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submit an application to the General Manager and the Board. If the General Manager and the Board approve the application, the applicant becomes a member of the corporation. None of the Board members recalled seeing an application to become a member of the water company. They also did not know of anyone being refused membership in the corporation. In an interview on October 11, 2005, ROOKS said he could not recall any situations where an application would or has gone before the Board.

CRRWC: Operation as Nonprofit Mutual Benefit Corporation

Nonprofit mutual benefit corporations are required to make their records, books, and annual financial reports available for members' inspection and copying during normal business hours. The members support the nonprofit corporation financially and therefore have a statutory right under their membership agreement to access the corporation records. In most cases members were not allowed to view the books or to make copies. When records were requested by HOBBS, WHITTEN, and SOULE, they were told by ROOKS that they did not have a right to the records. He told them he could answer any questions about the records. According to HOBBS, prior to ROOKS becoming General Manager, monthly financial reports were given to the Board and were available for members. Since ROOKS took over as General Manager, members only receive the year-end report prepared by the CPA with records provided to the CPA by ROOKS' wife, Jacque.

According to the CRRWC bylaws, the water company Board is required to hold an annual meeting for all members. They were also required to hold monthly Board meetings. This was changed, on June 1, 2000, to quarterly meetings. In reference to the Board meetings and the annual meeting, SOULE, HOBBS and WHITTEN stated they did not always receive notice of the meetings. When they were able to find out about the annual meetings, they sometimes were not allowed to attend as the meetings were held at the water company in a room with a maximum capacity of 25 people. HOBBS stated the room was always full, prior to the meeting time, by supporters of the General Manager and the Board and they could not get in the room. HOBBS added that some of the people at these meetings were not members of the water company. On some occasions the door would be locked or the members were told the meeting was not open to the public. According to HOBBS, a reporter was denied access to one of these meetings.

CRRWC: Board Membership

According to the CRRWC bylaws, the current board members, and ROOKS, to apply for a Board position, a person must be a member of the CRRWC, must fill out an application and then submit it to the General Manager. If the General Manager determines the application is filled out correctly and the person is qualified, he approves the application and presents it to the Board. If the Board agrees that the applicant is qualified, the person would then be interviewed by the Board. After the interview, if the person were still qualified, his name would be placed on the ballot, which would be voted on by a mail-in ballot before the annual meeting. ROOKS stated only those listed on the ballot were considered as candidates, no write in candidates were allowed. On October 11, 2005, ROOKS said that he believed the ballots were counted by OAKLEY as she took the Board minutes. The results are reported at the annual meeting. Board member, John COMBS, stated that he has

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never seen an application for the Board and did not fill one out. He was appointed to the Board and was never elected.

It should be noted that the above procedure was in the bylaws and approved by the Board on May 2, 2001 (Attachment 3). The Board approved a resolution on December 19, 2003, which restated this same application procedure (Attachment 4). This resolution made the application procedure known to HOBBS, WHITTEN, and SOULE, who did not know of it previously. They became aware of it when they asked what was required to be a Board member. These members were concerned that the Board and General Manager were trying to maintain control of the Board and would only allow those people who agreed with them on the Board. They further believed all Board members were hand picked by ROOKS so he could maintain control over the Board. This procedure caused these members of the CRRWC to begin asking more questions and observing more closely the workings of the CRRWC Board and its employees.

From 1999 to 2006 (eight years) there have only been twelve Board members, from 2000 to 2006 there have been nine, and from 2002 to 2006 there have been seven (Attachment 37). Chuck PETERSON left the Board in December 1999, Barbara OAKLEY left the Board in 2001 and was hired by ROOKS in 2002, Wayne SUTTON was on the Board from 1999 to December 2005 when he was removed, Paul DINSMOOR was on the Board from 1999 until September 7, 2005 (when he lost his life in an accident), Bill PEMBERTON left the Board in 2000, Rick KEEN has been on the Board from 2000 to the present, John COMBS from 2000 to 2007, Randolph SCOTT from 2001 to the present, Brian ELLIOTT from September 2005 to the present, and Richard MILLER from June 29, 2006 to the present.

On December 8, 2005, Board members removed SUTTON from the Board, shortly after SUTTON questioned ROOKS regarding some of his practices. According to SUTTON, in September 2005, he told ROOKS that he was not comfortable with ROOKS' family working for the company. He also questioned ROOKS about the purchase of a four-wheeler by ROOKS for his daughter's use in reading water meters.

Two of the Board members are away from the ranch for a least half the year. ELLIOTT said he is in California for six months or longer and SCOTT said he travels to Alaska for work every two or three weeks, being gone for two or three weeks at a time, if not longer. Two of the Board members, KEEN and SCOTT, sold their property on the ranch (Attachment 44). Board members COMBS, ELLIOTT, SCOTT, KEEN and SUTTON stated that proposals and/or resolutions were discussed over the phone, or in person at an individual meeting with ROOKS.

CRRWC: Board Activities

The 2004 CRRWC Bylaws, Section 4.7 (a), state that "The Board shall have general supervision and control over and shall manage and conduct the affairs and business of the Corporation, and shall make all necessary rules and regulations, not inconsistent with law or with the Bylaws or Articles of Incorporation, for the management of the Corporation and the guidance of the officers, employees and agents of the Corporation". (Similar statements can be found in prior

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bylaws.) Also, the Board needs to keep a record of "... all of its acts and proceedings. The Board shall present a report at each annual meeting of the members of the Corporation showing in reasonable detail the condition of the Corporation's affairs" (Bylaw 4.7 (c)). A financial statement was presented and available to members at the annual Board meeting and could be obtained at the water company office. All Board members interviewed and ROOKS stated that Board meetings did not occur very often, as it was difficult to get Board members together because of work schedules and some Board members being out of town. According to ROOKS and Board members, records of Board meetings were very sparse as most decisions were made through individual contact, either in person or on the phone, between ROOKS and Board members.

"The Board may in its discretion employ a General Manager, under contract, who shall hold office subject to such terms and conditions as may be fixed by the Board" (Bylaw 4.7 (b)). The Board hired a General Manager, who is currently ROOKS, to run the everyday operations of the water company. ROOKS has a contract with the Board, dated May 1, 2004, and signed by Paul DINSMOOR, President of the Board of Directors on that date. (Note: DINSMOOR lost his life in an accident on September 7, 2005.) No other Board members signed the contract. Board members COMBS, ELLIOTT, SCOTT, KEEN and SUTTON believed there was a contract but could not remember seeing it nor could they produce one. The contract is for a period of ten (10) years and may be renewed at the end of each year with an annual review. None of the Board members mentioned anything about conducting an annual review of ROOKS contract, but all stated they were satisfied with his work and that they believed he was doing a great job for the water company.

SUTTON said he was concerned about how much ROOKS and his wife were being paid so he asked to see a copy of ROOKS' contract. ROOKS first told SUTTON he did not have a contract but later told him he could not find it. ROOKS told SUTTON it was an ongoing contract. SUTTON never saw a copy of ROOKS contract. COMBS believed ROOKS was being paid a salary of about \$50,000 per year plus overtime pay. KEEN and SCOTT have never seen a copy of ROOKS' contract, nor did they know what he was paid.

All Board members readily admit that they do very little oversight into the operations of the company, the finances of the company, or the overall operation of the water company, leaving this to ROOKS, his wife, Jacquie, and to the CPA firm. All the Board members interviewed indicated that they did not monitor the finances other than to receive a copy of the yearly financial report prepared by the accounting firm. The accounting firm relied on records provided by Jacquie ROOKS to do the year-end financial statements and the company's tax return. Board members did not do a thorough review of the year-end statements or the Form 990s sent to the IRS. They did not know how much money was coming in or going out. They knew that the bills were being paid and that they had money in the bank. SUTTON, as the Secretary/Treasurer, said he reviewed the bills prior to signing the checks but did not monitor the income or the funds in the bank accounts. SUTTON also signed the Form 990, but said he did not do a detailed review of it.

In reference to resolutions or policies passed by the Board, ROOKS and all Board members interviewed stated resolutions and policy changes were presented to the Board by ROOKS, at a regularly scheduled Board meeting, or, if a meeting could not be scheduled, in a person-to-person

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situation, or over the phone. A list of some of the policies (nine) presented to the Board, with dates on the policies ranging from August 23, 2004 to May 5, 2005 are attached (Attachment 17). These policies were signed by three Board members. DINSMOOR signed eight of them on June 24, 2005, SUTTON signed eight of them on May 20, 2005, and COMBS signed eight of them on May 19, 2005. The ninth one was not signed. Board minutes approving these policies were not with the policies when they were received on October 11, 2005 from James ROOKS. (This investigation began in February 2005. The scheduling of the interviews of Board members and ROOKS, through the corporation attorney David GLENN, was in the process of being set up beginning in May 2005.)

CRRWC: Benefits to Board Members¹

ROOKS, as General Manager, received monthly financial benefits in that his company, Rooks Enterprise, provided contract maintenance services to the water company. (It is not known if this was put out for bids.) ROOKS states this contract with the water company is a verbal agreement between him and the Board.

One of the benefits Board members and employees received was the use of company equipment. Use of company equipment by employees and Board members was approved on August 11, 1999 (Attachment 31). Board members also benefited from the ability to personally purchase equipment and supplies through the water company. HOBBS and WHITTEN believed this was a violation of nonprofit laws and was a conflict of interest in that the Board members and the General Manager were receiving benefits not available to the general membership of the company.

When interviewed on September 22, 2006 COMBS said he purchased pipe, in April 2005, from the United Pipe Supply Company through the water company when he had a septic system installed on property his daughter owned. He said he paid the water company for the purchase of the pipe and use of company equipment. It is unknown if any Board members besides COMBS purchased supplies through the water company.

COMBS said ROOKS took vacation time to work on his daughter's property, as did one employee of the water company. ROOKS, when interviewed on March 29, 2006, said he used vacation time, as did the other water company employee (Dan), to work on COMBS' property and COMBS paid for the use of the water company equipment and purchase of the pipe. According to SOULE, on April 7, 2005, ROOKS and an unidentified individual were using the following water company equipment on COMBS' property: a dump truck, two backhoes, one with the rock hammer attached and one with a bucket attached, and two pickups.

SOULE, HOBBS, and WHITTEN, stated that during 2003 to 2005 they observed ROOKS use a water company backhoe on COMBS property, on DINSMOOR's property, and on OAKLEY's property. SCOTT, when interviewed on September 21, 2006, said he used a water company backhoe on his property, he believes in 2003. He said he paid for the gas he used. SUTTON, when

¹ A director or officer should not personally benefit from their position as an officer or director (Bylaws 7-3 Conflicts of Interest, Attachment 2).

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interviewed on March 29, 2006, said ROOKS used a backhoe on his property and gave him a load of gravel for his driveway from water company supplies. He said he did not pay for the gravel or the use of the backhoe. He could not recall when this took place.

ROOKS, COMSTOCK, KEEN, SCOTT, and SUTTON benefited in that they owned companies and were contracted with to provide services to the CRRWC. It is not known if these services were put out for bid prior to contracts being awarded or if there are written contracts. For 2000 to 2005 ROOKS (Rooks Enterprise) received \$59,600; We Can Do Services (Michelle COMSTOCK's company) received \$25,323.76; SUTTON (Wayne's Body Shop) received \$21,871.60; SUTTON's son Greg received \$2,600; KEEN (Star Excavation & Trucking) received \$74,577.64; and SCOTT (Scott Enterprises) received \$13,314.81 (Attachment 43).

SOULE, HOBBS, and WHITTEN's reports of water company equipment being used on private property (DINSMOOR, COMBS, OAKLEY and ROOKS properties) led to an allegation of misuse of company equipment.

The 2004 bylaws (Attachment 2) state "Any person serving or acting as a Board member shall not retain, or apply for any regular full-time paid position through this corporation while a Director or for a period of sixty months after that person's term has expired." These guidelines were also approved by the water Board on January 1, 2000 when Barbara OAKLEY was a Board member (Attachment 7). OAKLEY was a Board member up to June 2001 and was hired by the CRRWC on July 15, 2002, well short of the sixty months.

CRRWC Member Concerns

Because of the lack of involvement and oversight by the Board in the overall operations of the company, especially the financial aspects of the operations, SOULE, HOBBS, and WHITTEN perceived the company as operating in secret. According to SOULE, HOBBS, and WHITTEN they were able to obtain a copy of the yearly financial reports and the corporation tax filings, but little else. They believed the Board allowed ROOKS as the General Manager to run the company as he saw fit. All the Board members stated that ROOKS did run the company, but were not concerned that he would do anything to hurt the company. When contacted on March 29, 2006, SUTTON called the Board a "puppet Board" and stated they "rubber stamped" anything ROOKS presented to them.

Other concerns by SOULE, HOBBS, and WHITTEN, in reference to company records and finances, were that ROOKS' spouse, Jacquie, was the bookkeeper and handled all records involving income and expenses and ROOKS' daughter, Michelle, was an office employee and had access to the company records. They were concerned that income could be falsely reported and that it would be easy for James and Jacquie ROOKS to hide or take money from the water company.

One major action by the Board that caused concern by SOULE, HOBBS, and WHITTEN was allowing Board members KEEN and SCOTT to remain on the Board after they sold their property on the ranch. According to Bylaw 2.3 (a) "Membership in the Corporation shall terminate

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automatically upon ... sale of the premises served to another person or entity." The Board adopted a resolution dated December 29, 2005 to allow Board members to remain on the Board even though they were no longer a member of the water company (Attachment 16). HOBBS, WHITTEN, and SOULE believed this action was an effort to cover up on going thefts and actions by the Board and General Manager. This resolution was passed approximately two months after the General Manager and Board members were interviewed (October 11, 2005) in reference to this investigation and were asked about requirements for being a Board member. This resolution was passed approximately three years after SCOTT sold his property and approximately six months after KEEN sold his property. Both of these Board members signed this resolution although SCOTT stated that he did not believe it was right and they should have been removed from the Board when their property sold. COMBS signed this resolution on December 29, 2005. There is no date by KEEN's or SCOTT's signature so it is not known when they signed it. On November 2, 2005, James and Jacque ROOKS signed over an interest in one of their properties on the Crooked River Ranch, at no cost, to KEEN and SCOTT. It is not known if this property is hooked up to the CRRWC water system.

HOBBS said that because of his limited access to company records, he had to speculate about the water company income. In reviewing the corporation's tax Form 990 for 1999 through 2004 HOBBS noticed that the listed number of water company members remained at 1203 for the six years (Attachment 8 to 15). This was the main item that led HOBBS to attempt to calculate actual income for 2003 and 2004 and led to an allegation of missing funds. In addition, HOBBS noticed that inventories listed on the CRRWC's yearly financial statements were listed at \$41,201 for five years. The total savings (bank accounts) listed on the CRRWC's yearly financial statements decreased over the years even though the income appeared to increase. Total salaries listed on the CRRWC's yearly financial statements went from \$146,471 in 1999 to \$174,512 in 2003 and \$147,492 in 2004. These salaries did not include contract employees or laborers.

Public Utilities Commission Action

The Public Utilities Commission (PUC) opened an investigation on September 11, 2001, by Order No. 01-832 (Attachment 5), to determine if the CRRWC was subject to their jurisdiction based on allegations of the CRRWC selling water to non-members. On August 3, 2002, the PUC held a public comment hearing at the Crooked River Ranch to obtain public input. On February 13, 2003, Order Number 03-116 (Attachment 6) was entered by the PUC that they had no jurisdiction and the case was closed. In their written findings, they state, "We acknowledge the numerous complaints that raise important questions about the conduct of CRRWC's General Manager. We cannot, however, assert jurisdiction simply to provide these complaining parties with a forum. there is no evidence of a widespread pattern of behavior to support a finding that CRRWC is not acting as a members-only water company." They concluded that CRRWC is a private, nonprofit corporation that provides water to its members on the Crooked River Ranch and not to the general public.

On February 23, 2006, the PUC received petitions from members of the CRRWC requesting the PUC regulate the CRRWC. PUC investigated the petitions and found that over 20% of the members signed the petitions. Based on this 20%, under ORS 757.063, the PUC can regulate the

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company, and on April 18, 2006, the PUC asserted jurisdiction over the CRRWC. During the second investigation by the PUC, the Crooked River Ranch Water Company Board of Directors and ROOKS filed Articles of Dissolution for the water company (July 5, 2006). On the same day, they also filed Articles of Incorporation for the Crooked River Ranch Water Cooperative. HOBBS and SOULE believed this was an effort by the Board and ROOKS to circumvent the PUC's authority as the PUC has no authority to regulate a cooperative. Board members Randolph SCOTT, Richard MILLER, Richard KEEN, Brian ELLIOTT, and John COMBS said that changing to a cooperative was because of a recommendation by their attorney and the CPA (Attachment 1).

Information Regarding Records and Interviews of Board Members

District Attorney DEUEL received records from HOBBS. These records were provided to me on March 4, 2005 and included the following (Attachment 38):

- The PUC Order Number 03-116, dated February 13, 2003.
- Four worksheets prepared by HOBBS involving the number of meters reported on the CRRWC's Tax Form 990 and the revenue from these meters (alleging that between \$96,348 and \$105,672 was unreported income for 2003 and also alleging unreported income of \$113,400 for 2004)
- A copy of the CRRWC Financial Statement for 2003.
- A copy of the CRRWC Tax Form 990 for 2003.

At the beginning of the investigation, the attorney for the CRRWC, David GLENN, was contacted by District Attorney DEUEL. GLENN agreed to allow interviews of the CRRWC Board Members, the company CPA, and ROOKS. GLENN also agreed to give access to the CRRWC financial records.

I interviewed the following CRRWC Board members and employees:

- John Milton COMBS (Board member 2000 to 2007) on October 11, 2005 and September 22, 2006.
- Brian A. ELLIOTT (Board member September 2005 to present) on October 11, 2005 and September 21, 2006.
- Richard A. KEEN (Board member 2000 to present) on October 11, 2005 and September 19, 2006.
- Richard J. MILLER (Board member 06/29/06 to present) on September 21, 2006.
- Charles (Chuck) W. PETERSON (A former Board member, President in 1999) on October 11, 2005.
- Randolph (Randy) M. SCOTT (Board member 2001 to present) on October 11, 2005 and September 21, 2006.
- Wayne F. SUTTON (Board member from 1999 until removed from the Board in December 2005). On November 1, 2005, March 29, 2006, and August 28, 2007.
- Richard C. BAILEY (The water company's CPA) on October 11, 2005
- James ROOKS (General Manager of the CRRWC) on October 11, 2005, March 29, 2006, and December 14, 2006.

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In addition, during the course of the investigation, I contacted and interviewed other people as listed on page three of this report.

Financial records, covering the period from June 23, 2000 to October 10, 2005, were provided (by agreement with the CRRWC's Attorney GLENN) by Jacquie ROOKS on November 1, 2005 in the form of a CD containing a backup of their QuickBooks records (Attachment 20). The QuickBooks records include financial records in reference to income, expenses, liabilities, accounts receivable, accounts payable, assets, and payroll. The QuickBooks records do not include individual customer accounts. Other records, which included the CRRWC cancelled checks for 2003 and the \$8 assessment fee records; were also received and are listed on the receipt given to the water company (Attachment 21). An update to the QuickBooks records was received on January 25, 2006 covering the period from June 23, 2000 to January 24, 2006 (Attachment 22). All provided records, except the CDs, were returned to ROOKS after being reviewed. Copies were not made of these records as they agreed with the QuickBooks records.

Allegation I:

It is alleged by William HOBBS, a CRRWC member, that irregularities exist in the billing and collection practices of the CRRWC, suggesting income from metered water sales during 2003 and 2004 were unreported on the Form 990 company tax returns.

The allegation of missing funds is based on a four-page worksheet prepared by HOBBS (Attachment 19) and provided to District Attorney DEUEL. The basis of this worksheet is a comparison of the number of water meters reported on CRRWC's Form 990, Return of Organization Exempt from Income Tax (Attachments 9-15), water sales reported in the CRRWC year-end financial statement dated December 31, 2003 (Attachment 18) and other water meter numbers publicly reported by the CRRWC and used by HOBBS.

Critical to HOBBS allegation is the figure of 1203 water meters, which is included in each of the company's Tax Form 990 for 2003 to 2005. When asked about this figure, CPA BAILEY stated that this figure was just carried forward each year as it was not required to be reported on the Tax Form 990 and was just overlooked. This number of 1203 water meters on the Form 990 does not correlate to the reported income on the Form 990. The figure of 1203 leads to faulty conclusions by HOBBS about the number of unreported meters and therefore leads to an incorrect accounting of water sales income.

2003 Records

To determine the number of actual water meters (paid customers), I reviewed and summarized the CRRWC records in a spreadsheet (Attachment 24). The average number of customers billed in 2003 is 1376 per month. The average number paid per month is 1238. It is reported by ROOKS that the difference of 138 may be explained by inactive accounts. During 2003 the water company allowed customers to become "snow birds," that is, they allowed customers to have their water shut off for the periods they did not reside on the ranch. Other inactive accounts

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would include properties for sale and those unhooked for late payments. Therefore, for 2003, there appears to be 35 (1238 - 1203) unreported meters, not the 259 reported by HOBBS.

Using HOBBS figure of average payments by customers of \$31.00 per meter per month and the number of unreported meters of 35, the low estimate of alleged missing funds would be \$13,020.00 (35 meters x \$31.00 x 12 months = \$13,020.00). Payments by customers of \$34.07 per meter per month the high estimate of alleged missing funds would be \$14,309.40 (35 meters x \$34.07 x 12 months = \$14,309.40). These numbers are significantly less than the \$96,348 or \$105,672 reported by HOBBS. Neither HOBBS figures, nor the figures based on 35 water meters, take into account the total metered water sales of the water company.

To determine the total income and metered water sales income for the water company, using records obtained during the investigation, I prepared profit and loss worksheets for the years 2003, 2004, and 2005 (Attachment 23) as well as a summary of the three years. These profit and loss worksheets include all deposits as income and all expenditures as expenses. While reviewing the company records I noticed that some expenses were recorded in income accounts and some income was recorded in expense accounts. These were corrected on the profit and loss worksheets I prepared by recording income and expenses in their correct accounts.

The total metered water sales for 2003 I calculated using the provided QuickBooks records is \$515,042 (Attachment 23) and total income is \$711,249. Because income and expenses were not always properly recorded, this investigation cannot determine with certainty if metered water sales funds were missing or if those funds were improperly recorded as a result of bookkeeping errors. For example, the alleged missing funds I calculated (\$13,020 to \$14,309) could have been recorded as income, as opposed to metered water sales.

HOBBS did not have access to the CRRWC records and relied on records he could obtain. HOBBS did not have the information to determine the number of paid customers and relied on an incorrect figure of 1462 for 2003. In addition, it appears that HOBBS did not allow for "snow birds" in his selection of 1462 as the number of paid customers.

2004 Records

For 2004, HOBBS arrives at estimated unreported income of \$113,400 using a figure of 300 unreported meters (1500 minus 1200 = 300) and an average monthly cost of \$31.50 per meter ($(27.50 + \$35.50)/2 = \31.50 ; $\$31.50 \times 300 \times 12 = \$113,400$). Using company records for 2004, the number of paid customers per month averaged 1399, which would possibly result in 196 unreported meters (1399 meters minus 1203 = 196) and gives a low estimate figure of \$74,088 ($196 \times \31.50×12) as unreported income for 2004. As mention above, the figure of 1203 is not required on the CRRWC Tax Form 990, was not changed from year to year, and leads to faulty conclusions by HOBBS.

Investigation figures suggest that the water sales income is consistent from year to year and may be accounted for during 2003, 2004, and 2005. To determine an exact accounting for the water

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sales a complete audit of all records dealing with the billing and collection of income would have to be done.

Record Inconsistencies

When profit and loss statements from QuickBooks records, received in January 2006 from Jacquie ROOKS, are compared to profit and loss statements from QuickBooks records, received in 2007 from Jacquie ROOKS, some changes in the records are noticed (Attachment 40). These changes alter some figures reported in QuickBooks for 2004 and 2005. The figures for 2003 were unchanged from the January 2006 QuickBooks records to the 2007 QuickBooks records.

For 2004, the Repair & Maintenance expense account (Company account 5000) went from \$9,322.00 using the QuickBooks records received in 2006 to \$13,322.00 in the QuickBooks records received in 2007, an increase in expenses of \$4,000.00. The Equipment Rental expense account (Company account 6170) went from \$24.57 using the 2006 records to -\$3,975.43 using the 2007 records, a decrease in expenses of \$4,000.00. The company's Net Income remained the same.

In 2005, there were numerous changes to company accounts. Below are listed some of the larger changes.

<u>Company</u>		<u>January 2006 Records</u>	<u>2007 Records</u>
<u>Acct. No.:</u>	<u>Name of Acct:</u>	<u>Amount:</u>	<u>Amount:</u>
4005.1	Metered Water	\$535,897.65	\$567,008.14
4000	Meter Water Sales	\$31180.49	\$0.00
	Other		
4015	Special Assessment	\$8,889.12	\$68,969.12
No Acct. No.	Total Income	\$740,185.43	\$800,115.84
5000	Repair & Maint.	\$0.00	\$3,000.00
	Total Expense	\$599,197.43	\$601,471.48
6065	G&A Postage	\$10,353.69	\$8,558.69
No Acct. No.	Net Income	\$30,079.99	\$90,079.99

With the above changes, and those not listed, the Net Income for 2005 increased by \$60,000 between the January 2006 records and the 2007 records. This increase is reflected in a December 31, 2006 General Journal entry "To adjust for back dated income." (It should be noted that these changes were made after the PUC asserted jurisdiction on April 28, 2006 and requested company records.) The check number 4246 for \$60,000 was written on August 9, 2006 and signed by Rick KEEN and James ROOKS, but was not deposited to the Water Company's Account until February 9, 2007 as part of a \$69,000 deposit (Attachment 45). The check was deposited in the Assessment Account at the Community First Bank and, according to the memo line, replaced the following four checks, which were payments to the water company from the assessment funds:

- Ck #3344, dated 08/01/05, for \$12,000
- Ck #3446, dated 09/15/05, for \$24,000
- Ck #3583, dated 1-1/16/05, for \$12,000
- Ck #3806, dated 02/09/06 for \$12,000.

The other part of the deposit was Ck #4458, dated 11/08/06, for \$9,000, payable to CRR Water Company and signed by Richard MILLER and James ROOKS. This deposit of \$69,000 replaced monies that were from the assessment funds and were paid to the water company operating account, but were never negotiated. QuickBooks records received in 2007 have checks number 3344, 3446, 3583, and 3806 voided while the records from January 2006 show these four checks as payments to the CRRWC from assessment funds. A check of the CRRWC Washington Mutual checking account for the time period of these checks shows that none of the four checks cleared the bank. (Note: Assessment fund income and expenses are addressed in Allegation III.)

I also summarized the Balance Sheets using the records received in January 2006 and compared them to Balance Sheets using records received in 2007 (Attachment 40). There were only minor changes in 2003, which did not change the overall financial picture for 2003.

In 2004, the totals did not change but there were some changes to the following:

<u>Company Account</u>	<u>2006 Records</u>	<u>2007 Records</u>	
2000 - Accounts Payable	\$1315.93	-\$8444.16	Decrease of \$9760.09
3000 - Gen. Fund Bal.	\$1,487,982.66	\$1,497,932.20	Increase of \$9949.54
3010 - Cont. Fund Bal.	\$48,073.00	\$49,460.84	Increase of \$1387.84

Between the records I received in 2006 and those I received in 2007, the total yearly increase was \$11,337.38 and the total yearly decrease was \$9,760.09. The difference of \$1,577.29 was recorded in the 2007 records in Retained Earnings (The company account 3900). The total assets and total liabilities and equity did not change.

For 2005 there were numerous changes as mentioned above in reference to the profit and loss statements. In the balance sheets, the major change is the General Checking Account at Washington Mutual (Company account number 1005) went from \$9,245.98 in the 2006 records to \$69,419.72 for an increase of \$60,173.94. The NSF and Redeposit Account (Company account number 1090) went from \$3,013.95 to 3,094.64, an increase of \$80.69. The total income increased by \$60,254.43.

Board Members Oversight of Finances

The following Board members were interviewed regarding their duties in reference to the finances of the water company: John COMBS, Brian ELLIOTT, Richard KEEN, Richard MILLER, Charles PETERSON, Randolph SCOTT, and Wayne SUTTON. All stated an accountant (CPAs Wes PRICE or Richard BAILEY, from Harrigan Price Fronk & Co., LLP) oversaw the records and produced the financial statements.

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None of the Board members knew much about the financial condition of the company other than receiving the yearly report from the accountant. All believed that the company was operating on sound financial principles and was financially better after ROOKS became the General Manager. They knew that Jacquie (ROOKS' wife) was the bookkeeper and handled all income and expenses and oversaw the office operations. They believed that if there were any irregularities the accountant would catch them. None seemed to know that the records used by the accountant were provided by Jacquie and that the accountant did not do an audit of the records. The accountant relied on the records provided to him by Jacquie.

Other than SUTTON, who was secretary/treasurer, they did not look at the bills paid. None looked at the income other than the CPA's Year End Financial report. Most of the Board members did not review the yearly financial statement in detail. SUTTON, as treasurer, did not review the financial statement in detail, nor did he do a thorough review of the company's Form 990 or discuss it with the CPA prior to signing it. COMBS specifically stated that he did not need to review the financial records as he trusted ROOKS.

All Board members stated that they believed ROOKS to be an honest hard working person who would not steal from the company. SUTTON did express some concern about the legitimacy of ROOKS' family members working for the company and the amount of their pay and ROOKS' pay. He asked for a copy of ROOKS' employment contract. He also asked ROOKS about the purchase of a four-wheeler, telling ROOKS he could not purchase such an item without Board approval. Shortly after he expressed these concerns he was removed from the Board by ROOKS and Board members COMBS, KBEN, SCOTT and ELLIOTT.

