



e-FILING REPORT COVER SHEET

Send completed Cover Sheet and the Report in an email addressed to: PUC.FilingCenter@state.or.us

REPORT NAME: Affiliated Interest Annual Report for Water Utilities

COMPANY NAME: Running Y Water, LLC

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water) RO (Other)

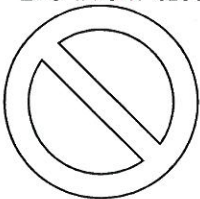
Report is required by: OAR 860-036-0816
Statute
Order Enter PUC Order No.
Other Enter reason

Is this report associated with a specific docket/case? No Yes

If yes, enter docket number:

List applicable Key Words for this report to facilitate electronic search:

DO NOT electronically file with the PUC Filing Center:



- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.

Must be electronically filed with the Public Utility Commission of Oregon
 at: PUC.FilingCenter@state.or.us
 on or before May 31, 2015

If you have questions about
 the form call Stephanie Yamada at
 (503)378-5201
 email: Stephanie.Yamada@state.or.us

Mail the original to:
 Public Utility Commission of Oregon
 PO Box 1088
 Salem, OR 97308-1088

Affiliated Interest Annual Report for Water Utilities

OAR 860-036-0816

Utility Company Name: RUNNING Y WATER, LLC
 Address: 5115 RUNNING Y ROAD, KLAMATH FALLS, OR 97601
 Telephone: 541-850-5566
 Email: curt@nvoregonresorts.com

Annual Transactions for Jan. 1 through Dec. 31, 2014

Please use this format and attach additional sheets if needed.

| Docket and Order No.* | Name of Affiliate And Description of Affiliation | Purpose of Transaction | Hours and Current Hourly Rate If Applicable | Annual Dollar Amount |
|-----------------------|---|---|---|----------------------|
| | 1-RUNNING Y DEVELOPMENT, LLC | LEASE – SEE NO. 1 ON ATTACHED SHEET | | \$1,800 |
| | 2-NVHG OR HOTEL OPERATOR, LLC | SERVICES AGREEMENT – SEE NO. 2 ON ATTACHED SHEET | | \$31,979 |
| | 3-NVHG OR HOTEL OPERATOR, LLC/OREGON RESORTS ACQUISITION PARTNERS, LP | RESORT MANAGEMENT AGREEMENT FOR EXECUTIVE MANAGEMENT SERVICES – SEE NO. 3 ON ATTACHED SHEET | | \$15,045 |
| | 4-OREGON RESORTS ACQUISITION PARTNERS, LP | INTERCOMPANY LINE OF CREDIT – SEE NO. 4 ON ATTACHED SHEET | | \$258,978 |
| | | | | |

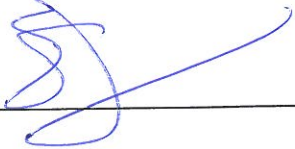
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Have any changes occurred to the utility, affiliate, or the affiliated relationships that affect any affiliated interest contracts?

- NO
 YES - Using a separate sheet, please explain the changes and provide any other pertinent information.

Signature of responsible party:  Date: 5/1/15

Printed name: Scott Pickert Position held in utility: Sr Vice President
Telephone Number: 541 548-9378 email: scott@nvhs.com

The Commission may request further information regarding any affiliated interest transaction.

This form **must** be filed electronically via the PUC Filing Center as indicated at the top of the page.

*If you do not know the docket or order number, please call and I will help you with that information. Please **do not** file the form with this section blank.

Affiliated Interest Annual Report for Water Utilities
Annual Transactions for Jan. 1 through Dec. 31, 2014
ATTACHMENT TO FORM DATED 05/01/2015

COMPANY: Running Y Water, LLC

Note: Below numbering refers to the transaction numbering on the annual report form. See below and attached for additional information (Attachment A) on reported affiliated entities.

No. 1: Office Lease:

Office Lease dated 01/18/2011, between Running Y Development, LLC (lessor) and Running Y Utilities, Inc. (lessee). Running Y Utilities, Inc is now known as Running Y Water, LLC (conversion to Running Y Utilities, LLC, and subsequent name change to Running Y Water, LLC). Lease amendment dated 07/01/12 to address shared use with Running Y Environmental, LLC.

No. 2 – Services Agreement:

Services Agreement between NVHG OR Hotel Operator, LLC and Running Y Water, LLC dated July 1, 2012. Services provided are described in Exhibit A to that agreement (copy attached as Attachment B), which exhibit is the template for the annual statement of charges from NVHG OR Hotel Operator, LLC to Running Y Water, LLC.

No. 3 – Resort Management Agreement:

Resort Management Agreement by and between NVHG OR Hotel Operator, LLC (as “Operator”) and Oregon Resorts Acquisition Partners, LP (as “Owner”) dated November 19, 2010. Operator provides management of all subsidiary entities held by Owner, which includes Running Y Water, LLC. The Base management Fee for such management services is charged at the rate of 3% Adjusted Gross Revenue as defined in the agreement. Each subsidiary entity incurs the 3% base management fee payable to Operator.

