement is approved and adopted and the Parties are
2 ordered to comply with it.

3 3. Crooked River Ranch Water Company will engage in no activities outside the
4 ordinary course of business until the vote described in the Parties' Settlement Agreement occurs
5 and any new Board members are installed. Specifically:

6 a. Crooked River Ranch Water Company will not dispose of assets other
7 than in the ordinary course of business;

8 b. Crooked River Ranch Water Company will not enter into any contracts
9 with a term of more than 30 days, and will not enter into any contract or amend any existing
10 contract with any other Defendant without approval of the court;

11 c. Crooked River Ranch Water Company will not appoint new directors;

12 d. Crooked River Ranch Water Company will not change its bylaws;

13 e. Following execution of this Agreement, Crooked River Ranch Water
14 Company will not represent to the IRS that it has converted to a cooperative under ORS
15 Chapter 62, but may continue to claim tax exempt status under IRC 501(c)(12) for mutual benefit
16 or cooperative organizations; and

17 f. Crooked River Ranch Water Company will not settle any other litigation
18 without court approval and an opportunity for input by the Attorney General.

19 4. The Court will retain jurisdiction pending full performance of the Settlement
20 Agreement and may enter such further orders as needed to enforce the agreement or provide
21 appropriate relief if the agreement cannot be enforced;

22 ///
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Jefferson County Circuit Court
75 SE "C" Street, Suite C
Madras, OR 97741-1794
www.ojd.state.or.us/jef
541.475.3317
Reply to (✓)



Crook County Circuit Court
300 NE 3rd St.
Prineville, OR 97754-1990
www.ojd.state.or.us/cro
541.447.6541
Reply to ()

Daniel J. Ahern
Circuit Court Judge

George W. Neilson
Presiding Judge

Gary Lee Williams
Circuit Court Judge

Twenty-Second Judicial District

July 13, 2010

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Dept. of Justice
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Salem, OR 97301

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Attorney at Law
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Portland, OR 97204

C. Robert Steringer
Harrang Long Gary Rudnick P.C.
1001 SW Fifth Ave., 16th Floor
Portland, OR 97204

Re: Charles Nichols, et al. v. Crooked River Ranch Water Company, et al.
State of Oregon v. Crooked River Ranch Water Company, et al.
Jefferson Co. Circuit Court Case No. 09CV0049

Gentlemen:

This matter came before the court on Intervener/Plaintiff's motion for summary judgment. It was filed on March 11, 2010. Defendants filed a response to the motion for summary judgment, and as part of the same document, filed a cross-motion for summary judgment. All parties filed responses, or joined in other parties' responses and replies.

Considerable time was spent arguing various aspects of the motion for summary judgment and defendants' cross-motion for summary judgment. Even though the parties presented what they believed to be the threshold issue, that is the validity of the purported dissolution, I allowed argument on all claims and cross-claims for appellate purposes and to allow me to take all information and all undisputed facts into account before making a decision on these issues.

In the motion for summary judgment itself, some of the points (which are labeled POINTS - FACTS AND AUTHORITIES) are not specific claims for summary judgment, but are essentially background information supported by the record in support for Intervener/Plaintiff's position that there was not a lawful, valid dissolution. For example, points 1, 2, 5, 9, 10, 11, 19, 20 and 21 probably fall into that category. Points 12, 13, 14, 15, 16, and

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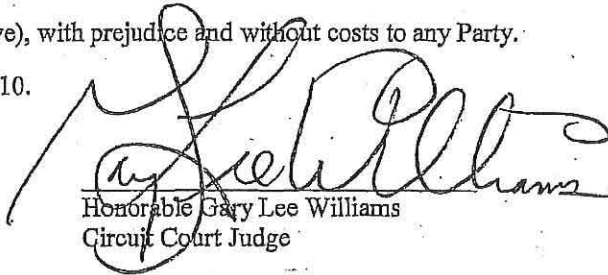
Exhibit A

Page 1 of 3 APPELLATE DIVISION

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1 5. Upon the Court finding that the Settlement Agreement has been performed, that
2 the Court will dismiss all remaining claims (all claims except those resolved by this limited
3 judgment as referenced in Finding "C," above), with prejudice and without costs to any Party.

4 DATED this 23 day of August, 2010.

5
6 
7 Honorable Gary Lee Williams
Circuit Court Judge

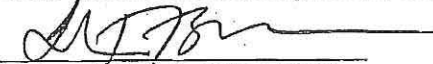
8 So Stipulated:

9 Glenn, Sites, Reeder & Gassner, LLP

10 
11 Timothy R. Gassner OSB 023090
12 Attorneys for Defendants

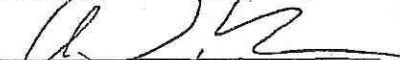
Dated: 8/20/10

13 Cable Huston Benedict Haagenon & Lloyd LLP

14 
15 Tommy A. Brooks OSB 076071
Attorneys for Plaintiffs

Dated: 8-18-2010

16 JOHN R. KROGER, Attorney General, Intervener

17 
18 Albert C. Deppenbrock, OSB 780350
19 Assistant Attorney General

Dated: August 16, 2010

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Letter to Counsel – Nichols v. Crooked River Ranch Water Co., et al

18 are inappropriate for summary judgment resolution, because they all involve disputed issues of material fact.

However, there are factual issues which are not disputed, and lend themselves to summary judgment in this case.

Based on undisputed fact in the record before me, I find that the dissolution of the Crooked River Ranch Water Company and the creation of the Crooked River Ranch Water Cooperative was invalid.

It is agreed that there was no dissolution of the water system itself. Defendants argue that only the legal entity, Crooked River Ranch Water Company, was dissolved. However, there was no change of board members at the time of the dissolution. The tax identification number did not change. There was no forfeiture of member equity upon dissolution and conversion to the cooperative. There was no notice to the membership of the former company. There was no vote submitted to the membership regarding dissolution. The board of directors continued to operate the cooperative in the same way it had previously operated the former company. No assets were transferred to the cooperative. The cooperative does not have its own financial records, but rather has continued the books of the former company. James Rooks, in deposition said, "We really didn't dissolve anything. We just changed the name... nothing changed." The paid staff of the cooperative is the same as under the former company. I conclude that a valid dissolution did not take place.

There has been significant question regarding the validity of the election and/or appointment and service of several board members. Even if members of the board of directors were validly elected or appointed, they had no authority to dissolve the former company by resolution and to form a new company, under their control, without member equity. Because it eliminates members' equity, it would risk a loss of tax exemption or tax exempt status that the company was established for. It also violates the company's articles of incorporation as amended in 1991. The assets are owned by members, and no one has authority to transfer the members' equity to a new company or to another entity without a vote of the membership. ORS 65.441

I also conclude that the dissolution document (the resolution by the board on June 29, 2006) did not constitute a valid dissolution. The resolution did not transfer assets to anyone and the cooperative was not established at that time. The terms of the resolution violates the company's articles of incorporation by forfeiting members' equity. All assets of the company belong to the members, based on the 1991 Articles of Amendment, amending the articles of incorporation. Because the 2001 Articles of Amendment were never filed with the Secretary of State, they are not valid or effective. ORS 65.447. Directors have no authority to take actions that violate the company's articles of incorporation.

If the dissolution was valid the articles of incorporation provide that upon dissolution, the company shall distribute its assets to its members. That was not done in this case. In fact, the

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Exhibit A
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assets were taken from the members and purportedly transferred to a cooperative, which is a separate legal entity.

