



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

July 1st, 2014

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

RE: Crooked River Ranch Water Company (CRRWC) request for extension to file rate case that was required in Order No. 14-178

Attention PUC Commission,

On May 27th the commission approved order No. 14-178 that among other things required CRRWC to file a rate case with the commission to increase revenue in order to cover the company's costs for a USDA loan that the company is applying for no later than August 1st. A letter of conditions needs to be issued by the USDA before we have any details regarding the final interest rate, terms, grants, or annual payments.

Recently we had a public comment submitted on the Environmental Assessment for this project that this loan will fund. In order to move forward with the loan from the USDA we have to respond to this comment in detail. This will be very involved and will delay the USDA issuing a letter of conditions to CRRWC by several months. Please see attached emails for supporting documentation.

CRRWC requests that the commission change the date requirement to file a rate case from August 1st to 90 days after a letter of conditions has been received from the USDA. With the condition that CRRWC must notify staff of the receipt of the letter of conditions within 5 business days of the receipt.

Thanks for your consideration

A handwritten signature in black ink, appearing to be "Frank Day", written over a horizontal line.

Frank Day
General Manager

Frank Day

From: Goldstein, Sam - RD, Portland, OR <sam.goldstein@or.usda.gov>
Sent: Monday, July 7, 2014 11:16 AM
To: kathy.willis@state.or.us
Cc: frank@crrwater.com; Swires, Pam - RD, Redmond, OR
Subject: Crooked River Ranch Water Company – Order No. 14-178

Ms. Willis:

Please be advised that the subject entity has applied for financing with Rural Development for water system improvements. Because our interest rates are dependent on the market at the time funds are reserved, we will not know the interest rate until that time. Prior to reservation of funds, we will issue a letter of (loan) conditions to the applicant. The application review takes considerable time and it includes environmental and engineering reviews that could impact the project. Our credit review, due to the size of the request, will require additional approvals. We estimate that the loan terms could be available during the 4th quarter of this calendar year.

Please take whatever measures are necessary for your rate review process.

If you have any questions, please feel free to contact me directly when you return.

Regards,

Sam Goldstein

Community Programs Director
Rural Development – Oregon

United States Department of Agriculture
1201 Northeast Lloyd Boulevard, Suite 801 | Portland, OR 97232

Phone: **503.414.3362** | E-mail: Sam.Goldstein@or.usda.gov

http://www.rurdev.usda.gov/OR_Home.html | “Committed to the future of rural communities”

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Frank Day

From: Swires, Pam - RD, Redmond, OR <pam.swires@or.usda.gov>
Sent: Monday, June 30, 2014 8:05 AM
To: frank@crrwater.com
Cc: Rollier, Charlotte - RD, Portland, OR
Subject: RE: Interest
Attachments: WW Bulletin (Jul-Sep 2014).docx

Just received the new rates...the intermediate did not change as we anticipated.

Just a heads-up: we received the "pooling date" for water/sewer funds as of August 8, 2014; this means that if we do not issue the letter of conditions prior to that date (due to the environmental concerns we have to address) we may not be able to fund this project until after October 1st when the new fiscal year begins. This is out of everyone's ability to control. We will do our best to meet that deadline if we can get the FONSI published in time, but at this point in time it doesn't look very promising.

I have to be out of the office today, but will be in all day tomorrow if you need to chat.

Regards,

Pam Swires

Community Programs Specialist
Rural Development – Oregon
United States Department of Agriculture
625 SE Salmon Ave., Ste 5, Redmond, OR 97756
Phone: 541.923-4358, ext.137 / email: pam.swires@or.usda.gov / Faxmail 1-855-824-6181
http://www.rurdev.usda.gov/OR_Home.html | "Committed to the future of rural communities"

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From: Frank Day [mailto:frank@crrwater.com]
Sent: Monday, June 30, 2014 7:26 AM
To: Swires, Pam - RD, Redmond, OR
Subject: Interest

Good Morning Pam, Did you happen to get any 3rd quarter interest rate number yet? Could you forward them to me as soon as you get them?

Thanks

Frank Day | General Manager | Crooked River Ranch Water Co
frank@crrwater.com | O: 541-923-1041 | C: 541-279-0058 | F: 541-923-5936
13845 SW Commercial Loop | PO Box 2319 | Terrebonne, OR 97760 | www.crrwater.com

Frank Day

From: Rollier, Charlotte - RD, Portland, OR <charlotte.rollier@or.usda.gov>
Sent: Thursday, June 12, 2014 12:13 PM
To: frank@crrwater.com
Cc: JVonRohr@whpacific.com; Goldstein, Sam - RD, Portland, OR; nboggs@whpacific.com; Rollier, Charlotte - RD, Portland, OR
Subject: CRR FONSI Suspension

Frank,

Please inform your Board that USDA has decided to suspend the FONSI and we will have to republish once we have a more detailed response to Mr. Soule's concerns. I was confident we could address those concerns and not need to do this, but it appears he wants to officially protest. I've checked with my National Office and there is no process for a FONSI protest other than a lawsuit, which he hopefully will not file. I will continue to work with WHPacific, CRR and others as needed to address his concerns and put those in writing before we issue a new FONSI, which I'm confident we'll get to. I'm sorry I pulled the trigger so quickly on the FONSI but it's rare to have it end up where we are and we were sensitive to CRR's desire for the lower interest rates. In future I'll wait a few more days.

This will not change processing of the application other than we'll continue working on the EA until we feel confident the FONSI is still supportable and all concerns have been addressed to our satisfaction and that of the ESA agencies such as USFWS and NMFS. This will add some time but hopefully not too much time. Call if you have questions.

Charlotte Rollier

State Engineer/State Environmental Coordinator

Rural Development – Oregon

United States Department of Agriculture

1201 Northeast Lloyd Boulevard, Suite 801 | Portland, OR 97232

Phone: 503-414.3356 | E-mail: charlotte.rollier@or.usda.gov

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