Conclusion - Allegation I:

The investigation was unable to clearly establish, from the limited records available, that income was not reported or was underreported on the Crooked River Ranch Water Company Form 990 for 2003, 2004, or 2005.

The investigation did show that irregularities exist in the recording of income and expenses in the QuickBooks files used by the CRRWC and that these irregularities give an incorrect picture of the company's overall financial status and of expenses and income earned. QuickBooks records can and have been changed over the years to reflect changes in expenses and income. For 2005, comparing the 2006 QuickBooks records received from Jacquie ROOKS to the 2007 QuickBooks records received from her, there were numerous changes in the accounting. There is an increase in total income of \$60,254.43 from the 2006 records to the 2007 records. It is not known why this income was not recorded earlier. It is not known if these changes were at the request of the accountant or an attempt to reflect an incorrect picture of the company's finances. In addition, "loans" to ROOKS were not recorded in company records prior to 2006. (Note: This is addressed further in Allegation V.)

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Allegation II:

It is alleged by William HOBBS and Rod WHITTEN, CRRWC members, that unreported money from the CRRWC was being diverted by ROOKS for personal use and/or for his companies, JMR Repair Service and Rooks Enterprise, LLC, and Michelle COMSTOCK's (ROOKS' daughter) company, We Can Do Services.

Company records show money from the water company paid to Rooks Enterprise for 2003 was \$1,500; for 2004 it was \$31,100; and for 2005 it was \$25,250 (Attachment 36). According to ROOKS, these monies were paid to Rooks Enterprise for the maintenance of water company equipment. ROOKS said there was no written contract for this maintenance; it was a verbal agreement between the Board and ROOKS'. All the Board members interviewed stated they knew ROOKS' company maintained the water company equipment but were unclear if an agreement existed between the CRRWC and ROOKS. They did not know the amount ROOKS' company was paid for maintaining the water company equipment. The Board and ROOKS stated that prior to 2003 ROOKS did the maintenance on the company equipment without being paid. ROOKS said he was paid \$500 per week, although he did not charge the water company unless he worked on their equipment. At \$500 per week, the total for two years would be \$52,000. The actual amount for 2003 and 2004 was \$32,600, an average of \$313.46 per week. Neither ROOKS nor the Board members could tell me the number of hours ROOKS worked on maintaining the water company equipment. The hours ROOKS worked on maintaining the water company equipment would be in addition to his hours as General Manager and would be paid to his company Rooks Enterprise.

Company records show that no money went to We Can Do Services in 2003 and \$15,884.67 (an average of \$1323.72 per month) was paid to We Can Do Services in 2004. No payments were made to We Can Do Services after December 2004. The payments to We Can Do Services were for meter reading (\$1.00 for each meter read), office work (at \$10.00 per hour), and installing meters (at \$10.00 per hour). When it was discovered that We Can Do Services did not have a contractor's license to install meters, the company was dissolved. No written contract existed between We Can Do Services and the water company. ROOKS stated that this was a verbal contract.

When reviewing company records received from Jacquie ROOKS I noticed a change from the first backup of QuickBooks received on October 14, 2005 to the second backup on January 25, 2006, the changing of JMR Repairs to Rooks Enterprise as a vendor. (Note: QuickBooks allows the operator to change any data/records entered in the company's program.) This changed the amount of funds going to these two companies by \$1,000.00 for the period from June 2000 to October 10, 2005; Rooks Enterprise received \$55,350, using the records received on January 25, 2006, and JMR Repairs received \$54,350, using the records received on October 14, 2005. According to Jacquie ROOKS the change was made as James ROOKS discontinued the use of JMR Repairs and used Rooks Enterprise for billing the water company for repairs to the company equipment.

The investigation shows that for the period from January 1, 2001 to December 31, 2005 ROOKS, his family, his business, and his daughter's business have received wages and benefits

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from the water company totaling \$837,594.47. This total includes the water company payments for social security, Medicare, and unemployment.

Total to ROOKS and family members for wages and benefits during this time are:

<u>Wages</u>		
James ROOKS	\$439,746.89	(Average \$87,949.38 per year for five years)
Jacque ROOKS	\$180,866.63	(Average \$35,773.33 per year for five years)
Ray COMSTOCK	\$47,817.47	(Average \$23,908.73 per year for two years)
M. R. COMSTOCK	\$29,220.00	(Average \$14,610.00 per year for two years)
<u>Benefits for James and Jacque ROOKS and Ray and Michelle COMSTOCK</u>		
Employer SST	\$41,630.95	
Employer Medicare	\$10,115.93	
Fed Unemployment	\$881.39	
OR Unemployment	\$4,141.45	
<u>CRRWC payments to Rooks Enterprise and We Can Do Services</u>		
Rooks Enterprise	\$57,850.00	
We Can Do Services	\$25,323.76	
TOTAL	\$837,594.47	

Conclusion - Allegation II

The investigation was unable to establish payments made to Rooks Enterprise and We Can Do Services were more than what was billed to the water company or that they received unauthorized payments. These billings were all done within the QuickBooks program by Jacque ROOKS and checks were written by Jacque ROOKS using the QuickBooks program. No written contracts existed so agreed upon payments cannot be verified. It cannot be verified if ROOKS performed the maintenance of the company equipment on his own time or on company time as no records on hours worked for Rooks Enterprise by ROOKS were provided.

The use of these companies, Rooks Enterprise and We Can Do Services, is questionable and presents a possible conflict of interest for a number of reasons:

- These services do not appear to have been put out for bids.
- ROOKS is the General Manager of the Water Company and owner of Rooks Enterprise.
- ROOKS' daughter is the owner of We Can Do Services.
- Written contracts do not exist between the companies and the CRRWC.
- There are no records as to the hours billed by these companies to the water company.
- ROOKS' wife maintains the water company records with no oversight by Board members or any outside persons.
- Changes were made to the CRRWC QuickBooks records.

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Allegation III:

It is alleged by HOBBS, WHITTEN, and Craig SOULE, CRRWC members, that money from a water company assessment fee of \$8.00 per month per water meter, which started on July 1, 2004, may be underreported in water company financial statements. It is also alleged that this money was used by ROOKS and the Board for unauthorized purchases.

From the company records, received in January 2006, I prepared a spreadsheet showing all income and expenses for the assessment fund (Attachment 25). The amount of funds collected from May 12, 2004 to December 31, 2005 is \$203,546.98 and the expenses paid are \$131,729.32, leaving a balance of \$71,817.66 ($\$203,546.98 - \$131,729.32 = \$71,817.66$). The QuickBooks records for the company show a balance of \$72,320 in the fund on December 31, 2005. The total of \$203,547 equates to an average number of customers of 1414 ($\$203,547/18 \text{ months} = \$11,308.17 \text{ per month}$. $\$11,308.17/\$8 \text{ per month} = 1414$).

The special assessment of \$8.00 per month was approved by the water Board on March 29, 2004 (Attachment 26). It became effective in June 2004, being payable starting in July 2004. It was approved for the following uses:

1. Drilling and Construction of Well #3 (Crater Loop and Tower Road) which is referred to as Well #5 by COMBS.
2. New Cistern and Pump house.
3. Pay off the CRRWC Office Building.
4. Re-plumb Well #1 (formerly #4) and add Chlorination Station. (Attachment 26 and Attachment 27)

The Assessment dollars were not to be used for operations or administrative costs (Attachment 27). According to information provided by ROOKS and COMBS the Assessment Funds were spent for different items which included the following: the land for the well, a dump truck, a crane, surveying the land, engineers, attorney fees, pipe for system improvement, a hammer, and payments on the office building (Attachment 28).

At five different times over the course of fourteen months, from December 2005 to February 2007, different items were listed as being paid from the assessment fund (Attachment 28). Craig SOULE, in an email, listed those items he believed were not approved for purchase from this fund (Attachment 28). Because the items listed as being purchased by this fund changed over time, it appears that the Board and General Manager were using this fund for purchases not approved in the proposal and to supplement operational expenses. This can be seen by comparing the QuickBooks records received in January 2006 with the QuickBooks records received in 2007 (Attachment 25).

As pointed out in Allegation I, in records received in 2007 an increase of \$69,000 is reflected in a December 31, 2006 General Journal entry "To adjust for back dated income." The money was deposited in the Assessment Account at the Community First Bank and it appears that the deposit of

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this \$69,000 was to replace monies that were from the assessment funds and paid to the water company operating account for expenses not associated with the assessment funds.

A comparison of the records received in January 2006 and those received in 2007 show some other changes in the assessment funds (Attachment 25). The records of 2006 show total income of \$203,546.98 and total expenses of \$131,729.32 for a net income of \$71,817.66 for the period from May 2004 to December 2005. The records from 2007 show total income of \$268,870.05, an increase of \$65,323.07, and total expenses of \$87,913.54, a decrease of \$43,815.78, for a net income of \$180,956.51, an increase in income of \$109,138.85, for the same time period.

The land listed as "purchased" with assessment funds in 2005 and 2006 (Attachment 28) was actually purchased in April 2001, using the CRRWC checking account at the Washington Mutual Bank (Check number 7253 dated March 29, 2001 for \$15,000 and check number 7301 dated April 9, 2001 for \$15,476.95 (Attachment 29)) years prior to the implementation of the assessment fee. The resolution to purchase the land was approved on April 9, 2001 (Attachment 30), over a week after the first check was paid to the title company and over three years prior to the assessment fund approval and implementation.

The hammer listed as an expense was actually purchased for \$23,500 at the same time a track hoe was purchased for \$25,000 with CRRWC funds (Attachments 33 & 35). The hammer can only be used with the track hoe. According to ROOKS the track hoe belongs to him and the hammer belongs to the water company. (Note: the purchase of these two items will be addressed further in Allegation V.)

Conclusion - Allegation III:

Based upon a review and summary of the assessment records obtained during this investigation it cannot be determined conclusively that funds are missing from the assessment income. The investigation did show that funds from the assessment fee of \$8 per month were not spent in conformance with the approval of the special assessment. The listed expenses were for land, which was already owned by the company, for equipment and supplies, (the hammer, dump truck and pipe), for surveys, engineers, and for attorney's fees, all of which were not listed in the original proposal. The funds that were supposedly spent on the land and other items were transferred to the metered water sales and were used for everyday operational expenses. In 2006 and 2007 the income and expenses of the assessment funds seem to have been corrected to more closely reflect the actual balance.

Allegation IV:

It is alleged by HOBBS, WHITTEN, and SOULE that water company equipment is being used on private property for personal use and gain by Board members and water company

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employees. It is also alleged that the water company was not reimbursed for the use of the equipment.

The CRRWC Board approved the use of water company equipment by employees and Board members on August 11, 1999 (Attachment 31). As a result, Board members and employees received benefits not available to the general membership and benefited from this resolution. Based on this investigation, at some time while a Board member or an employee of the water company, the following people made use of company equipment, either by using it themselves or having ROOKS operate it on their property: ROOKS, OAKLEY, SUTTON, DINSMOOR, SCOTT, and COMBS. In addition, ROOKS' contract, dated May 1, 2004, states "The General Manager/Operations Manager reserves the right to exchange mechanical repairs to The Company equipment, such as 'labor, storage, modifications, and alterations' for use of all company equipment, so long as no compensation is received from the use of this equipment." The Employee Policies Handbook, on page 45, also allows for personal use of company equipment (Attachment 31).

Board members and employees who made use of company equipment (ROOKS, SCOTT and COMBS) stated that they paid for the gas and any other supplies when they used the company equipment for personal reasons. SUTTON stated that he was never asked to reimburse the water company for the work ROOKS did on his property. ROOKS said, on March 29, 2006, that he would sometimes exchange work with a Board member, such as with DINSMOOR. ROOKS said he used company equipment to do some work on DINSMOOR's property and DINSMOOR, in return, did some electrical work on one of the company's pumps. ROOKS mentioned COMBS as another Board member who did work for the water company in exchange for use of company equipment.

Records show some payments from Board members, but it is unclear if these are for the use of the equipment or for the purchase of supplies. ROOKS said that if a person did not know how to operate a piece of equipment he would not let them use it. ROOKS did say that he occasionally would take time off work and operate the equipment for a Board member, charging only for gas and supplies. It is important to note that ROOKS, his wife, or another office worker recorded the hours ROOKS worked for the CRRWC in the QuickBooks payroll. The Board did not track ROOKS' hours separately or review the hours claimed so it cannot be verified if ROOKS took time off for this work.

Conclusion - Allegation IV:

The CRRWC Board approved a resolution on August 11, 1999 that allowed CRRWC employees and Board members to use company equipment for personal use. ROOKS and Board members SCOTT and COMBS claim to have paid the company for personal use of company equipment. SUTTON was never asked to pay for use of the equipment. Although the personal use of company equipment is allowed this practice raises questions about potential conflicts of interest by the Board members and water company employees.

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Allegation V:

It is alleged by HOBBS, WHITTEN, and SOULE that ROOKS purchased equipment for personal use with "loans" from water company funds, without a loan contract or interest charges paid to the CRRWC. It is also suspected that ROOKS then leased the equipment back to the water company, allowing him to personally profit from the equipment purchase. As part of this allegation, I reviewed and summarized the number of hours, for regular and overtime hours, ROOKS was paid as General Manager working for the CRRWC to determine if this was a method used by him to repay the loans.

ROOKS, under his business Rooks Enterprise, also maintained all the water company equipment. The amount of hours he worked on maintaining the water company equipment, which is separate from his hours as General Manager, is not known as ROOKS stated he did not maintain records on hours he worked on water company equipment. He said he did the repairs when needed. Payment for this work would be in addition to the hours he was paid for being the General Manager and would be paid to Rooks Enterprise.

Payment and Withholding Records

According to QuickBooks records provided by Jacquie ROOKS on Jan 25, 2006, from January 1, 2003 to December 31, 2005, ROOKS had payments to the water company withheld from his paycheck totaling \$10,199.85 for items he purchased with company funds for personal use. In addition, he received \$2,200 (paid to him from the CRRWC checking account at Washington Mutual Bank, paycheck number 2084 dated January 29, 2004) as a "loan" to purchase hearing aids. This gives a total of \$12,399.85 (Attachment 32) for 2003 to 2005. This indicates that during this time he had "loans" from the water company of at least \$12,399.85 for the purchase of personal equipment and/or supplies.

CRRWC QuickBooks records, obtained through a subpoena and received from Jacquie ROOKS in December 2007, show that from January 20, 2000 to October 17, 2007 withholdings (reimbursements) from ROOKS' paychecks total \$47,989.38 (Attachment 32). Other payments made by ROOKS from Rooks Enterprise checking account and his personal checking account to the water company during this same time period total \$24,748.64. Total payments to the water company from ROOKS are \$72,738.02 (\$47,989.38 + \$24,748.64) for 2000 to 2007. Jacquie ROOKS maintained personal records, other than QuickBooks, on each purchase and on each payment to the water company from James ROOKS, either through payroll withholdings or by personal check. These records show that from January 12, 2000 to November 29, 2006, total water company funds used by ROOKS to purchase items for personal use were \$77,058.62 (Attachment 47).

During this time ROOKS used water company funds (\$25,000) as a down payment to purchase a track hoe for personal use. The purchase price of the track hoe was \$135,000 with a filing fee of \$375 for a total of \$135,375. The loan contract with CNH Capital was for \$110,375 with finance charges of \$18,352.68 for a balance due of \$128,727.68. The total time sale price was \$153,727.68. A hammer was purchased for \$23,400, at the same time, for the water company

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(Attachment 33, 34, & 35). Payments were made to Cascade Machinery Company for the down payment and the hammer from the CRRWC checking account at the Washington Mutual Bank and the equipment loan contract was carried by CNH Capital for the purchase of the track hoe. The hammer was paid in full when purchased. When asked about this, ROOKS said that the Board approved this purchase with the understanding that he would purchase the track hoe from CRRWC in thirty days (Resolution dated September 27, 2005, Attachment 33.).

On March 30, 2006, to show that he was purchasing the track hoe from the water company, ROOKS provided me with a copy of Rooks Enterprise check #1026, intended for the down payment of \$25,000, dated February 21, 2006, and copies of the invoices and the purchase agreement (Attachment 34). The check had not cleared the bank and when asked about it, ROOKS stated that he did not have the entire \$25,000 and he provided the check to show his intension to purchase the track hoe. He said that he was paying the water company through payroll deductions. No other records of payments were received until 2007, when records were received from CNH Capital, the Cascade Machinery Company, the CRRWC; and ROOKS.

The agreement between ROOKS and the Board for the purchase of the track hoe should be recorded as a loan to ROOKS. Besides the initial payment of \$25,000, the water company made payments of \$2,145.47 each month to CNH Capital for the loan on the track hoe. The water company paid a total of \$42,163.76 for the track hoe that ROOKS states he was purchasing from the water company. ROOKS said that the hammer belonged to the water company. It should be noted that the hammer, CRRWC equipment, can only be used with the track hoe that ROOKS says is his. Despite his claim of ownership in 2006, ROOKS did not repay the water company for the track hoe until 2007.

QuickBooks records contain two checks for the purchase of the track hoe and hammer (Attachment 35). Check number 3469 and check number 3470, both dated September 23, 2005, payable to Cascade Machinery Company for the purchase of the hammer and the down payment on the track hoe. These checks are dated four days prior to the date on the resolution to purchase these items.

Records received from CNH Capital and Cascade Machinery Company in 2007, in reference to the track hoe (Attachment 41 and 42), show the CRRWC made payments of \$42,163.76 to Cascade Machinery Company and CNH Capital. The payments to CNH Capital from the CRRWC were made each month until June 7, 2006. This is the date of ROOKS first payment to CNH Capital for the track hoe contract. ROOKS signed paperwork to take over the contract for the track hoe in April 2006.

In addition to making payments to CNH Capital, the water company maintained the insurance on the track hoe. According to records obtained from the Sage Insurance Company, the following amounts, above the regular CRRWC insurance costs, were paid to Safeco Insurance for the track hoe; for 2004-05, \$42.00; for 2005-06, \$1,039.00; and for five months in 2007, \$509.00, for a total of \$1,590.00.

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ROOKS stated, on March 29, 2006 and December 14, 2006, that his wife, Jacquie, kept track of any purchases made using water company funds and she deducts the payments from his paycheck. In addition, he wrote checks to the water company for payments on the track hoe. In 2007, records were received from Jacquie ROOKS in reference to purchases by James ROOKS and his repayments for these purchases through payroll deductions, checks from ROOKS' company and checks from his personal account. This information shows total repayments of \$72,738.02 (Attachment 32, January 2000 to October 2007) and purchases of \$77,058.62 (Attachment 47, January 2000 to November 2006); leaving a balance owed to the water company of \$4,320.60. This balance does not include any equipment or supplies purchased in 2007.

Using subpoenaed records provided by CNH Capital and bank records of the CRRWC and Rooks Enterprise, I entered the information in reference to the track hoe on a spreadsheet (Attachment 41). According to these records, from the month the track hoe was purchased (November 2005) to September 2007, ROOKS made payments to the CRRWC totaling \$41,840.29. These payments did not start until January 2006 with payroll deductions. The CRRWC made payments of \$42,163.76 to CNH Capital on the loan. This leaves a balance owed by ROOKS of \$323.47. With the additional insurance costs to the water company the total owed by ROOKS to the water company, as of September 2007, is \$1,913.47.

Board Members' Knowledge

When questioned on September 19, 2006 about the purchase of the track hoe and hammer, Board member Richard KEEN stated he approved the purchase not knowing the water company was putting up the down payment funds for the track hoe. He said ROOKS asked to use the water company's name to purchase the track hoe so he could get a discount. Board member John COMBS, on September 22, 2006, stated that he did not know about the purchase of the track hoe and hammer. Board member Wayne SUTTON, on March 29, 2006, said he told ROOKS the water company could rent a track hoe and hammer as needed. In that way they would not have to worry about maintenance. On September 21, 2006, Board member Randolph SCOTT said he believed the water company put up the money to purchase the track hoe and ROOKS repaid the water company, but he was unsure of the actual details. None of the Board members were aware that the hammer could only be used with the track hoe belonging to ROOKS, nor did they know if ROOKS repaid the water company for the down payment. None of the Board members viewed ROOKS as conducting unauthorized business or operating outside the scope of his contract and obligations to CRRWC.

Payroll Records Analysis

QuickBooks payroll records, which were received from Jacquie ROOKS, for the time period 2003 up to October 17, 2007, were used to record hours James and Jacquie ROOKS were paid for working for the CRRWC in the office, in operations and in overtime (Attachment 46). The concern here is not the amount of money they were paid, but the number of hours listed as being paid in the CRRWC payroll records.

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The total hours (regular and overtime hours as General Manager and not for his company Rooks Enterprise) James ROOKS was paid for working for the CRRWC in 2003 was 3531 hours. Of this total 72 hours are for holidays giving total work hours of 3459. ROOKS would have to average 9.5 hours per day if he worked everyday ($3459/365 = 9.5$ hours) to get the total work hours of 3459. He would have to average 13.78 hours per day if he only worked workdays ($3459/251 = 13.78$ hours), and he would have to average 11.42 hours per day ($3459/303 = 11.42$ hours), not working Sundays, holidays, or vacations to get the total hours of 3459. The below chart is a summary of total hours (includes regular hours, overtime hours, holidays, sick days, and vacations) recorded in the QuickBooks payroll records and paid to James and Jacquie ROOKS for 2003 up to October 17, 2007. (It needs to be noted that the "Average work all days" column is not based on 365 days per year as the pay period is every two weeks and there is some overlap each year. Attachment 46 has details related to the number of workdays in each yearly pay period.)

Name	Year	Total Hours Paid	Work Hours	Average work all days	Average work only work days	Average not including Sun, Vac, or Holidays
James ROOKS	2003	3531	3459	9.5	13.78	11.42
Jacquie ROOKS	2003	2537.5	2449.5	6.7	9.8	8.1
James ROOKS	2004	2980	2852	7.53	11.18	9.23
Jacquie ROOKS	2004	2681.0	2575.0	7.0	10.4	8.6
James ROOKS	2005	3331.25	3199.25	8.81	13.19	10.86
Jacquie ROOKS	2005	2642.5	2556.5	7.0	10.3	8.5
James ROOKS	2006	3485.5	3274.5	9.0	13.90	11.38
Jacquie ROOKS	2006	2667.8	2487.8	6.8	10.5	8.6
James ROOKS	2007	2550	2306	7.84	12.85	10.41
Jacquie ROOKS	2007	2256.3	1825.3	6.0	11.1	8.8

In reviewing the hours ROOKS was paid for by the water company (Attachment 46) the following items were noticed. In 2003 there are consecutive time periods of two weeks where the amount of hours is the same, for example:

- 08/01/03 to 08/14/03, 40 hours in office, 40 hours operational, and 78.5 hours operations overtime.
- 08/15/03 to 08/28/03, 40 hours in office, 40 hours operational, and 78.5 hours operations overtime.
- 08/29/03 to 09/11/03, 40 hours in office, 40 hours operational, and 78.5 hours operations overtime.

These types of patterns occur up until August 2005, when the overtime hours became more varied. (It was in 2005 that this investigation began and in May 2005 that David GLENN, the water company attorney, was contacted about interviews and company records.) From November 30, 2006 up to May 30, 2007, ROOKS working hours (80 for two weeks) was recorded in office full time and

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all overtime was recorded in operations overtime for this same time period. The reason for this change in how hours were recorded is not known.

The above hours do not include hours ROOKS worked for his company, Rooks Enterprise. During this time Rooks Enterprise was paid \$1,500 in 2003, \$31,100 in 2004, \$25,250 in 2005, \$26,000 in 2006, and \$21,000 in 2007 (up to October 18, 2007).

Hours for Jacquie ROOKS were also reviewed and to some extent reflect similar overtime issues as James ROOKS, but not to the same degree. For the total working hours (does not include Saturdays, Sundays, holidays, vacation, or sick days) during this time, Jacquie would need to average 10.4 hours per day and James would need to average 12.96 hours per day. If Sundays, holidays, vacations, or sick leave, are not counted the average for Jacquie would be 8.5 hours per day and for James 10.68 hours per day.

The hours James ROOKS worked for his company, Rooks Enterprise, repairing CRRWC equipment (These hours are not included in the hours in the above chart or Attachment 46) is not known. This repair work is not part of his General Manager duties. Since these hours are not known it can not be determined how many hours he would need to work to fulfill his job as General Manager and as the repair person under Rooks Enterprise. It can be seen by the hours ROOKS was paid by the water company for working for them that he had few hours in the day to devote to repair and maintenance, unless he was using company time to perform his repair and maintenance duties. Rooks Enterprise was paid an average of \$2,592 per month in 2004, \$2,104 per month in 2005, \$2,167 per month in 2006 and \$2,100 in 2007 for work allegedly performed by ROOKS.

There is no way to verify if the hours are correct or if James and Jacquie ROOKS actually worked these hours. There was no oversight by the Board and no one, other than Jacquie, James, or another office worker, recorded the hours.

Conclusion - Allegation V:

Although ROOKS stated on October 11, 2005, March 29, 2006, and October 27, 2006 that the CRRWC does not and cannot make loans, ROOKS has used CRRWC funds to purchase equipment and supplies for his personal business and is making payments to the CRRWC by having funds withheld from his paycheck. The payments received from ROOKS are recorded as income in a Reimbursement Account under Metered Water Sales and some payments are recorded in expense accounts. This gives an incorrect picture of the water company's finances. The reimbursement account should not be classified as income under Metered Water Sales. There should be an Accounts Receivable with a Note Receivable Account for any loans the company makes, either to ROOKS or to other employees.

Prior to December 31, 2006, there were no Accounts Receivable or Notes Receivable Accounts for loans made to employees. A General Journal Transaction was added in the QuickBooks records for the CRRWC on December 31, 2006 to account for the loan to ROOKS,

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Account number "1100: N/R JR ROOKS." No interest was recorded or charged for this "note receivable." Adding this account indicates that all such transactions should have been reported as a loan to ROOKS. When asked about paying interest ROOKS said that the water company, as a nonprofit corporation, could not charge interest.

In reference to the track hoe, it appears that ROOKS did not make arrangements to repay the water company and take over the loan until questioned about it in March 2006, although he was using it as his personal company's equipment. In April 2006 ROOKS signed a note for the track hoe and on April 19, 2006 the transfer of sale from the CRRWC to ROOKS with CNH Capital, the loan holder on the track hoe, was signed. Rooks first payment to CNH Capital was June 7, 2006. ROOKS is currently paying CNH Capital for the track hoe and has repaid most of the loan to the water company. With insurance costs the balance ROOKS owes as of September 2007 is \$1,913.47. ROOKS stated on November 26, 2007 that he is not paying for insurance on the track hoe. According to ROOKS, he and the CRRWC Board have an agreement that the water company would continue to insure the track hoe and could then use it at no cost. Without insurance costs the balance owed on the track hoe is \$323.47 as of September 2007.

ROOKS has used CRRWC funds, with the CRRWC Board's knowledge, to purchase items for his personal use. This use of CRRWC funds, especially to purchase large items such as the track hoe, should have been classified as loans and recorded as such in the company records. Although they were not classified as loans, ROOKS has purchased items totaling \$77,058.62 and repaid the water company \$72,738.02 leaving a balance owed to the water company of \$4,320.60. No interest was paid by ROOKS to the water company for these loans. ROOKS was paid for overtime hours but there is no way to determine if he actually worked these hours or if this was an effort to obtain additional funds to repay the water company.

V. CONCLUSION

The investigation was unable to determine that monies are missing from the CRRWC income or that they were illegally diverted to ROOKS or his business. QuickBooks records were changed numerous times over the years from 2003 to 2007 making it difficult to determine actual income and expenses. A true accounting of the water company books would be difficult, if not impossible, without a complete audit and full cooperation from ROOKS, his family members, and the CRRWC members. When a comparison is made of the CRRWC bank statements to the CRRWC QuickBooks records from 2007, it appears that all funds recorded in the QuickBooks records are in the bank accounts.

The investigation does show that there are many questionable practices and procedures used by the Board and General Manager which led members to suspect misuse of equipment and thefts of funds. The CRRWC appears to be run as a "family business" with very little oversight by the Board of Directors. The Board of Directors failed to monitor the finances of the company, they failed to monitor the hours worked by the employees, they did not review the income or expenses regularly

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August 6, 2008
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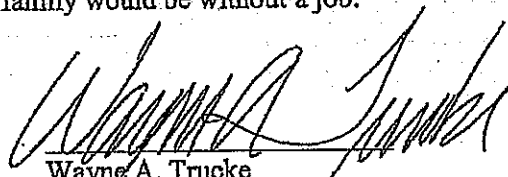
(only yearly, and then not thoroughly), they failed to hold quarterly meetings, they failed to maintain Board minutes, and they failed to be available to the members of the corporation.

The investigation does show that for the period from 2001 to 2005, ROOKS, his family, and his business have been compensated by the water company \$837,637.13 for wages, maintenance contracts, and employee benefits (Attachment 36).

The investigation was able to show that the CRRWC made loans to ROOKS in the amount of at least \$77,058.62. This investigation did not uncover any signed contract on the loans, other than for the track hoe, any indication of interest being paid on the loans, or written approval by the Board for these loans. Further complicating this issue, Jacquie ROOKS, James ROOKS' wife, maintains the payment records without any oversight by the Board or members.

The investigation also shows that Jacquie and James ROOKS are being paid for working hours that would be almost impossible for a person to sustain over a period of four and one half years. They were able to do this as no one checked on the hours they were paid either as CRRWC employees or as independent contractors. The Board did not review any monthly or yearly financial statements.