The act of company dissolution certainly does not qualify as ordinary or regular business of the corporation; rather it is an extraordinary decision. The board had no authority to take that action. Such an action requires the vote of the members. See Official Commentary to the Revised Oregon Non-Profit Corporation Act, ORS Chapter 65. When articles of incorporation and bylaws are silent on whether members have the right to vote for dissolution, members have such a right.

The motion for summary judgment as to the validity of the dissolution is granted, for reasons stated above. Defendants' cross motion for summary judgment is denied. I am not asking any of the parties to prepare a proposed order until our telephonic conference takes place next week.

Truly yours,



Gary L. Williams
Circuit Court Judge

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SETTLEMENT AGREEMENT

Recitals

A. The Parties to this agreement are:

1. Charles Nichols; Peter Neufeld; Laurence Robbins; Richard Carner; Dennis Kirk; Harold Lee; Jimmy Quiriconi; Keith Buckley; Robert Randis; Barbara Roberts; Charles Vawter; Penny Piazza; Mary Jo Crossley; Sheridan Loster; George Bentley; Wilbur Durfee; Stan Kirk; James McCawley; Dalton Clark; Mike Drumm; Don Block; Jack C. Dewing; Kevin Smith; Karen Sinizer; and Ronald Meisner ("Plaintiffs");
2. Crooked River Ranch Water Company, an Oregon non-profit corporation; Crooked River Ranch Water Cooperative, an Oregon cooperative; Richard A. Keen, Jr., Randolph Scott, Brian A. Elliott, and Richard J. Miller, in their capacity as board members of the Crooked River Ranch Water Company and the Crooked River Ranch Water Cooperative; John Combs, in his capacity as a board member of the Crooked River Ranch Water Company; James H. Rooks, in his capacity as general manager of the Crooked River Ranch Water Company and as a board member of the Crooked River Ranch Water Cooperative ("Defendants"); and
3. The State of Oregon, by and through John R. Kroger, Attorney General ("Intervenor").

B. All Parties to this agreement are parties to litigation filed in Jefferson County Circuit Court captioned *Nichols, et al. v. Crooked River Ranch Water Company, et al.*, and *State of Oregon, by and through John R. Kroger, Attorney General v. Crooked River Ranch Company et al.*, case number 09CV-0049 (the "Litigation").

C. Crooked River Ranch Water Company ("CRRWC") is an Oregon nonprofit organization created for the purpose of owning, operating and maintaining the water system for Crooked River Ranch. In 2006, the Oregon Public Utility Commission ("PUC") gave notice to CRRWC that it would take action on petitions filed with the PUC pursuant to ORS 757.063 requesting that the PUC make an investigation to exert regulatory jurisdiction over CRRWC. In July 2006, the Board of Directors of CRRWC attempted to reorganize the company as a cooperative under Oregon Revised Statutes chapter 62. Proceedings relating to the PUC's investigation ensued before the PUC and the Oregon Court of Appeals. As of the date of this agreement, the matter of whether the PUC will assert regulatory jurisdiction over CRRWC is before the PUC, but no hearing is scheduled.

D. Plaintiffs and Intervenor allege in the Litigation that CRRWC's dissolution and reorganization as a cooperative was invalid. In a letter opinion dated July 13, 2010, Circuit Court Judge Gary Williams granted partial summary judgment in

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Settlement Agreement

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- E. favor of Plaintiffs and Intervenor upon concluding that the CRRWC's dissolution and reorganization as a cooperative was invalid.
- F. The Parties recognize that CRRWC has not been operated formally since its directors attempted to dissolve it in 2006. As the individuals who have operated the water system since 2006 under the name of the Crooked River Ranch Water Cooperative, the directors and general manager of the Crooked River Ranch Water Cooperative have approved this Agreement on behalf of both Crooked River Ranch Water Company and Crooked River Ranch Water Cooperative to the extent of their authority to do so, with the knowledge that it may become enforceable against Crooked River Ranch Water Company only upon its incorporation in a limited judgment entered by the court in the Litigation.
- G. The Parties agree to settle the Litigation on the following terms.

Agreement

- 1. The Recitals are incorporated by this reference as if fully stated herein.
- 2. The membership of CRRWC will vote on a Board of Directors that will serve CRRWC. The following rules will govern the election:
 - a. The election shall be administered by the Neutral who shall be a person agreed to by the Parties, or if the Parties do not agree, selected by the court in this case, after hearing the Parties. The Neutral's fee, if there is one, will be paid by CRRWC.
 - b. Any member of CRRWC, except employees of the company, can run for the Board of Directors.
 - c. Written ballots will be printed and mailed by CRRWC, at company expense and subject to oversight by the Neutral, Plaintiffs, and the Attorney General. Write-in candidates will be allowed. The return address on the envelopes mailed out, and address of the envelope to be mailed in, will be the Neutral's. Ballots will be received and counted by the Neutral. All Parties will have the right to review and comment on the proposed form of ballot, with any disputes resolved by the Neutral. All Parties will have the right to observe the process for receiving and counting ballots, with any challenges to the process resolved by the Neutral. Ballots will be date-stamped by the Neutral as they are received, and delivered to CRRWC when the election is concluded.
 - d. Any CRRWC member may challenge the results of the election by filing a challenge with the Neutral as soon as practicable after the matter challenged, but in all events, within four (4) business days after the results are announced by the Neutral. The Neutral will resolve all challenges

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within fourteen (14) days after they are filed. The Neutral's decision is final, subject to appeal only for corruption, fraud or an evident material miscalculation. Such appeal will be to the court in this case.

- e. The election of directors will take place within ninety (90) days after the court approves this Agreement through entry of a limited judgment as provided in Paragraphs 9 and 10 below. The schedule for the election will be as follows unless modified by the Neutral:
 - i. The Neutral will complete the statement described in paragraph 2(g) below and deliver it to CRRWC no later than August 15, 2010, for inclusion in water bills mailed during the last two days in August.
 - ii. Candidates wishing to be included on the ballot must provide written notice of their candidacy to the Neutral no later than September 15, 2010, along with a photocopy-ready quarter-page statement for the voter's guide described in paragraph 2(i), below.
 - iii. The ballots and voter's guide will be mailed October 15, 2010.
 - iv. Completed ballots must be postmarked by October 30, 2010, to be counted.
- f. Five directors will be elected. Members may vote for up to five persons as directors, with the top five vote-getters elected.
- g. A statement by the Neutral identifying the purpose of the election, approved by the court after all Parties have an opportunity to be heard, will go out in water bills before the election. No other information will be included with water bills outside the normal course of business until after the outcome of the election has been finalized by the Neutral. The Parties will be given the opportunity to review any information to be included with water bills prior to the election of directors, and any disputes regarding the contents of such information will be resolved by the Neutral.
- h. Any event that is organized for the purpose of inviting members of CRRWC to meet and to learn about more than two candidates for the Board of Directors, and that is held in a location that is normally open to the public, will be open to all CRRWC members and all candidates for the Board of Directors.
- i. The ballots will be mailed at CRRWC expense and accompanied by a voter's guide containing the statement made by any candidate submitting a statement pursuant to paragraph 2.e.ii. Each candidate will be allowed a quarter page (1/4 of an 8.5" by 11" sheet of paper) for their statement,

except that the Neutral may authorize one-third of a page per candidate if twelve or fewer candidates register for the election.

