

PUBLIC UTILITY COMMISSION OF OREGON

Docket No. UW 186

In the Matter of SUNRIVER WATER COMPANY LLC Request for a General Rate Revision

I wish to submit additional comments and concerns regarding UW 186.

Robert Gamble, Sunriver, Oregon

November 08, 2021

Sunriver Golf Courses Revenue

During the UW 186 Public Comment Hearing on September 27, 2020, the Sunriver Water General Manager, Mr. Tim Smith, stated that the Sunriver Resort's Caldera and Meadows golf courses are irrigated with "potable water supplied by Sunriver Utilities" and that water is "charged at irrigation rates." He also stated that the Resort's Woodlands golf course is irrigated with "reclaimed water" and the Resort pays "a flat rate per year." Mr. Smith did not provide any data or details to justify those characterizations of rates charged or revenue generated.

Nothing in the annual reports for CY 2019 and CY 2020 accounts for the gallons needed to irrigate the Caldera and Meadows golf courses or the revenue those gallons would generate. For CY 2015, the last year that Golf Course revenue was reported, Account 467 Golf Course gallons shows that 128,125,100 gallons were used to irrigate Crosswater and Caldera golf courses. After the sale of Sunriver Water and the assignment of Well #12 to Sunriver Resort, CY 2019 shows that all 116 remaining Irrigation Customers used a total of 158,621,270 irrigation gallons. So it seems implausible that irrigation of any golf courses are included from CY 2019 onward.

Another fact identifying that Sunriver Resort is not paying water rates for irrigation of golf courses is the statement in Order No. 19-147 for Dockets UP 384, UP 391 that, "SRLP will no longer be a Golf Course Irrigation customer following closing of the Transactions" (on May 31, 2019).

Lost golf course revenues associated with Well #12.

The Staff Report for Docket No. WA 83 acknowledges that revenue was lost when Sunriver Water gave Well #12 to Sunriver Resort: "Staff notes that while Sunriver Water lost the revenues associated with Well 12 upon its transfer to the Resort, the associated costs of maintaining the well and serving the Crosswater golf course were also eliminated." This parrots Mr. Smith's comments during the Public Comment Hearing on September 27, 2020 and the Letter to Sunriver

Scene 12 July 2021 from Mr. Tom O’Shea, Managing Director, Sunriver Resort. However, there are no details or data provided to support the suggestion that the lost revenue was exceeded by the elimination of costs.

Neither the WA 83 Staff Report nor Sunriver Water quantify the operating expenses associated with serving the Crosswater golf course with Well #12.

By contrast, Sunriver Water “provided the estimated operating expenses associated with serving the CSA (Caldera Springs Annex) at full build out. As shown in Table 2, those expenses are expected to total \$58,167 annually.”

“Sunriver expects that customers in the proposed expanded service territory will pay the same rates as current customers. At current rates, Staff estimates the annual revenue associated with the expanded service territory to be \$248,616 at full build-out...”

“Based on this information, revenues from the expanded territory will exceed the \$58,167 in associated operating expenses that are expected to result from the provision of service to the CSA.”

A similar analysis, if provided by either party, of operating expenses and revenues for Well #12 and Crosswater golf course irrigation would have arrived at the same conclusion; that revenues exceeded operating costs.

Another look at the CY 2015 Annual Report shows that Account 467 Golf Course revenue was \$121,089. While Operation and Maintenance Expense Accounts for the entire company showed the following: Account 621 Repairs of Water Plant was \$18,564, Account 635 Contractual Services-testing/sampling was \$2,673, and Account 657 Insurance-General Liability was \$25,155.

The Commission incorrectly approved the assignment of Well #12 when it said that the transaction was “fair and reasonable and not contrary to the public interest” because Sunriver Water’s customers’ rates will increase, at least in part, because of the lost revenue as a result of the transaction.

If water rates aren’t applied to all water users in an exclusive service territory, then how can they be just, fair, and reasonable?

Information Sources:

SUNRIVER WATER LLC ANNUAL REPORTS

<https://apps.puc.state.or.us/edockets/docket.asp?DocketID=17447>

SUNRIVER WATER REQUEST FOR A GENERAL RATE REVISION

<https://apps.puc.state.or.us/edockets/Docket.asp?DocketID=22858&Child=action>

SALE OF SUNRIVER WATER LLC TO NW NATURAL WATER

<https://apps.puc.state.or.us/edockets/docket.asp?DocketID=21640>

SUNRIVER WATER LLC EXCLUSIVE SERVICE TERRITORY APPLICATION

<https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=22813>