On October 11, 2005, March 29, 2006, October 27, 2006, and December 14, 2006 ROOKS said he would not steal from the water company. He added that it was in his best interest to keep the water company financially sound as he, his wife, and his daughter work for the water company. Plus his personal business, Rooks Enterprise, only works for the water company. If the water company would go under because of thefts, he and his family would be without a job.


Wayne A. Trucke
Special Agent

Attachments

WAT/si/CRJ38871

3

DATE: December 29, 2005
TO: Board of Directors
Crooked River Ranch Water Company
FROM: James H. Rooks
General Manager/Operations Manager

SUBJECT: DISQUALIFICATION OF A BOARD OF DIRECTOR

Issue: Our current by-laws state that "termination of a Director's membership in the Corporation shall terminate automatically that Director's membership on the Board of Directors." (Bylaw 4.5) To retain qualified Board members for the best interest of the company and its members, it is necessary to amend our bylaws to allow Directors to continue on the Board even though they are no longer members of the company.

Recommendation: Any existing Board member who was elected or appointed to the Board while they were a member of the company, who establishes a residence other than Crooked River Ranch, may remain as a Board member and may run for re-election.

Resolution:

APPROVED:


Rick Keen, President

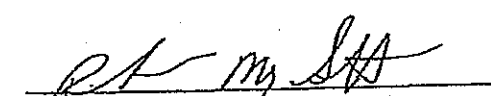
Date: _____


John Combs, Director

Date: 12-29-05

Brian Elliott, Director

Date: _____


Randy Scott, Director

Date: _____

JUL 23 2008

CHBH-CRR0079

3

DATE: April 20, 2006
TO: Board of Directors
Crooked River Ranch Water Company
FROM: James H. Rooks
General Manager/Operations Manager

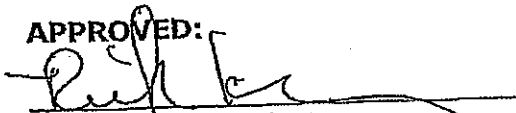
SUBJECT: AMENDMENT TO ARTICLES OF INCORPORATION

Issue: The Non-Profit ORS 65 statutes state that unless the Articles of Incorporation state differently, five percent of the members may call a special meeting and vote to remove one or more board members **without cause**. Under the current climate that exists on Crooked River Ranch, it is felt that our Articles of Incorporation need to be more specific as to the process of removing a board director by the members, and that cause, based upon the current Oregon statutes, be required.

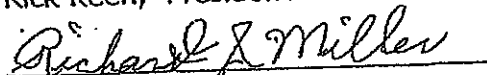
Recommendation: Approve the Articles Amendment as written by our attorney, to include the following: that no current member of CRR Association, CRR Rural Fire Protection District, or the CRR Special Road District Board of Directors may serve on the CRR Water Company Board of Directors; that members may remove one or more directors elected by them **only with cause** and only after Judicial Proceeding and for reasons outlined in ORS 65.327(a); and that a quorum of 51% of the entire membership of the CRRWC shall be required at a duly called annual, general, or special meeting before transaction of business on which membership may vote.

Resolution: Approve the Articles of Incorporation Amendment as written effective April 20, 2006.

APPROVED:


Rick Keen, President

Date: 4-20-06


Richard Miller, Sec./Treasurer

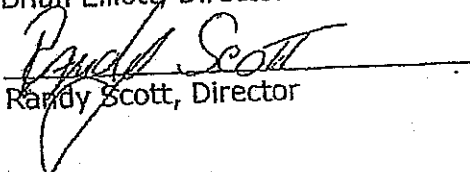
Date: 4-20-06


John Combs, Director

Date: 4-20-06

Date: _____

Brian Elliott, Director


Randy Scott, Director

Date: 4-20-06

JUL 23 2008

CHBH-CRR0082



Phone: (503) 586-2200
Fax: (503) 378-4381

Articles of Amendment—Business/Professional/Nonprofit

Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327
FilingOregon.com

Check the appropriate box below:

BUSINESS/PROFESSIONAL CORPORATION

(Complete only 1, 2, 3, 4, 6, 7)

NONPROFIT CORPORATION

(Complete only 1, 2, 3, 5, 6, 7)

FILED

APR 28 2006

OREGON
SECRETARY OF STATE

REGISTRY NUMBER: 120921-10

In accordance with Oregon Revised Statute 102.410-102.490, the information on this application is public record. We must release this information to all parties upon request and it will be posted on our website.

For office use only

Please Type or Print Legibly in Black Ink.

1) NAME OF CORPORATION PRIOR TO AMENDMENT: Crooked River Ranch Water Company

2) STATE THE ARTICLE NUMBER(S) AND SET FORTH THE ARTICLE(S) AS IT IS AMENDED TO READ. (Attach a separate sheet if necessary.)
(See Attached)

3) THE AMENDMENT WAS ADOPTED ON: _____
(If more than one amendment was adopted, identify the date of adoption of each amendment.)

BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

Shareholder action was required to adopt the amendment(s). The vote was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the board of directors without shareholder action.

The corporation has not issued any shares of stock. Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the incorporators or by the board of directors.

NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.

Membership approval was required. The membership vote was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

6) EXECUTION

Signature

Printed Name

Title

[Signature]

Rick Ken

President

7) CONTACT NAME (To resolve questions with this filing)

Timothy R. Gassner

DAYTIME PHONE NUMBER (include area code)

(541)475-2272

FEEES

Required Processing Fee \$50

No Fee for Nonprofit Type Change Only

Confirmation Copy (Optional) \$5

Processing Fees are nonrefundable.

Please make check payable to "Corporation Division."

NOTE:

Fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

4-25-06-5-1-55⁰²

TB
4-28-06

120721-10

- A. A member of the Corporation shall be ineligible to serve on the Corporation Board of Directors if that member shall at the same time be serving as an officer or director of either the Crooked River Ranch Club and Maintenance Association, the Crooked River Ranch Rural Fire Protection District or the Crooked River Ranch Special Road District.
- B. The Members may remove one or more directors elected by them only with cause and pursuant to ORS 65.324. "Cause" for the removal of a director shall only be after Judicial Proceeding and for the reasons set forth in ORS 65.327(a).
- C. A quorum shall be fifty-one percent of the entire membership of the Corporation and shall be required at a duly called annual, general or special meeting before transaction of business on which the membership may vote, except for the election of directors, who shall be elected by a majority of mailed-in ballots.

13
4-25

VOID IF ALTERED OR EBASD

VOID IF ALTERED OR EBASD

2

**BYLAWS
FOR
CROOKED RIVER RANCH WATER COOPERATIVE**

As amended
June 30, 2006

An Oregon Non-Profit Cooperative

13845 SW Commercial Loop
PO Box 2319
Terrebonne, Oregon 97760

JUL 23 2008

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BYLAWS OF
CROOKED RIVER RANCH WATER COOPERATIVE

PART I

Purposes

Bylaw 1.1 PURPOSES

This organization ("the Cooperative") is a nonprofit cooperative incorporated under the laws of the State of Oregon. The purposes of the Cooperative are as set forth in its Articles of Incorporation.

PART II

Membership

Bylaw 2.1 QUALIFICATIONS

Any person, firm, association, or corporation which owns property within portions of Crooked River Ranch or other adjacent properties then served by the Cooperative or must haul water to their property on the Crooked River Ranch, shall be eligible for membership in this Cooperative, subject to acceptance for membership as hereinafter provided.

Bylaw 2.2 APPLICATION AND ACCEPTANCE

(a) Application for membership shall be in writing. The application shall include the physical address, phase, lot and tax numbers of the premises for which water or water services obtained from the Cooperative is requested and shall include documentary proof of applicant's ownership of the premises and be in such form as the Board of Directors of the Cooperative from time to time shall prescribe. At the time of application, a credit check will be conducted. A letter of credit from a previous water supplier may be accepted. Should the credit check not be acceptable, and a letter of credit from a prior water supplier is not available, the applicant may post a deposit based on multiplying the CRRWC's base rate by 6 months. The water meter to be used, if the application is granted, shall be used only for the premises described in the application. Such application shall constitute an agreement by the applicant, if accepted for membership, to remain in good standing and to comply with and be bound by the Articles of Incorporation, Bylaws and rules and regulations of the Cooperative then in effect or as thereafter from time to time duly amended or promulgated, and also an agreement to obtain from the Cooperative the water service used by or only for that member's consumption on the premises specified in the application.

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(b) Each application for membership shall be reviewed by the staff of CRRWC and thereafter either be rejected or accepted by the General Manager of the Cooperative. The decision may be appealed to the Board of Directors if necessary.

(c) Membership in the Cooperative shall vest only voting rights and shall not vest in the member any financial interest in the Cooperative or its assets.

(d) A membership fee in the amount of \$150 will be required. This fee is non-refundable.

(e) A certificate of membership will be issued to all members of the Crooked River Ranch Water Cooperative. The certificate will have no monetary value and is not transferrable. Each certificate entitles the member to one (1) vote, regardless of the number of properties or connections to the water system.

(f) The membership fee may be adjusted by the Board of Directors at a meeting called by the Secretary of the Board, upon a majority vote of the Board of Directors. No membership vote shall be required. This procedure may be done without the filing of amended or restated articles.

(g) Payment of the membership fee, connection fee, and meter cost, does not transfer ownership to the member. All service lines, reseters, meters and meter boxes are the property of the Crooked River Ranch Water Cooperative.

Bylaw 2.3 TERMINATION OF MEMBERSHIP

(a) Membership in the Cooperative shall terminate automatically upon death, removal of the premises served within the service area of the Cooperative, or sale of the premises served to another person or entity.

(b) Membership shall be terminated by the Board of Directors at any time that the Board finds that a member has discontinued use of the Cooperative's service, or for any reason is not qualified for membership.

(c) Membership may be terminated or recalled, by affirmative vote of a majority of the members of the Board of the Directors present at a duly convened meeting of the Board, if the Board finds that the member has violated or refuses to comply with any applicable provision of the Articles of Incorporation, Bylaws or rules or regulations of the Cooperative or any state or federal laws, or any agreement that the member has with the Cooperative. The General Manager shall report to the Board on any matters involving a member within the scope of this Bylaw.

(d) Termination by action of the Board of Directors shall take effect at such time as the Board shall set and such action shall be given by mailing of

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notice thereof to the member at that member's address of record with the Cooperative. Any member whose membership is thus terminated may, within thirty days after the mailing of the notice to the former member, file with the Secretary of the Cooperative a written request for a hearing, in which event that former member shall be given the opportunity to be heard before the Board of Directors, and the Board shall reconsider and affirm or rescind the termination, all within sixty days after the filing of such request for a hearing.

- (e) Any member exhibiting ill will toward the Cooperative (to be determined by the Board of Directors at a duly convened Board of Directors meeting) may have membership terminated at the discretion of the majority of the Board of Directors. "Ill will" includes, but is not limited to, frivolous lawsuits, false statements concerning the cooperative or its employees and Board of Directors, and any physical damage or unauthorized expense to the Cooperative. Violation of this bylaw may result in termination of membership and/or civil action in accordance with ORS 62.370.
- (f) Any member may voluntarily withdraw from membership at any time upon notice to the Cooperative and cessation of service or hauling to the member's premises.
- (g) There will be no refund of the membership fee.

Bylaw 2.4 TRANSFER OF MEMBERSHIP

Membership in the Cooperative shall not be transferable, by operation of law or otherwise. In the event of the death of a husband or wife who holds a membership jointly with his or her spouse, such membership shall automatically transfer to the survivor with the same effect as though that membership had been originally issued thereto; provided, however, that the estate of the deceased joint member shall not be released from any debt or liability of that deceased member to the Cooperative.

Bylaw 2.5 MEMBER VOTING

- (a) Each member shall be entitled to one vote per membership certificate. A joint member shall be treated as one member and shall be entitled to one vote.
- (b) Proxy voting shall not be allowed.
- (c) Any member of the Cooperative not a natural person may act, vote, and be represented at meetings of members of the Cooperative by an officer, manager, stockholder, partner, or agent of such member who is duly authorized in writing filed with the Secretary of the Cooperative. The

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representative must be member of the Cooperative unless the Board of Directors grant an exception.

- (d) A member of the Cooperative who has had water service disconnected for any reason shall not be entitled to vote until that member has paid all fees and charges owing, reconnected to the water system, and is in conformance with all rules and regulations and policies necessary for water service. A member in compliance with the above requirements shall be considered in good standing and shall then be entitled to vote on matters submitted to the membership.

PART III

Meetings

Bylaw 3.1 ANNUAL MEETING

The annual meeting of the members of the Cooperative shall be held on the first Saturday of June of each year, at such hour as may be specified by the Board of Directors, and at such place as specified by the Board within the territory which the Cooperative provides water service; provided, however, that the date of such annual meeting may be postponed or advanced not to exceed fifteen days by the Board of Directors.

The purpose of such annual meeting shall be to elect directors, receive reports of officers, and to transact such other business as may be listed on the call for the Annual Meeting. If the date fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If for any reason the election of directors shall not be held at the annual meeting or any adjournment thereof, the Board of Directors shall cause such election to be held at a special meeting of the members which shall be called by the Board of Directors as soon after the annual meeting as the Board may find to be feasible.

Bylaw 3.2 SPECIAL MEETINGS

A special meeting of the members of the Cooperative may be called by the Board of Directors. Such call shall be in writing, announced on the bill back, and shall state the time, place and purpose of the meeting. Promptly upon receipt of such call, the Secretary of the Cooperative shall cause notice of such meeting to be given as herein provided. No business shall be transacted at a special meeting which is not included as a statement of purpose as set forth in the call and notice of meeting.

Special meetings called as a result of a petition by members will follow the same process as stated above.

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Abuse of the petition process by members will result in the members being charged for the costs involved in producing the meeting announcement, postage, mail-in ballots, etc. Determination of whether the process is being abused will be made by the Board of Directors.

Bylaw 3.3 NOTICE OF MEETING

Written or printed notice of each annual or special meeting of the members of the Cooperative shall be given by or under the supervision of the Secretary of the Cooperative to each member not less than ten nor more than thirty days prior to the date of meeting. Such notice shall be delivered to the member in person or mailed thereto at the member's post office address as the same appears on the books of the Cooperative, and such mailed notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid. Failure of any member to receive notice of meeting so mailed shall not invalidate any action taken at the meeting, and any member may waive, in writing, and shall waive by attendance in person at the meeting, any notice of meeting required to be given by these Bylaws.

Bylaw 3.4 QUORUM

A quorum shall be fifty-one percent of the entire membership of the Cooperative and shall be required at a duly called annual or special meeting before transaction of business on which the membership may vote, except for the election of directors, who shall be elected by a majority of mailed-in ballots.

Bylaw 3.5 VOTING BY MAIL FOR DIRECTORS

A member of the Cooperative shall be entitled to vote in any election of directors by casting the member's ballot by mail as provided in these Bylaws. All mail-in ballots must be received by the Cooperative no less than forty-eight hours prior to the annual meeting. No nominations, proxies, or votes will be accepted on the day of the annual meeting or at the annual meeting. Ballots mailed to the Cooperative shall be accepted through the regular mail or by hand-delivery to the offices of the Cooperative between 8:00 a.m. and 4:30 p.m., Mondays through Fridays, prior to the annual meeting. Failure of any member to receive a ballot or voting envelope for voting by mail shall not invalidate any election of a director.

Bylaw 3.6 ORDER OF BUSINESS

The order of business at each annual meeting of the members of the Cooperative, and so far as feasible at each other meeting of the members, shall be substantially as follows:

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1. Roll Call
2. Reading of the notice of the meeting and proof of service thereof, or the waiver or waivers of the notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members, and the taking of necessary action thereon.
4. Reports of officers.
5. Unfinished business.
6. New business.
7. Results of mail-in ballot on election of directors, where applicable.
8. Adjournment.

PART IV

Board of Directors

Bylaw 4.1 NUMBER

The Board of Directors shall consist of not less than three (3), and not more than five (5) members of the Cooperative.

Bylaw 4.2 TERM OF OFFICE

The Directors shall be elected initially to staggered terms. One Director shall be elected to a one-year term, one Director to a two-year term and the remaining three Directors to a three-year term. To elect for the first initial staggered term, the three Directors who received the most votes shall serve the three-year term, the Director receiving the next number of majority votes shall serve the two-year term, and the Director receiving the next number of majority votes shall serve the one-year term. Thereafter, the Directors shall serve their terms for a three-year term, and one Director shall be elected at the annual meetings by a majority of the mail-in ballots cast by the membership of the Cooperative. The existing Board of Directors shall serve out their present terms.

Bylaw 4.3 NOMINATION OF DIRECTORS

- (a) Any member in good standing is eligible to apply to serve on the Board of Directors.

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- (b) The Board of Directors shall adopt a form of application along with a separate Applicant Disclosure Statement, which each applicant shall complete and submit to the Secretary of the Cooperative no later than ninety days prior to the annual meeting
- (c) The Applicant Disclosure Statement and application shall include, but not be limited to, disclosures of the applicant's residence address, time as a member of the Cooperative and, whether or not the applicant's personal residence is served by the Cooperative.
- (d) Applicant interviews will be conducted by the Board of Directors, provided the Board shall accept the written application. Upon the Board of Directors' approval of an application, based on the applicant's experience and expertise in relationship to the corporation's needs and requirements at the time, the Board of Directors will invite the applicant for a Board interview. The name of the applicant(s) with successful interviews will be placed on the ballot for the next annual election. Only people named on the ballot will be considered as candidates for election to the Board of Directors.
- (e) A member of the Cooperative shall be ineligible to serve on the Corporation Board of Directors if that member shall at the same time be serving as an officer or director of either the Crooked River Ranch Club and Maintenance Association, the Crooked River Ranch Rural Fire Protection District, the Crooked River Ranch Special Road District, the Crooked River Ranch Chamber of Commerce or any elected or appointed position with Jefferson County.

Bylaw 4.4 VACANCIES

Any vacancies on the Board of Directors not caused by expiration of term may be filled for the unexpired term by majority vote of the remaining members of the Board of Directors.

Bylaw 4.5 DISQUALIFICATION

Termination of a Director's membership in the Cooperative shall terminate automatically that Director's membership on the Board of Directors. If a Director shall serve as an officer or director of any organization listed in Bylaw 4.3(e) said Director shall automatically be disqualified as a Director for the Cooperative.

Bylaw 4.6 COMPENSATION

Individuals serving as a Director of the Cooperative shall serve without pay for personal services as a director.

Bylaw 4.7 POWERS AND DUTIES OF DIRECTORS

The authority and duties of the Board of Directors shall include the following, as well as such other powers and duties as may be vested in the Board by law.

- (a) The Board shall have general supervision and control over and shall manage and conduct the affairs and business of the Cooperative, and shall make all necessary rules and regulations, not inconsistent with law or with the Bylaws or Articles of Incorporation, for the management of the Cooperative and the guidance of the officers, employees and agents of the Cooperative.
- (b) The Board shall employ a General Manager, under contract, who shall hold office subject to such terms and conditions as may be fixed in the General Manager's contract. The General Manager is for all legal purposes an officer of the cooperative.
- (c) The Board shall cause to be kept a record of all of its acts and proceedings. The Board shall present a report at each annual meeting of the members of the Cooperative showing in reasonable detail the condition of the Cooperative's affairs.
- (d) The Board shall call such special meetings of the members of the Cooperative as it may deem necessary or advisable.
- (e) The Board shall select one or more banks as depository of funds of the Cooperative and determine the manner of receiving, depositing and disbursing the funds of the Cooperative, with full power from time to time to change such depositories and determinations.
- (f) The Board may invest or convert the funds of the Cooperative reserve in or into such securities as the Board may find advisable and proper.
- (g) The Board, by affirmative vote of at least three Directors, may borrow money or authorize any officer or the General Manager of the Cooperative to borrow money, in the name and on behalf of the Cooperative, for any Cooperative purpose either on open account or secured in any manner by any assets of the Cooperative or any of the Cooperative's reserves, in such amounts and upon such terms and conditions as the Board may deem necessary or advisable.
- (h) In addition to the foregoing express authority and duties, the Board may exercise such powers and do such lawful acts as it may find to be proper and necessary or expedient for accomplishing any of the lawful purposes of the Cooperative.

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- (l) The Board of Directors may make such donations for the public welfare or for charitable, scientific or educational purposes, as the Board finds may result in a present or foreseeable future benefit to the Cooperative or to its members as a whole.

Bylaw 4.8 RESIGNATION

Any Director may resign from office at any time, such resignation to be in writing and to take effect when filed with the Secretary of the Cooperative.

PART V

Meetings of Directors

Bylaw 5.1 ANNUAL MEETING

An annual meeting of the Board of Directors shall be held within ten days after each annual meeting of the members of the Cooperative, for the purpose of organizing, electing officers, and transacting such other business as may come before the meeting.

Bylaw 5.2 REGULAR QUARTERLY MEETINGS

Regular quarterly meetings of the Board of Directors shall be held after the annual meeting in June, and on the third Wednesday of September, December and May of each year at a place designated by the Board of Directors, unless otherwise posted at the offices of the Cooperative. Such quarterly meetings may be held without notice other than the action fixing the time and place thereof. Such meetings may be cancelled by the Board of Directors for the benefit of the Cooperative.

Bylaw 5.3 SPECIAL MEETINGS

A special meeting of the Board of Directors shall be held whenever called by the President or by *three* members of the Board. The business to be transacted and the purpose of any special meeting of the Board of Directors must be specified in the notice or waiver of notice of such meeting.

Bylaw 5.4 NOTICE

Notice of each special meeting of the Board of Directors shall be mailed to each Director, at that Director's address of record with the Cooperative, not less than five days prior to the time of such meeting, or shall be given by telephone or telegraph not less than twenty-four hours prior to that meeting. Notice of any meeting may be waived in writing. Notice of the meeting shall be waived by attendance at the meeting unless the purpose of attendance was solely to object to the transaction of any business at the meeting on the ground that the meeting was not lawfully called.

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Bylaw 5.5 QUORUM

A majority of the seated Board of Directors shall constitute a quorum necessary for the transaction of any and all business of the Cooperative. In the event there shall be in attendance at any meeting of the Board of Directors a lesser number than a quorum, that number may adjourn the meeting to another day, until a quorum can be present. No one (1) director may dictate day to day policy without a quorum consent of the Board of Directors.

Bylaw 5.6 UNEXCUSED ABSENCES

The Board may declare the Board position of a member of the Board of Directors to be vacant in the event such member shall be absent (unexcused) from three consecutive, regular quarterly scheduled meetings of the Board of Directors.

Bylaw 5.7 INDEMNIFICATION OF DIRECTORS, OFFICERS AND AGENTS

Each person who at any time has served or serves as a Director, officer or agent of the Cooperative shall be indemnified by the Cooperative against liabilities incurred as a result of, and expenses (including attorney's fees) reasonably sustained in the defense or in the compromise or settlement of, any civil, criminal, or other action, suit, or proceeding, in which that person may become involved as a part or with which that person may be threatened, by reason of that person being or having been a Director, officer or agent of the Cooperative, provided, however, that such indemnification shall not apply to any claim, action, suit, or other proceeding in which the Director, officer or agent is adjudged liable for negligence or misconduct in the performance of duty, or in which that person shall have entered a plea of guilty or nolo contendere, unless the Cooperative shall receive a written opinion of independent legal counsel that (a) the conduct of that person in connection with such matters was in good faith, for a purpose which that person reasonably believed to be in the best interests of the Cooperative, and, in any criminal action, in addition, that such person had no reasonable cause to believe that such person's conduct was unlawful, and (b) that indemnification pursuant to the provisions of this Bylaw 5.7 may be legally and validly made.

PART VI

Officers

Bylaw 6.1 ENUMERATED

The officers of the Cooperative shall consist of a President, a Vice-President, a Secretary/Treasurer, and the General Manager.

Bylaw 6.2 REMOVAL OF DIRECTOR FROM BOARD OF DIRECTORS

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The Board of Directors by a majority vote of the Board may remove any director from the Board of Directors if the majority of the Board in their judgment deems that director's presence on the Board not to be in the best interest of Crooked River Ranch Water Cooperative.

Bylaw 6.3 ELECTION AND TERM OF OFFICE

Each officer shall be elected annually by the Board of Directors at its annual meeting and shall hold office until the next annual meeting of the Board of Directors at its annual meeting or until that officer's successor shall have been duly elected and qualified, provided, however, that any officer may be removed from office, and that officer's successor be elected, by the Board whenever the Board deems such removal to be in the best interest of the Cooperative.

Bylaw 6.4 PRESIDENT

The President shall be the principal executive officer of the Cooperative. The President shall sign for and on behalf of the Cooperative all documents and instruments authorized by the Board of Directors to be executed, except when the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Cooperative or shall be required by law to be otherwise signed or executed. The President shall call such special meetings of the Cooperative and of the Board of Directors as the President deems advisable, and shall perform such other duties as may properly be required under the Bylaws or by the Board of Directors.

Bylaw 6.5 VICE-PRESIDENT

In the absence of the President, or in the event of the President's inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned by the Board of Directors.

Bylaw 6.6 SECRETARY/TREASURER

The Secretary/Treasurer shall keep the minutes of the members and of the Board of Director's meetings in one or more books provided for that purpose. The Secretary shall see all notices are duly given in accordance with provisions of these Bylaws or as required by law. The Secretary shall supervise maintenance of a registry of the post office addresses of each member of the Cooperative and have general charge of all membership books of the Cooperative. The Secretary/Treasurer shall have charge and custody of and be responsible for all funds and securities of the Cooperative; receive and give receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in the name of the Cooperative in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws. The Secretary and Treasurer shall

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in general perform all the duties incident to the office of Secretary/Treasurer and the Board of Directors may assign such other duties as from time to time to the Secretary/Treasurer deemed in the best interest of the Cooperative.

Bylaw 6.7 SUBORDINATE OFFICERS

The Board of Directors may create such subordinate offices and employ such subordinate officers or agents as it may from time to time deem expedient and affix the compensation of such officers or agents and define their powers and duties, provided such powers and duties do not constitute a delegation of such authority as is reposed in the directors by law, which shall be exercised and performed exclusively by them.

Bylaw 6.8 GENERAL MANAGER-OPERATIONS MANAGER

The Board of Directors shall also have power to appoint a General Manger, who shall hold office under contract to the Board of Directors. The General Manager shall perform such duties and shall have such authority as the Board of Directors from time to time may specify, but in general shall have the power and authority to facilitate the handling and the management of the Cooperative's property and interest.

Bylaw 6.9 COMPENSATION

The President, Vice-President and Secretary/Treasurer shall serve without pay for personal services as an officer.

Bylaw 6.10 EMPLOYMENT

No Cooperative employee (other than those under contract), nor any relative, or significant other, may be elected to the Board of Directors while the Cooperative employs that person as a regular employee. Subcontract work shall be permitted for tasks, but only as an independent contractor. This same restriction shall apply for a period of five (5) years after such person ceases to be employed by the Cooperative.

PART VII

Operating Methods

Bylaw 7.1 FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the 31st day of December of the same year.

Bylaw 7.2 NONPROFIT

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This Cooperative shall be operated on a nonprofit basis for the benefit of its members as users of water service supplied by or through this Cooperative.

Bylaw 7.3 CONFLICTS OF INTEREST

No officer, board member or Cooperative employee may participate in any action in which that person indirectly or directly has a substantial personal financial interest. Participation includes, but is not limited to, reviewing bids or proposals, making recommendations for awards of contracts, awarding services, preparing bids or similar acts where the employee or Director stands to profit from the outcome of actions taken with respect to the above. Wages shall not be considered a substantial financial interest for purposes of this Bylaw. Any person serving or acting as a Board member shall not retain, or apply for any regular full-time paid position through this Cooperative while a Director or for a period of sixty months after that person's term has expired. This restriction does not include short-term contractual work that is necessary for the benefit of the Cooperative. Any "contractual work" done by an employee or Director shall be at the discretion of and under the responsibility of the General Manager, with concurrence by a majority of the Board of Directors.

Bylaw 7.4 CONTRACTS

The Board of Directors may authorize any officer or agents to enter into any contract or execute any instrument in the name of and on behalf of the Cooperative, and such authority may be in general or confined to specific instances.

Bylaw 7.5 LOANS

No loan shall be contracted on behalf of the Cooperative and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Bylaw 7.6 CHECKS AND DRAFTS

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Cooperative shall be signed by such officers of the Cooperative and in such manner as from time to time be determined by resolution of the Board of Directors.

Bylaw 7.7 DEPOSITS

All funds of the Cooperative shall be under the supervision of the Board of Directors and shall be handled and deposited in such manner and by such officers or agents of the Cooperative as the Board of Directors may by prior resolutions from time to time authorize.

Bylaw 7.8 WATER RATES AND OTHER CHARGES

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The Board may, from time to time, set rates regarding water service, water, water related service, and future capital expenditures. The Board may set charges for other services related to the operation of the water system. The members of the Cooperative (the owners of rental property shall be billed and responsible for payment of water used by said property) shall pay water bills on a monthly basis and such other charges as are due and payable upon receipt of the bill.

Bylaw 7.9 BOARD POLICIES

The Board may adopt operating policies consistent with the Bylaws necessary for the orderly conduct of business and any related matters consistent with providing the domestic water services to be provided to qualified members of the Cooperative.

PART VIII

Dissolution

Bylaw 8.1 DISSOLUTION

In the event of dissolution or liquidation of the Cooperative, all assets of the Cooperative or proceeds thereof shall be distributed in accordance with the Articles of Incorporation and a plan of dissolution adopted by the Board of Directors.

PART IX

Amendments

Bylaw 9.1 AMENDMENTS

These Bylaws may be amended or repealed only by a majority vote of 30% of the total members of the cooperative.

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CERTIFICATE OF SECRETARY

The undersigned, as Secretary of Crooked River Ranch Water Cooperative, hereby certifies that the Bylaws to which this certificate is attached were duly adopted by the Board of Directors of said cooperative and are in full force and effect.