- j. No candidate may represent themselves as "incumbent" or otherwise as a current member of the CRRWC Board of Directors, but any candidate may refer to their service as a member of the "Crooked River Ranch Water Company" Board of Directors prior to June 29, 2006 and any candidate may refer to their service as a member of the "Crooked River Ranch Water Cooperative" Board of Directors after June 29, 2006, if applicable. Although the Parties recognize that disputes exist regarding the process by which certain members of the Board of Directors were appointed or elected to those positions (including the individual defendants in the Litigation), the Parties agree that those who have served in those positions may refer to their service as provided in this paragraph without violating this Agreement, the rules of the election provided for in this Agreement, or any judgment entered in the Litigation.
 - k. Except as provided in this Agreement or for the purposes of carrying out CRRWC's obligations under this Agreement (including professional fees relating to the performance of and resolution of any disputes under this Agreement), no CRRWC funds or assets shall be used for campaigning of any kind or in relation to any act or conduct concerning the election.
 - l. Defendants shall provide a current mailing list of members to candidates and to the Neutral, conditioned on the agreement of those who receive the list that they will not use the list for any purpose other than election-related activities or other official CRRWC business. No candidate may have access to or use CRRWC member phone numbers associated with customer accounts or otherwise held, stored or maintained by the company, and no person with access to such phone numbers may provide those numbers to any person.
3. CRRWC will engage in no activities outside the ordinary course of business until the vote occurs and any new Board members are installed. Specifically:
- a. CRRWC will not dispose of assets other than in the ordinary course of business;
 - b. CRRWC will not enter into any contracts with a term of more than 30 days, and CRRWC will not enter into any contract or amend any existing contract with any other Defendant without approval of the court;
 - c. CRRWC will not appoint new directors;
 - d. CRRWC will not change its bylaws;

EXHIBIT B
PAGE 4

- e. Following execution of this Agreement, CRRWC will not represent to the IRS that it has converted to a cooperative under ORS Chapter 62, but may continue to claim tax exempt status under IRC 501(c)(12) for mutual benefit or cooperative organizations; and
 - f. CRRWC will not settle any other litigation without court approval and an opportunity for input by the Attorney General.
4. [This Paragraph 4 intentionally left blank.]
 5. The elected directors will take office seven days following announcement of the election results if no challenge is made to the results of the election or immediately upon the resolution of all challenges if one or more challenges are made.
 6. Within ninety (90) days after the newly elected Board of Directors takes office, the Board will decide whether to submit a plan for conversion to a cooperative to a vote of the membership. If the Board of Directors decides to submit a plan for conversion to the membership, the vote of the membership shall occur within four months after the Board decision. The process for any decision to convert CRRWC to a cooperative must be consistent with state law, CRRWC's Articles of Incorporation, and CRWWC's Bylaws.
 7. Within ninety (90) days after the newly elected Board of Directors takes office, the Board will decide whether to grant a request by Plaintiffs that CRRWC reimburse them for their attorney fees in this action.
 8. In order to stagger terms in the future, two directors will serve an initial term of one year, two directors will serve an initial term of two years and one director will serve an initial term of three years. Directors elected in subsequent elections will serve a term of three years unless the Bylaws are modified after the election to provide for a different term of office. The candidate who receives the most number of votes will serve the three-year term, the two candidates who receive the second- and third-highest number of votes will serve the two-year terms, and the two candidates who receive the fourth- and fifth-highest number of votes will serve the one-year terms. In the event two candidates receive the same number of votes and could qualify for one of two terms, the designation of terms for those two candidates will be determined by lot conducted by the Neutral.
 9. The Parties will stipulate to a limited judgment:
 - a. setting aside the dissolution of the Crooked River Ranch Water Company and incorporating the court's opinion letter;
 - b. adopting this Agreement and ordering the Parties to comply with it;

Settlement Agreement

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- c. providing that the court will retain jurisdiction pending full performance of this Agreement;
 - d. providing that upon the court finding the Agreement has been performed, that the court will dismiss all remaining claims (all claims except the setting aside of the dissolution) with prejudice and without costs to any Party.
10. This Agreement is contingent on the court's entry of the limited judgment described in paragraph 9 of this agreement.
11. CRRWC will obtain the name "Crooked River Ranch Water Company" from any person who holds rights to that name, either voluntarily or through an action commenced with the Oregon Secretary of State. Pending the outcome of any decision by the membership to convert to a cooperative, CRRWC will change the names on accounts and stationary to "Crooked River Ranch Water Company," halt any proceedings on its application to change the name associated with water rights, and transfer any assets held by or titled in the name of the cooperative to the Crooked River Ranch Water Company.
12. Each Party to this Agreement and their heirs, executors, partners, shareholders, trustees, owners and subsidiaries, administrators, assigns, insurers, agents, employees, attorneys and representatives, all in their individual and representative capacities, hereby releases each other Party to this agreement and their heirs, executors, partners, shareholders, trustees, owners and subsidiaries, administrators, assigns, insurers, agents, employees, attorneys and other representatives acting within the scope of their representation relating to the CRRWC, all in their individual and representative capacities, from any and all civil claims, demands, actions or causes of action, whether known or unknown, related to the claims for relief in the Litigation. Each Party acknowledges he, she or it may discover facts different from or in addition to the facts they now know or believe to be true with respect to the Litigation, but that it is the intention of the Parties to fully, finally, absolutely and forever settle any and all claims disputes and differences relating to the claims for relief in the Litigation. Discovery of additional facts shall not be grounds for further claims or litigation against a Party unless such facts were intentionally concealed by the Party in response to a lawful discovery request in the Litigation, the PUC proceedings referenced in Recital C above, or a similar obligation imposed by statute or rule. Nothing herein releases any entity from any claim for any act or omission that occurs after this Agreement goes into effect or from any claim by any agency of the State of Oregon other than the Oregon Department of Justice.
13. The undersigned attorneys are authorized to execute this agreement on behalf of their clients. This agreement is binding on each of the Parties to this agreement as if signed by each of them individually.


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Settlement Agreement
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14. This Agreement may be executed in multiple counterparts, all of which shall constitute a single agreement and shall contain the entire agreement of the Parties. All prior negotiations, statements, or representations are superseded and displaced by this Agreement. Furthermore, fax or electronic signatures are to be construed as originals.

GLENN, SITES, REEDER & GASSNER, LLP

CABLE HUSTON BENEDICT HAAGENSEN & LLOYD, LLP



Timothy R. Gassner, OSB No. 023090
Attorneys for Defendants

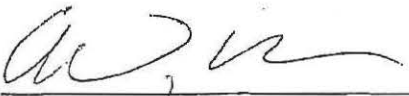


Tommy A. Brooks, OSB No. 076071
Attorney for Plaintiffs

Dated: 8/20, 2010

Dated: August 18, 2010

JOHN R. KROGER, Attorney General,
Intervenor-Plaintiff



Albert C. Depenbrock, OSB No. 780350
Assistant Attorney General

Dated: 8/22, 2010

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WATER RESOURCES DEPT
SALEM, OREGON

