

## Mountain Home Water District

RECEIVED

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P.U.C.

May 31, 2017

### Via Certified Priority Mail, Return Receipt Requested

On April 1, 2016, Mountain Home Water District applied to the Oregon Public Utility Commission to terminate service and abandon its public water utility. The OPUC denied the application on May 16, 2017. We believe you are both aware of the circumstances, but please let us know if you have questions.

As a result of the OPUC order, there will be several changes to your water service going forward:

1. Water delivered by the District may no longer be used for any landscape irrigation. Please refer to the attached "**Notice to Restrict Water Use.**" This change takes effect immediately, as of June 1, 2017.
2. The base charge for water service is increased to \$200 per month. Please refer to the attached "**Notice of Proposed Water Rate Increase.**" This change takes effect August 1, 2017. Please note that we are looking for a contractor to manage the District. When we hire a contractor, the monthly rate will likely increase again to cover the manager's compensation.
3. We made nonroutine repairs to the water system in 2016 but did not bill customers for a share of the costs, which totaled more than \$70,000. With two customers left on the system, we require reimbursement of \$17,500. If only one customer remains on the system, we will require reimbursement of \$35,000. The amount of \$17,500 is due and payable by June 30, 2017. Please refer to the attached "**Notice of Under-Billing and Right to Enter Time-Payment Agreement.**"

Sincerely,

*/s/ Keith Ironside*

Keith Ironside

# NOTICE TO RESTRICT WATER USE

OAR 860-036-1670

June 1, 2017

Legal Name of Water Utility:	<b>Mountain Home Water District (ID #5299)</b>
Name of Water System if Different:	<b>N/A</b>
Name of Owner or Officer:	<b>Keith Ironside</b>
Mailing Address:	<b>2323 SW Buckman Road</b>
City, State, Zip:	<b>West Linn, OR 97068</b>
Location Address if Different:	<b>2351 SW Buckman Road</b>
City, State, Zip:	<b>West Linn, OR 97068</b>
Utility Telephone Number:	<b>503-638-7006</b>
Emergency Phone Number:	<b>503-475-8463</b>
Email Address:	<b>kironside@gmail.com</b>
Website if Available:	<b>N/A</b>

1. The purpose of this notice is to inform you that, effective immediately, the Mountain Home Water District will restrict its customers' water use to indoor residential use only. Water delivered by the District may not be used for irrigation, including lawn, garden, and landscape irrigation.

The restriction is necessary because the District's water source is an exempt-use well under rules enforced by the Oregon Water Resources Department. The restriction prohibiting irrigation will allow us to comply with OWRD limitations on lawn and garden irrigation.

2. The District provides water service on a flat-fee, unmetered basis. This restriction is based on the type, not the amount, of water used. Customers may not use District water for any irrigation.
3. The effective date of this restriction is June 1, 2017.
4. This restriction will be lifted only if the OWRD changes its regulation of exempt-use wells to allow more lenient lawn and garden irrigation.
5. Failure to comply with this restriction is grounds for service disconnection.

cc: PUC Consumer Services Section, PO Box 1088, Salem OR 97308-1088

# NOTICE OF PROPOSED WATER RATE INCREASE AND CUSTOMER'S RIGHT TO PETITION FOR RATE REGULATION

OAR 860-036-1920

**June 1, 2017**

Legal Name of Water Utility:	<b>Mountain Home Water District (ID #5299)</b>
Name of Water System if Different:	<b>N/A</b>
Name of Owner or Officer:	<b>Keith Ironside</b>
Mailing Address:	<b>2323 SW Buckman Road</b>
City, State, Zip:	<b>West Linn, OR 97068</b>
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Utility Telephone Number:	<b>503-638-7006</b>
Emergency Phone Number:	<b>503-475-8463</b>
Email Address:	<b>kironside@gmail.com</b>
Website if Available:	<b>N/A</b>

1. The purpose of this notice is to inform you that Mountain Home Water District is proposing to increase your water service rates. The rates will go into effect 60 days from the date of this notice unless the Public Utility Commission of Oregon receives petitions from at least 20 percent of the customers requesting rate regulation.

The District is increasing its rates because (1) two of the District's four customers have left the system, but the monthly costs of service (such as electricity and water quality testing) are expected to remain the same; (2) the age of the water system, and the increasing incidence of leaks in the system, indicate that major repairs are likely in the near term, and the District does not have reserves to pay those costs; (3) the District has historically operated at a loss, with subsidization by the owner, but the District is seeking to correct that situation.