DATED: 3-18-07


Richard Miller, Secretary

JUL 23 2008

CHBH-CRR0025

ANNUAL MEETING
MINUTES

The Crooked River Ranch Water Co-op held its Annual Meeting on Saturday, June 2, 2007, at the company office. The meeting was called to order at 10:00 a.m. by President Brian Elliott.

Roll Call conducted by Richard Miller, Sec/Treasurer:

Board of Directors

Brian Elliott, President
Richard Miller, Sec/Treasurer
James Rooks, Director
Rick Keen, Director - Absent
Randy Scott, Director - Absent

STAFF PRESENT:

Jacquie Rooks, Ofc.Mgr.
Barb Oakley, Admin. Assistant
Michelle Cornstock, Field Sup.
Adan Valdez, Field Tech

Company Attorney

Tim Gassner, of Glenn, Sites, Reeder and Gassner was also present at the meeting.

PROOF OF NOTICE OF MEETING

Announced in the Madras Pioneer on 5/23 and 5/30/07 - newspapers retained as verification. Also was announced on the front of the bills mailed 5/29/07. Copy included.

APPROVAL OF LAST MINUTES

Mr. Rooks moved to approve the minutes of the June 3, 2006 Annual Meeting. Mr. Miller seconded. Motion passed.

QUORUM ANNOUNCEMENT

51% of members needed to conduct business noted by President Elliott. Quorum not in attendance.

President Elliott went off the agenda to ask for public assistance. There is a fire going on down on the South end of the Ranch. JR has been working hard to keep enough water going to the hydrants so the fire trucks can fill up. The water system is old, so when you see the hydrants being used, please refrain from car washing, etc.

A new well will help out in these emergency situations. Mr. Rooks explained that the biggest problem is pumping water from down below to the cistern. As soon as the new well is on line, it will give the company more time to do maintenance on the plant without throwing the system into a crisis mode.

Mr. Rooks noted that Hal Robbins was in the audience, and commended him and the other firefighters for the excellent work they've done on the Crooked Fire. No structures or lives were lost.

UNFINISHED BUSINESS

New Well and piping still planned. Some pipe has been issued. Mr. Rooks noted that he plans to begin drilling this year.

Assessment - still being collected. Reports will be made available at the office if anyone is interested, per Mr. Rooks.

Association Lawsuit regarding leases & easements still on-going. Pres. Elliott stated we need these in order to continue with the new well, etc.

Criminal Mischief Charges filed against JR by Assn. Over clearing of community property behind CRRWC office still on-going. President Elliott noted that if the building burns, there would be no water and insurance rates would go through the roof.

Public Utility Commission has asserted jurisdiction of the CRRWC. An appeal has been filed with the Oregon Appellate Court by the Board of Directors. In the meantime, the company will conduct business as normal.

NEW BUSINESS

President Elliott read a phone message that was given to Mr. Rooks from Kay Norberg. She called to personally thank Mr. Rooks and Adan Valdez for all their hard work they've done on the new firehall site. She stated they received a round of applause at the ground breaking ceremony on May 29 for removing the dirt and rock berm along the side of the property.

President Elliott noted that the March and April PUC Consumer Service Contact reports show a total of 13 calls this year. He also noted that the PUC has not found any to be the fault of the company. A member

in the audience asked for a copy - copies were made and were available during the meeting.

COMPANY OPERATIONS

- General Managers Report - James Rooks
- JR stated the PUC has sent a bill for \$1900+ for the year 2006. JR asked the board for advice as he doesn't believe the company should pay for services for a full year when jurisdiction wasn't asserted until Nov. 20, 2006. Mr. Miller said he doesn't see any reason to pay, and President Elliott stated don't pay. The company attorney, Tim Gassner, asked that a copy be faxed to him, and he will review and research. However, he does know that the PUC law is not retroactive.
- The assessment money is still being put away and some pipe has been purchased.
- JR noted that 3 years ago, the company submitted its Water Conservation and Management plan to the WRD and paid \$250. WRD has sent a letter stating they just found the WCMP, and they need \$1000 to read it. President Elliott said to argue it, but pay if we have to. Tim noted that this is not an issue that's been brought to him, but if there's legal authority, pay it.

FINANCIAL

Copies of last years financial statement were available at the meeting, and will be available at the counter in the office.

RESULTS OF MAIL IN BALLOTS

Announcement of the director opening was made on the bill back which was mailed on 3/29/07, and in the Madras Pioneer on 4/4/07. Verification noted.

Election of 1 Director - since only 1 person on ballot, Mr. Miller looked at a few ballots and determined that James Rooks had been elected. The exact number will be given later.

COMMENTS FROM THE PUBLIC

Q: What services did the PUC render for \$1900?

A: Tim: Explained the PUC and rate regulation. But no services provided prior to 11/20/06.

Q: Moved here 5 years ago and was told that there would be no new water extensions.

A: JR: Not true. Drilling a new well, so may be able to do more

extensions. Whether it happens depends on the people on the street. JR explained the process for customers to pay for the line extensions. President Elliott explained how the Chickadee extension came about.

Q: Is there a master plan for fire hydrants?

A: JR: Yes, but it is not available right now. If he varied from the plan, there would surely be people screaming about it.

Q: How about a proposed plan? A: No

Q: Why did the company "expand" before the new well is on line?

A: JR: Because it is a matter of \$\$\$. The more customers, the more income for the company. The extensions have not put a drain on the system. JR also explained the aquifer and the possible effects if Bend and Redmond continue to drill huge wells and bring them on line.

Q: Spike Durfee stated that the company must share information, like written materials, videos, etc. Anything that's produced by the company. He asked Tim if that is correct.

A: Tim: Doesn't have the law in front of him so cannot say that the statement is accurate.

Q: Spike to Tim: Why are you here? You have disqualified everything that's been asked of you.

A: Tim: The CRRWC is not a public entity. If he's not happy with the production of documents, contact the PUC.

Q: Spike: Doesn't like paying attorneys. Tired of paying through the water company, association, and the Dogs. How many suits have been filed? At least 4 that he knows of.

A: Tim: Two against the water company, and the WC has filed one against the association.

Q: Barbara Roberts: How many votes did you get? How much does JR get paid? \$25 hour? 240 hours a month? All employees work 240 hours a month...

Q: Isn't being on the Board of Directors and working for the company a conflict?

Q: Only 1 person is on the ballot and no write ins allowed. Isn't that like being appointed?

A: President Elliott: Directors must be qualified and fill a need, etc. The

Board of Directors review all applications. There were 6 applications received - all of which were not completed. Persons wrote caustic comments but failed to provide the information requested.

Tim: The applications asked for various information. Barbara Roberts: bank loans, social security numbers, etc.! Tim: The decisions was made by the Board of Directors. He doesn't know the logic behind it all, but agrees financial history is important.

Darlene Quiriconi: Bad debts;, not paying bills - not a good idea, but we have someone like that on the board now. Jacquie noted that their bankruptcy filing was due to the Exxon Valdez oil spill disaster.

Q: If you run for the association, do you need to put private info on the application?

A: JR: When he tried to run, they wouldn't even put him on the ballot.

A: Larry Miller: He has filled out an application 2 times with the county to run for the Special Road District, and he had to supply his social security number, etc. And only ranch people voted!

Herb Fields noted that he believes the Board is doing a good job!

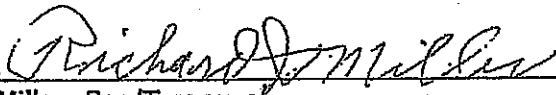
ADJOURN

Meeting adjourned at 10:48 a.m.

The Board of Directors went into executive session and elected the following officers:

Brian Elliott, President
Richard Miller, Sec/Treasurer

Submitted by:



Richard Miller, Sec/Treasurer Date

FILED

DEC 29 1994

CLERK
U.S. BANKRUPTCY COURT
BY _____
DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT
DISTRICT OF ALASKA

In re:

JAMES H. ROOKS
JACQUELYN R. ROOKS

CASE NO. A92-00163-DMD

NOTICE OF DENIAL OF DISCHARGE

Pursuant to the Judgment entered December 8, 1994, in the Adversary Case No. A92-00163-001 (BANCAP NO. 92-3096), notice is hereby provided to you that the discharge of debtors/defendants James H. Rooks and Jacquelyn R. Rooks is denied pursuant to 11 U.S.C. § 727.

DATED: December 29, 1994

WAYNE W. WOLFE
Clerk of the Bankruptcy Court

Wayne W. Wolfe
Wayne W. Wolfe
Clerk of Court

Serve: Matrix



CERTIFICATE OF MAILING

I hereby certify that on April 23, 2002, I served a true copy of *Lien Holder's Objections to Debtors' Motion to Void Lien Under 11 USC §522(f) and Order Thereon*, by mailing a true copy thereof, certified by me as such, addressed to the following:

*Lawrence W. Erwin
221 NW Lafayette Ave.
Bend, OR 97701-1927*

*Greg Oczkus
202 Hafsling Bldg.
430 W. 7th Ave.
Anchorage AK, 99501*


*Kenneth W. Legacki, P.C.
425 "G" Street, Ste. 920
Anchorage, AK 99501*

*U.S. Trustee
620 SW Main #213
Portland, OR 97205*

*Mike Bailan, Trustee
P.O. Box 3729
Salem, OR 97302*

and deposited in the United States Post Office at Albany, Oregon.

**WEATHERFORD, THOMPSON,
ASHENFELTER & COWGILL, P.C.**

By: 
Andrew J. Bean, OSB #99218
Of Attorneys for Creditor

STATE OF OREGON)
) ss.
COUNTY OF LINN)

I HEREBY CERTIFY THAT I PREPARED THE FOREGOING COPY AND HAVE CAREFULLY COMPARED THE SAME WITH THE ORIGINAL THEREOF, AND THAT IT IS A CORRECT COPY THEREFROM AND THE WHOLE THEREOF.

Dated this 23rd day of April, 2002.

By:
/s/ Andrew J. Bean
Andrew J. Bean, OSB #99218
Of Attorneys for Creditor

J:\c\NATTYA\B\Clients\Skelley, Mike\Certificate of Mailing.doc

IRA (1/14/99) If: APR 15 2002

UNITED STATES BANKRUPTCY COURT
District of Oregon

CLERK US BANKRUPTCY COURT
DISTRICT OF OREGON

In re
James Harvard Rooks
Jacqueline Regina Rooks
Other names used by debtor(s):
JMR Repair Services,
Jackie Rooks,
Debtor(s)

Case No. 302-31509-eld7

02 APR 15 P2:52

INVENTORY AND REPORT
OF ASSETS

LOGGED _____ R.C.B. *hw*
PAID _____ DOCKETED *hw*

NOTE: SEE BELOW IF
RETTILING THIS
AS "AMENDED"



I report that I have made diligent inquiry into the whereabouts of property belonging to the estate. Except as noted below, there are no assets in the estate over and above exemptions which have been claimed by the debtor(s).

1. I have taken the following property into possession:

NONE

2. I claim an interest in the following property which is either intangible or which for good reason I have not taken into possession:

NONE

() Check this box if time has *not* already been fixed for claims *and* you want the court to fix time now.

Dated: 4/10/02

[Signature]

Michael B. Batlan
Trustee

Note: If there are no assets stated above the court will treat this report as a report of no assets and will close the case in due course.

Note: If this is an AMENDED report you must (1) add the word "AMENDED" to the title; *and* (2) explain any deletion and reasons therefore, *and* include a statement that all abandonment procedures have been completed (i.e., even if you decide to let case closing take care of that).

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

CLERK, U.S. BANKRUPTCY COURT

In re

ROOKS, JAMES HARVARD
ROOKS, JACQUELINE REGINA,

Debtor(s)

) Case No. 302-31509-rld7
) NOTICE OF MOTION
) FOR AVOIDANCE OF LIEN
) PURSUANT TO
) 11 U.S.C. §522(f)
) IN A CHAPTER 7 CASE

APR 12 1993

A motion was filed on behalf of the debtor(s) for the purpose of VOIDING JUDICIAL LIENS IMPAIRING
HOMESTEAD EXEMPTION

A copy of the motion is attached.

The name and address of the debtor's attorney (or debtor(s), if no attorney) are: Lawrence W. Erwin,

OSB # 73085, 221 NW Lafayette Avenue, Bend, OR 97701-1927

If you WISH TO RESIST the motion YOU SHALL, WITHIN 14 DAYS OF THE MAILING DATE SHOWN BELOW, file BOTH a written response with the Clerk of the Bankruptcy Court AND a certificate showing a copy of the response has been mailed to the person named above.

Contents of Response - A response shall state the facts upon which the motion is resisted.

If you file a timely response, and the Court requires a hearing, all parties will be given notice of the hearing date, time, and place.

Failure to Respond - If no timely response is filed, the court may sign an ex parte order, submitted by the debtor(s), granting the motion.

CLERK, U.S. BANKRUPTCY COURT

[i.e., if Case No. begins with "3", mail to 1001 SW 5th Ave. #700, Portland OR 97204; OR if Case No. begins with "6", mail to PO Box 1335, Eugene OR 97440]

I certify on 04-10-2002 copies of this Notice, and the Motion, were served on the parties whose names and addresses are listed below (PLEASE NOTE: Service must be made pursuant to Fed. Bankruptcy Rule 7004 (e.g., 7004(b)(3) for corporations)):

Michael Skalley and SuAnn Skelly
26002 Circle Drive South
Poulsbo, WA 98370

Greg Oczkus Law Offices
202 Haffing Building
430 West 7th Avenue
Anchorage, AK 99501

U.S. Trustee
620 SW Main #213
Portland, OR 97205

Mike Batlan, Trustee
POB 3729
Salem, OR 97302

Marvin and Lisa Bailey
c/o Kenneth W. Legacki, PC, Attorney
425 G Street #920
Anchorage, AK 99501

OSB # 73085
Signature Soc. Sec./Tax I.D. # (if debtor) OSB# (if attorney)

****SEE REVERSE FOR INSTRUCTIONS****

717 (3/15/98) Counsel certifies pursuant to LBR 1001-1(F)(3) that this form is identical in both format and text to the LBF

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Lawrence W. Erwin OSB #73085
Law Office of Lawrence W. Erwin
221 NW Lafayette Ave.
Bend, OR 97701-1927

Phone: (541) 317-0520
Facsimile: (541) 317-0524
E-Mail: lwerwin@lwerwin.com

Attorney for Debtors Rooks

CLERK, U.S. BANKRUPTCY COURT
02 APR 12 10 53
PAGE

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re:)
) ROOKS, JAMES HARVARD,
) ROOKS, JACQUELINE REGINA,
) Debtors.)

Case No. 302-31509-rld7
MOTION TO VOID LIEN
11 USC §522(f)

Debtors, by and through their counsel of record, Lawrence W. Erwin, hereby move pursuant to 11 USC §522(f) to void the below judgment lien, as impairing the debtors' homestead exemption.

1. A. The name and address of lien holders whose liens are to be voided is as follows:

Marvin Bailey and Lisa A. Bailey...
c/o Kenneth W. Legacki, PC, Attorney
425 G Street #920
Anchorage, AK 99501

Lawrence W. Erwin, Attorney at Law
OSB #73085
221 N.W. Lafayette Avenue
Bend, OR 97701-1927
PHONE: (541) 317-0520 FAX: (541) 317-0524

Michael Skelley and SuAnn Skelley
26002 Circle Drive South
Polusbo, WA 98370

B. Creditors' attorneys:

Kenneth W. Legacki, PC, Attorney
425 G Street #920
Anchorage, AK 99501

Greg Oczkus Law Offices
202 Hafling Building
430 West 7th Avenue
Anchorage, AK 99501

- 2. The subsection of 11 USC §522(f) under which relief is requested: §1A
- 3. The nature of the security interest or lien: Claimed Judgment liens.
- 4. The date upon which the security interest or lien was perfected:

Findings and Conclusions were recorded by judgment creditors, on June 28, 2001 in Jefferson County Official Records, in case filed in the Superior Court for The Third Judicial District, *Skelleys and Baileys v. Rooks*, Anchorage Alaska, Case No. 3an-90-2760 Civil. A copy of a Judgment entered in US Bankruptcy Court for The District of Alaska, Bancap No. 92-3096 *Michael R. Skelley v. Rooks*, Adv. Case # A92-00163-001-DMD was recorded in Jefferson County Official Records awarding costs, no amount is specified.

5. Description of collateral sufficient for identification:

Real property and homestead located at: 14045 SW Commercial Loop; Crooked River, OR 97760, also known as:

Lot 53, Crooked River Ranch No. 16, Jefferson County, Oregon.

- 6. The fair market value of the collateral is \$35,000.00.
- 7. Description of amounts due upon any other security interests or liens upon the collateral:

Lawrence W. Erwin, Attorney at Law
OSB #73085
221 N.W. Lafayette Avenue
Bend, OR 97701-1927
PHONE: (541) 317-0520 FAX: (541) 317-0524

A. \$31,000 is owed to seller on first trust deed

8. Description of nature and amount of exemptions impaired:

Homestead exemption-ORS 23.240, Oregon's homestead exemption is \$33,000 joint, \$25,000 individual.

9. The present balance owing on the security interests or liens upon the collateral, excluding pre-computed interest or other unearned charges:

(a) *Marvin F. Bailey, Lisa A. Bailey and Michael R. Skelley v. James Rooks and Jacqueline Rooks*, Superior Court for The Third Judicial District, Anchorage Alaska, Case No. 3an-90-2760 Civil Findings and Conclusions no \$ amount entered.

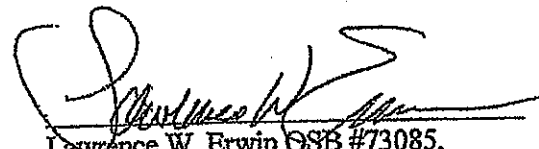
(b) *Michael R. Skelley v. James Rooks and Jacqueline Rooks*, US Bankruptcy Court for The District of Alaska, Bancap No. 92-3096 Adv. Case # A92-00163-001-DMD; Denying discharge and awarding unspecified costs.

10. Extent to which liens should be avoided: 100%

11. Other facts relevant in determining whether motion should be granted:

What was recorded was not a judgment, but rather Findings and Conclusions which clouds debtor's title. The judgments were entered in Alaska Superior Court in February, 2002 *nunc pro tunc*, effective 4/8/92, but should not have been transcribed to Oregon (unless 11 USC §362 was violated). The value of debtors' homestead is \$35,000, less 1st Trust Deed \$31,000 = \$4,000 equity. Oregon's homestead exemption is \$33,000 joint, \$25,000 individual.

DATED this 10th day of April, 2002.



Lawrence W. Erwin OSB #73085,
Attorney for Debtors
221 NW Lafayette Ave.
Bend, OR 97701-1927

Phone: (541) 317-0520
FAX: (541) 317-0524

Lawrence W. Erwin, Attorney at Law
OSB # 73085
221 NW Lafayette Avenue
Bend, OR 97701-1927
PHONE: (541) 317-0520 FAX: (541) 317-0524

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CLERK, U.S. BANKRUPTCY COURT

IN THE UNITED STATE BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

'02 MAR -6 AM 1:3

In Re:

JAMES HARVARD ROOKS
JACQUELINE REGINA ROOKS

Debtor

LOGGED _____ RECV
PAID _____ DOCKETED

Case No. 302-31509-rld7

REQUEST FOR NOTICE

Pursuant to BR 2002 and the local Bankruptcy Rules, I hereby request notice of all matters of which notice is given to creditors, any creditors committee, or any other party in interest herein, including all notices, motions, and pleadings, be sent to the following:

James B. Leet, Collection Supervisor
Division of Investments
Alaska Department of Community
And Economic Development
P.O. Box 34159, Juneau, Alaska 99803-4159

DATED at Juneau, Alaska this First day of March, 2002

By: James B. Leet
James B. Leet, Collections Supervisor

I hereby certify that a copy of this notice was sent to the following parties, by depositing same in the U.S. Mail at Juneau, Alaska, postage prepaid:

Office of the Clerk
U.S. Bankruptcy Court
District of Oregon
1001 SW 5th Ave., #700
Portland Oregon 97204

Lawrence W. Erwin
221 NW Lafayette Ave.
Bend, Oregon 99701-1297

Michael Batlan
P.O. Box 3729
Salem, Oregon 97302

James B. Leet
James B. Leet, Collections Supervisor

SUBSCRIBED AND SWORN TO before me this First day of March, 2002

[Signature]
Notary Public, State of Alaska
My commission expires: 1-5-05

(3)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

U.S. BANKRUPTCY COURT
DISTRICT OF OREGON
FILED

February 23, 2002

Terence H. Dunn, Clerk

By IJR Deputy

Notice of Chapter 7 Bankruptcy Case
Meeting of Creditors, Deadlines,
Proposed Case Dismissal, and Trustee Appointment

A Chapter 7 bankruptcy case concerning the debtor(s) named below was **FILED ON 02/19/02.**

You may be a creditor of the debtor. This notice lists important deadlines. You may want to consult an attorney to protect your rights. All documents filed in the case may be inspected at the bankruptcy clerk's office. NOTE: The staff of the bankruptcy clerk's office is forbidden by law from giving legal advice.

REDACTED

SEE REVERSE SIDE FOR IMPORTANT EXPLANATIONS

Debtor(s) (name(s) and address):

James Harvard Rooks
Jacqueline Regina Rooks
Other names used by debtor(s):
IMR Repair Services,
Jackie Rooks,
POB 1477
Redmond, OR 97756

POB 1477
Redmond, OR 97756

Case Number: 302-31509-rld7

Soc. Sec./Taxpayer ID Nos.:

Debtor(s) Attorney:

LAWRENCE W ERWIN
221 NW LAFAYETTE AVE
BEND, OR 97701-1927
Telephone No.: 541-317-0520

Trustee:

Michael B. Batlan
POB 3729
Salem, OR 97302
Telephone No.: 503-588-9192

DO NOT FILE A PROOF OF CLAIM UNLESS YOU RECEIVE A COURT NOTICE TO DO SO!

Meeting of Creditors

April 10, 2002 AT 09:30 am IN Bend National Guard Armory, 875 SW Simpson Ave, Bend, OR 97702

Deadlines

Papers must be received by the bankruptcy clerk's office by the following deadlines:
DEADLINE to file a Complaint Objecting to Discharge of the Debtor or to Determine Dischargeability of Certain Debts: 06/10/02
DEADLINE to Object to Exemptions: Thirty (30) days after the conclusion of the meeting of creditors.

Creditors May Not Take Certain Actions

The filing of the bankruptcy case automatically stays certain collection and other actions against the debtor and the debtor's property. If you attempt to collect a debt or take other action in violation of the Bankruptcy Code, you may be penalized.

Notice of Proposed Dismissal of Case

YOU ARE NOTIFIED this case may be dismissed without further notice if the debtor(s) fail to either complete the meeting of creditors set above, or timely file any documents and/or make fee payments as ordered by the court, unless within 20 days of the above "FILED" date a party in interest files a written objection to dismissal, setting forth specific grounds, with the Clerk of Court AND sends copies to BOTH the debtor's attorney (or debtor if pro se) AND trustee.

IMPORTANT: Unless you receive an Order of Dismissal from this court, this case is active and the automatic stay is in effect!

Trustee Appointment

The trustee named above is hereby appointed as interim trustee in this case. Such trustee's bond shall be the blanket bond heretofore approved and filed with the U.S. Bankruptcy Court Clerk. UNITED STATES TRUSTEE

DO NOT FILE A PROOF OF CLAIM UNLESS YOU RECEIVE A COURT NOTICE TO DO SO!

Bankruptcy Clerk's Office:

Phone: 503-326-2231 Office Hours: 9:00AM-4:30PM

Paper Filing Location: See Information on Back

For the Court:

Clerk of the Bankruptcy Court:

Date: 2/23/02

Terence H. Dunn

2

BAF SYSTEMS
11400 Commerce Park Drive
Suite 600
Reston, Virginia 22091-1506

CERTIFICATE OF SERVICE

District/off: 0929-3 User: Linda Page 1 of 1 Date Rcvd: Feb 21, 2002
Case: 02-31509 Form ID: 319 Total Served: 36

- The following entities were served by first class mail on Feb 23, 2002.
- db Rooks, James Harvard, POB 1477, Redmond, OR 97756
 - atv ERWIN, LAWRENCE W, 221 NW LAFAYETTE AVE, BEND, OR 97701-1927
 - db Rooks, Jacqueline Regina, POB 1477, Redmond, OR 97756
 - tr Batlan, Michael B., POB 3729, Salem, OR 97302
 - smg BNC Coordinator, 1001 SW 5th Ave #700, Portland, OR 97204
 - ust US Trustee, Portland, 620 SW Main St Rm 213, Portland, OR 97205
 - 3941014 ACE, 3190 S Wadsworth, Lakewood CO 80227
 - 3941015 Alaska Commn on Post 2nd Ed, 3030 Vintage Blvd, Juneau AK 99801
 - 3941016 Alaska Div. of Invest., PO Box 34159, Juneau AK 99803
 - 3941017 +Alaska USA FC, PO Box 196613, Anchorage AK 99519-6613
 - 3941020 Capital One, PO Box 26074, Richmond VA 23260
 - 3941021 Capital One Bank, 11013 W Broad St, Glen Allen VA 23060
 - 3941022 Chevron-Williams and Wms., PO Box 29724, Atlanta GA 30359
 - 3941031 +Chris Johansen, 425 G Street #710, Anchorage AK 99501-2138
 - 3941023 Citibank, PO Box 6701, Sioux Falls SD 57188
 - 3941028 Connie Griggs, 1247 NW 6th #6, Redmond OR 97756
 - 3941037 +David Paul Paul and Sugarman, 520 SW 6th #920, Portland OR 97204-1513
 - 3941027 Debbie Glaspey, 8821 N Meadow Drive, Route 1 Box 39, Terrebonne OR 97760
 - 3941024 Discover Card, 20 Box 29031, Phoenix AZ 85038
 - 3941018 Doug Andres Attorney at Law, Bullivant Rouser, 888 SW 6th Ave Ste 300, Portland OR 97204
 - 3941025 FFELP LOAN, 3030 Vintage Blvd., Juneau AK 99801
 - 3941026 First Bankcard Center, PO Box 3331, Omaha NE 68172
 - 3941042 Hayden H. Watson, 2622 Glacier Place #110, Redmond OR 97756
 - 3941029 Hicks Boyd Chandler Falconer, 825 West 8th Ave #200, Anchorage AK 99501
 - 3941030 JCP/MCCBG, PO Box 3665, Portland OR 97208
 - 3941032 Kenneth Lagacki Attorney, 425 G Street #920, Anchorage AK 99501
 - 3941033 MBNA America, PO Box 15102, Wilmington DE 19886
 - 3941034 MBNA America, PO Box 15137, Wilmington DE 19886
 - 3941035 MBNA Checkman, PO Box 27570, Wilmington DE 19850
 - 3941036 +MBNA, PO Box 15028, Wilmington DE 19850-5028
 - 3941019 Marvin Bailey and Lisa Bailey, c/o Kenneth Lagacki Attorney, 425 G Street #710, Anchorage AK 99501
 - 3941040 Michael and Suan Skelly, 26002 Circle Drive So, Poulsbo WA 98370
 - 3941039 Sallie Mae, PO Box 11449, Killeen TX 76547-1449
 - 3941038 Sallie Mae Servicing, PO Box 9500, Wilkes Barre PA 18773
 - 3941041 +Ward Cova Packing, 88 E Hamlin St, Seattle WA 98102-3144
 - 3941043 Wells Fargo, PO Box 4051, Concord CA 94524

The following entities were served by electronic transmission. TOTAL: 0
NONE.

***** BYPASSED RECIPIENTS ***** TOTAL: 0
NONE.

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.

Date: Feb 23, 2002 Signature: Joseph Speetjens

Voluntary Petition

(This page must be completed and filed in every case)

Name of Debtor(s):
**JAMES HARVARD ROOKS and
JACQUELYN REGINA ROOKS**

Location Where Filed:

NONE

Case Number:

Date Filed:

Name of Debtor:

NONE

Case Number:

Date Filed:

District:

Relationship:

Judge:

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X *James Rooks*
Signature of Debtor

X *Jacquelyn R Rooks*
Signature of Joint Debtor

Telephone Number (if not represented by attorney)

2/15/02

Date

Signature of Attorney

X *Lawrence W. Erwin*
Signature of Attorney for Debtor(s)

Lawrence W. Erwin OSB#73085
Printed Name of Attorney for Debtor(s)

Law Office of Lawrence W. Erwin
Firm Name

221 N.W. Lafayette Ave.
Address

Bend, OR 97701-1927

(541) 317-0520
Telephone Number

2/15/02
Date

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Authorized Individual

Printed Name of Authorized Individual

Title of Authorized Individual

2/15/02

Date

Exhibit A

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under Chapter 11)

Exhibit A is attached and made a part of this petition

Exhibit B

(To be completed if debtor is an individual whose debts are primarily consumer debts)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter.

X *[Signature]* 2/15/02
Signature of Attorney for Debtor(s) Date

Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health and safety?

Yes, and exhibit C is attached and made a part of this petition.
 No

Signature of Non-Attorney Petition Preparer

I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document.

Printed Name of Bankruptcy Petition Preparer

Social Security Number

Address

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

X _____
Signature of Bankruptcy Petition Preparer

Date

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156.