EXHIBIT

B

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Appendix G - Calculations

Revenue Request

	Balance per Application	Proposed Company Adjustments	Proposed By Company	2012 Puc Final	2012 / Proposed Difference
461.1 Unmetered Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -
461.2 Residential Water Sales	\$ 573,501	\$ 239,124	\$ 812,625	\$ 573,224	\$ 239,401
462.1 Commercial Water Sales	\$ 12,809	\$ 15,461	\$ 28,270	\$ -	\$ 28,270
464 Fire Protection	\$ -	\$ -	\$ -		\$ -
465 Water Sales to Public Authorities	\$ -	\$ -	\$ -		\$ -
466 Irrigation -	\$ -	\$ -	\$ -		\$ -
467 Sales for Resale	\$ -	\$ -	\$ -		\$ -
468 Golf Course	\$ -	\$ -	\$ -		\$ -
471 Special Contracts	\$ -	\$ -	\$ -		\$ -
472 Cell Tower/Rent from Util. Property	\$ 4,468	\$ -	\$ 4,468	\$ 4,568	\$ (100)
475 Cross Connection Control Revenue	\$ 63,432	\$ 8,507	\$ 71,939	\$ -	\$ 71,939
Miscellaneous Revenues	\$ 9,370	\$ -	\$ 9,370	\$ -	\$ 9,370
Golf Course	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 663,579	\$ 263,092	\$ 926,672	\$ 577,792	\$ 348,880

OPERATING EXPENSES

601 Salaries and Wages - Employees	\$ 179,607	\$ 29,246	\$ 208,853	\$ 159,840	\$ 49,013
603 Salaries and Wages - Officers	\$ -	\$ -	\$ -	\$ -	\$ -
604 Employee Pension & Benefits	\$ 6,118	\$ 4,482	\$ 10,600	\$ 6,394	\$ 4,206
610 Purchased Water	\$ -	\$ -	\$ -	\$ -	\$ -
611 Telephone/Communications	\$ 10,630	\$ 370	\$ 11,000	\$ 9,329	\$ 1,671
615 Purchased Power	\$ 73,325	\$ 6,875	\$ 80,200	\$ 71,218	\$ 8,982
616 Fuel for Power Production	\$ -	\$ -	\$ -	\$ -	\$ -
617 Other Utilities	\$ 773	\$ 140	\$ 913	\$ 1,034	\$ (121)
618 Chemical / Treatment Expense	\$ -	\$ -	\$ -	\$ -	\$ -
619 Office Supplies	\$ 5,379	\$ (245)	\$ 5,133	\$ 19,824	\$ (14,691)
619.1 Postage	\$ 8,489	\$ (115)	\$ 8,374	\$ 7,704	\$ 670
620 O&M Materials/Supplies	\$ 37,097	\$ (34,774)	\$ 2,323	\$ 14,023	\$ (11,700)
621 Repairs to Water Plant	\$ 24,618	\$ 3,452	\$ 28,070	\$ 22,000	\$ 6,070
631 Contract Svcs - Engineering	\$ 23,968	\$ (23,968)	\$ 0	\$ 6,137	\$ (6,137)
632 Contract Svcs - Accounting	\$ 3,200	\$ 3,600	\$ 6,800	\$ 4,372	\$ 2,428
633 Contract Svcs - Legal	\$ 8,805	\$ (201)	\$ 8,604	\$ 12,000	\$ (3,396)

	Balance per Application	Proposed Company Adjustments	Proposed By Company	2012 Puc Final	2012 / Proposed Difference
634 Contract Svcs - Management Fees	\$ -	\$ -	\$ -	\$ -	\$ -
635 Contract Svcs - Testing	\$ 2,432	\$ 2,482	\$ 4,914	\$ 3,961	\$ 953
636 Contract Svcs - Labor	\$ 42,316	\$ (316)	\$ 42,000	\$ 42,000	\$ -
637 Contract Svcs - Billing/Collection	\$ -	\$ -	\$ -	\$ -	\$ -
638 Contract Svcs - Meter Reading	\$ 22,744	\$ 133	\$ 22,877	\$ 24,562	\$ (1,685)
639 Contract Svcs - Other	\$ 11,745	\$ 425	\$ 12,170	\$ 10,151	\$ 2,019
641 Rental of Building/Real Property	\$ -	\$ -	\$ -	\$ -	\$ -
642 Rental of Equipment	\$ 125	\$ -	\$ 125	\$ 2,838	\$ (2,713)
643 Small Tools	\$ 3,112	\$ -	\$ 3,112	\$ 2,919	\$ 193
648 Computer/Electronic Expenses	\$ 27,638	\$ (2,375)	\$ 25,263	\$ 13,072	\$ 12,191
650 Transportation	\$ 6,593	\$ 7,372	\$ 13,965	\$ 8,713	\$ 5,252
656 Vehicle Insurance	\$ 3,973	\$ (123)	\$ 3,850	\$ 3,927	\$ (77)
657 General Liability Insurance	\$ 8,992	\$ (6,622)	\$ 2,370	\$ 3,699	\$ (1,329)
658 Workers' Comp Insurance	\$ 1,253	\$ 714	\$ 1,966	\$ 1,473	\$ 493
659 Insurance - Other	\$ 6,122	\$ 640	\$ 6,762	\$ 1,532	\$ 5,230
660 Public Relations/Advertising	\$ 225	\$ 75	\$ 300	\$ 342	\$ (42)
666 Amortz. of Rate Case	\$ -	\$ -	\$ -	\$ 3,464	\$ (3,464)
667 Gross Revenue Fee (PUC)	\$ 1,439	\$ 878	\$ 2,317	\$ 1,444	\$ 873
668 Water Resources Conservation	\$ -	\$ -	\$ -	\$ -	\$ -
670 Bad Debt Expense	\$ 711	\$ -	\$ 711	\$ -	\$ 711
671 Cross Connection Control Program	\$ 90,674	\$ (12,890)	\$ 77,784	\$ 22,981	\$ 54,803
672 System Capacity Development	\$ -	\$ -	\$ -	\$ -	\$ -
673 Training and Certification	\$ 806	\$ 484	\$ 1,290	\$ 1,559	\$ (269)
674 Consumer Confidence Report	\$ 200	\$ -	\$ 200	\$ 359	\$ (159)
675 Miscellaneous Expense	\$ 9,780	\$ (2,011)	\$ 7,769	\$ 4,560	\$ 3,209
OE1 Contingency Deposit	\$ 20,000	\$ (5,000)	\$ 15,000	\$ 20,000	\$ (5,000)
OE2 Short Lived asst replacement reserve	\$ -	\$ 23,042	\$ 23,042	\$ -	\$ 23,042
OE3 Colorado / Silverado	\$ 11,446	\$ -	\$ 11,446	\$ 11,446	\$ -
OE4 Engineering Line of Credit (Interest Only)	\$ -	\$ 13,935	\$ 13,935	\$ -	\$ 13,935
OE5 USDA Annual Loan Payment	\$ -	\$ 193,629	\$ 193,629	\$ -	\$ 193,629
TOTAL OPERATING EXPENSE	\$ 654,334	\$ 203,333	\$ 857,666	\$ 518,877	\$ 338,789

	Balance per Application	Proposed Company Adjustments	Proposed By Company	2012 Puc Final	2012 / Proposed Difference
OTHER REVENUE DEDUCTIONS					
403 Depreciation Expense	\$ 74,211	\$ (28,496)	\$ 45,715	\$ 40,841	\$ 4,874
406 Amort of Plant Acquisition Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
407 Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ -
408.1 Property Tax	\$ 862	\$ -	\$ 862	\$ 542	\$ 320
408.1 Payroll Tax	\$ 13,811	\$ 2,249	\$ 16,060	\$ 17,112	\$ (1,052)
408.1 Other	\$ 4,230	\$ 689	\$ 4,919	\$ -	\$ 4,919
409.1 Federal Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -
409.1 Oregon Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -
409.1 Extraordinary Items Income Tax	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE DEDUCTIONS	\$ 747,447	\$ 177,775	\$ 925,222	\$ 577,372	\$ 347,850
NET OPERATING INCOME	\$ (83,868)	\$ 85,317	\$ 1,450	\$ 420	\$ 1,030

