

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2280

In the Matter of

SUN COUNTRY WATER, INC.,

Investigation into Billing Practices and
Functions of a Water Utility.

RULING

DISPOSITION: OFFICAL NOTICE TAKEN

Over the last several days, Staff in the Administrative Hearings Division have become aware of news reports concerning Sun Country Water and a communication relevant to this case from Victoria Coffman, formally of Sun Country Water.

Consistent with OAR 860-0010-0460 I take official notice of some of these reports and a communication provided to the Administrative Hearings Division from the Commission's Consumer Division Staff, attached to this ruling. I waive in part OAR 860-001-0460(2) which allows an objecting party to explain or rebut a noticed fact within 15 days; in this case I allow 11 days for rebuttal from an objecting party. Any rebuttal must be provided and filed with the Commission's Filing Center no later than 12 PM on Monday, July 24th.

Dated this 13th day of July, 2023, at Salem, Oregon.



Nolan Moser
Chief Administrative Law Judge

Attachment 1



▶ Several west Bend homes not receiving water due to system failures

BY BROOKE SNAVELY | CENTRAL OREGON DAILY NEWS

Wednesday, July 12th 2023

Several homes in a west [Bend](#) neighborhood are not getting water due to breakdowns in a private utility system.

Sun Country Water serves 110 homes in the Saddleback neighborhood near Shevlin Park. The company's inability to fix the water system is drawing the attention of regulators.

The system that delivers water is 52 years old. It pulls water from two wells, one of which has been out of service for two years. That puts undue pressure on the one remaining well and is resulting in leaks, overflows and loss of service to several homes.

One hydrant on the Sun Country Water system has been leaking for four weeks. The leak is contributing to loss of water to several homes on the upper end of the gravity-fed system.

"I hear about my neighbors who are out of water nearly every morning or daily. I, fortunately, haven't had my taps go out yet, but I'm concerned. It's only a matter of time," said Joe McMahon, a Sun Country Water Customer.

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RELATED: [City of Bend holds open house to refine details on new transportation project](#)

Sun Country Water recently told customers it needed to double its rates to fund repairs. The Oregon Public Utility Commission informed the company it needed to submit a rate case for review before it can increase fees, but the company never did.

"Staff is giving this top priority and has been in discussion with other operators in the area to see if there is a potential appointee that could be put in place to operate the company, if necessary," said Nolan Moser, an Oregon Public Utilities Commission administrative law judge.

Emergency responders are aware of the loss of pressure in the Sun Country Water system. They haul extra water in

water tenders when responding to fires in the area.

“Because it’s a small system, it’s not pressurized. It just uses gravity,” said Dan Derlacki, Bend Fire Department Assistant Fire Marshal. “Us pulling water out of that system could do damage, so we make sure the water is there for the residents. We can use our water tenders to bring the water we need to effectively fight fires.”

The owner of the water company did not answer or respond to Central Oregon Daily’s requests for comment. His voicemail box is full and not accepting messages.

In the meantime, water company customers are left guessing about when service will be restored and whether they should boil or filter the water that does come out of the tap.

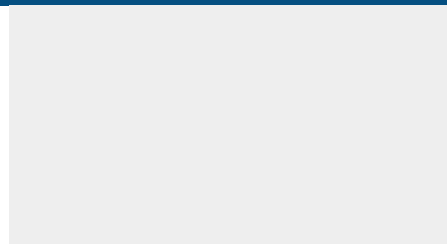
“We have been talking to homeowners about using bottled water for drinking and consumption and recommending resources,” said Jeff Freund, an environmental health specialist with Deschutes County.

In this situation, Freund said the water company operator is not mandated by rule to issue a boil water public notice to customers since these are loss of pressure events, not confirmed contamination events.

“As a result, I have been disseminating water safety recommendations in the form of public notice templates and FAQs to affected homeowners. Similarly, the water provider typically offers an alternate source of water such as bottled water in the interim, but not a requirement.”



TOP LOCAL STORIES



Attachment 2

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Crime And Courts

Leaking Bend fire hydrant has gushed water for past month; neighbors fear remaining well will run dry

By **Blake Mayfield**

July 11, 2023 7:16 PM

Published [July 11, 2023](#) 11:59 AM



(Update: Adding video, comments from frustrated neighbors, info from Oregon PUC, OWRD)

BEND, Ore. (KTVZ) -- A fire hydrant off Saddleback Drive in west Bend has been leaking water for the past month, and area residents say the water company who controls the hydrant's water flow has been unresponsive about the issue, which they say has led to nearby wells running dry.

Since June 12, the fire hydrant in question, whose water purveyor is [Sun Country Water](#), has been leaking and hasn't been fixed, according to neighbors. The water leakage has resulted in nearby wells running dry for about 100 homes near Shevlin Park in west Bend, they say.

Since the hydrant issue arose, state regulators have been unable to get a hold of Sun Country Water's purveyor Dean "Butch" Rodgers.

One frustrated neighbor, Joe McMahon, told us, "It feels like you don't have a lot of options. Very little action is being taken."

The fire hydrant was still leaking Tuesday morning. According to neighbors, the issue arose after a pipe was patched back in early June. They said the hydrant was not inspected at the time of the patching, causing pressure to build up and eventually burst.