(Official Form 1) (9/01) West Group, Rochester, NY

FORM B1 **31509 - DUNA** United States Bankruptcy Court **31509**
District of **OREGON** Voluntary Petition

23

Name of Debtor (if individual, enter Last, First, Middle): ROOKS, JAMES HARVARD	Name of Joint Debtor (Spouse)(Last, First, Middle): ROOKS, JACQUELINE REGINA
All Other Names used by the Debtor in the last 6 years (include married, maiden, and trade names): aka JMR Repair Services	All Other Names used by the Joint Debtor in the last 6 years (include married, maiden, and trade names): aka Jackie Rooks
Soc. Sec./Tax I.D. No. (if more than one, state all): [REDACTED]	Soc. Sec./Tax I.D. No. (if more than one, state all): [REDACTED]
Street Address of Debtor (No. & Street, City, State & Zip Code): 14045 SW Commercial Loop Crked Riv Ranch OR 97760	Street Address of Joint Debtor (No. & Street, City, State & Zip Code): 14045 SW Commercial Loop Crked Riv Ranch OR 97760
County of Residence or of the Principal Place of Business: Jefferson	County of Residence or of the Principal Place of Business: Jefferson
Mailing Address of Debtor (if different from street address): PO Box 1477 Redmond OR 97756	Mailing Address of Joint Debtor (if different from street address): PO Box 1477 Redmond OR 97756
Location of Principal Assets of Business Debtor (if different from street address above): SAMS	

Information Regarding the Debtor (Check the Applicable Boxes)

Venue (Check any applicable box)

Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

<p>Type of Debtor (Check all boxes that apply)</p> <p><input checked="" type="checkbox"/> Individual(s) <input type="checkbox"/> Railroad</p> <p><input type="checkbox"/> Corporation <input type="checkbox"/> Stockbroker</p> <p><input type="checkbox"/> Partnership <input type="checkbox"/> Commodity Broker</p> <p><input type="checkbox"/> Other _____</p>	<p>Chapter or Section of Bankruptcy Code Under Which the Petition is Filed (Check one box)</p> <p><input checked="" type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 13</p> <p><input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 12</p> <p><input type="checkbox"/> Sec. 304 - Case ancillary to foreign proceeding</p>
<p>Nature of Debts (Check one box)</p> <p><input type="checkbox"/> Consumer/Non-Business <input checked="" type="checkbox"/> Business</p>	<p>Filing Fee (Check one box)</p> <p><input checked="" type="checkbox"/> Full Filing Fee attached</p> <p><input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3.</p>
<p>Chapter 11 Small Business (Check all boxes that apply)</p> <p><input type="checkbox"/> Debtor is a small business as defined in 11 U.S.C. § 101</p> <p><input type="checkbox"/> Debtor is and elects to be considered a small business under 11 U.S.C. § 1121(a) (Optional)</p>	

<p>Statistical/Administrative Information (Estimates only)</p> <p><input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.</p> <p><input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.</p>	<p>THIS SPACE IS FOR COURT USE ONLY</p> <p>LOGGERS: 02 FEB 19 M1 32</p> <p>CLERK US BANKRUPTCY COURT</p> <p>PAID DOCKETED</p>															
<p>Estimated Number of Creditors</p> <table border="1"> <tr> <td>1-15</td> <td>16-49</td> <td>50-99</td> <td>100-199</td> <td>200-999</td> <td>1000-over</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>		1-15	16-49	50-99	100-199	200-999	1000-over	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
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<p>Estimated Assets</p> <table border="1"> <tr> <td>\$0 to \$50,000</td> <td>\$50,001 to \$100,000</td> <td>\$100,001 to \$500,000</td> <td>\$500,001 to \$1 million</td> <td>\$1,000,001 to \$10 million</td> <td>\$10,000,001 to \$50 million</td> <td>\$50,000,001 to \$100 million</td> <td>More than \$100 million</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<p>Estimated Debts</p> <table border="1"> <tr> <td>\$0 to \$50,000</td> <td>\$50,001 to \$100,000</td> <td>\$100,001 to \$500,000</td> <td>\$500,001 to \$1 million</td> <td>\$1,000,001 to \$10 million</td> <td>\$10,000,001 to \$50 million</td> <td>\$50,000,001 to \$100 million</td> <td>More than \$100 million</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million									
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>									

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re) Case No.
~~ROOKS, JAMES HARVARD~~)
ROOKS, JACQUILINE REGINA)
) EXHIBIT "C"
) [If not an Ex. on Petition Pg. 2, then to
) be FULLY completed by ALL debtors
Debtor(s)) and attached to ALL copies of the Petition.]

(NOTE: You must answer ALL questions. Attach additional sheets if necessary. Use of "UNKNOWN" is NOT acceptable!)

1. Identify and briefly describe all real or personal property owned by or in possession of the debtor that, to the best of the debtor's knowledge, poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety:
Qualified NFA letter was received from DEQ for debtors' homestead for USTs.

2. With respect to each parcel of real property or item of personal property identified in question 1, describe the nature and location of the dangerous condition, whether environmental or otherwise, that poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety:
Qualified NFA letter was received from DEQ for debtors' homestead for USTs.

3. DESCRIBE ASSETS REQUIRING TRUSTEE'S IMMEDIATE ATTENTION: None

4. Street address of principal assets (note property): 14045 SW Commercial Loop; Crooked River Ranch, OR 97756

5. [If debtor(s) an individual] Is debtor(s), OR has debtor(s) ever been within the 2 years prior to filing, either: self-employed or a sole proprietor; a partner, other than a limited partner, of a partnership; or an officer, director, managing executive, or person in control of a corporation? YES NO
If YES, complete ALL questions in the Statement of Affairs.

6. [Unless EXACT question already answered on Petition] If debtor is CORPORATION, list name and address of chief executive officer; if debtor is PARTNERSHIP, list names and addresses of general partners: N/A

7. Total GROSS income of the individual debtor(s) for the last tax year: \$ 69,620.00 (i.e., before any deductions).

8. Total amount of unsecured debt: \$ 720,779.60

9. Total Noncontingent, Liquidated Farming Operation Debt: \$ 0

10. Total GROSS income from farming operation for the individual debtor(s) for last tax year: \$ 0

11. The BANKRUPTCY DOCUMENT PREPARER DECLARATION below has been completed for any person who helped, for compensation, prepare any of the bankruptcy papers if the debtor does not have an attorney.

I declare under penalty of perjury that the above information provided in this Exhibit "C" is true and correct.

DATED: 02/15/2002
Debtor's Signature: *James Rooks* (541) 504-1495 Phone #
Joint Debtor's Signature: *Jacqueline R Rooks*

BANKRUPTCY DOCUMENT PREPARER DECLARATION

I, the undersigned, declare under penalty of perjury that (1) neither I, nor anyone else listed herein, collected or received any payment from or on behalf of the debtor for court fees in connection with filing the petition; (2) I have received \$ _____ from or on behalf of the debtor within the previous 12 month period; (3) \$ _____ is the unpaid fee charged to the debtor; and (4) the following is true and accurate about myself and any other assistants:

Individual Name and Firm (Type or Print): _____

Address (Type or Print): _____

Social Security Number of all OTHER individuals who prepared or assisted in the preparation of these bankruptcy documents: _____

Signature: _____ Social Security #: _____ Phone #: _____

[NOTE: Penalties up to \$500 per item may be assessed for omission of any required information (11 USC §110; 18 USC §156) and Fed. Bankruptcy Rule 1006 prohibits any payment to any person for services until the court filing fees are paid in full.]

EXHIBIT C (12/1/01) Counsel certifies pursuant to LBR 1001-1(F)(3) that this form is identical in both format and text to the LBF.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON**

In re **JAMES HARVARD ROOKS**
and
JACQUELYN REGINA ROOKS
aka **Jackie Rooks**

Case No.
Chapter 7

/ Debtor

Attorney for Debtor: **Lawrence W. Erwin**

STATEMENT PURSUANT TO RULE 2016(B)

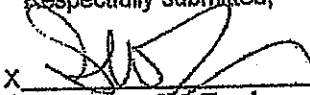
The undersigned, pursuant to Rule 2016(b), Bankruptcy Rules, states that:

1. The undersigned is the attorney for the debtor(s) in this case.
2. The compensation paid or agreed to be paid by the debtor(s), to the undersigned is:

a) For legal services rendered or to be rendered in contemplation of and in connection with this case	\$	600.00
b) Prior to the filing of this statement, debtor(s) have paid	\$	600.00
c) The unpaid balance due and payable is	\$	0.00
3. \$ 200.00 of the filing fee in this case has been paid.
4. The Services rendered or to be rendered include the following:
 - a) Analysis of the financial situation, and rendering advice and assistance to the debtor(s) in determining whether to file a petition under title 11 of the United States Code.
 - b) Preparation and filing of the petition, schedules, statement of financial affairs and other documents required by the court.
 - c) Representation of the debtor(s) at the meeting of creditors.
5. The source of payments made by the debtor(s) to the undersigned was from earnings, wages and compensation for services performed, and
None other
6. The source of payments to be made by the debtor(s) to the undersigned for the unpaid balance remaining, if any, will be from earnings, wages and compensation for services performed, and
None other
7. The undersigned has received no transfer, assignment or pledge of property from debtor(s) except the following for the value stated:
None
8. The undersigned has not shared or agreed to share with any other entity, other than with members of undersigned's law firm, any compensation paid or to be paid except as follows:
None

Dated: 2/15/02

Respectfully submitted,

X 

Attorney for Debtor: **Lawrence W. Erwin**
Law Office of Lawrence W. Erwin
221 N.W. Lafayette Ave.
Bend, OR 97701-1927

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re
ROOKS, JAMES HARVARD
ROOKS, JACQUELINE REGINA

Case No. _____
INDIVIDUAL DEBTOR'S*
STATEMENT OF INTENT
ABOUT THE DISPOSITION
OF ESTATE PROPERTY
USED AS COLLATERAL TO
SECURE CONSUMER DEBTS;
AND CREDITOR REMEDY

(NOTE: There may
be no Case No.
if this was filed
with the original
papers, BUT you
will receive full
information on
this case within
about 30 days!)

REDACTED

Debtor(s)

***IMPORTANT NOTICES TO DEBTOR(S):**

- (1) SIGN AND FILE this form even if you show "NONE," AND, if creditors are listed, have the mailing certificate COMPLETED; AND
(2) Failure to perform the intentions stated below within 45 days of filing this document can result in prompt relief for the creditor from the Automatic Stay protecting your property.

CREDITOR	PROPERTY	PROPERTY WILL BE SURRENDERED	PROPERTY TO BE RETAINED (CHECK ANY APPLICABLE STATEMENT)			
			PROPERTY IS CLAIMED AS EXEMPT	PROPERTY WILL BE REDEEMED PER 11 USC §722	PROPERTY WILL BE REAFFIRMED PER 11 USC §524(c)	WILL NOT REAFFIRM CONTRACT CURRENT
Hayden Watson	Homestead Lot 53 CRR 16		X			X

I, THE UNDERSIGNED DEBTOR, CERTIFY THAT THE ABOVE IS MY INTENTION AS TO PROPERTY SECURING CONSUMER DEBTS.

DATE: 2/15/2002

Jacqueline R. Rooks

DEBTOR'S SIGNATURE

SUC. SEC./TAX I.D. #

PO Box 1477

DEBTOR'S MAILING ADDRESS

Redmond, OR 97756

I, THE UNDERSIGNED, CERTIFY THAT COPIES OF THIS DOCUMENT WERE MAILED TO BOTH: (a) ANY CREDITOR NAMED ABOVE, AND (b) THE TRUSTEE IF THIS STATEMENT WAS NOT FILED WITH THE PETITION.

DATE: 2/15/2002

Lawrence W. Erwin

DEBTOR OR ATTORNEY'S SIGNATURE

#73085

OSB# (if attorney)

PRINT OR TYPE SIGNER'S NAME & PHONE NO.

221 NW Lafayette Ave.
SIGNER'S ADDRESS (if attorney)

Bend, OR 97701

NON-JUDICIAL REMEDY WHEN CONSUMER DEBTOR FAILS TO TIMELY PERFORM STATED INTENTIONS

Creditors, see Local Form #715.5 [which is either on the back of, or attached to, this document] if you wish information on how to obtain NON-JUDICIAL relief from the automatic stay of 11 U.S.C. §362(a) as to your collateral.

COURT ORDERED CREDITOR'S REMEDY WHEN CONSUMER DEBTOR FAILS TO TIMELY PERFORM STATED INTENTIONS

A creditor may receive relief from the Automatic Stay, using instructions and forms provided by the Clerk's office (PORTLAND (503) 326-2231, or EUGENE (541) 465-6448), if a debtor fails to perform the intentions stated above within 45 days of this form's mailing date. The creditor shall conform to all procedures set forth in the current version of Local Forms #720.50, 720, and 721; EXCEPT THE FOLLOWING SPECIFIC MODIFICATIONS MAY BE MADE TO LOCAL FORM 720.50:

1. The Notice of Motion shall be placed on Local Form #720; AND
2. The Motion need only: (a) attach a true copy of the Debtor's Statement of Intention received by the creditor; (b) state the debtor failed to perform such intention within 45 days of the mailing date; and (c) request Relief from the Automatic Stay.

QUESTIONS????

Call an attorney with questions about these procedures or the law. However, only call the debtor's attorney if you have questions about the debtor's intent as to your collateral.

521 (10/98) Counsel certifies pursuant to LBR 1001-1(F)(3) that this form is identical in both format and text to the LBF

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON**

In re *JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS*

Case No.
Chapter 7

_____/ Debtor

SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages on each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts from Schedules D, E and F to determine the total amount of the debtor's liabilities.

NAME OF SCHEDULE	Attached (Yes/No)	No. of Sheets	AMOUNTS SCHEDULED		
			ASSETS	LIABILITIES	OTHER
A-Real Property	Yes	1	\$ 35,000.00		
B-Personal Property	Yes	4	\$ 11,095.00		
C-Property Claimed as Exempt	Yes	1			
D-Creditors Holding Secured Claims	Yes	1		\$ 31,000.00	
E-Creditors Holding Unsecured Priority Claims	Yes	1		\$ 0.00	
F-Creditors Holding Unsecured Nonpriority Claims	Yes	6		\$ 720,779.60	
G-Executory Contracts and Unexpired Leases	Yes	1			
H-Codebtors	Yes	1			
I-Current Income of Individual Debtor(s)	Yes	1			\$ 2,866.00
J-Current Expenditures of Individual Debtor(s)	Yes	1			\$ 2,866.00
Total Number of Sheets in All Schedules ▶		18			
Total Assets ▶			\$ 46,095.00		
				Total Liabilities ▶ \$ 751,779.60	

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor

Case No. _____
(if known)

SCHEDULE A-REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether the husband, wife, or both own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G-Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim."

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C-Property Claimed as Exempt.

Description and Location of Property	Nature of Debtor's Interest in Property	Husband-H Wife-W Joint-J Community-C	Current Market Value of Debtor's Interest in Property Without Deducting any Secured Claim or Exemption	Amount of Secured Claim
Homestead - 14045 SW Commercial Loop; Crked. Riv. Ranch, OR (Debtors' residence, 28' Jayco Trailer located on property is listed under "vehicles").	Co-tenancy	J	\$ 35,000.00	\$ 31,000.00
TOTAL \$			35,000.00	

No continuation sheets attached

(Report also on Summary of Schedules.)

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____
(if known)

SCHEDULE B-PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "X" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, or both own property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C-Property Claimed as Exempt. Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G-Executory Contracts and Unexpired Leases. If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property."

Type of Property	None	Description and Location of Property	Current Market Value of Debtor's Interest, in Property Without Deducting any Secured Claim or Exemption			
			Husband-H	Wife-W	Joint-J	Community-C
1. Cash on hand.		Cash on hand Location: In debtor's possession			J	\$ 45.00
		Checking WA Mutual Location: Redmond OR			J	\$ 25.00
		Checking US Bank Location: Redmond, OR			J	\$ 25.00
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.						
3. Secured deposits with public utilities, telephone companies, landlords, and others.	X					
4. Household goods and furnishings, including audio, video, and computer equipment.	X					
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.		Household goods and furnishings Location: In debtor's possession			J	\$ 750.00
		Tapes Location: In debtor's possession			J	\$ 35.00
6. Wearing apparel.		Clothing Location: In debtor's possession			J	\$ 200.00
7. Furs and jewelry.		Watch, \$5; Wedding ring \$300 Location: In debtor's possession			J	\$ 305.00
8. Firearms and sports, photographic, and other hobby equipment.		Camera Location: In debtor's possession			J	\$ 25.00

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor

Case No. _____
(if known)

SCHEDULE B-PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	None	Description and Location of Property	Current Market Value of Debtor's Interest in Property Without Deducting any Secured Claim or Exemption	
			Husband-H Wife-W Joint-J Community-C	
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			
10. Annuities. Itemize and name each issuer.	X			
11. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Itemize.		Alaska Retirement Location: In debtor's possession -in Alaska-	J	\$ 500.00
12. Stock and interests in incorporated and unincorporated businesses. Itemize.	X			
13. Interests in partnerships or joint ventures. Itemize.	X			
14. Government and corporate bonds and other negotiable and non-negotiable instruments.	X			
15. Accounts Receivable.	X			
16. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
17. Other liquidated debts owing debtor including tax refunds. Give particulars.	X			
18. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule of Real Property.	X			
19. Contingent and non-contingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			
20. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X			
21. Patents, copyrights, and other intellectual property. Give particulars.	X			
22. Licenses, franchises, and other general intangibles. Give particulars.	X			
23. Automobiles, trucks, trailers and other vehicles.		1971 Van body - no engine- used for storage Location: In debtor's possession	J	\$ 0.00
		1978 Silver Streak Trailer-used for storage Location: In debtor's possession	J	\$ 100.00
		1979 Mercedes auto body-parts car Location: In debtor's possession	J	\$ 0.00

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____
(If known)

SCHEDULE B-PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N o n e	Description and Location of Property	Current Market Value of Debtor's Interest, In Property Without Deducting any Secured Claim or Exemption	
			Husband-H Wife-W Joint-J Community-C	
		1982 Mercedes Location: In debtor's possession	J	\$ 1,700.00
		1989 Ford Pick-up (200K + miles) Location: In debtor's possession	J	\$ 1,000.00
		1992 Suburban (wrecked, totaled) Location: In debtor's possession	J	\$ 0.00
		1991 28' Jayco trailer Location: In debtor's possession	J	\$ 4,500.00
24. Boats, motors, and accessories.	X			
25. Aircraft and accessories.	X			
26. Office equipment, furnishings, and supplies.	X			
27. Machinery, fixtures, equipment and supplies used in business.		Tool box and hand tools, Welder, 1972 steam cleaner, floor jack, chain saw, compressor Location: In debtor's possession	J	\$ 1,885.00
28. Inventory.	X			
29. Animals.		Dog Location: In debtor's possession	J	\$ 0.00
30. Crops - growing or harvested. - Give particulars.	X			
31. Farming equipment and implements.	X			
32. Farm supplies, chemicals, and feed.	X			

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____
(if known)

SCHEDULE B-PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	None	Description and Location of Property	Current Market Value of Debtor's Interest, in Property Without Deducting any Secured Claim or Exemption	
			Husband-H Wife-W Joint-J Community-C	
33. Other personal property of any kind not already listed. Homize.	X			
Total →				\$ 11,095.00

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____ (if known)

SCHEDULE C-PROPERTY CLAIMED AS EXEMPT

Debtor elects the exemptions to which debtor is entitled under:

(Check one box)

- 11 U.S.C. § 522(b) (1): Exemptions provided in 11 U.S.C. § 522(d). Note: These exemptions are available only in certain states.
- 11 U.S.C. § 522(b) (2): Exemptions available under applicable nonbankruptcy federal laws, state or local law where the debtor's domicile has been located for the 180 days immediately preceding the filing of the petition, or for a longer portion of the 180-day period than in any other place, and the debtor's interest as a tenant by the entirety or joint tenant to the extent the interest is exempt from process under applicable nonbankruptcy law.

Description of Property	Specify Law Providing each Exemption	Value of Claimed Exemption	Current Market Value of Property Without Deducting Exemptions
Homestead	Ore. Rev. Stat. §23.164 (1)	\$ 4,000.00	\$ 35,000.00
Cash on hand	Ore. Rev. Stat. §23.160 (1) (c)	\$ 45.00	\$ 45.00
Checking WA Mutual	Ore. Rev. Stat. §23.160 (1) (c)	\$ 25.00	\$ 25.00
Checking US Bank	Ore. Rev. Stat. §23.160 (1) (c)	\$ 25.00	\$ 25.00
Household goods and furnishings	Ore. Rev. Stat. §23.160 (1) (f)	\$ 750.00	\$ 750.00
Tapes	Ore. Rev. Stat. §23.160 (1) (f)	\$ 35.00	\$ 35.00
Clothing	Ore. Rev. Stat. §23.160 (1) (b)	\$ 200.00	\$ 200.00
Watch, \$5; Wedding ring \$300	Ore. Rev. Stat. §23.160 (1) (b)	\$ 305.00	\$ 305.00
Camera	Ore. Rev. Stat. §23.160 (1) (f)	\$ 25.00	\$ 25.00
Alaska Retirement	Ore. Rev. Stat. §23.170	\$ 500.00	\$ 500.00
1982 Mercedes	Ore. Rev. Stat. §23.160 (1) (d)	\$ 1,700.00	\$ 1,700.00
1989 Ford Pick-up	Ore. Rev. Stat. §23.160 (1) (d)	\$ 1,000.00	\$ 1,000.00
1991 28' Jayco trailer	Ore. Rev. Stat. §23.164 (5)	\$ 4,500.00	\$ 4,500.00
Tool box and hand tools, Welder, 1972 steam cleaner, Floor jack	Ore. Rev. Stat. §23.160 (1) (c)	\$ 1,885.00	\$ 1,885.00
Dog	Ore. Rev. Stat. §23.160 (1) (e)	\$ 0.00	\$ 0.00

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor

Case No. _____
(if known)

SCHEDULE D-CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and account number, if any, of all entities holding claims secured by property of the debtor as of the date of filing of the petition. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests. List creditors in alphabetical order to the extent practicable. If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column marked "Codebtor," include the entity on the appropriate schedule of creditors and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedules. Report this total also on the Summary of Schedules.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

Creditor's Name and Mailing Address Including Zip Code	C o d e b t o r H-Husband W-Wife J-Joint C-Community	Date Claim was Incurred, Nature of Lien, and Description and Market Value of Property Subject to Lien	C o n t i n g e n t	U n l i q u i d a t e d	D i s p u t e d	Amount of Claim Without Deducting Value of Collateral	Unsecured Portion, if any
Account No: Creditor # : 1 Hayden H. Watson 2622 Glacier Place #110 Redmond OR 97756	J	6/19/2000 1st Deed of Trust Lot 53, Crooked River Ranch #16, Jefferson City, OR Value: \$ 35,000.00				\$ 31,000.00	\$ 0.00
Account No:							
Account No:							
Account No:							

No continuation sheets attached

Subtotal \$	31,000.00
(Total of this page)	
Total \$	31,000.00

(Use only on last page. Report total also on Summary of Schedules)

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor

Case No. _____
(If known)

SCHEDULE E-CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name and mailing address, including zip code, and account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotal" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Repeat this total also on the Summary of Schedules.

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIMS (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

- Extensions of credit in an involuntary case**
Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(2).
- Wages, salaries, and commissions**
Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$4,650* per person earned within 90 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(3).
- Contributions to employee benefit plans**
Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).
- Certain farmers and fishermen**
Claims of certain farmers and fishermen, up to \$4,650* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(5).
- Deposits by individuals**
Claims of individuals up to \$2,100* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(6).
- Alimony, Maintenance or Support**
Claims of a spouse, former spouse, or child of the debtor, for alimony, maintenance, or support, to the extent provided in 11 U.S.C. § 507(a)(7).
- Taxes and Certain Other Debts Owed to Governmental Units**
Taxes, custom duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).
- Commitments to Maintain the Capital of an Insured Depository Institution**
Claims based on commitments to FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

*Amounts are subject to adjustment on April 1, 2004, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

No continuation sheets attached

In re: JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS Debtor Case No. _____ (if known)

SCHEDULE F-CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and account number, if any, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor." Include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedules. Report this total also on the Summary of Schedules.

Check this box if debtor has no creditors holding unsecured nonpriority claims to report on this Schedule F.

Creditor's Name and Mailing Address Including Zip Code	Codebtor	Date Claim was Incurred, and Consideration for Claim. If Claim is Subject to Setoff, so State.	Contingent	Unliquidated	Disputed	Amount of Claim
Account No: [REDACTED] Creditor # : 1 ACS 3190 S Wadsworth Lakewood CO 80227	J	7/99 Student Loan Unknown what this claim is for or which debtor it is claimed against			X	\$ 300.00
Account No: [REDACTED] Creditor # : 2 Alaska Comm on Post 2nd Ed 3030 Vintage Blvd Juneau AK 99801	J	8/93 Student Loan				\$ 4,082.00
Account No: [REDACTED] Creditor # : 3 Alaska Div. of Invest. PO Box 34159 Juneau AK 99803	X J	1995 Seine permit				\$ 218,555.52
Account No: [REDACTED] Creditor # : 4 Alaska USA FC PO Box 196613 Anchorage AK 99503	J	10/89 Auto Loan Should be zero balance-protective Listing				Unknown
Subtotal \$ (Total of this page)						222,937.52
Total \$ (Report total also on Summary of Schedules)						

5 continuation sheets attached

IN Re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS Debtor Case No. _____ (if known)

SCHEDULE F-CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

Creditor's Name and Mailing Address including Zip Code	C o d e b o r H-Husband W-Wife J-Joint C-Community	Date Claim was Incurred, and Consideration for Claim. If Claim is Subject to Setoff, so State.	C o n s i d e r e d	U n s e c u r e d	D i s p u t e d	Amount of Claim
Account No: [REDACTED] Creditor #: 5 Capital One PO Box 26074 Richmond VA 23260	J	5/98 Credit Card Debt				\$ 1,543.00
Account No: Representing: Capital One		Capital One Bank 11019 W Broad St Glen Allen VA 23060				
Account No: [REDACTED] Creditor #: 6 Chevron-Williams and Wms. PO Box 29724 Atlanta GA 30359	J	2001 Assigned claim Assigned claim Chevron; Statute of Limitations may have expired				\$ 716.33
Account No: Creditor #: 7 Chris Johansen 425 G Street #710 Anchorage AK 99503	J	1992 Attorney fees Protective listing				Unknown
Account No: [REDACTED] Creditor #: 8 Citibank PO Box 6701 Sioux Falls SD 57188	J	1992 Credit Card Debt				\$ 1,115.59
Account No: Creditor #: 9 Conde Griggs 1247 NW 6th #6 Redmond OR 97756	H	2001 Employment claim	X	X	X	Unknown
Sheet No. 1 of 5 continuation sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims					Subtotal \$ (Total of this page) Total \$	3,374.92
						(Report total also on Summary of Schedules)

Debtor: JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor. Case No. _____ (if known)

SCHEDULE F-CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

Creditor's Name and Mailing Address including Zip Code	C o d e b o r	Date Claim was incurred, and Consideration for Claim. If Claim is Subject to Setoff, so State.	C o n t i n g e n t	U n s e c u r e d	D i s p u t e d	Amount of Claim
Account No: _____ Creditor # : 10 David Paul, Paul and Sugarman 520 SW 6th #920 Portland OR 97704	J	2002 Attorney Fees-Protective listing Atty. for Griggs-Glaspey claimants against James Rooks & Crkd River	X	X	X	\$ 0.00
Account No: _____ Creditor # : 11 Debbie Glaspey 8821 N Meadow Drive Route 1 Box 39 Terrebonne OR 97760	H	2001 Employment claim	X	X	X	Unknown
Account No: _____ Creditor # : 12 Discover Card PO Box 29031 Phoenix AZ 85038	J	1992 Credit Card Debt Statute of limitations may have expired				\$ 1,997.77
Account No: _____ Creditor # : 13 Doug Andres, Attorney at Law Bullivant, Houser 888 SW 6th Ave Ste 300 Portland OR 97204	J	2001 Attorney Fees Counsel for James Rooks in Griggs and Glaspey v. Rooks; protective,	X	X	X	Unknown
Account No: _____ Creditor # : 14 FRENCH BOAN 3030 Vintage Blvd. Juneau AK 99801	J	11/94 Student Loan				\$ 1,229.00
Account No: _____ Creditor # : 15 First Bankcard Center PO Box 3331 Omaha NE 68172	J	1992 Credit Card Debt Statute of limitations may have expired				\$ 486.67
					Subtotal \$	3,713.44
					(Total of this page)	
					Total \$	
					(Report total also on Summary of Schedule)	

Sheet No. 2 of 5 continuation sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

In re JAMES HARVARD HOOKS and JACQUELYN REGINA HOOKS / Debtor Case No. _____ (if known)

SCHEDULE F-CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

Creditor's Name and Mailing Address including Zip Code	C o d e b t o r H-Husband W-Wife J-Joint C-Community	Date Claim was Incurred, and Consideration for Claim. If Claim is Subject to Setoff, so State.	C o n t i n g p o n t	H i s t o r y d e t a i l e d	D i s c u s s e d	Amount of Claim
Account No: [REDACTED] Creditor #: 16 JCP/MCCBG PO Box 3655 Portland OR 97208	J	5/82 Credit Agreement				\$ 1,771.00
Account No: Creditor #: 17 Marvin Bailey and Lisa Bailey c/o Kenneth Jagacki Attorney 425 G Street #710 Anchorage AK 99501	J	1992 Nunc pro tunc Judgment 1992 Claimed assignee of Skelly note, claim for fishing agmt, amt \$1,100 *Subject to Setoff		X	X	\$ 1,100.00
Account No: [REDACTED] Creditor #: 18 MBNA America PO Box 15102 Wilmington DE 19886	J	5/88 Credit Card Debt On credit report protective		X	X	Unknown
Account No: [REDACTED] Creditor #: 19 MBNA America PO Box 15137 Wilmington DE 19886	J	5/90 Credit Agreement		X	X	Unknown
Account No: Creditor #: 20 MBNA America PO Box 27570 Wilmington DE 19850	J	Credit Agreement		X	X	Unknown
Account No: [REDACTED] Creditor #: 21 MBNB PO Box 15028 Wilmington DE 19880	J	1992 Credit Card Debt Statute of lim. may have expired; 2nd acct. [REDACTED]		X	X	\$ 5,600.00
Sheet No. <u>3</u> of <u>5</u> continuation sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims						Subtotal \$ <u>8,471.00</u> (Total of this page) Total \$ _____ (Report total also on Summary of Schedules)

In re JAMES HARVARD ROCKS and JACQUELYN REGINA ROCKS / Debtor Case No. _____ (if known)

SCHEDULE F-CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

Creditor's Name and Mailing Address including Zip Code	Code Debtor H-Husband W-Wife J-Joint C-Community	Date Claim was Incurred, and Consideration for Claim. If Claim is Subject to Setoff, so State.	C Continued	D Disputed	P Part	Amount of Claim
Account No: [REDACTED] Creditor #: 22 Michael and Susan Skelly 26002 Circle Drive So Bonisbo WA 98370	J	2000 Nunc pro tunc Judgment 1992 Plus interest costs attorney fees				\$ 35,000.00
Account No: Representing: Michael and Susan Skelly		Kenneth Lagacki, Attorney 425 G Street #920 Anchorage AK 99501				
Account No: [REDACTED] Creditor #: 23 Sallie Mae PO Box 11449 Killeen TX 76547-1449	J	11/94 Student Loan Protective-Duplicate FFELP Loan				\$ 0.00
Account No: [REDACTED] Creditor #: 24 Sallie Mae Servicing PO Box 9500 Wilkes Barre PA 18773	J	11/94 Student Loan Duplicate Notice protective listing				\$ 0.00
Account No: Creditor #: 25 Ward Cove Packing 88 E Hamlin St Seattle WA 98103	J	1/90 Note-lawsuit Protective-vessel in rem Lawsuit-other loans, notes		X	X	\$ 445,317.72
Account No: Representing: Ward Cove Packing		Hicks, Boyd, Chandler, Falconer 825 West 8th Ave #200 Anchorage AK 99501				
					Subtotal \$	480,317.72
					(Total of this page)	
					Total \$	
					(Report total also on Summary of Schedules)	

Sheet No. 4 of 5 continuation sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____
(if known)

SCHEDULE F-CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

Creditor's Name and Mailing Address including Zip Code	C o d e b o r H-Husband W-Wife J-Joint C-Community	Date Claim was Incurred, and Consideration for Claim. If Claim is Subject to Setoff, so State.	C o n t i n g e n t	U n d i s c u s e d	D i s p u t e d	Amount of Claim
Account No: [REDACTED] Creditor #: 26 Wells Fargo PO Box 4051 Concord CA 94524	J	1992 Credit Card Debt Statute of limitations may have expired				\$ 1,965.00
Account No:						
Account No:						
Account No:						
Account No:						
Account No:						
Account No:						
					Subtotal \$	1,965.00
					(Total of this page)	
					Total \$	720,779.60
					(Report total also on Summary of Schedules)	

Sheet No. 5 of 5 continuation sheets attached to Schedule of
Creditors Holding Unsecured Nonpriority Claims

Subtotal \$ 1,965.00
(Total of this page)
Total \$ 720,779.60
(Report total also on Summary of Schedules)

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____ (if known)

SCHEDULE G-EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interests in contract, i.e., "Purchaser," "Agent," etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described.