Cross Connection Expencc	\$ 89,153		\$ 76,263		
Diffrence SL Assets	\$ -		\$ 13,042		
Engineering Loan Interest	\$ -		\$ 13,934		
USDA Loan Annual Payment	\$ -		\$ 193,629		
	\$ 658,294	\$ (29,940)	\$ 628,354	\$ 577,372	\$ 50,982

UTILITY RATE BASE

Invested Utility Plant	\$ 1,051,206	\$ 184,698	\$ 1,235,904		
+ CIAC					
- Excess Capacity					
Equals: Total Util. Plant					
- Accum. Depr. Of INVESTED Plant	\$ 553,393	\$ 117,088	\$ 670,481		
- Accum. Depr. Of CIAC					
- CIAC					
- Accum. Deferred Income Tax					
+ Accum. Amort. Of CIAC					
Equals: Net Invested Utility Plant	\$ 497,813	\$ 67,610	\$ 565,423		
+ Material & Supplies Inventory					
+ Working Cash (Total Op Exp /12)	\$ 54,528		\$ 71,472		
EQUALS TOTAL RATE BASE	\$ 552,341	\$ 67,610	\$ 636,895		

Balance per Application	Proposed Company Adjustments	Proposed By Company	2012 Puc Final	2012 / Proposed Difference
-------------------------	------------------------------	---------------------	----------------	----------------------------

Capital Structure Components List Lenders:	Original Balance	Outstanding Balance	Interest Rate
Ally Silverado	\$ 23,095	\$ 10,695	4.84%
Ally Colorado	\$ 27,544	\$ 12,754	4.84%
USDA	\$ 4,300,000	\$ 4,300,000	3.25%
BOTC VacTrailer	\$ 39,172	\$ 39,172	4.28%
BOTC Engineering I	\$ 400,000	\$ 400,000	3.25%

Equity:	Balance	Rate of Return

State tax rate:	
Federal tax rate:	

Employee Beniefits

Date		Monthly	Annual	Invoice		Total
	Administration Fee	\$50				\$600
Frank	ISAFlex		\$2,000.00			\$2,000
Cynthia	ISAFlex		\$2,000.00			\$2,000
Bill	ISAFlex		\$2,000.00			\$2,000
Cindy	ISAFlex		\$2,000.00			\$2,000
Barry	ISAFlex		\$2,000.00			\$2,000
						\$0
						\$0
						\$0
						\$0
						\$0

Rate Case
2012
\$6,394

Test Year	\$6,118
Proposed	\$10,600
Adjustment	\$4,482

Total \$10,600

Purchased Power

Test Year	Increase	Office	Well #2	Well #4	Cistern	Total
		\$5,974	\$19,681	\$44,075	\$3,593	\$73,323
2014	2.00%	\$6,093	\$20,074.62	\$44,956.50	\$3,664.86	
2014	2.50%	\$6,246	\$20,576.49	\$46,080.41	\$3,756.48	\$76,659
2015	2.00%	\$6,371	\$20,988.02	\$47,002.02	\$3,831.61	
2015	2.50%	\$6,530	\$21,512.72	\$48,177.07	\$3,927.40	\$80,147
2016	2.00%	\$6,661	\$21,942.97	\$49,140.61	\$4,005.95	
2016	2.50%	\$6,827	\$22,491.54	\$50,369.13	\$4,106.10	\$83,794

Rate Case
2012
\$71,218

Test Year	\$73,325
Proposed	\$80,200
Adjustment	\$6,875

Average \$80,200

Other Utility

Date		Monthly	Annual	Invoice	Total
	CR Sanitation	\$44			\$527
2/19/2013	WCI Waste			\$95.87	
7/15/2013	Solid Waste			\$53.00	
9/16/2013	Knott Landfill			\$50.00	
10/14/2013	Knott Landfill			\$47.00	
1/24/2014	Knott Landfill			\$83.00	
3/17/2014	Knott Landfill			\$74.00	
5/12/2014	Knott Landfill			\$59.00	
7/21/2014	Knott Landfill			\$53.00	
			Total	\$514.87	
			Average	\$64.36	
			Landfill 6x per year	\$386.15	
			Landfill is used for dumping waist created from DCVA Install Program		
Rate Case	Test Year	\$773			
2012	Proposed	\$913			
\$1,034	Adjustment	\$140			

Office Supplies

Date		Monthly	Annual	Invoice	Total
	Test Year Total		\$5,379.00		\$5,379.00
1/18/2013	Coffee			(\$38.12)	(\$38.12)
1/18/2013	Coffee mate frnch			(\$6.66)	(\$6.66)
1/18/2013	Coffee mate			(\$6.66)	(\$6.66)
5/7/2013	Coffee mate			(\$11.56)	(\$11.56)
5/7/2013	Coffee mate frnch			(\$11.56)	(\$11.56)
5/7/2013	Coffee			(\$33.03)	(\$33.03)
6/13/2013	Splenda			(\$17.32)	(\$17.32)
7/22/2013	Coffee			(\$23.14)	(\$23.14)
10/18/2013	Coffee			(\$35.25)	(\$35.25)
10/18/2013	Coffee mate frnch			(\$6.31)	(\$6.31)
10/18/2013	Coffee mate pepper			(\$6.32)	(\$6.32)
10/18/2013	Coffee mate			(\$6.32)	(\$6.32)
11/21/2013	Coffee			(\$30.81)	(\$30.81)
11/21/2013	Coffee mate frnch			(\$5.52)	(\$5.52)
11/21/2013	coffee mate			(\$5.54)	(\$5.54)
11/21/2013	Splenda			(\$15.80)	(\$15.80)
6/17/2013	Move From Postage Costco-paperplates			\$14.59	\$14.59
Total				(\$245.33)	

Rate Case
2012
\$19,824

Test Year	\$5,379
Proposed	\$5,134
Adjustment	-\$245

Total \$5,134

Postage

Date		Monthly	Annual	Invoice	Total
	Test Year Total		\$8,489		\$8,489
4/22/2013	DCVA Question			(\$338)	(\$338)
6/17/2013	Costco Paper - Move to 619			(\$15)	(\$15)
6/19/2013	DCVA Question			(\$186)	(\$186)
12/9/2013	DCVA Gifting			(\$187)	(\$187)
Remaining after Deductions					\$7,764

Rate Case
2012
\$7,704

Test Year	\$8,489
Proposed	\$8,374
Adjustment	-\$115

Mailings

Date		2012	2013	2014	2015 at 4.30% Increase	2015 Annual
January	Mailing	\$534.41	\$555.54	\$587.43		
February		\$581.09	\$552.09	\$587.65		
March		\$541.59	\$554.91	\$586.89		
April		\$540.77	\$571.56	\$589.81		
May		\$531.31	\$571.60	\$596.51		
June		\$532.94	\$569.54	\$599.40		
July		\$539.66	\$552.83	\$592.15		
August		\$542.69	\$555.79			
September		\$543.71	\$620.74			
October		\$545.87	\$561.64			
November		\$578.21	\$563.19			
December		\$548.68	\$562.49			
Total		\$6,560.93	\$6,791.92			
Average		\$546.74	\$565.99	\$591.41	\$616.82	\$7,401.82
Total Other Postage	Total Mailing minus Remaining from above equals total other postage					\$971.78
		Percent Increase	3.40%	4.30%		

