

JOHN R. KROGER
Attorney General



MARY H. WILLIAMS
Deputy Attorney General

DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

January 5, 2011

Patrick Power
Administrative Law Judge
Public Utility Commission of Oregon
550 Capitol St NE – Suite 215
Salem OR 97301

Re: WJ 8 and UCR 100 Status Report Errata

Dear Judge Power:

On December 30, 2010, Staff filed a Status Report Errata which corrected a typo on page 3, line 13. The page was inadvertently filed under docket UW 120.

Enclosed is the same correction page to be filed in docket WJ 8 and UCR 100. Our apologies for any inconvenience.

Sincerely,

Neoma Lane
Legal Secretary
Business Activities Section

NAL:nal/2467580-v1
Enclosures
cc: Service list

- 1 2. The Company has not been responsible with member money resulting in harm to
2 members.
- 3 a. Recent years show a significant diminishment of investment and other funds.
4 b. Not using the Capital Assessment Funds for its intended purposes.
5 c. Questionable capital expenditures that displace funds for the establishment of
6 member accounts.
7 d. Excessive legal expenses.
8 e. Excessive payments to management and directors.
- 9 3. The Company's Board is not providing adequate oversight of the Company resulting
10 in harm to members.
- 11 4. The significant amount of customer complaints resulting in harm to members.

12 As can be seen from above, the reasons to provide oversight were directly related to the
13 actions of the Company's previous management coupled with lack of oversight by the previous
14 Company Board. Staff, in Staff/300 and related testimony in additional CRRWC dockets (UCR
15 100 and UW 120) consistently highlighted the need for Commission oversight.

16 However, as a result of actions taken in Jefferson County Case 09 CV-0049 that included
17 the election of a new board (which subsequently resulted in the departure of previous
18 management); the facts underlying this case have changed. The Company now has a duly and
19 honestly elected board, the management that was an impetus to the many Commission dockets is
20 no longer affiliated with CRRWC, and the water system is currently being serviced by Avion
21 Water Company under a contract with the CCRWC Board.

22 In discussions with the new board, CRRWC has shown an interest in having the
23 Commission maintain oversight of the Company. As a result, Staff would welcome the
24 opportunity to work with the new board to recommend fair and reasonable rates, establish fair
25 regulations and policy, to assist in budgeting, and assist in other aspects of water regulation.

26 Staff believes the remaining issue left for the Commission to determine is whether or not
 the public interest requires regulation. Staff has been in informal conversations with the new
 Board and its counsel related to its future plans. It is possible that the new Board will accept the

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December 30, 2010

Patrick Power
Administrative Law Judge
Public Utility Commission of Oregon
550 Capitol St NE – Suite 215
Salem OR 97301

Re: UW 120 and UCR 100 Status Report Errata

Dear Judge Power:

Staff filed a Status Report on December 29, 2010. We discovered a typo on page 3, line 13. Enclosed is a corrected page, please replace page 3 with the enclosed page.

Thank you for your attention.

Sincerely,

Neoma Lane
Legal Secretary
Business Activities Section

NAL:nal/2459187-v1
Enclosure
cc: Service list

- 1 2. The Company has not been responsible with member money resulting in harm to
2 members.
- 3 a. Recent years show a significant diminishment of investment and other funds.
4 b. Not using the Capital Assessment Funds for its intended purposes.
5 c. Questionable capital expenditures that displace funds for the establishment of
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