No. 4 – Intercompany Line of Credit:

The Agreement described in No. 3 contains the provision for Owner to fund operating and capital expenses of each subsidiary entity managed by Operator. The line of credit balance for Running Y Water, LLC at 12/31/2014 was \$258,978.

Organization Charts (Attachment A):

Chart Titled “Exhibit D-2” depicts the relationship between Oregon Resorts Acquisition Partners, LP and Running Y Water, LLC (fka Cline Butte Utilities, LLC). It also shows relationship of affiliated entities Oregon Resorts, LLC and Eagle Crest Resort Development, LLC.

Chart Titled “Exhibit D-3” depicts the relationship of NVHG OR Hotel Operator, LLC as manager “Operator” pursuant to the management agreement with Oregon Resorts Acquisition Partners, LP. An owner of NVHG OR Hotel Operator, LLC is Member of Running Y Water, LLC, Oregon Resorts, LLC and

Eagle Crest Resort Development, LLC as well as an indirect minority owner in Oregon Resorts Acquisition Partners, LP.

Attachment A

EXHIBIT D-2 Post-Reorganization Org Chart

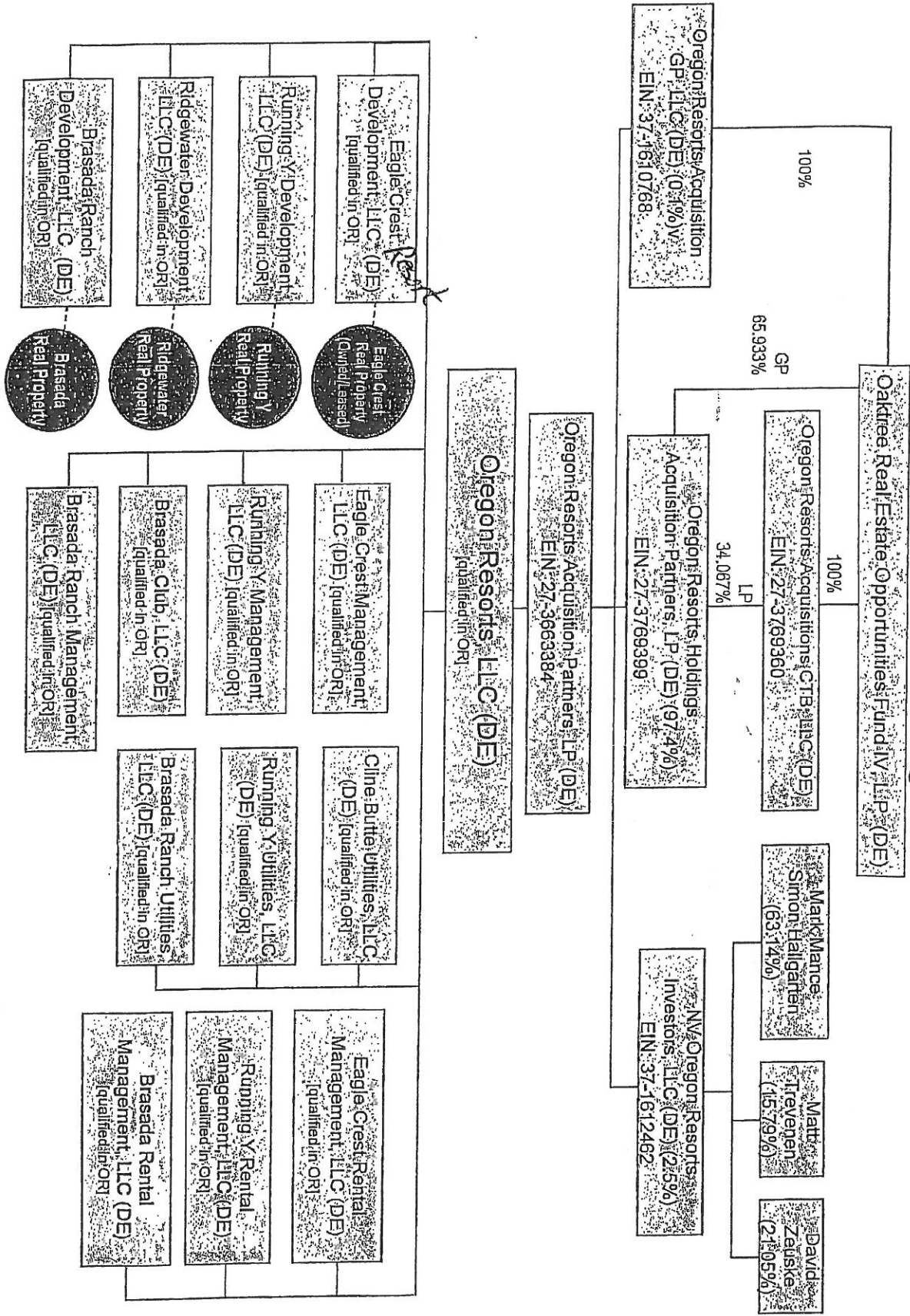
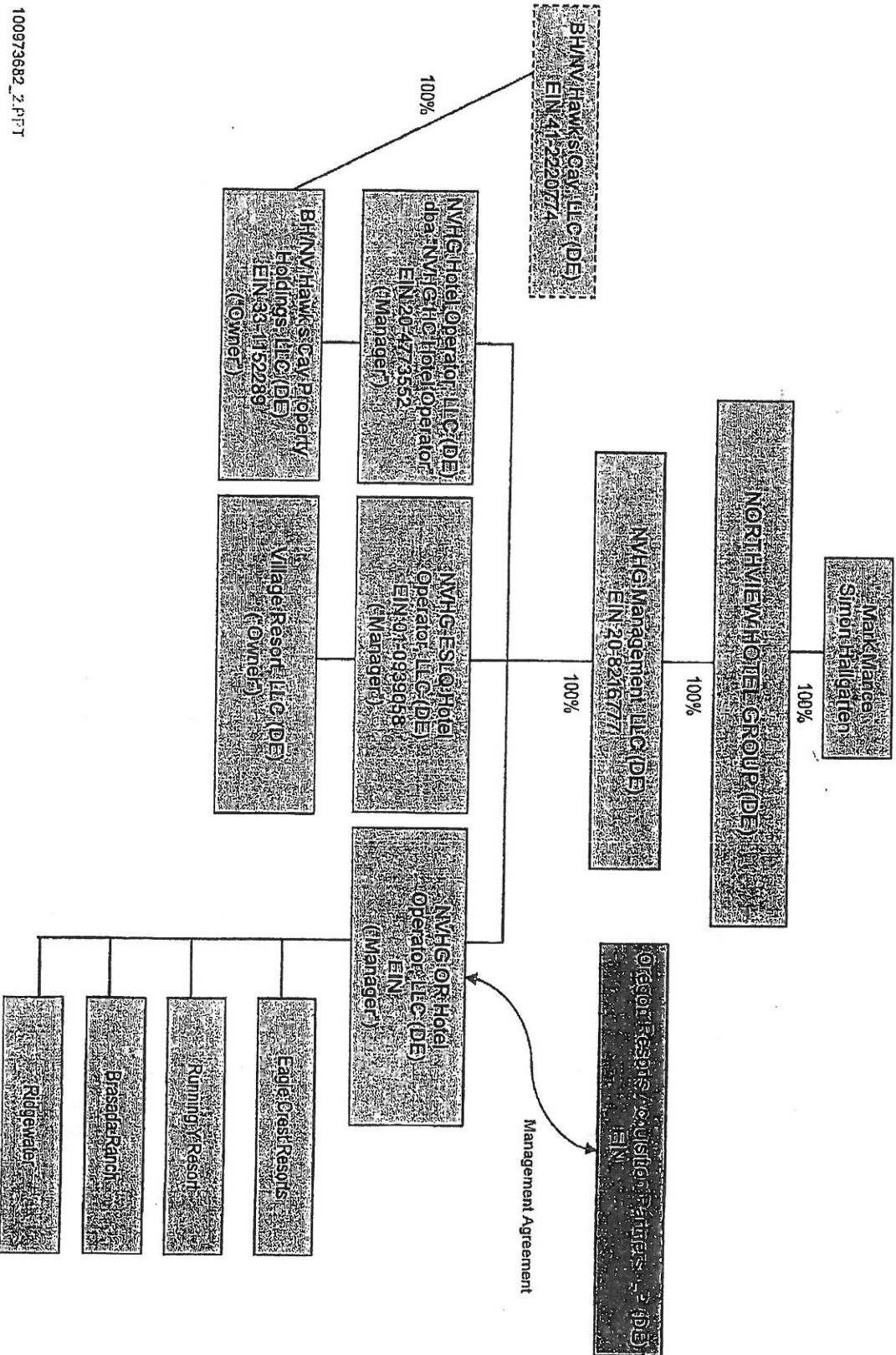


EXHIBIT D-3 Management Org Chart



Attachment B

EXHIBIT A STATEMENT OF CHARGES YEAR: _____

| <u>DESCRIPTION OF SERVICE</u> | <u>% of Dept Cost **</u> | <u>Annual Budget **</u> | <u>Annual Fixed Fee</u> |
|---|------------------------------|-----------------------------|-----------------------------|
| A. General Management, Accounting and Tax, Risk Management Manager resource for coordinating NVHG OR Services, miscellaneous office and clerical services, assistance with customer communication materials, payroll service, accounts payable, cash receipts, billing and collection services, tax planning, financial statement and budget preparation, and services related to obtaining insurance coverage, evaluating environmental and safety issues, claims management and related administration | | | |
| B. Human Resources Assistance in administering personnel policies, benefit plans, wage/salary administration, and training | | | |
| C. Information Systems Services related to systems design, implementation, and software and hardware support | | | |

** For certain Services, the NVHG OR actual department costs may be billed to RYW based on the percentage (%) figures shown in the annual statement of charges. For such Services, the budgeted allocation of department costs will be also shown on the annual statement of charges for RYW budgeting purposes. Other Services may be charged on a fixed fee basis.