O&M Materials/Supplies

Date		Annual	Invoice	How often in Years	Total
	Test Year Total	\$37,096.82			\$37,096.82
12/31/2013	JE- Inventory Adjustment		(\$33,179.37)	1	(\$33,179.37)
4/29/2013	Motion & Flow (Caps for Standpipes)		\$379.80	1	\$379.80
9/16/2013	Walker Paint (Paint Well#4 and Cistern)		\$1,350.00	10	\$135.00
4/15/2013	Sundown Canyon PRV Maint.		\$1,230.03	5	\$246.01
5/13/2013	Sundown Canyon PRV Maint.		\$262.56	5	\$52.51
5/20/2013	Sundown Canyon PRV Maint.		\$140.00	5	\$28.00
6/3/2013	Sundown Canyon PRV Maint.		\$302.98	5	\$60.60
3/25/2014	Gravel		\$222.08	1	\$222.08
	Other Maintenance				
	Replace Cla-Val Soft Parts (Recommended every 5 years)		\$2,629.00	5	\$525.80
	Oil Change		\$293.32	1	\$293.32
5/12/2014	Vibration Test from 2014		\$380.00	1	\$380.00

Rate Case
2012
\$14,023

Test Year	\$37,097
Proposed	\$2,323
Adjustment	-\$34,774

Total \$2,323

Repairs of Water Plant

Date	Description	Frequency in years	Cost	Annual cost
Building - Office				
	Test Year Expenses			\$1,780.00
Building - Shop				
	Test Year Expenses			\$1,274.00
Grounds Maintenance				
	Test Year Expenses			\$1,672.00
	Initial clean Property at Crater Loop	1	(\$1,200.00)	(\$1,200.00)
	Annual clean property crater loop	1	\$275.00	\$275.00
	Annual weed control	1	\$550.00	\$550.00
	Total Proposed			\$1,297.00

Move to Depreciation

Wells & Cistern		Total	Annual Total
	2012 Expenses	\$8,166	\$8,166
	2013 Expenses	\$7,815	\$7,815
	2014 Expenses	\$3,036	\$4,554
	Three Year Average Proposed		\$6,845

Dues & Subscriptions		Total	Annual Total
	2012 Expenses	\$20,578	\$20,578
	2013 Expenses	\$11,681	\$11,681
	2014 Expenses	\$12,241	\$18,362
	Three Year Average Proposed		\$16,874

Rate Case
2012
\$22,000

Test Year	\$24,618
Proposed	\$28,070
Adjustment	\$3,452

Total \$28,070

Engineering

Date	Move to	Discription	Annual	Invoice	Requested	Total
		Test Year Total	\$25,755.42			\$25,755.42
1/25/2013	Depreciation	WHPacific SRLF Application		(\$75.29)		(\$75.29)
2/20/2014	Depreciation	WHPacific SRLF Application		(\$1,620.64)		(\$1,620.64)
3/18/2013	Depreciation	WHPacific SRLF Application		(\$526.80)		(\$526.80)
5/10/2013	Depreciation	WHPacific SRLF Application		(\$642.56)		(\$642.56)
6/11/2013	Depreciation	WHPacific SRLF Application		(\$2,830.82)		(\$2,830.82)
8/23/2013	Riembursable by USDA	WHPacific USDA		(\$3,199.61)		(\$3,199.61)
9/26/2013	Riembursable by USDA	WHPacific USDA		(\$226.47)		(\$226.47)
9/26/2013	Riembursable by USDA	WHPacific USDA		(\$8,896.94)		(\$8,896.94)
10/26/2013	Riembursable by USDA	WHPacific USDA		(\$4,596.01)		(\$4,596.01)
11/22/2013	Riembursable by USDA	WHPacific USDA		(\$1,353.10)		(\$1,353.10)
12/20/2013	Riembursable by USDA	WHPacific USDA		(\$1,787.18)		(\$1,787.18)
						\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00
Total				(\$25,755.42)		

Rate Case
2012
\$6,137

Test Year	\$23,968
Proposed	\$0
Adjustment	-\$23,968

Total \$0

WHPacific Engineer

Date	Project	Annual cost
1/6/2012	Water Master Plan	\$3,813.00
1/25/2012	Water Master Plan	\$9,532.00
2/24/2012	Water Master Plan	\$22,602.00
3/15/2012	Water Master Plan	\$2,114.00
4/27/2012	Water Master Plan	\$2,114.50
5/24/2012	Water Master Plan	\$1,268.50
8/24/2012	Water Master Plan	\$2,446.00
9/21/2012	Water Master Plan	\$3,750.00
12/20/2012	Water Master Plan	\$2,396.00
		\$50,036.00

Date	Project	Annual cost
12/19/2012	Grant Application Assistance	\$544.89
1/25/2013	Grant Application Assistance	\$75.29
2/20/2013	Grant Application Assistance	\$1,620.64
3/18/2013	Grant Application Assistance	\$526.80
5/10/2013	Grant Application Assistance	\$642.56
6/11/2013	Grant Application Assistance	\$2,830.82
9/26/2013	Grant Application Assistance	\$226.47
		\$6,467.47

Accounting

Date	Description	Frequency in years	Cost	Annual cost
Harrigan Price Fronk & Co.				
	Review and Tax	1		\$6,800.00
	Total Proposed			\$6,800.00

Rate Case
2012
\$4,372

Test Year	\$3,200
Proposed	\$6,800
Adjustment	\$3,600

Legal

Date	Move to	Discription	Annual	Invoice	Total
		Test Year Total	\$8,804.73		\$8,804.73
8/9/2013	Reimbursement USDA	Tower Project		(\$105.00)	(\$105.00)
10/14/2013	Reimbursement USDA	Tower Project		(\$95.50)	(\$95.50)
Total				(\$200.50)	

Rate Case
2012
\$12,000

Test Year	\$8,805
Proposed	\$8,604
Adjustment	-\$201

Total \$8,604

Testing

Monthly Coliform Samples		2012		2013		2014		Average	Total
Date	Discription	Count	Cost	Count	Cost	Count	Cost	Count	
January		5	\$140.00	4	\$112.00	17	\$476.00	9	
February		4	\$112.00	4	\$112.00	7	\$196.00	5	
March		4	\$112.00	4	\$112.00	8	\$224.00	5	
April		4	\$112.00	4	\$112.00	5	\$140.00	4	
May		4	\$112.00	4	\$112.00	4	\$112.00	4	
June		9	\$252.00	4	\$112.00	6	\$168.00	6	
July		6	\$168.00	4	\$112.00	4	\$112.00	5	
August		5	\$140.00	4	\$112.00	18	\$504.00	9	
September		13	\$364.00	8	\$224.00	15	\$420.00	12	
October		7	\$196.00	4	\$112.00		\$0.00	4	
November		14	\$392.00	17	\$476.00		\$0.00	10	
December		5	\$140.00	14	\$392.00		\$0.00	6	
	Total	80	\$2,240.00	75	\$2,100.00	84	\$2,352.00	80	
	Average Per Month	7		6		9		7	\$2,352.00