NOTE: A party listed on this schedule will not receive notice of the filing of this case unless the party is also scheduled in the appropriate schedule of creditors.

Check this box if the debtor has no executory contracts or unexpired leases.

Name and Mailing Address, including Zip Code, of other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether Lease is for Nonresidential Real Property. State Contract Number of any Government Contract.

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____ (if known)

SCHEDULE H-CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. In community property states, a married debtor not filing a joint case should report the name and address of the nondebtor spouse on this schedule. Include all names used by the nondebtor spouse during the six years immediately preceding the commencement of this case.

Check this box if the debtor has no codebtors.

Name and Address of Codebtor	Name and Address of Creditor
<i>Robert McCrane (deceased)</i>	<i>Alaska Div. of Invest. PO Box 34159 Juneau AK 99803</i>

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____
(if known)

SCHEDULE I-CURRENT INCOME OF INDIVIDUAL DEBTOR(S)

The column labeled "Spouse" must be completed in all cases filed by joint debtors and by a married debtor in a chapter 12 or 13 case whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.

Debtor's Marital Status: <i>Married</i>	DEPENDENTS OF DEBTOR AND SPOUSE		
	NAMES	AGE	RELATIONSHIP
EMPLOYMENT: DEBTOR		SPOUSE	
Occupation	<i>Maintainence-Crked River Water</i>		<i>Unemployed</i>
Name of Employer	<i>Crooked River Water Assn</i>		
How Long Employed	<i>3 years</i>		
Address of Employer	<i>13845 SW Commercial Loop Crked Riv. Ranch OR 97760</i>		
Occupation	<i>Repairs-Mechanical work</i>		<i>Unemployed</i>
Name of Employer	<i>Self JMR Repairs</i>		
How Long Employed	<i>4 years</i>		
Address of Employer	<i>14045 SW Commercial Loop Crooked River OR 97760</i>		
Income: (Estimate of average monthly income)	DEBTOR	SPOUSE	
Current Monthly gross wages, salary, and commissions (pro rate if not paid monthly)	\$ 4,000.00	\$ 0.00	
Estimated Monthly Overtime	\$ 0.00	\$ 0.00	
SUBTOTAL	\$ 4,000.00	\$ 0.00	
LESS PAYROLL DEDUCTIONS			
a. Payroll Taxes and Social Security	\$ 1,534.00	\$ 0.00	
b. Insurance	\$ 0.00	\$ 0.00	
c. Union Dues	\$ 200.00	\$ 0.00	
d. Other (Specify): <i>Payroll deductions</i>	\$ 0.00	\$ 0.00	
	\$ 0.00	\$ 0.00	
SUBTOTAL OF PAYROLL DEDUCTIONS	\$ 1,734.00	\$ 0.00	
TOTAL NET MONTHLY TAKE HOME PAY	\$ 2,266.00	\$ 0.00	
Regular income from operation of business or profession or farm (attach detailed statement)	\$ 0.00	\$ 0.00	
Income from Real Property	\$ 0.00	\$ 0.00	
Interest and dividends	\$ 0.00	\$ 0.00	
Alimony, maintenance or support payments payable to the debtor for the debtor's use or that of dependents listed above.	\$ 0.00	\$ 0.00	
Social Security or other government assistance	\$ 0.00	\$ 0.00	
Specify:	\$ 0.00	\$ 600.00	
Pension or retirement income	\$ 0.00	\$ 0.00	
Other monthly income	\$ 0.00	\$ 0.00	
Specify:	\$ 0.00	\$ 0.00	
TOTAL MONTHLY INCOME	\$ 2,266.00	\$ 600.00	
TOTAL COMBINED MONTHLY INCOME	\$ 2,866.00		
(Report also on Summary of Schedules)			
Describe any increase or decrease of more than 10% in any of the above categories anticipated to occur within the year following the filing of this document:			

In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____
(if known)

SCHEDULE J-CURRENT EXPENDITURES OF INDIVIDUAL DEBTOR

Complete this schedule by estimating the average expenses of the debtor and the debtor's family. Pro rate any payments made bi-weekly, quarterly, semi-annually, or annually to show monthly rate.

Check this box if a joint petition is filed and debtor's spouse maintains a separate household. Complete a separate schedule of expenditures labeled "Spouse."

Rent or home mortgage payment (include lot rented for mobile home)	\$	300.00
Are real estate taxes included? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Is property insurance included? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
Utilities: Electricity and heating fuel	\$	350.00
Water and sewer	\$	0.00
Telephone	\$	50.00
Other: <i>Refuse</i>	\$	30.00
Home maintenance (Repairs and upkeep)	\$	100.00
Food	\$	350.00
Clothing	\$	80.00
Laundry and dry cleaning	\$	40.00
Medical and dental expenses	\$	516.00
Transportation (not including car payments)	\$	200.00
Recreation, clubs and entertainment, newspapers, magazines, etc.	\$	0.00
Charitable contributions	\$	0.00
Insurance (not deducted from wages or included in home mortgage payments)	\$	0.00
Homeowner's or renter's	\$	0.00
Life	\$	30.00
Health	\$	30.00
Auto	\$	0.00
Other	\$	0.00
Taxes (not deducted from wages or included in home mortgage)	\$	75.00
Specify: <i>Property</i>		
Installment payments: (in chapter 12 and 13 cases, do not list payments to be included in the plan)	\$	255.00
Auto	\$	400.00
Other: <i>School loans</i>	\$	0.00
Alimony, maintenance, and support paid to others	\$	0.00
Payments for support of additional dependents not living at your home	\$	0.00
Regular expenses from operation of business, profession, or farm (attach detailed statement)	\$	30.00
Other: <i>HO Dues</i>	\$	30.00
Other: <i>Haircuts, personal care</i>	\$	30.00
TOTAL MONTHLY EXPENSES (Report also on Summary of Schedules)	\$	2,865.00


In re JAMES HARVARD ROOKS and JACQUELYN REGINA ROOKS / Debtor Case No. _____
(if known)

DECLARATION CONCERNING DEBTOR'S SCHEDULES


DECLARATION UNDER PENALTY OF PERJURY BY AN INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 19 sheets, and that they are true and correct to the best of my knowledge, information and belief.

Date: 2/15/02

Signature 
JAMES HARVARD ROOKS

Date: 2/15/02

Signature 
JACQUELYN REGINA ROOKS

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON**

In re **JAMES HARVARD ROOKS**
and
JACQUELYN REGINA ROOKS
aka Jackie Rooks

Case No.
Chapter 7

/ Debtor

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs.

Questions 1-18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19-25. If the answer to any question is "None," or the question is not applicable, mark the box labeled "None." If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within the six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporation debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. §101.

1. Income from employment or operation of business.

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the two years immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>AMOUNT</u>	<u>SOURCE (if more than one)</u>
Year to date: Husband \$5,300	Wages
Wife \$600	
Last Year: H&W \$69,620	Wages and wife's retirement
Year before: Husband \$57,865	Wages
Wife \$29,689	Wages and wife's retirement

2. Income other than from employment or operation of business.

State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the two years immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

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3. Payments to creditors.

a. List all payments on loans, installment purchases of goods or services, and other debts, aggregating more than \$600 to any creditor, made within 90 days immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

b. List all payments made within one year immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

4. Suits and administrative proceedings, executions, garnishments and attachments.

a. List all suits and administrative proceedings to which the debtor is or was a party within one year immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>CAPTION OF SUIT AND CASE NUMBER</u>	<u>NATURE OF PROCEEDING</u>	<u>COURT OR AGENCY AND LOCATION</u>	<u>STATUS OR DISPOSITION</u>
<i>Griggs & Glaspey v. James Rooks</i>	<i>Employment claims</i>	<i>Mutlincmah County to be transferred to Jefferson County</i>	<i>Pending</i>
<i>Bailey and Skelly v. Rooks</i>	<i>Fishing disputes</i>	<i>Anchorage, AK</i>	<i>Judgment transcribed to Jefferson Cty Oregon 2001</i>

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

5. Repossessions, foreclosures and returns.

List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

6. Assignments and receiverships.

a. Describe any assignment of property for the benefit of creditors made within 120 days immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

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7. Gifts.

List all gifts or charitable contributions made within one year immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

8. Losses.

List all losses from fire, theft, other casualty or gambling within one year immediately preceding the commencement of this case or since the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

9. Payments related to debt counseling or bankruptcy.

List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within one year immediately preceding the commencement of this case.

<u>NAME AND ADDRESS OF PAYEE</u>	<u>DATE OF PAYMENT, NAME OF PAYOR IF OTHER THAN DEBTOR</u>	<u>AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY</u>
Payee: Lawrence W. Erwin Address: 221 N.W. Lafayette Ave. Bend,, OR 97701-1927	Date of Payment: Payor: JAMES HARVARD ROOKS	\$600.00

Payee: Cherzan, Diedre Address: Bend	Date of Payment: 2002 Payor: Debtors	\$250
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Payee: Dave Glenn Address: Madras	Date of Payment: Payor: Debtors	\$550
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10. Other transfers.

List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

11. Closed financial accounts.

List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within one year immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF INSTITUTION</u>	<u>TYPE AND NUMBER OF ACCOUNT AND AMOUNT OF FINAL BALANCE</u>	<u>AMOUNT AND DATE OF SALE OR CLOSING</u>
Institution: US Bank Address: Redmond OR	Account Type and No.: Savings Final Balance: 0	11/14/01

12. Safe deposit boxes.

List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within one year immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

<u>NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY</u>	<u>NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY</u>	<u>DESCRIPTION OF CONTENTS</u>	<u>DATE OF TRANSFER OR SURRENDER, IF ANY</u>
<i>Institution: US Bank Address: Redmond OR</i>	<i>Name: James Rooks Address: Debtor</i>	<i>None</i>	<i>Still open</i>

13. Setoffs.

List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within 90 days preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NONE

14. Property held for another person.

List all property owned by another person that the debtor holds or controls.

NONE

15. Prior address of debtor.

If the debtor has moved within the two years immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

NONE

16. Spouses and Former Spouses

If the debtor resides or resided in a community property state, commonwealth or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the six-year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NONE

17. Environmental Information

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, release of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to disposal sites.

"Hazardous Material" means anything defined as hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under and Environmental Law:

a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law.

<u>SITE NAME AND ADDRESS</u>	<u>NAME AND ADDRESS OF GOVERNMENTAL UNIT</u>	<u>DATE OF NOTICE</u>	<u>ENVIRONMENTAL LAW</u>
<i>Site Name: Homestead Address: Crooked River Ranch</i>	<i>Name: DEQ Address: Salem</i>	<i>2001</i>	<i>UST Underground Storage Tanks-petroleum</i>

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b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

NONE

c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law, with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

<u>NAME AND ADDRESS OF GOVERNMENTAL UNIT</u>	<u>DOCKET NUMBER</u>	<u>STATUS OR DISPOSITION</u>
Governmental Unit: DEQ Address: Salem	Docket #: DEQ Facility ID# 9937	STATUS: NFA letter was issued subject to conditions as relates to inspection of site

18. Nature, location and name of business

a. If the debtor is an individual, list the names, addresses, taxpayer identification numbers, nature of the businesses and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partnership, sole proprietorship, or was a self-employed professional within the six years immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within the six years immediately preceding the commencement of this case

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within the six years immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within the six years immediately preceding the commencement of this case.

<u>NAME AND ADDRESS</u>	<u>TAXPAYER I.D. NUMBER</u>	<u>NATURE OF BUSINESS</u>	<u>BEGINNING AND ENDING DATES</u>
Debtor is an Individual: JRs Repairs Business Address: 14045 SW Commercial Loop; Crooked River Ranch OR	TaxPayer ID:	Repair - mechanical work	2000-to date

b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NONE

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within six years immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or otherwise self-employed.

(An individual or joint debtor should complete this portion of the statement only if the debtor is or has been in business, as defined above, within the six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

Form 7 (9/00) West Group, Rochester, NY

19. Books, records and financial statements.

a. List all bookkeepers and accountants who within the two years immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS

DATES SERVICES RENDERED

Name: Debtor
Address:

Dates: 2000-date

b. List all firms or individuals who within the two years immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NONE

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME AND ADDRESS

Name: Debtors
Address:
Missing: None

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued within the two years immediately preceding the commencement of this case by the debtor.

NONE

20. Inventories.

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

NONE

b. List the name and address of the person having possession of the records of each of the two inventories reported in a., above.

NONE

21. Current Partners, Officers, Directors and Shareholders.

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NONE

b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NONE

22. Former partners, officers, directors and shareholders.

a. If the debtor is a partnership, list each member who withdrew from the partnership within one year immediately preceding the commencement of this case.

NONE

b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within one year immediately preceding the commencement of this case.

NONE

23. Withdrawals from a partnership or distribution by a corporation.

~~If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during one year immediately preceding the commencement of this case.~~

NONE

24. Tax Consolidation Group.

If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within the six year period immediately preceding the commencement of the case.

NONE

25. Pension Funds.

If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within the six year period immediately preceding the commencement of the case.

NONE

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of Perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information, and belief.

Date 2/15/02

Signature

James Harvard Rooks
JAMES HARVARD ROOKS

Date 2/15/02

Signature

Jacquelyn Regina Rooks
JACQUELYN REGINA ROOKS

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years or both, 18 U.S.C. § 152 and § 3571.

Lawrence W. Erwin,
Attorney at Law #73085
221 NW Lafayette Avenue
Bend, OR 97701-1927
Phone: (541) 317-0520

Attorney for Debtor(s)

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re:)
)
ROOKS, JAMES HARVARD)
ROOKS, JACQUILINE REGINA)
)
Debtor(s))
_____)

Case No.

CERTIFICATION RE: COMPUTER
GENERATED FORMS

I, Lawrence W. Erwin, am the attorney for debtor(s) herein. I hereby certify that the West Publishing computer generated schedules and forms filed herein do comply with the official schedules prescribed by the Bankruptcy Code and Local Bankruptcy Rule 9004(1).

Dated this 15th day of FEBRUARY, 2002.



Lawrence W. Erwin, OSB #73085
Attorney for debtor(s)

WEATHERFORD, THOMPSON, ASHENFELTER & COWGILL, P.C.
(FOUNDED BY J.K. WEATHERFORD - 1875)
ATTORNEYS AT LAW
CLERK, U.S. BANKRUPTCY COURT

DENNIS D. ASHENFELTER
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TELEPHONE: (541) 926-2255
FACSIMILE: (541) 967-6579
E-MAIL: abean@wlegal.com

02 APR 24 P 4:31

LODGED _____ REC'D _____

PAID _____ DOCKETED _____

April 23, 2002

Clerk, U.S. Bankruptcy Court
1001 SW 5th Ave. #700
Portland, OR 97204

Re: James and Jacqueline Rooks
U.S. Bankruptcy Court No. 302-31509-rld7

Dear Clerk:

Enclosed for filing for the above-referenced case please find an original Lien Holder's Objections to Debtors' Motion to Void Lien Under 11 USC §522(f) and Order Thereon and a Certificate of Mailing.

If you have any questions or concerns please do not hesitate to call.

Very truly yours,



Andrew J. Bean

AJB:jr

Enclosure

J:\r:\ATTY\AJB\Clients\Skelley, Mike\Clerk.Jrl.doc

ACE
3190 S Wadsworth
Lakewood, CO 80227

Alaska Comm on Post 2nd Ed
3030 Vintage Blvd
Juneau, AK 99801

Alaska Div. of Invest.
PO Box 34159
Juneau, AK 99803

Alaska USA FC
PO Box 196613
Anchorage, AK 99503

Doug Andres, Attorney at Law
Bullivant, Houser
888 SW 6th Ave Ste 300
Portland, OR 97204

Marvin Bailey and Lisa Bailey
c/o Kenneth Lagacki Attorney
425 G Street #710
Anchorage, AK 99501

Capital One
PO Box 26074
Richmond, VA 23260

Capital One Bank
11013 W Broad St
Glen Allen, VA 23060

Chevron-Williams and Wms.
PO Box 29724
Atlanta, GA 30359

Citibank
PO Box 6701
Sioux Falls, SD 57188

Discover Card
PO Box 29031
Phoenix, AZ 85038

FFELP LOAN
3030 Vintage Blvd.
Juneau, AK 99801

First Bankcard Center
PO Box 3331
Omaha, NE 68172

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Terrebonne, OR 97760

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Wilmington, DE 19886

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MBNA Checkma
PO Box 27570
Wilmington, DE 19850

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PO Box 15028
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David Paul, Paul and Sugarman
520 SW 6th #920
Portland, OR 97704

Sallie Mae Servicing
PO Box 9500
Wilkes Barre, PA 18773

Sallie Mae
PO Box 11449
Killeen, TX 76547-1449

Michael and SueAn Skelly
26002 Circle Drive So
Poulsbo, WA 98370

Ward Cove Packing
88 E Hamlin St
Seattle, WA 98103

Hayden H. Watson
2622 Glacier Place #110
Redmond, OR 97756

Wells Fargo
PO Box 4051
Concord, CA 94524

449

DATE: February 26, 2007
TO: Board of Directors
Crooked River Ranch Water Company
FROM: James H. Rooks
General Manager/Operations Manager

SUBJECT: APPOINTMENT TO BOARD OF DIRECTORS

Issue: John Combs is retiring from the Board of Directors effective March 1, 2007. His term is scheduled to expire in June, 2007. John has recommended that JR Rooks be appointed to fill his unexpired term until the annual meeting and election is held in June, 2007.

Recommendation: Under ORS 62.280 and 62.295 - Cooperatives, the Board of Directors may appoint a person to fill an unexpired term. In addition, the rules allow that the manager of a cooperative may hold the office of president or any other office. JR is a member of the co-op, the manager of the water company, and is in good standing with the company. The recommendation is to appoint JR to fulfill John Combs term.

Resolution: The Board of Directors appoint Jim "JR" Rooks to fill the unexpired term of John Combs until the next annual meeting to be held June, 2007.

APPROVED:

Brian Elliott, President

Date: _____

Richard Miller

Richard Miller, Secretary/Treasurer

Date: FEB 27 2007

John Combs

John Combs, Director

Date: _____

Rick Keen

Rick Keen, Director

Date: 3-9-07

Randy Scott

Randy Scott, Director

Date: _____

1 addition, the Company assesses an \$8 per month charge for capital
2 improvements.

3 CRRWC proposes to change the base rate to \$36.50, which includes
4 the \$8 surcharge, but no consumption allowance, and change the variable
5 rate to \$0.80 per 100 cf. The table below shows the Company's current
6 and proposed rates as stated in the Application.

All Customers

Meter Size	Current Base Includes 700 cf and \$8 per month surcharge	Proposed Base (No consumption allowance, but continues \$8 per month surcharge)	Current Variable Charge Per 100 cf	Proposed Variable Charge Per 100 cf
All Meters	\$35.50	\$36.50	\$0.72	\$0.80

7
8 Based on the above rate structure, the Company noticed customers that
9 the average bill will increase from \$40.97 (includes surcharge) to \$44.30
10 (includes surcharge), an increase of 8.13 percent.

STAFF'S DISCUSSION ON DISCOVERY

11
12 **Q. HOW MANY DATA REQUESTS WERE SENT TO THE COMPANY?**

13
14 A. Staff sent 128 data requests to the Company. Intervenor Craig Soule sent
15 26 data requests to the Company.

16 **Q. DID THE COMPANY COMPLETELY AND ADEQUATELY ANSWER**
17 **ALL THE DATA REQUESTS?**

1 A. No, the Company did not answer four of Staff's data requests and did not
2 completely answer 27 data requests. In addition, the Company did not
3 answer any of Intervenor Craig Soule's data requests.

4 **Q. DID STAFF AND THE INTERVENOR MAKE ADDITIONAL ATTEMPTS**
5 **TO OBTAIN THE RESPONSES FROM THE COMPANY?**

6 A. Yes. Staff's attorney sent letters to the Company's attorney requesting that
7 the Company provide responses to certain Staff data requests. When the
8 additional attempts to receive the requested information did not result in
9 compliance, Staff's attorney formally requested the ALJ to issue Motions to
10 Compel on June 7, 2007, and August 8, 2007. The ALJ issued the first
11 Motion to Compel based on Staff's request on June 26, 2007, and the
12 second Motion to Compel on August 27, 2007.

13 Intervenor Craig Soule also requested responses to data requests using
14 follow-up e-mails to the Company. As a result of not receiving responses,
15 Mr. Soule formally requested the ALJ to issue Motions to Compel on July
16 19, 2007, and July 31, 2007. The ALJ issued the first Motion to Compel
17 based on Mr. Soule's request on August 3, 2007, and second Motion to
18 Compel on August 21, 2007. While Company responses to the outstanding
19 data requests are still pending, Mr. Soule also requested the Company (by
20 e-mail sent on August 18, 2007) to answer his data requests 18 through 26.
21 The Motions to Compel are included in Staff/104.

22

Docket UW 120

Staff/100
Dougherty/11

1 **Q. HAS THE COMPANY RESPONDED TO THE MOTIONS TO COMPEL?**

2 A. CRRWC has not responded to the Motions to Compel concerning Mr.
3 Soule's data requests. The Company has not responded to the majority of
4 my data requests in the Motions to Compel; however, on August 22, 2007, I
5 received a copy of the Company's Response to the Staff Motion to Compel
6 and on August 24, 2007, I received additional information from the
7 Company. Although not specifically highlighted, this information satisfied
8 the requested responses to data requests nos. 28, 30, 36, 40, 84, 104c,
9 113b, 115, and a partial response to 119. Therefore, I have not received
10 responses for data requests nos. 3, 15, 47, 49, 51, 52, 53, 60, 67, 68, 81,
11 101a, 102b, 103b, 110, 114, 120, 121(d), 122(d).

12 **Q. BASED ON YOUR EXPERIENCE, ARE YOU AWARE OF ANY OTHER**
13 **WATER COMPANIES THAT HAVE DISREGARDED MOTIONS TO**
14 **COMPEL?**

15 A. No.

16 **Q. HOW DID THE LACK OF COMPANY RESPONSES TO STAFF'S DATA**
17 **REQUESTS AFFECT YOUR INVESTIGATION?**

18 A. CRRWC's failure to respond to or provide complete responses resulted in
19 having to use data from a mix of years in order to determine test year
20 results. Ideally, I would have based my analysis on 2006 data escalated to
21 2007 since the Company filed for a 2007 test year in April of 2007.
22 However, in many cases, I did not have sufficient 2006 or previous years
23 data and was required to use and annualize 2007 data based on information

Docket UW 120

Staff/100
Dougherty/12

1 provided. In addition, since information for multiple years was not provided
2 for many accounts, I could not trend expenses over multiple years to
3 determine if any normalization of expenses was required. Although, I had
4 copies of the Company's financial reports, I was not inclined to use un-
5 audited financial reports as a basis for costs. Specific information on my
6 adjustments is explained later in testimony.

7 It is important to note that in water rate cases, Staff will normally perform
8 both a "macro" review (examining expenses over 3 to 4 years) and a "micro"
9 review (reviewing all test year expenses for used and usefulness in utility
10 operations). The two types of review result in critical and rigorous
11 examination of all water utility expenses. Because the Company did not
12 provide adequate responses, I had to make the best use of information
13 received. However, for all expenses and plant, I examined all information
14 provided in an objective manner to build as complete a public record as
15 possible. A complete record is crucial in order to provide enough
16 information for the Commission to balance the interest of the Company and
17 its member customers in establishing fair and reasonable rates.

18 Two other issues surrounding the lack of information are the lack of
19 transparency concerning transactions between the Company and its
20 General Manager and the lack of transparency concerning the capital
21 assessment funds. I will discuss both issues in more detail later in this
22 testimony.

1 **Q. BESIDES THE DATA REQUESTS AND MOTION TO COMPEL, DID**
2 **YOU TAKE ACTIONS IN ORDER TO PROVIDE THE COMPANY**
3 **FURTHER OPPORTUNITIES TO PROVIDE INFORMATION TO**
4 **SUPPORT ITS EXPENSES?**

5 A. Yes. I proposed and held a second settlement conference on August 28,
6 2007. This second settlement conference was scheduled two weeks after
7 the first settlement conference, August 13, 2007. This additional time was
8 set in order for all Parties to gather and submit additional information. All
9 Parties agreed to furnish additional information by August 22, 2007,
10 however; I did not receive the Company's information until August 24, 2007.
11 Although I received the information late and two business days before the
12 second settlement conference, I was able to review the information and
13 make the appropriate adjustments to my analysis.

14
15 **STAFF'S ANALYSIS OF THE COMPANY'S RATE FILING**

16 **Q. WHAT ARE THE RESULTS OF STAFF'S ANALYSIS OF THE**
17 **COMPANY'S APPLICATION?**

18 A. Staff's analysis of the Company's application results in a recommended
19 revenue requirement of \$525,295, which is a decrease of \$343,158, or
20 34.9 percent, below the Company's adjusted test year revenues of
21 \$868,453. I recommend collection of the revenue requirement as follows:
22 \$517,194 from customers and \$8,100 in rental revenue. In addition, I

STAFF'S DISCUSSION ON DISCOVERY

1
2 **Q. HAVE YOU SENT DATA REQUESTS TO THE COMPANY AFTER**
3 **ISSUANCE OF ORDER NO. 07-527?**

4 A. Yes. Since Order No. 07-527. I have sent the Company 59 data requests.
5 These data requests are included in Staff Exhibit 206.

6 **Q. DID THE COMPANY COMPLETELY AND ADEQUATELY ANSWER**
7 **ALL YOUR DATA REQUESTS?**

8 A. No, the Company did not answer the following data requests: 157, 162,
9 163, 167, 171, 173, 174, 175, 178, 179, 181, 182, 183, and 192. Although
10 CRRWC did not directly answer data requests 162 and 163, in its response
11 to Staff's Motion to Compel the Company sufficiently answered these two
12 data requests. I was able to glean the information requested in data
13 request 167 by examining the Company's response to data request 166.
14 As a result, separate responses to data requests 162, 163, and 167 are no
15 longer necessary since they have been responded to through other
16 correspondence from the Company.

17 **Q. DID YOU MAKE ADDITIONAL ATTEMPTS TO OBTAIN THE**
18 **RESPONSES FROM THE COMPANY?**

19 A. Yes. Staff's attorney contacted the Company's attorney requesting that the
20 Company provide responses to certain Staff data requests. When the
21 additional attempts to receive the requested information did not result in
22 compliance, Staff's attorney formally requested the ALJ to issue Motions to
23 Compel on May 14, 2008, and June 6, 2008. The ALJ issued the first

1 Motion to Compel based on Staff's request on May 29, 2008, and the
2 second Motion to Compel on June 25, 2008. The Motions to Compel are
3 included in Staff/206.