"What we were told was that this is very temporary, and that within a couple of days this would be remedied. And I'm recalling back to about 30 days ago," McMahon recalled.

We reached out several times to the company and its owner for clarification on the issue, but have not heard back.

A Google search shows an address on Nelson Road as the primary location for the business, but no website is linked.

When I went to the listed business location, it was just an open field, with no building or office in sight.

Another neighbor, John Blankfort, was not surprised by that.

"It's been obvious for quite some time that the company has financial difficulties, that they don't do what they say they are going to do," Blankfort said. "And I own property in the area, and I think it's decreasing my property value, and I want reliable water."

The leaky hydrant's water source is two nearby wells which get water from 800 feet underground. But according to neighbors, one of the wells hasn't been working since 2021, meaning those living nearby get their water from the same source.

Now, there's fear their remaining well will run dry. "We just all have a little bit of anxiety about when the inevitable is going to happen," McMahon told NewsChannel

21.

[Oregon Public Utility Commission Docket UM 2280](#) shows a form by the Oregon Department of Justice that was filed in March to [issue financial penalties](#) to Sun Country Water due to lack of compliance dating back to last year. In the same docket are a number of public comments about Sun Country Water regarding billing practices and functions of their water utility dating back to April.

Government regulators indicated they haven't been able to get hold of the company or its owner since learning about the incident last month.

According to neighbors in the area, boil-water notices have not been put out by the company for homes in the area, as the water is not contaminated. Boil notices only have to be issued by water surveyors for contamination and when the quality of water is deemed too toxic to drink, and not for water pressure issues, according to Deschutes County Health Services Specialist Jeff Freund.

No codes or laws allow local governments to go after private water companies, or for water surveyors to put out notices for water leakages and pressure issues only.

Oregon PUC officials told us Tuesday that they are considering appointing a regent to take over operation of the water system in place of the current operator, due to the lack of response from Rodgers and unpaid fines issued by the state.

"It's really a story of regulatory failure," Blankfort declared. "Complete regulatory failure. They need to hold people accountable."

OWRD confirmed to us that they sent out notices to Sun Country Water to try and resolve water waste issues earlier this year.

After issuing a fine in June due to lack of compliance from the company, OWRD said it mailed out a final order to Rodgers on Monday.

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Blake Mayfield

Blake Mayfield is a multimedia journalist for NewsChannel 21. Learn more about Blake [here](#).

RELATED ARTICLES

Attachment 3

From: [MOSER Nolan * PUC](#)
To: [WALKER Cheryl * PUC](#)
Subject: FW: Small water systems - UM 2280
Date: Thursday, July 13, 2023 10:41:35 AM

From: WALKER Cheryl * PUC <Cheryl.WALKER@puc.oregon.gov>
Sent: Wednesday, July 12, 2023 2:43 PM
To: SPRUCE Sarah * PUC <sarah.spruce@puc.oregon.gov>
Cc: MOSER Nolan * PUC <Nolan.MOSER@puc.oregon.gov>
Subject: FW: Small water systems - UM 2280

Hi, Sarah. Please read the emails below. Do you want me to docket Ms. Coffman's email?

Thank you.

Cheryl

From: RIOS Deanna * PUC <Deanna.RIOS@puc.oregon.gov>
Sent: Wednesday, July 12, 2023 2:34 PM
To: BEITZEL Russell * PUC <Russell.BEITZEL@puc.oregon.gov>; SHEARER Scott * PUC <Scott.SHEARER@puc.oregon.gov>; NOTTINGHAM Melissa * PUC <melissa.nottingham@puc.oregon.gov>
Cc: MENZA Candice * PUC <Candice.MENZA@puc.oregon.gov>; TOEWS Kimberly * PUC <Kimberly.TOEWS@puc.oregon.gov>; KNOLL Ellie * PUC <ellie.knoll@puc.oregon.gov>; WALKER Cheryl * PUC <Cheryl.WALKER@puc.oregon.gov>; DAVIS Diane * PUC <Diane.DAVIS@puc.oregon.gov>
Subject: FW: Small water systems

Good afternoon,

I am working my way through all the Sun Country emails. I just read the judge's memorandum of 7/11 stating there was no official word from the company that Victoria had quit. Here is her email to me and Jeff Freund of Deschutes County stating she no longer works for Butch. **Please let me know if I need to instruct her to provide notice to anyone else.** Thank you!

Deanna

From: Victoria Coffman <suncountrywater@outlook.com>
Sent: Saturday, July 8, 2023 11:09 AM
To: Jeff Freund <Jeff.Freund@deschutes.org>; RIOS Deanna * PUC <Deanna.RIOS@puc.oregon.gov>
Subject: Small water systems

Hi Jeff and Deanna,

I am no longer working for Butch Rogers. I quit about 2/3 weeks ago. I am not able to be the small water operater for Sun Country Water, Hunnell Hills, Deer Trail, and Tumalo West.

Sun country water no longer has an 'office manager'.

I quit because Butch refuses to ensure his customer are properly cared for. He won't fix the well and now there is a fire hydrant that he won't fix either. He laughs about it and makes jokes all day for years about the Silverado well.

Please let me know if I need to contact anyone else.

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