Sample Events

Test Type								
Nitrate		\$60.00		\$60.00		\$60.00		
IOC				\$342.00				
SOC						\$5,560.00		
VOC						\$450.00		
Lead & Copper		\$600.00						
Gross Alpha		\$105.00						
Radium		\$450.00						
							Total	\$7,687.00
							3 year Average	\$2,562.33

Rate Case
2012
\$3,961

Test Year	\$2,432
Proposed	\$4,914
Adjustment	\$2,482

Total \$4,914

Avion CS-Other

Date	Description	Frequency in months	Cost	Annual cost
Avion				
	Base Rate	12.00	\$3,500	\$42,000.00
	Total Proposed			\$42,000.00

Rate Case
2012
\$42,000

Test Year	\$42,316
Proposed	\$42,000
Adjustment	-\$316

Meter Readers

Date	Discription	2013		2014		Total
		Count	Cost	Count	Cost	
January		1,500	\$1,890.00	1,500	\$1,890.00	
February		1,499	\$1,888.74	1,499	\$1,888.74	
March		1,499	\$1,888.74	1,500	\$1,890.00	
April		1,531	\$1,929.06	1,504	\$1,895.04	
May		1,499	\$1,888.74	1,506	\$1,897.56	
June		1,500	\$1,890.00	1,510	\$1,902.60	
July		1,504	\$1,895.04	1,513	\$1,906.38	
August		1,504	\$1,895.04		\$0.00	
September		1,504	\$1,895.04		\$0.00	
October		1,504	\$1,895.04		\$0.00	
November		1,505	\$1,896.30		\$0.00	
December		1,502	\$1,892.52		\$0.00	
	Total	1,505	\$1,896.30	1,513	\$1,906.38	\$22,876.56

Rate Case
2012
\$24,562

Test Year	\$22,744
Proposed	\$22,877
Adjustment	\$133

Total **\$22,877**

Contractual Services Other

Date	Discription	# of	Cost Per	Total	Total
	Weekly cleaning	52	\$100.00	\$5,200.00	\$5,200.00
	Window Cleaning	2	\$240.00	\$480.00	\$480.00
	Carpet Cleaning	2	\$135.00	\$270.00	\$270.00
	Ryder Election Service	1	\$5,663.73	\$5,663.73	\$5,663.73
	Locates	1	\$89.25	\$89.25	\$89.25
	Security	4	\$116.64	\$466.56	\$466.56
					\$12,169.54

Rate Case
2012
\$10,151

Test Year
Proposed
Adjustment

\$11,745
\$12,170
\$425

Total \$12,170

Rental Equipment

Date	Description	Frequency in months	Cost	Annual cost
	No Change			\$125.00
	Total Proposed			\$125.00

Rate Case
2012
\$2,838

Test Year	\$125
Proposed	\$125
Adjustment	\$0

Small Tools

Date	Description	Frequency in months	Cost	Annual cost
Avion				
	No Change			\$3,112.00
	Total Proposed			\$3,112.00

Rate Case
2012
\$2,919

Test Year	\$3,112
Proposed	\$3,112
Adjustment	\$0

Computer/Electronic Expenses

Date	Description	Move To		Total
4/22/2013	BMI Software	Depreciation	(\$820.00)	(\$820.00)
9/9/2013	ESRI	Remove	(\$400.00)	(\$400.00)
9/16/2013	Windows 8	Depreciation	(\$129.99)	(\$129.99)
9/16/2013	Office 2013	Depreciation	(\$399.99)	(\$399.99)
	office 365 Laptop	Add	\$150.00	\$150.00
	Copier	New Vendor	(\$66.12)	(\$66.12)
	Crestview Cable	Delete Vendor	(\$599.40)	(\$599.40)
11/19/2013	GisDirect Set up	Depreciation	(\$2,205.00)	(\$2,205.00)
12/16/2013	GisDirect Set up	Depreciation	(\$2,205.00)	(\$2,205.00)
	GisDirect Annual Subscription		\$4,301.00	\$4,301.00
				(\$2,374.50)

Rate Case
2012
\$13,072

Test Year
Proposed
Adjustment

\$27,638
\$25,263
-\$2,375

Transportation Expense

7/15/2013	Generator Load Test (Remove)	(\$363)
10/23/2013	Testing of Generator on Well (Remove)	(\$80)

Date	Discription		Fequency in Years		Annual Cost	Proposed
2012 Colorado						
	Oil Change X3	\$40	0.3		\$120	
	2015 Tires	\$1,109	4.0		\$277	\$397
2011 Silverado						
	Oil Change X3	\$90	0.3		\$270	
7/21/2014	Tires	\$1,109	4.0		\$277	\$547
Backhoe-590-2						
12/9/2013	Tire Repair	\$120	1.0		\$120	
3/10/2014	Repairs and Maintenance	\$1,438	3.0		\$479	
1/1/2015	Replace Rear Tires	\$1,700	7.0		\$243	\$842
06' Chevy 4x4						
	Oil Change 2X per year	\$70	0.5		\$140	
12/17/2013	Repair	\$1,133	2.0		\$566	
3/10/2014	Repair Hertz Car Care	\$2,428	2.0		\$1,214	
3/10/2014	Towing	\$190	0.5		\$380	\$2,300
Dump Truck & Trailer						
	Annual Maintenance	\$40	1.0		\$40	
	Repairs 2014	\$769	2.0		\$384	\$424

Fuel			Number of Months	Monthly Cost	Annual Cost	
	Fisrt 8 Months of 2014	\$6,303	8	\$787.88	9,455	\$9,455

Rate Case
2012
\$8,713

Test Year	\$6,593
Proposed	\$13,965
Adjustment	\$7,372

Insurance

Date	Discription	Test Year	2014 Premium	+5%	Policy Fee	Proposed
	Vehicle Insurance	\$3,973	\$3,476.00	\$3,649.80	\$200.00	\$3,849.80
	General Liability Insurance	\$8,992	\$2,257.00	\$2,369.85		\$2,369.85
	Other Insurance	\$6,122	\$6,440.00	\$6,762.00		\$6,762.00
	D&O	\$1,070				
	Inland Marine	\$685				
	Commercial Property	\$4,367				

	Vehicle Insurance	General Liability	Other Insurance
Test Year	\$3,973	\$8,992	\$6,122
Proposed	\$3,850	\$2,370	\$6,762
Adjustment	-\$123	-\$6,622	\$640
	Rate Case 2012	Rate Case 2012	Rate Case 2012
	\$3,927	\$3,699	-\$1,532

Workers Comp

Date	Description	Frequency in months	Annual cost
	Total Taken from Policy 5/1/14-5/1/15		\$1,966.57
	Total Proposed		\$1,966.57

Rate Case
2012
\$1,473

Test Year	\$1,253
Proposed	\$1,967
Adjustment	\$714

Public Relations

Date	Description	Frequency in months	Cost	Annual cost
	Christmas Parade (Community Event)			\$150.00
	Truck or Treat (Community Event)			\$150.00
	Total Proposed			\$300.00

Rate Case
2012
\$342

Test Year	\$225
Proposed	\$300
Adjustment	\$75

Gross Revenue Fee (Puc)

WATER UTILITY COMPANIES

1. Water sales - Residential & Multi-family
2. Water sales - Commercial
3. Water sales - Irrigation only
4. Water sales - All other

<i>Please provide this information</i>		
Total Annual Consumption		Number of Customers
Gallons	Cubic Feet	
	21,241,600	1486

5. Wastewater (sewer) Revenue *(if applicable)*
6. Miscellaneous Service Revenues *(Defined in Instructions - Do not include pass through payments).*
7. Gross Operating Revenues *(Add lines 1 through 6)* (Total gross operating revenues, before uncollectibles, derived from operations in the State of Oregon in the calendar year 2013.)