2. The table below shows the District's current rates and proposed new rates:

<b>SERVICE</b>	<b>CURRENT RATES</b>	<b>PROPOSED RATES</b>
Residential Service	\$80 per month	\$200 per month

3. The effective date of this rate change is August 1, 2017.

4. The District is required to provide a complete customer list (including names and addresses) within 10 days of receiving a request from any customer. Since the District has only two customers, we will provide the list here:

- a.

- b.

### **NOTICE FROM THE PUBLIC UTILITY COMMISSION OF OREGON**

Customers have the opportunity to file a petition to have the water utility's rates regulated by the Commission. The water utility is proposing rates in excess of the threshold levels set by the Commission. If the Commission receives valid petitions from at least 20 percent of the customers, the Commission will assert jurisdiction over your water utility. Rate regulation requires that all rates and rate changes be approved by the Commission. If the Commission does not receive the sufficient number of valid customer petitions, the water utility's proposed rates will take effect on the date indicated.

Petition forms are available on the Commission's website at <http://www.puc.state.or.us/Pages/Information-for-Customers.aspx>. The petitions must be completed and signed by the customer and must be received by the Commission within 45 days of this notice. Copies of petitions or petitions without an original signature will not be accepted.

Completed petitions must be mailed to the Consumer Services Section, PO Box 1088, Salem, Oregon 97308-1088 or delivered to 201 High Street SE, Suite 100, Salem, Oregon 97301. Petitions may not be filed electronically. Petitions may not be withdrawn or rescinded. Customers with questions may contact the Consumer Services Section at 1-800-522-2404.

cc: PUC Consumer Services Section, PO Box 1088, Salem OR 97308-1088

# NOTICE OF UNDER-BILLING AND RIGHT TO ENTER TIME-PAYMENT AGREEMENT

OAR 860-036-1420

June 1, 2017

Legal Name of Water Utility:	<b>Mountain Home Water District (ID #5299)</b>
Name of Water System if Different:	<b>N/A</b>
Name of Owner or Officer:	<b>Keith Ironside</b>
Mailing Address:	<b>2323 SW Buckman Road</b>
City, State, Zip:	<b>West Linn, OR 97068</b>
Location Address if Different:	<b>2351 SW Buckman Road</b>
City, State, Zip:	<b>West Linn, OR 97068</b>
Utility Telephone Number:	<b>503-638-7006</b>
Emergency Phone Number:	<b>503-475-8463</b>
Email Address:	<b>kironside@gmail.com</b>
Website if Available:	<b>N/A</b>

1. This notice is directed to:



2. The purpose of this notice is to inform you that we have under-billed you for infrastructure repair and replacement costs incurred in 2016. Specifically, we experienced a failure of the original well serving the water system in March 2016. We made repairs to the water system, including a new water supply well. We did not request reimbursement of these costs from customers because we had decided to apply for termination and abandonment. The Public Utility Commission denied our application on May 16, 2017. Accordingly, water service will continue, and we are requiring a contribution from each customer of one-quarter of the total costs borne by the District in 2016, \$70,000.00.
3. The under-billing took place in April 2016.
4. The amount you owe is \$17,500.00, assuming that the other customer elects to continue receiving water service. If he does not, you will owe \$35,000.00, and we will reissue this notice.
5. This amount is due and payable. You have the right to enter into a time-payment agreement with the District. You have three options:

- a. Pay the entire amount owing, \$17,500.00, by June 30, 2017.
  - b. Enter into a levelized-pay arrearage plan. If you choose this option, you must make an initial payment equal to one-twelfth of the sum of the average annual bill and past-due balance. The initial payment, \$1658.33, is due within one business day of the date you agree to enter into a levelized-pay arrearage plan. You will be required to make a like payment of \$1658.33 each month for the next 11 months. The District will review the levelized-pay arrearage plan within four to six months of the agreement and modify payments if there is a change in rates or significant variation in the amount of water you consume.
  - c. Enter into an equal-pay arrearage plan. If you choose this option, you must make an initial payment equal to one-twelfth the account amount, \$1458.33, and a like payment for each of the next 11 months, plus pay monthly amounts billed for current usage.
6. You may dispute this under-billing through the Oregon Public Utility Commission's Consumer Services Section's dispute resolution process. The Consumer Services Section can be reached by telephone at 503-378-6600, or 1-800-522-2404, or TTY 711; by email at [puc.consumer@state.or.us](mailto:puc.consumer@state.or.us); through the OPUC website at <http://apps.puc.state.or.us/consumer/complaint.asp>; or at the following addresses:

Street Address

Public Utility Commission of Oregon  
 Consumer Services Section  
 201 High Street NE, Suite 100  
 Salem, Oregon 97301-3398

Mailing Address

Public Utility Commission of Oregon  
 Consumer Services Section  
 PO Box 1088  
 Salem OR 97308-1088