8. Assessment Rate
9. Amount Due *(Line 7 x Line 8, or \$10, whichever is greater)*

Do not omit the cents on lines 9 through 13
Minimum due is \$10.00 by April 1, 2014.

10. For OPUC Use Only
11. Late Payment Penalty *(2% per month is due on fees received by the OPUC after April 1, 2014.)*
12. Late Statement Fee *(\$40 penalty is due for statements received by the OPUC after April 8, 2014.)*
13. Total Amount Due *(Add Line 9 + Line 10 + Line 11 + Line 12)*

	Amount
\$	812,625.41
\$	28,269.69
\$	
\$	
\$	
\$	85,777.00
\$	926,672.10
\$	0.0025
\$	2,316.68
\$	XXXXXX
\$	
\$	2,316.68

Rate Case
2012
\$1,444

Test Year	\$1,439
Proposed	\$2,317
Adjustment	\$878

Bad Debt Expenche

Date	Description	Frequency in months	Cost	Annual cost
	No Change			\$711.00
	Total Proposed			\$711.00

Rate Case
2012
\$0

Test Year	\$711
Proposed	\$711
Adjustment	\$0

Cross Connection

Expence

Date	Description	Annual cost	Total
	DCVA Purchase for install program 2014	\$80,113	\$80,113
	Company 10 DCVAs in 2014 DCVA added to Plant	(\$3,850)	(\$3,850)
	Total from test year	\$1,521	\$1,521
	Total		\$77,784

Income

	2014 Cross Connection income for installed assemblies	\$61,925	\$61,925
	2014 Cross Connection DCVA testing income	\$1,010	\$1,010
	October outstanding form 12 month payment plan	\$3,240	\$3,240
	November outstanding form 12 month payment plan	\$2,941	\$2,941
	December outstanding form 12 month payment plan	\$2,823	\$2,823
	Total 2014 DCVA Income as of 9/29/14		\$71,939

Rate Case
2012
\$22,981

	Income
Test Year	\$63,432
Proposed	\$71,939
Adjustment	\$8,507

	Expence
Test Year	\$90,674
Proposed	\$77,784
Adjustment	-\$12,890

Training

Lodging

Date	Description	Frequency	Cost	Annual cost
	OAWU Sunriver Lodging	1	\$278.00	\$278.00

Total
\$278.00

Meals

	2014 Meal Expence			\$122.00

\$122.00

Training

	CCB Review	2	\$300.00	\$150.00
Frank	OAWU Sunriver	1	\$295.00	\$295.00
Bill	OAWU Sunriver	1	\$295.00	\$295.00
Frank	Cross Connection Specialist Update	2	\$100.00	\$50.00
Frank	Backflow Tester Recertification	2	\$100.00	\$50.00
Bill	Backflow Tester Recertification	2	\$100.00	\$50.00
				\$0.00
				\$0.00

\$150.00
\$295.00
\$295.00
\$50.00
\$50.00
\$50.00
\$0.00
\$0.00

Rate Case
2012
\$1,559

Test Year	\$806
Proposed	\$1,290
Adjustment	\$484

Total \$1,290

Consumer Confidence Report

Date	Description	Frequency in months	Cost	Annual cost
	No Change			\$200.00
	Total Proposed			\$200.00

Rate Case
2012
\$359

Test Year	\$200
Proposed	\$200
Adjustment	\$0

Miscellaneous Expenses

Miscellaneous Expenses

Date	Description	Frequency in years	Cost	Annual cost
	Test Year Expenses			\$170.00
Service Charges-Bank, Vendor				
	Test Year Expenses			\$1,473.00
Merchant Fees				
	Test Year Expenses			\$1,672.00
License & Fees				
	Ford Dump Truck Registration	1	\$593.00	\$593.00
	Chevy Diesel Renewal	2	\$86.00	\$43.00
	Colorado Renewal	2	\$86.00	\$43.00
	Silverado	2	\$86.00	\$43.00
	Vac Trailer	2	\$86.00	\$43.00
	Sanitary Survey	3	\$1,200.00	\$400.00
Bill	Backflow Test License	2	\$70.00	\$35.00
Frank	Backflow/Specialist License	2	\$110.00	\$55.00
Bill	WD-1 Certification	2	\$80.00	\$40.00
Frank	WD-2 Certification	2	\$80.00	\$40.00
	Oregon CCB License Renewal	2	\$325.00	\$162.50
	CCB Bond	3	\$220.00	\$73.33
	OHA-Cross Connection Annual Fee	1	\$200.00	\$200.00
	USPostmaster	1	\$200.00	\$200.00
	Corporation Renewal	1	\$50.00	\$50.00
	Total			\$2,020.83
Dues & Subscriptions				
	Test Year Expenses			\$2,334.00
	HOA Dues on 3 properties increased \$12 two times annually	1	\$72.00	\$72.00
	Quickbooks increased \$20 in 2014	1	\$20.00	\$20.00
	USPS Post Office Box Increase	1	\$6.00	\$6.00
	Total			\$2,432.00

Rate Case
2012
\$4,560

Test Year	\$9,779
Proposed	\$7,768
Adjustment	-\$2,011

Total \$7,768

Contingency Fund Deposit

Date	Description	Frequency in months	Cost	Annual cost
	Adjust to			\$15,000.00
	Total Proposed			\$15,000.00

Rate Case
2012
\$20,000

Test Year	\$20,000
Proposed	\$15,000
Adjustment	-\$5,000

Short Lived Assets

Date	Description	Frequency in months	Cost	Annual cost
	Deposit into Short Lived Assets. This is required by the USDA in the Letter of Conditions. (No Limit)			\$23,042.00
	Total Proposed			\$23,042.00

Rate Case
2012
\$0

Test Year	\$0
Proposed	\$23,042
Adjustment	\$23,042

Colorado/Silverado Payment

Date	Description	Frequency in months	Cost	Annual cost
	Colarodo Payment	12.00	\$519	\$6,225.60
	Silverado Payment	12.00	\$435	\$5,220.00
	Total Proposed			\$11,446.00

Rate Case
2012
\$11,446

Test Year	\$11,446
Proposed	\$11,446
Adjustment	\$0

Engineering Line of Credit

Date	Description	Frequency in months	Cost	Annual cost
	Intrest Only for 12months	12.00	\$1,161	\$13,934.64
	Total Proposed			\$13,934.64

BOTC Engineering Loan	\$ 400,000	\$ 400,000	3.25%
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Rate Case	Test Year	\$0
2012	Proposed	\$13,935
\$0	Adjustment	\$13,935

Note: This engineering loan will be paid off by the construction loan as soon the construction loan is established. The construction loan will not be established until we have awarded the bids.

USDA Annual Loan Payment

Date	Description	Frequency in months	Cost	Annual cost
	Intrest Only for 12months	1.00	\$193,629	\$193,629.00
	Total Proposed			\$193,629.00

USDA Infrastructure Loan	\$ 4,300,000	\$ 4,300,000	3.25%
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Rate Case
2012
\$0

Test Year	\$0
Proposed	\$193,629
Adjustment	\$193,629