4 **Q. HAS THE COMPANY PROVIDED ANSWERS TO THE ALL OF THE**
5 **OUTSTANDING DATA REQUESTS AS A RESULT OF STAFF'S**
6 **MOTIONS TO COMPEL?**

7 A. No. The Company has not responded to many of my data requests in the
8 Motions to Compel; however, in its May 27, 2008, response to the first
9 motion to compel, the Company sufficiently answered data requests 162
10 and 163. I was also able to glean the information requested in data request
11 167 by examining the Company's response to data request 166. In
12 addition, CRRWC provided information concerning data requests 158, 166,
13 and 170, on July 2, 2008. Therefore, I have not received responses for
14 data requests 157, 171, 173, 174, and 175.

15 Concerning data requests 173, 174, and 175, the Company responded
16 by stating "Outside PUC Jurisdiction."

17 **Q. ARE THERE ANY OTHER DATA REQUESTS THAT WERE NOT**
18 **INCLUDED IN THE MOTIONS TO COMPEL STILL OUTSTANDING?**

19 A. Yes. As previously mentioned, data requests 178, 179, 181, 182, 183, and
20 192 have not been answered by the Company. Concerning the response to
21 Staff Data Request 185, CRRWC stated:

22 As company attorney, Tim Gassner, advised Jason Jones
23 via email on 6/30/08, CRRWC does not have the time or
24 resources presently to inventory pipe in stock.

1
2 Concerning the response to Staff Data Request 192 that requests the
3 Company's IRS Form 990 for 2007, the Company stated, "Currently
4 unavailable." As a note, data requests 192 – 203 were due on July 17,
5 2008; however, the Company did not provide the responses until July 30,
6 2008; 13 days late and two days prior to the testimony due date.

7 **Q. HAS CRRWC TAKEN ANY OTHER ACTION CONCERNING STAFF'S**
8 **DATA REQUESTS?**

9 A. Yes. CRRWC filed with the Jefferson County Circuit Court a Relator's
10 Petition for an Alternative Writ of Mandamus and an Order Allowing
11 Alternative Writ of Mandamus on July 7, 2008. The petition and order
12 would effectively result in the withdrawal of outstanding data requests and
13 prevent further data requests being sent to the Company.

14 **Q. HOW DID THE LACK OF COMPANY RESPONSES TO STAFF'S DATA**
15 **REQUESTS AFFECT YOUR INVESTIGATION?**

16 A. Although the information requested would have been helpful for my
17 analysis, I was able to piece together a July 2007 through June 2008 test
18 year. I was able to establish a test year based on information received in
19 January 2008 resulting from the Contempt Hearing; as well as, information
20 received on July 2, 2008, resulting from Staff's Motion regarding the
21 CRRWC Operating Account and the Administrative Law Judge (ALJ) Ruling
22 concerning the motion.

23 Although I had information for the period of July 2007 through

1 June 2008, I could not trend expenses over multiple years to determine if
2 any normalization of expenses was required. As a result, some expense
3 categories may not accurately reflect a true level of ongoing costs.
4 Additionally, because the Company did not provide responses to data
5 requests 192 – 203, until two days prior to submittal of my testimony, I
6 could not completely reconcile accounting data with invoices received. With
7 that said, my analysis was a thorough invoice-by-invoice review of the
8 Company's expenses during the test year. Although, I made numerous
9 adjustments, I was not required to annualize any costs because of having
10 12 months of invoices. Specific information on my adjustments is explained
11 later in testimony.

12
13 **STAFF'S ANALYSIS OF THE COMPANY'S EXPENSES**

14 **Q. WHAT ARE THE RESULTS OF STAFF'S ANALYSIS OF THE**
15 **COMPANY'S EXPENSES?**

16 A. My analysis of the Company's expenses results in a recommended revenue
17 requirement of \$545,848, which is an increase of \$55,243, or 10.26 percent,
18 above Order No. 07-528 revenue of \$490,605. I recommend collection of
19 the revenue requirement as follows: \$537,746 from customers and \$8,100
20 in rental revenue. In addition, I recommend continuance of the zero percent
21 rate of return on a rate base of \$606,234.

22 I also propose alternate recommendations based on a reduced level of
23 wages, payroll taxes, legal costs, and rate case amortization costs. My first

1 alternate recommendation results in a recommended revenue requirement
2 of \$525,171, which is an increase of \$34,566, or 6.02 percent, above Order
3 No. 07-528 revenue of \$490,605. My second alternate recommendation
4 results in a recommended revenue requirement of \$513,180, which is an
5 increase of \$22,575, or 3.56 percent, above Order No. 07-528 revenue of
6 \$490,605.

7 **Q. PLEASE EXPLAIN HOW YOU DETERMINED REVENUE AND**
8 **EXPENSES FOR THE JULY 2007 THROUGH JUNE 2008 PERIOD.**

9 A. Staff/202, Staff/203, and Staff/204 pages 2 and 3, show my revenue and
10 expense adjustments and a brief description of each. Additionally,
11 Staff/205 shows the detail supporting the calculations. Below is additional
12 explanation of significant adjustments.

13 Revenue

14 The Company's December 27, 2007, Billing Register includes
15 1,571 accounts. As a result, I multiplied 1,571 by the average customer
16 rate of \$25.87 (Commission Order No. 07-528) to receive \$487,701 in
17 residential water sales.

18 In addition, I maintained the \$8,100 in total other revenue. As
19 explained in Staff/100, Dougherty/14-15, the rental revenue is a result of
20 cellular and internet leases for equipment installed on the company's
21 reservoir tower. Rental revenue includes \$6,900 from T-mobile and an
22 imputed \$1,200 from Webformix. The \$1,200 is imputed because even
23 though a contract requires monthly payments of \$100 to CRRWC, the

GLENN, SITES, REEDER & GASSNER, LLP

ATTORNEYS AT LAW

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COPY

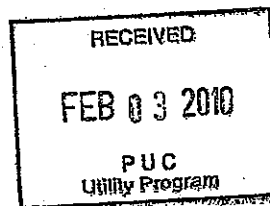
DAVID C. GLENN
EDWARD E. SITES
DONALD V. REEDER
TIMOTHY R. GASSNER

BOYD OVERHULSE
1934-1966 (Deceased)
SUMNER RODRIGUEZ
1949-2005 (Deceased)

February 2, 2010

First Class Mail/jason.w.jones@state.or.us

Jason W. Jones
Dept. of Justice
Regulated Utilities & Business
1162 Court St. NE
Salem, OR 97301



RE: Docket No.: WJ8
Staff Data Requests 1-11

Dear Mr. Jones:

Crooked River Ranch Water Cooperative submits the following response to Staff Data Requests 1 through 11. Additionally please consider this correspondence as an attempt to confer under OAR 860-014-0070(3) and contact me at your earliest convenience.

1. No responsive documents.
2. No responsive documents.
3. Board Resolution and Minutes attached.
4. 4a provided; 4b contained in Resolution.
5. CRRWC objects to the request for copies of advice received from attorneys regarding reorganization of CRRWC from an non-profit corporation to a cooperative as said information is protected by the attorney-client privilege. No written advice from accountant Wes Price was provided to CRRWC regarding reorganization.
6. No responsive documents.
7. Provided

Jason Jones
February 2, 2010
Page -2-

8. 8a-CRRWC objects on the basis of the attorney-client privilege and relevancy to the scope of issues to be determined in the current proceeding.
8b-CRRWC objects on relevancy grounds.
9. CRWWC objects on relevancy grounds.
10. No transactions have been carried out with respect to the Cashier's Check deposited with the Oregon Department of Treasury since the original time of deposit.
11. Objection on relevancy grounds.

Very truly yours,

GLENN SITES, REEDER & GASSNER, LLP



TIMOTHY R. GASSNER

TRG:skk

F:\Tim\CRR Water\PUC-2009\ltr-Jones-Req 1-11.wpd

Encl. As indicated

13222
11/14/2003 5:00PM

Crooked River Ranch Water Company
ADJUSTED TRIAL BALANCE REPORT
September 30, 2003

Page: 1
Prepared by: AC6
Reviewed by:

Account Description	Work Refe	Unadjusted 9/30/2003		AJE 9/30/2003	Balance Sht. 9/30/2003	Income St. 9/30/2003	
1000.0 Petty Cash	Pass	63,614.30	4 (	63,014.30)	600.00	0.00
1005.0 Washinton Mutual	A1.1	29,115.55	1 (	2,890.65)	28,947	0.00
			5	2,171.80		28,396.70	0.00
1010.0 Community First Bank: Res	A3	76,130.36	1 (	55.53)	76,017.23	0.00
			5 (57.60)		110,857	0.00
1015.0 Columbia River Bank: Rese	A4	34,460.39	1	55.53	34,839.62	0.00	
			5	323.70		125,418	0.00
1020.0 Washington Mutual: Contin	A2	47,480.00	1	72.34	47,624.68	0.00	
			5	72.34		27,439	0.00
1090.0 NSF Checks & Redeposit	Pass	2,974.49	5 (	2,974.49)	0.00	0.00
1300.0 Material Inventory	E1	41,201.18		0.00	41,201.18	0.00	
1500.1 Land: General	J1	37,663.86		0.00	37,663.86	0.00	
1500.2 Land: Commercial Loop	J1	20,100.00		0.00	20,100.00	0.00	
1505.0 Buildings	J1	185,953.67		0.00	185,953.67	0.00	
1510.1 Well #2	J1	23,810.30		0.00	23,810.30	0.00	
1510.2 Well #4	J1	400,811.93		0.00	400,811.93	0.00	
1515.0 Water Distribution System	J1	1,097,444.14	1	44,385.00	1,141,829.14	0.00	
1520.0 Main Reservoir	J1	341,960.38		0.00	341,960.38	0.00	
1525.0 Cistern & Pumps	J1	206,098.00		0.00	206,098.00	0.00	
1530.0 Installed Meters	J1	47,849.00		0.00	47,849.00	0.00	
1535.0 Operations Equipment	J1	177,699.75		0.00	177,699.75	0.00	
1540.0 Office Equipment	J1	37,646.28	6	718.56	38,364.84	0.00	
1550.0 Construction In Process	J1	0.00	6	60,094.81	72,785.18	0.00	
			6	4,669.37		1,201,050.50	0.00
			6	7,971.00			0.00
1590.0 Accumulated Depreciation	J1 (	1,147,121.00)	7 (	53,929.50)		0.00
2000.0 Accounts Payable	O1	2,559.78	1 (	1,387.84)	0.00	0.00
			8 (1,171.94)			0.00
2005.0 Payroll Liabilities	P1 (	2,294.12)	1 (	10.31)	4,172.18)	0.00
			2 (1,867.75)			0.00
2005.1 Fed. Income Tax Payable	(	1,287.00)	1	1,287.00	0.00	0.00
2005.2 FICA Withheld	(	1,287.00)	1 (	1,287.00)	0.00	0.00
2005.6 SUTA	(	11.30)		0.00	11.30)	0.00
2015.0 Child Support	(	51.80)	.1	51.00	0.00	0.00
2505.0 Commercial Building Note	N1 (	89,944.67)		0.00	89,944.67)	0.00
2510.0 N/P Autos		566.80	1 (	566.80)	0.00	0.00
2510.1 N/P Ford F150	N1 (	2,611.17)	1	566.80	2,044.37)	0.00
3000.0 General Fund Balance	Z1 (	1,531,875.88)	1	26,761.56	1,442,100.02)	0.00
			4	63,014.30			0.00
3005.0 Building Fund Balance	Z1 (	110,523.00)	1	451.00	110,072.00)	0.00
3010.0 Contingency Fund	Z1 (	43,752.00)	1 (	13,357.00)	57,109.00)	0.00
3900.0 Retained Earnings		54,075.10	1 (	54,075.10)	0.00	0.00
4005.1 Meter Water Sales	(352,798.08)		0.00	0.00	352,798.08)	
4005.2 Reimbursement	(9,380.34)		0.00	0.00	9,380.34)	

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Crooked River Ranch Water Company
ADJUSTED TRIAL BALANCE REPORT
September 30, 2003

13222
11/14/2003 5:00PM

Account Description	Work Rate	Unadjusted 9/30/2003	AJE 9/30/2003	Balance Sht. 9/30/2003	Income St. 9/30/2003
4005.4 Reconnect Fees	(	770.55)	0.00	0.00	(770.55)
4005.5 Inventory	(	3,624.00)	0.00	0.00	(3,624.00)
4005.6 Labor	(	1,336.65)	0.00	0.00	(1,336.65)
4005.7 Construction Income	(	156,150.00)	0.00	0.00	(156,150.00)
4005.9 Miscellaneous	(	733.50)	3 (759.92)	0.00	(1,493.42)
4010.0 Connections Fees	(	13,500.00)	0.00	0.00	(13,500.00)
5000.0 Repairs & Maintenance	(	20,297.93	6 (60,094.81)	0.00	(39,796.88)
5005.0 System Repairs & Maintena	(	69,495.31	8 (1,171.94)	0.00	(70,667.25)
5010.0 Fuel	(	8,198.81	0.00	0.00	(8,198.81)
5015.0 Contract Labor	(	81,240.71	0.00	0.00	(81,240.71)
5020.0 Small Tools	(	486.94	0.00	0.00	(486.94)
5025.0 Shop Supplies	(	25,262.18	0.00	0.00	(25,262.18)
5030.0 Systems Inventory	(	65,323.67	0.00	0.00	(65,323.67)
5040.0 Water Quality Testing	(	955.00	0.00	0.00	(955.00)
5050.0 Utilities	(	37,441.86	0.00	0.00	(37,441.86)
5055.0 Operations Payroll	(	0.00	3 69,810.88	0.00	(69,810.88)
5060.0 Operations Payroll Taxes	(	0.00	3 8,929.54	0.00	(8,929.54)
5065.0 Worker's Comp	(	2,261.39	3 (2,261.39)	0.00	(0.00)
5070.0 Operations employee Benef	CC1	0.00	3 3,328.61	0.00	(3,328.61)
5075.0 Depreciation	(	0.00	7 51,622.50	0.00	(51,622.50)
5080.0 Misc. Expense	(	795.64	0.00	0.00	(795.64)
6005.0 G & A Payroll Taxes	(	72.43	3 8,213.27	0.00	(8,285.70)
6015.0 G & A Employee Benefits	CC1	6,417.22	3 (3,328.61)	0.00	(3,088.61)
6035.0 Director's Expenses	(	25.00	0.00	0.00	(25.00)
6040.0 Communications	(	4,043.94	0.00	0.00	(4,043.94)
6045.0 Office Supplies	(	11,744.48	6 (718.56)	0.00	(11,025.92)
6050.0 Legal & Actg	(	13,324.91	0.00	0.00	(13,324.91)
6060.0 G & A Repairs & Maintanen	(	10,990.69	6 (7,971.00)	0.00	(3,019.69)
6065.0 Postage	(	6,437.02	0.00	0.00	(6,437.02)
6070.0 Licenses & Fees	(	290.00	0.00	0.00	(290.00)
6075.0 Dues & Subscriptions	(	551.00	0.00	0.00	(551.00)
6095.0 G & A Depreciation	(	0.00	7 2,307.00	0.00	(2,307.00)
6110.0 Automobile Expense	(	1,476.20	0.00	0.00	(1,476.20)
6160.0 Dues & Subscriptions	(	266.00	0.00	0.00	(266.00)
6170.0 Equipment Rental	(	4,669.37	6 (4,669.37)	0.00	(0.00)
6180.0 Insurance Expense	(	11,207.93	0.00	0.00	(11,207.93)
6200.0 Interest Expense	(	5,861.51	0.00	0.00	(5,861.51)
6560.0 G & A Payroll Expenses	(	146,825.88	2 1,867.75	0.00	(148,693.63)
			3 (69,810.88)		
			3 (14,121.50)	0.00	(64,761.25)
6999.0 Other Income & Expense	(	119.44	0.00	0.00	(119.44)
7000.0 G & A Utilities	(	2,687.09	0.00	0.00	(2,687.09)
7010.0 Interest Income	(	962.62)	5 (164.00)	0.00	(1,126.62)
8010.0 Other Expenses	(544.93)	5 628.25	0.00	(83.32)

26,143.31

25,749

96,194

8930

17,463

5,667.31

1,045

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13222
11/14/2003 5:00PM

Crooked River Ranch Water Company
ADJUSTED TRIAL BALANCE REPORT
September 30, 2003

Page: 3
Prepared by: ACS
Reviewed by:

Account Description	Work Refe.	Unadjusted 9/30/2003	AJE 9/30/2003	Balance Sht. 9/30/2003	Income St. 9/30/2003
TOTALS		0.00	(0.00)	17,051.42	(17,051.42)
CP NI (Loss)		(78,984.25)		(17,051.42)	17,051.42
YTD NI (Loss)		1,031.12			
				0.00	0.00

CRRW
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9/30/03

REB
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11/11/03

13222
11/14/2003 5:01PM

Crooked River Ranch Water Company
Journal Entries Report : Adjusting Entries
September 30, 2003

Page: 1
Prepared by: AC6
Reviewed by:

Entry #	Status	Account Description	Workpaper	Debit	Credit
AJE 1	Posted	1005.0 Washinton Mutual	V2		2,690.65
		1010.0 Community First Bank: Reserve			55.53
		1015.0 Columbia River Bank: Reserve		55.53	72.34
		1020.0 Washington Mutual: Contingency			
		1515.0 Water Distribution System		44,385.00	
		2000.0 Accounts Payable			1,387.84
		2005.0 Payroll Liabilities			10.31
		2005.1 Fed. Income Tax Payable		1,287.00	
		2005.2 FICA Withheld			1,287.00
		2015.0 Child Support		51.00	
		2510.0 N/P Autos			566.80
		2510.1 N/P Ford PU		566.80	
		3000.0 General Fund Balance		26,761.56	
		3005.0 Building Fund Balance		451.00	
		3010.0 Contingency Fund			13,357.00
		3900.0 Retained Earnings			54,075.10
		To adjust beginning balances to actual			
AJE 2	Posted	6560.0 G & A Payroll Expenses	P1	1,867.75	
		2005.0 Payroll Liabilities			1,867.75
		To adjust payroll withholdings to actual at 9/30/03			
AJE 3	Posted	5055.0 Operations Payroll	CC1	69,810.88	
		6560.0 G & A Payroll Expenses			69,810.88
		5070.0 Operations employee Benefits		3,328.61	
		6015.0 G & A Employee Benefits			3,328.61
		6005.0 G & A Payroll Taxes		8,213.27	
		5060.0 Operations Payroll Taxes		8,929.54	
		5065.0 Worker's Comp			2,261.39
		6560.0 G & A Payroll Expenses			14,121.50
		4005.9 Miscellaneous			759.92
		To allocate wages and benefits.			
AJE 4	Posted	3000.0 General Fund Balance	A1	63,014.30	
		1000.0 Petty Cash			63,014.30
		To reverse client entry.			
AJE 5	Posted	1005.0 Washinton Mutual	A2	2,171.80	
		1090.0 NSF Checks & Redeposit			2,974.49
		1020.0 Washington Mutual: Contingency		72.34	
		1010.0 Community First Bank: Reserve			57.60
		1015.0 Columbia River Bank: Reserve		323.70	
		7010.0 Interest Income			164.00
		8010.0 Other Expenses		628.25	
		To correct cash balances to actual.			
AJE 6	Posted	1550.0 Construction In Process	J3	60,094.81	
		5000.0 Repairs & Maintenance			60,094.81
		1550.0 Construction In Process		4,669.37	
		6170.0 Equipment Rental			4,669.37
		1540.0 Office Equipment		718.56	
		6045.0 Office Supplies			718.56
		1550.0 Construction In Process		7,971.00	
		6060.0 G & A Repairs & Maintenance			7,971.00
		To reclassify construction in progress (FOR WATER SYSTEM & BLDG EXPANSION) and printer (printer per 6/30/03 wp.			
AJE 7	Posted	5075.0 Depreciation	J1	51,622.50	
		6095.0 G & A Depreciation		2,307.00	
		1590.0 Accumulated Depreciation			53,929.50
		To record nine months of depr.			
AJE 8	Posted	3005.0 System Repairs & Maintenance	01	1,171.94	
		2000.0 Accounts Payable			1,171.94
		To eliminate ap			
TOTALS				360,545.85	360,545.85

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AJE'S
9/30/03

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11/10/03

13222
8/13/2004 3:03PM

Crooked River Ranch Water Company
ADJUSTED TRIAL BALANCE REPORT- B/S
June 30, 2004

Page: 1
Prepared by: AC7
Reviewed by:

Account Description	Workpaper Reference	Adjusted 12/31/2003	Unadjusted 6/30/2004	AJE 6/30/2004	Adjusted 6/30/2004
1000.0 Petty Cash	N/C	600.00	600.00	0.00	600.00
1005.0 Washinton Mutual	A1	31,723.15	37,186.51	1 (467.22)	36,719.29
1010.0 Community First Bank: Resrve	A3	76,186.82	88,154.11	8 (11,697.12)	76,456.99
1015.0 Columbia River Bank: Reserve	A4	34,906.24	34,906.24	2 134.75	35,040.99
1020.0 Washington Mutual: Contingency	A2	48,073.29	48,133.51	2 119.37	48,252.88
1025.0 Cash Line Extension Acct		0.00	0.00	0.00	0.00
1090.0 NSF Checks & Redeposit	PASS	493.08	1,600.94	0.00	1,600.94
1300.0 Material Inventory	E1	41,201.18	41,201.18	0.00	41,201.18
1500.1 Land: General	J1	37,663.86	37,663.86	0.00	37,663.86
1500.2 Land: Commercial Loop	J1	20,100.00	20,100.00	0.00	20,100.00
1505.0 Buildings	J1	185,953.67	185,953.67	0.00	185,953.67
1510.1 Well #2	J1	23,810.30	23,810.30	3 2,596.81	26,407.11
1510.2 Well #4	J1	400,811.93	400,811.93	0.00	400,811.93
1515.0 Water Distribution System	J1	1,141,829.14	1,141,829.14	3 93,947.83	1,235,776.97
1520.0 Main Reservoir	J1	341,960.38	341,960.38	0.00	341,960.38
1525.0 Cistern & Pumps	J1	206,098.00	206,098.00	0.00	206,098.00
1530.0 Installed Meters	J1	47,849.00	47,849.00	0.00	47,849.00
1535.0 Operations Equipment	J1	177,699.75	177,699.75	0.00	177,699.75
1540.0 Office Equipment	J1	38,364.84	38,364.84	0.00	38,364.84
1550.0 Construction In Process	J1	104,323.01	104,323.01	3 (74,699.97)	29,623.04
1590.0 Accumulated Depreciation	J1	(1,219,027.00)	(1,219,027.00)	4 (33,561.50)	(1,252,588.50)
2000.0 Accounts Payable	O1	0.00	0.00	0.00	0.00
2005.0 Payroll Liabilities	P1	(3,119.46)	(6,179.25)	5 1,354.41	(4,824.84)
2005.1 Fed. Income Tax Payable		0.00	0.00	0.00	0.00
2005.2 FICA Withheld		0.00	0.00	0.00	0.00
2005.3 FICA Employer		0.00	0.00	0.00	0.00
2005.5 FUTA		0.00	0.00	0.00	0.00
2005.6 SUTA		0.00	0.00	0.00	0.00
2005.7 OR UNEMPLOYMENT	P1	(49.65)	(151.04)	0.00	(151.04)
2015.0 Child Support		0.00	0.00	0.00	0.00
2020.0 Line Extension Deposits.		0.00	0.00	0.00	0.00
2500.0 Reinke Note		0.00	0.00	0.00	0.00
2505.0 Commercial Building Note	N1	(89,044.24)	(87,632.59)	7 91.30	(87,541.29)
2510.0 N/P Autos		0.00	0.00	0.00	0.00
2510.1 N/P Ford FU	N2	(1,258.73)	(52.58)	7 52.58	0.00
3000.0 General Fund Balance	Z1	(1,442,100.02)	(1,442,100.02)	1 (16,881.64)	(1,458,981.66)
				1 (29,001.00)	(1,487,982.66)
3005.0 Building Fund Balance	Z1	(110,072.00)	(110,072.00)	1 (20,521.00)	(130,593.00)
				1 19,500.00	(111,093.00)
3010.0 Contingency Fund	Z1	(57,109.00)	(57,109.00)	1 (465.00)	(57,574.00)
				1 9,501.00	(48,073.00)
3900.0 Retained Earnings	Z1	(0.00)	(38,334.86)	1 467.22	(37,867.64)
				1 37,867.64	0.00
TOTALS		37,867.64	17,588.03	(21,661.54)	(4,073.51)
CP NI (Loss)		20,816.22	13,624.52		(4,073.51)
YTD NI (Loss)		37,867.64	17,588.03		(4,073.51)

*Ref 8/13/04 9/14
TB*

13222
8/13/2004 3:03PM

Crooked River Ranch Water Company
ADJUSTED TRIAL BALANCE REPORT- 1/3
June 30, 2004

Page: 1
Prepared by: AC7
Reviewed by:

Account Description	Workpaper Reference	Adjusted 12/31/2003	Unadjusted 6/30/2004	AJE 6/30/2004	Adjusted 6/30/2004
4000.0 Meter Water Sales		(505,361.07)	(10,041.90)	0.00	(10,041.90)
4000.1 METER WATER SALES - METERED		0.00	(230,640.96)	0.00	(230,640.96)
4005.1 Meter Water Sales - OTHER		0.00	0.00	0.00	0.00
4005.2 Reimbursement		(10,780.34)	(4,592.98)	0.00	(4,592.98)
4005.4 Reconnect Fees		(995.55)	(1,014.02)	0.00	(1,014.02)
4005.5 Inventory		(5,427.00)	(2,913.00)	0.00	(2,913.00)
4005.6 Labor		(2,420.44)	(1,480.09)	0.00	(1,480.09)
4005.7 Construction Income		(156,350.00)	(17,626.80)	0.00	(17,626.00)
4005.9 Miscellaneous		(506.67)	(3,401.00)	0.00	(3,401.00)
4010.0 Connections Fees		(19,500.00)	(6,050.00)	0.00	(6,050.00)
5000.0 Repairs & Maintenance		26,310.81	6,794.24	0.00	6,794.24
5005.0 System Repairs & Maintenance		11,517.30	11,123.14	3 (2,596.81)	
				3 (8,526.33)	0.00
5010.0 Fuel		10,068.51	3,710.69	0.00	3,710.69
5015.0 Contract Labor		104,757.57	12,121.45	0.00	12,121.45
5020.0 Small Tools		486.94	291.87	0.00	291.87
5025.0 Shop Supplies		30,801.73	10,167.35	0.00	10,167.35
5030.0 Systems Inventory		76,454.08	12,823.06	0.00	12,823.06
5040.0 Water Quality Testing		1,491.00	1,719.25	0.00	1,719.25
5050.0 Utilities		45,497.06	22,528.47	0.00	22,528.47
5055.0 Operations Payroll		91,042.13	0.00	0.00	0.00
5060.0 Operations Payroll Taxes		10,299.19	5,455.18	6 3,895.13	9,350.31
5065.0 Worker's Comp		0.00	2,942.79	6 (2,942.79)	0.00
5070.0 Operations employee Benefits		4,251.48	0.00	6 3,115.28	3,115.28
5075.0 Depreciation		68,830.00	0.00	4 33,561.50	33,561.50
5080.0 Misc. Expense		1,449.27	901.00	0.00	901.00
6000.0 G & A Payroll		0.00	0.00	6 (7,704.62)	(7,704.62)
6000.1 Manager's Salary		0.00	0.00	0.00	0.00
6005.0 G & A Payroll Taxes		9,496.07	(4.48)	5 4.48	
				6 6,752.28	6,752.28
6005.7 G & A UNEMPLOYMENT TAXES		10.88	1,313.23	0.00	1,313.23
6006.0 Mileage Reimbursement		0.00	71.54	0.00	71.54
6015.0 G & A Employee Benefits		4,605.76	5,802.49	6 (3,115.28)	2,687.21
6035.0 Director's Expenses		25.00	0.00	0.00	0.00
6040.0 Communications		5,634.68	9,289.26	0.00	9,289.26
6045.0 Office Supplies		14,326.67	6,448.86	0.00	6,448.86
6050.0 Legal & Actg		23,062.19	11,736.94	0.00	11,736.94
6060.0 G & A Repairs & Maintenance		3,935.49	2,950.72	3 (845.00)	
				3 (1,378.03)	727.69
6065.0 Postage		7,774.87	6,506.80	0.00	6,506.80
6070.0 Licenses & Fees		1,205.11	2,267.87	0.00	2,267.87
6075.0 Dues & Subscriptions		1,938.91	50.00	0.00	50.00
6095.0 G & A Depreciation		3,076.00	0.00	0.00	0.00
6110.0 Automobile Expense		1,476.20	70.88	0.00	70.88
6130.0 Cash Discounts		0.00	0.00	0.00	0.00
6140.0 CONTRIBUTIONS		0.00	2,500.00	0.00	2,500.00
6160.0 Dues & Subscriptions		266.00	272.00	0.00	272.00

*Ref 8/13/04
AC7
T.B.*

13222
8/13/2004 3:03PM

Crooked River Ranch Water Company
ADJUSTED TRIAL BALANCE REPORT- I/S
June 30, 2004

Page: 2
Prepared by: AC7
Reviewed by:

***** Description	Workpaper Reference	Adjusted 12/31/2003	Unadjusted 6/30/2004	AJE 6/30/2004	Adjusted 6/30/2004
6170.0 Equipment Rental		0.00	8,498.50	3 (8,498.50)	0.00
6180.0 Insurance Expense		11,207.93	14,750.37	0.00	14,750.37
6200.0 Interest Expense	(	115.55)	3,166.55	7 (143.88)	3,022.67
6560.0 G & A Payroll Expenses		83,469.75	105,388.61	5 (1,358.89)	104,029.72
6999.0 Other Income & Expense		119.44	48.00	0.00	48.00
7000.0 G & A Utilities		2,969.33	352.80	0.00	352.80
7010.0 Interest Income	(	1,485.88)	(12,027.51)	2 (254.12)	
				8 11,697.12	(584.51)
8010.0 Other Expenses		7,216.51	140.00	0.00	140.00
9999.9 Suspense		0.00	0.00	0.00	0.00
TOTALS		(37,867.64)	(17,588.03)	21,661.54	4,073.51
CP NI (Loss)		20,816.22	13,624.52		(4,073.51)
YTD NI (Loss)		37,867.64	17,588.03		(4,073.51)

Handwritten:
REP
8/13/04
TB3

Crooked River Ranch Water Company
Journal Entries Report : Adjusting Entries
June 30, 2004

13222
8/13/2004 3:06PM

Entry #	Status	Account Description	Workpaper	Debit	Credit
AJE 1	Posted	1005.0 Washington Mutual 3900.0 Retained Earnings 3000.0 General Fund Balance 3005.0 Building Fund Balance 3010.0 Contingency Fund 3900.0 Retained Earnings 3005.0 Building Fund Balance 3010.0 Contingency Fund 3000.0 General Fund Balance To adjust opening B/S and allocate retained earnings to funds.	V2	467.22 37,867.64 19,500.00 9,501.00	467.22 16,881.64 20,521.00 465.00 29,001.00
AJE 2	Posted	1020.0 Washington Mutual: Contingency 7010.0 Interest Income 1015.0 Columbia River Bank: Reserve To adjust bank accounts to actual per stmts.	A2	119.37 134.75	254.12
AJE 3	Posted	1510.1 Well #2 5005.0 System Repairs & Maintenance 1550.0 Construction In Process 5005.0 System Repairs & Maintenance 6170.0 Equipment Rental 6060.0 G & A Repairs & Maintenance 6060.0 G & A Repairs & Maintenance 1515.0 Water Distribution System To capitalize improvements and record construction in process.	J3	2,596.81 93,947.83	2,596.81 74,699.97 8,526.33 8,498.50 845.00 1,378.03
AJE 4	Posted	1590.0 Accumulated Depreciation 5075.0 Depreciation To record depreciation for the period.	J1	33,561.50	33,561.50
AJE 5	Posted	2005.0 Payroll Liabilities 6560.0 G & A Payroll Expenses 6005.0 G & A Payroll Taxes To adjust payroll withholdings to actual.	El, VI.1	1,354.41 4.48	1,358.89
AJE 6	Posted	6005.0 G & A Payroll Taxes 5060.0 Operations Payroll Taxes 5055.0 Worker's Comp 6000.0 G & A Payroll 6015.0 G & A Employee Benefits 5070.0 Operations employee Benefits To allocate wages, payroll taxes and benefits to appropriate expense accounts.	CC1	6,752.28 3,895.13 3,115.28	2,942.79 7,704.62 3,115.28
AJE 7	Posted	2510.1 M/P Ford PU 6200.0 Interest Expense 2505.0 Commercial Building Note To adjust notes payable to actual per bank.		52.58 91.30	143.88
AJE 8	Posted	7010.0 Interest Income 1010.0 Community First Bank: Reserve TO ADJUST INTEREST INCOME TO ACTUAL PER BANK.	A3	11,697.12	11,697.12
TOTALS				224,658.70	224,658.70

Handwritten signature and date:
8/13/04
AJEA

Crooked River Ranch Water Company
FEDERAL TAX GROUPING - B/S
June 30, 2004

13222
8/13/2004 3:07PM

Tax code	Description	Workpaper Reference	Fed Trial 12/31/2003	Unadjusted 6/30/2004	AJE 6/30/2004	Adjusted 6/30/2004
** No Code **						
3900.0	Retained Earnings	21	(0.00)	(38,334.86)	1 467.22 1 37,857.64	0.00
Total			(0.00)	(38,334.86)	38,334.86	0.00
B45	Cash - noninterest-bearing					
1000.0	Petty Cash	N/C	600.00	600.00	0.00	600.00
1005.0	Washington Mutual	A1	31,723.15	37,186.51	1 (467.22)	36,719.29
1090.0	NSF Checks & Redeposit	PASS	493.08	1,600.94	0.00	1,600.94
Total Cash - noninterest-bearing			32,816.23	39,387.45	(467.22)	38,920.23
B46	Saving & temp cash investments					
1010.0	Community First Bank: Reserve	A3	76,186.82	88,154.11	8 (11,697.12)	76,456.99
1015.0	Columbia River Bank: Reserve	A4	34,906.24	34,906.24	2 134.75	35,040.99
1020.0	Washington Mutual: Contingency	A2	48,073.29	48,133.51	2 119.37	48,252.88
Total Saving & temp cash investments			159,166.35	171,193.86	(11,443.00)	159,750.86
B52	Inventories for sale or use					
1300.0	Material Inventory	E1	41,201.18	41,201.18	0.00	41,201.18
Total Inventories for sale or use			41,201.18	41,201.18	0.00	41,201.18
B57A	Land, buildings & equipment					
1500.1	Land: General	J1	37,663.86	37,663.86	0.00	37,663.86
1500.2	Land: Commercial Loop	J1	20,100.00	20,100.00	0.00	20,100.00
1505.0	Buildings	J1	185,953.67	185,953.67	0.00	185,953.67
1510.1	Well #2	J1	23,810.30	23,810.30	3 2,596.81	26,407.11
1510.2	Well #4	J1	400,811.93	400,811.93	0.00	400,811.93
1515.0	Water Distribution System	J1	1,141,829.14	1,141,829.14	3 93,947.83	1,235,776.97
1520.0	Main Reservoir	J1	341,960.38	341,960.38	0.00	341,960.38
1525.0	Cistern & Pumps	J1	206,098.00	206,098.00	0.00	206,098.00
1530.0	Installed Meters	J1	47,849.00	47,849.00	0.00	47,849.00
1535.0	Operations Equipment	J1	177,699.75	177,699.75	0.00	177,699.75
1540.0	Office Equipment	J1	38,364.84	38,364.84	0.00	38,364.84
1550.0	Construction In Process	J1	104,323.01	104,323.01	3 (74,699.97)	29,623.04
Total Land, buildings & equipment			2,726,463.88	2,726,463.88	21,844.67	2,748,308.55
B57B	Accumulated depreciation					
1590.0	Accumulated Depreciation	J1	(1,219,027.00)	(1,219,027.00)	4 (33,561.50)	(1,252,588.50)
Total Accumulated depreciation			(1,219,027.00)	(1,219,027.00)	(33,561.50)	(1,252,588.50)
B60	Accts payable & accrued exp					
2000.0	Accounts Payable	.01	0.00	0.00	0.00	0.00
Total Accts payable & accrued exp			0.00	0.00	0.00	0.00

11,498
23,500
87,938
SMART
100 BANKS
CASH

NET FIXED ASSETS
1,495,720.05
- 29,623.04 CIP
1,466,097.01

Ref
1/10/04
JEB

Crooked River Ranch Water Company
FEDERAL TAX GROUPING - B/S
June 30, 2004

13222
8/13/2004 3:07PM

Tax code	Description	Worksheet Reference	Fed Trial 12/31/2003	Unadjusted 6/30/2004	AJS 6/30/2004	Adjusted 6/30/2004
B65	Other liabilities					
2005.0	Payroll Liabilities	P1	(3,119.46)	(6,179.25)	5 1,354.41	(4,824.84)
2005.1	Fed. Income Tax Payable		0.00	0.00	0.00	0.00
2005.2	FICA Withheld		0.00	0.00	0.00	0.00
2005.7	OR UNEMPLOYMENT	P1	(49.65)	(151.04)	0.00	(151.04)
2015.0	Child Support		0.00	0.00	0.00	0.00
Total Other liabilities			(3,169.11)	(6,330.29)	1,354.41	(4,975.88)
B65.01	Notes Payable					
2505.0	Commercial Building Note	N1	(89,044.14)	(87,632.59)	7 91.30	(87,541.29)
2510.0	N/P Autos		0.00	0.00	0.00	0.00
2510.1	N/P Ford FD	N2	(1,258.73)	(52.58)	7 52.58	0.00
Total Notes Payable			(90,302.87)	(87,685.17)	143.88	(87,541.29)
B67	Unrestricted					
3000.0	General Fund Balance	Z1	(1,442,100.02)	(1,442,100.02)	1 (16,881.64)	
					1 (29,001.00)	(1,487,982.66)
3005.0	Building Fund Balance	Z1	(110,072.00)	(110,072.00)	1 (20,521.00)	
					1 19,500.00	(111,093.00)
3010.0	Contingency Fund	Z1	(57,109.00)	(57,109.00)	1 (465.00)	
					1 9,501.00	(48,073.00)
Total Unrestricted			(1,609,281.02)	(1,609,281.02)	(37,867.64)	(1,647,148.66)
TOTALS			37,867.64	17,588.03	(21,661.54)	(4,073.51)
CP NI (Loss)			20,816.22	13,624.52		(4,073.51)
YTD NI (Loss)			37,867.64	17,588.03		(4,073.51)

Current Port.
(3679.00)
(83,862)

*Ref for Q 2004
RTB 2*

Crooked River Ranch Water Company
FEDERAL TAX GROUPING - I/S
June 30, 2004

13222
8/13/2004 3:07PM

Tax code	Description	Worksheet Reference	Fed Trial 12/31/2003	Unadjusted 6/30/2004	AJE 6/30/2004	Adjusted 6/30/2004
** No Code **						
6140.0	CONTRIBUTIONS		0.00	2,500.00	0.00	2,500.00
Total			0.00	2,500.00	0.00	2,500.00
093E	Program serv rev-Relatd or exempt					
4000.0	Meter Water Sales	(505,361.07)	(10,041.90)	0.00	(10,042.90)	
4000.1	METER WATER SALES - METERED	0.00	(230,640.96)	0.00	(230,640.96)	
4005.2	Reimbursement	(10,780.34)	(4,592.98)	0.00	(4,592.98)	
4005.4	Reconnect Fees	(995.55)	(1,014.02)	0.00	(1,014.02)	
4005.5	Inventory	(5,427.00)	(2,913.00)	0.00	(2,913.00)	
4005.6	Labor	(2,420.44)	(1,480.09)	0.00	(1,480.09)	
4005.7	Construction Income	(156,350.00)	(17,626.00)	0.00	(17,626.00)	
4005.9	Miscellaneous	(505.67)	(3,401.00)	0.00	(3,401.00)	
4010.0	Connections Fees	(19,500.00)	(6,050.00)	0.00	(6,050.00)	
Total Program serv rev-Relatd or exempt		(701,341.07)	(277,759.95)	0.00	(277,759.95)	
095D	Int f/svngs & temp cash invest-Excl					
7010.0	Interest Income	(1,485.88)	(12,027.51)	2 (254.12)	8 11,697.12	(584.51)
Total Int f/svngs & temp cash invest-Excl		(1,485.88)	(12,027.51)	11,443.00	(584.51)	
EB26	Other salaries & wages-Prog serv					
5055.0	Operations Payroll	91,042.13	0.00	0.00	0.00	
6000.0	G & A Payroll	0.00	0.00	6 (7,704.62)	(7,704.62)	
6560.0	G & A Payroll Expenses	83,469.75	105,388.61	5 (1,358.89)	104,029.72	
Total Other salaries & wages-Prog serv		174,511.88	105,388.61	(9,063.51)	96,325.10	
EB28	Other employee benefits-Prog serv					
5070.0	Operations employee Benefits	4,251.48	0.00	6 3,115.28	3,115.28	
6015.0	G & A Employee Benefits	4,605.76	5,802.49	6 (3,115.28)	2,687.21	
Total Other employee benefits-Prog serv		8,857.24	5,802.49	0.00	5,802.49	
EB29	Payroll taxes-Program service					
5060.0	Operations Payroll Taxes	10,299.19	5,455.18	6 3,895.13	9,350.31	
5065.0	Worker's Comp	0.00	2,942.79	6 (2,942.79)	0.00	
6005.0	G & A Payroll Taxes	9,496.07	(4.48)	5 4.48	6 6,752.28	6,752.28
6005.7	G & A UNEMPLOYMENT TAXES	10.88	1,313.23	0.00	1,313.23	
Total Payroll taxes-Program service		19,806.14	9,706.72	7,709.10	17,415.82	
EB31	Accounting fees-Program service					
6050.0	Legal & Acty	23,062.19	11,736.94	0.00	11,736.94	
Total Accounting fees-Program service		23,062.19	11,736.94	0.00	11,736.94	

245,270 -

4593 *

Cont = 190 -
Balc = 465 -

44,610 G & A -
51,715 OFFERS -

8060.51 -

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Crooked River Ranch Water Company
FEDERAL TAX GROUPING - I/S
June 30, 2004

Page: 2
Prepared by: AC7
Reviewed by:

Tax code	Description	Workpaper Reference	Fed Trial 12/31/2003	Unadjusted 6/30/2004	AJE 6/30/2004	Adjusted 6/30/2004
EB41	Interest-Program service					
6200.0	Interest Expense		(115.55)	3,166.55	7 (143.88)	3,022.67
	Total Interest-Program service		(115.55)	3,166.55	(143.88)	3,022.67
EB42	Depreciation-Program service					
5075.0	Depreciation		68,830.00	0.00	4 33,561.50	33,561.50
6095.0	G & A Depreciation		3,076.00	0.00	0.00	0.00
	Total Depreciation-Program service		71,906.00	0.00	33,561.50	33,561.50
EB43.01	Miscellaneous Expense					
5080.0	Misc. Expense		1,449.27	901.00	0.00	901.00
6006.0	Mileage Reimbursement		0.00	71.54	0.00	71.54
6110.0	Automobile Expense		1,476.20	70.88	0.00	70.88
6170.0	Equipment Rental		0.00	8,498.50	3 (8,498.50)	0.00
6999.0	Other Income & Expense		119.44	48.00	0.00	48.00
8010.0	Other Expenses		7,216.51	140.00	0.00	140.00
	Total Miscellaneous Expense		10,261.42	9,729.92	(8,498.50)	1,231.42
EB43.02	Repairs & Maintenance					
5000.0	Repairs & Maintenance		26,310.81	6,794.24	0.00	6,794.24
5005.0	System Repairs & Maintenance		11,517.30	11,123.14	3 (2,596.81)	0.00
					3 (8,526.33)	0.00
5020.0	Small Tools		486.94	291.87	0.00	291.87
5025.0	Shop Supplies		30,801.73	10,167.35	0.00	10,167.35
5030.0	Systems Inventory		76,454.08	12,823.06	0.00	12,823.06
6060.0	G & A Repairs & Maintenance		3,935.49	2,950.72	3 (845.00)	0.00
					3 (1,378.03)	727.69
	Total Repairs & Maintenance		149,506.35	44,150.38	(13,346.17)	30,804.21
EB43.03	Gas, Oil & Diesel					
5010.0	Fuel		10,068.51	3,710.69	0.00	3,710.69
	Total Gas, Oil & Diesel		10,068.51	3,710.69	0.00	3,710.69
EB43.04	Outside Services					
5015.0	Contract Labor		104,757.57	12,121.45	0.00	12,121.45
	Total Outside Services		104,757.57	12,121.45	0.00	12,121.45
EB43.05	Director's Expenses					
6035.0	Director's Expenses		25.00	0.00	0.00	0.00
	Total Director's Expenses		25.00	0.00	0.00	0.00
EB43.06	Water Quality Testing					
5040.0	Water Quality Testing		1,491.00	1,719.25	0.00	1,719.25
	Total Water Quality Testing		1,491.00	1,719.25	0.00	1,719.25

*WORKERS 31,820 -
GIA 115 -*

330 -

30076.52 -

*ROB
8/10/04
R 8/14
R1094*

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8/13/2004 3:07PM

Crooked River Ranch Water Company
FEDERAL TAX GROUPING - I/S
June 30, 2004

Page: 3
Prepared by: AC7
Reviewed by:

Tax code	Description	Workpaper Reference	Fed Trial 12/31/2003	Unadjusted 6/30/2004	AJE 6/30/2004	Adjusted 6/30/2004
EB43.07	Utilities					
5050.0	Utilities		45,497.06	22,528.47	0.00	22,528.47
6040.0	Communications		5,634.68	9,289.26	0.00	9,289.26
7000.0	G & A Utilities		2,969.33	352.80	0.00	352.80
	Total Utilities		54,101.07	32,170.53	0.00	32,170.53
EB43.08	Office Expenses					
6045.0	Office Supplies		14,326.67	6,448.86	0.00	6,448.86
6065.0	Postage		7,778.87	6,506.80	0.00	6,506.80
	Total Office Expenses		22,105.54	12,955.66	0.00	12,955.66
EB43.09	Licenses & Fees					
6070.0	Licenses & Fees		1,206.11	2,267.87	0.00	2,267.87
	Total Licenses & Fees		1,206.11	2,267.87	0.00	2,267.87
EB43.10	Dues & Subscriptions					
6075.0	Dues & Subscriptions		1,938.91	50.00	0.00	50.00
	Total Dues & Subscriptions		1,938.91	50.00	0.00	50.00
EB43.11	Dues & Subscriptions					
6160.0	Dues & Subscriptions		266.00	272.00	0.00	272.00
	Total Dues & Subscriptions		266.00	272.00	0.00	272.00
EB43.12	Insurance Expense					
6180.0	Insurance Expense		11,207.93	14,750.37	0.00	14,750.37
	Total Insurance Expense		11,207.93	14,750.37	0.00	14,750.37
TOTALS			(37,867.64)	(17,588.03)	21,661.54	4,073.51
CF NI (Loss)			20,816.22	13,624.52		(4,073.51)
YTD NI (Loss)			37,867.64	17,588.03		(4,073.51)

9642.00

322.00

RUB
RUB
RUB



John P. Hartigan, CPA

Wesley B. Price III, CPA

Candace S. Fronk, CPA

May 29, 2007

Ms. Jacquelyn R. Rooks
Crooked River Ranch Water Company
P.O. Box 1388
Crooked River Ranch, Oregon 97760

975 SW Colorado
Suite 200
Bend, OR 97702

Tel (541) 382-4791
Fax (541) 388-1124

www.bendcpa.com
email@bendcpa.com

Dear Jacquie:

Attached are the adjusting journal entries and adjusted trial balance for Crooked River Ranch Water Company, for the year ended December 31, 2006. Retained earnings should have a credit balance of \$2,094,825.59 as of January 1, 2007.

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

Very truly yours,

Wesley B. Price, III

WBP:ab

Attachments

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NICHOLS PRICE FRANK & CO LLP
13222
5/11/2009 12:18PM

Crooked River Ranch Water Company
ADDRESS: TRAIL BALANCE REPORT- B/W
March 31, 2005

Page: 3
Prepared by: ACS
Revised by:

Account Description	Worksheet Reference	Adjusted 12/31/2004	Unadjusted 3/31/2005	ADJ 3/31/2005	Adjusted 3/31/2005
1000.0 Petty Cash	W/C	600.00	600.00	0.00	600.00
1005.0 Washington Mutual	AS	10,245.98	35,825.21	3 1,000.00	
				4 (610.00)	35,215.21
1005.1 Assessment Cash	AS	60,000.00	72,320.00	3 (22,320.00)	
				4 2,000.00	69,000.00
1010.0 Community First Bank: Reserve	AF	77,266.19	77,172.73	3 94.00	
				4 2,725.91	79,898.64
1015.0 Columbia River Bank: Reserve	AM	35,843.96	35,260.22	3 583.74	
				4 1,116.25	36,376.47
1020.0 Washington Mutual: Contingency	AM	49,393.17	34,784.26	3 82.31	
				4 (22.31)	34,761.95
1025.0 Cash Line Extension Acct		0.00	0.00	0.00	0.00
1030. Community First - Assessment	AS	47,560.00	47,831.21	4 335.65	47,545.56
1039.0 NSF Checks & Redeposit	CI	0.00	2,933.71	3 (3,013.95)	
				5 (915.70)	-0.95
1100. W/R JR ROOFS	JR.C	705.00	0.00	3 705.00	
				6 (705.00)	
				35 40,010.29	
				31 (25,319.67)	14,678.62
1300.0 Material Inventory	YS	41,201.18	41,201.18	0.00	41,201.18
1500. Land Improvements		0.00	0.00	0.00	0.00
1500.1 Land: General	J1	69,083.60	69,083.60	0.00	69,083.60
1500.2 Land: Commercial Loop	J1	20,700.00	20,700.00	0.00	20,700.00
1500.3 Land: Improvements	J1	7,231.90	7,231.90	0.00	7,231.90
1505.0 Buildings	J1	222,646.70	185,939.67	3 36,699.03	222,646.70
1510.1 Well #2	J1	26,407.11	26,407.11	0.00	26,407.11
1510.2 Well #1	J1	400,811.93	400,811.93	14 1,627.04	402,438.97
1515.0 Water Distribution System	J1	1,372,971.00	1,335,569.19	3 37,403.81	
				10 (47,150.00)	
				12 149,499.52	1,468,621.35
1520.0 Main Reservoir	J1	341,960.38	341,960.38	0.00	341,960.38
1525.0 Cistern & Pumps	J1	206,098.00	206,098.00	0.00	206,098.00
1530.0 Installed Meters	J1	47,849.00	47,849.00	0.00	47,849.00
1535.0 Operations Equipment	J1	370,424.75	377,699.75	3 195,725.00	
				10 15,367.00	
				10 3,848.16	
				15 (135,375.00)	387,264.91
1540.0 Office Equipment	J1	53,677.16	51,208.16	3 2,469.00	
				10 (3,848.16)	
				14 521.99	
				14 3,995.00	
				17 (14,873.00)	46,883.99
1545.0 VEHICLES	J1	0.00	0.00	10 52,483.00	
				11 39,837.47	
				11 (2,350.00)	70,036.47
1550.0 Construction In Progress	J1	26,547.00	36,633.04	3 (10,145.22)	
				12 19,932.66	46,487.49
1550.0 Accumulated Depreciation	J1	(1,371,572.00)	(1,389,346.00)	3 (83,226.00)	
				12 2,350.00	
				13 (92,197.00)	
				15 19,139.00	
				17 14,369.00	(1,429,421.00)
2000.0 Accounts Payable		0.00	10,834.69	3 (275.47)	
				11 (10,559.22)	0.00
2005.0 Payroll Liabilities	PA	(152.16)	10,763.79	3 (12,007.33)	
				10 273.64	0.00
2005.1 Fed. Income Tax Payable		0.00	0.00	0.00	0.00
2005.2 FICA Withhold		0.00	0.00	0.00	0.00
2005.3 FICA Employer		0.00	0.00	0.00	0.00
2005.5 FUTA		0.00	0.00	0.00	0.00
2005.6 SUTA		0.00	0.00	0.00	0.00
2005.7 OR UNEMPLOYMENT		0.00	37.97	3 (130.24)	
				8 32.32	0.00
2015.0 Child Support	WAS	0.00	(570.00)	3 273.60	(296.40)
2020.0 Line Extension Deposits		0.00	0.00	0.00	0.00
2000.0 Rainier Note		0.00	0.00	0.00	0.00

HARRISON PRICE FROCK & CO LLP
1722
5/11/2007 12:37PM

Crooked River Ranch Water Company
ADJUSTED TRIAL BALANCE REPORT - 9/5
March 31, 2006

Page: 3
Prepared by: ACS
Reviewed by:

Account Description	Worksheet Reference	Adjusted 12/31/2005	Unadjusted 3/31/2006	ARE 3/31/2006	Adjusted 3/31/2006
2505.0 Commercial Building Note	02	(60,741.53)	(48,279.80)	3 1,430.87	
				7 2,482.30	(44,367.63)
2506.0 W/P excavator	02	(107,360.72)	0.00	3 (107,360.72)	
				7 8,671.03	
				15 50,469.68	(0.00)
2510.0 W/P Auto		0.00	0.00		0.00
2510.1 W/P 2005 Chevy PU	03	0.00	5,838.00	31 (30,321.17)	(24,473.17)
3000.0 General Fund Balance	21	(1,582,333.64)	(1,535,946.66)	1 (346,671.86)	(1,582,333.64)
3005.0 Building Fund Balance	21	(378,891.00)	(321,053.00)	1 (109,879.00)	(320,670.00)
3010.0 Contingency Fund	22	(48,937.00)	(48,073.00)	1 (1,320.00)	(45,393.00)
3020.0 Contributed Capital		0.00	0.00		0.00
3900.0 Retained Earnings		0.00	(267,055.40)	1 257,588.85	
				2 60,000.00	
				3 (63,402.30)	
				3 (705.00)	
				3 13,573.84	0.00
TOTALS		142,339.85	(15,505.74)	159,329.81	142,821.07
CF BY (less)		142,339.85	(15,505.74)		142,821.07
YTD BY (less)		142,339.85	(15,505.74)		142,821.07

HARRISAN PRICE FRANK & CO LLP
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5/13/2009 12:57PM

Crooked River Ranch Water Company
ADJUSTED TRIAL BALANCE REPORT - 2/S
March 31, 2008

Page: 3
Prepared by: AMS
Revised by:

Account Description	Workpaper Reference	Adjusted 12/31/2008	Unadjusted 3/31/2008	ASB 3/31/2008	Adjusted 3/31/2008
4000.0 Meter Meter Sales		0.00	0.00	0.00	0.00
4000.1 Meter Meter Sales - METERED		(535,897.63)	(583,333.76)	16 (24,643.21)	(615,656.97)
4005. Other Income		(575.00)	0.00	0.00	0.00
4005.1 Meter Meter Sales - OTHER		(31,180.49)	0.00	0.00	0.00
4005.2 Reimbursement - RM		(19,967.70)	(14,576.16)	16 (15,963.67)	
4005.3 Reimbursement - Shop Supplies		0.00	0.00	18 25,239.67	(5,199.04)
4005.4 Reconnect Fees		(5,076.85)	(270.00)	0.00	(270.00)
4005.5 Inventory		(2,630.30)	(22,201.72)	16 15,862.57	(7,239.15)
4005.6 Labor		(2,091.95)	(1,086.00)	0.00	(1,086.00)
4005.7 Construction Income		(59,146.00)	(42,677.13)	12 (131.44)	
4005.8 Miscellaneous		(2,832.00)	(130.00)	7 (534.52)	(1,059.52)
4010.0 Connection Fees		(31,363.18)	(36,696.00)	16 696.00	
4015.0 Special Assessment Income		(134,402.13)	(62,055.16)	16 22,225.00	(13,775.00)
				4 (3,000.00)	
				5 919.76	
				15 (2,431.15)	
				16 (1,095.48)	
				16 (696.00)	
				16 (7,442.69)	(145,420.62)
5000.0 Repairs & Maintenance		33,829.55	55,521.44	7 (10,727.35)	49,094.09
5005.0 System Repairs & Maintenance		0.00	23,744.90	12 (11,806.51)	
5005.1 System RM - Well #2		546.00	0.00	0.00	0.00
5005.2 System RM - Other		0.00	0.00	0.00	0.00
5005.3 System RM - System Extension		0.00	0.00	0.00	0.00
5010.0 Fuel		19,817.05	17,800.90	0.00	17,800.90
5015.0 Contractor Labor		4,339.06	6,216.31	0.00	6,216.31
5016.0 outside services		4,500.14	0.00	0.00	0.00
5020.0 Small Tools		5,457.72	4,760.38	0.00	4,760.38
5025.0 Shop Supplies		32,743.12	42,326.98	0.00	42,326.98
5030.0 Systems Inventory		45,816.76	111,105.30	9 (9,094.47)	
				0 (2,024.35)	
				12 (80,713.10)	
				16 2,031.25	22,254.03
5040.0 Water Quality Testing		5,984.00	2,051.00	0.00	2,051.00
5050.0 Utilities		45,847.98	40,857.79	0.00	40,857.79
5055.0 Operations Payroll		(1,695.00)	0.00	0.00	0.00
5060.0 Operations Payroll Taxes		7,424.27	0.00	0.00	0.00
5065.0 Worker's Comp		6,883.00	10,453.44	0.00	10,453.44
5070.0 Operations employee Benefits		0.00	0.00	0.00	0.00
5075.0 Depreciation		83,226.00	0.00	13 23,857.00	33,857.00
5080.0 Misc. Expense		1,943.93	(1,048.48)	11 (164.43)	
				16 1,085.48	(147.43)
6000.0 G & A Payroll		0.00	0.00	0.00	0.00
6000.1 Manager's Salary		0.00	0.00	0.00	0.00
6005.0 G & A Payroll Taxes	CC1	10,894.01	0.00	2 25,329.98	
				12 (5,906.64)	19,423.30
6005.7 G & A UNEMPLOYMENT TAXES		1,200.15	3,060.10	8 (3,060.10)	0.00
6006.0 Mileage Reimbursement		0.00	0.00	0.00	0.00
6015.0 G & A Employee Benefits		19,524.10	24,028.73	0.00	24,028.73
6035.0 Director's Expense		188.39	483.61	0.00	483.61
6040.0 Communications		17,079.80	15,536.60	14 (9,995.00)	5,541.60
6043.0 education		938.50	0.00	9 530.98	530.98
6043. BANK CHARGES		0.00	0.00	4 444.54	444.54
6045.0 Office Supplies		22,045.20	19,574.48	6 705.00	
				12 (10.92)	
				16 (521.99)	19,746.57
6050.0 Legal & Arch		23,457.64	45,021.28	0.00	45,021.28
6060.0 G & A Repairs & Maintenance		5,486.11	3,891.48	0.00	3,891.48
6060.1 G&A - Office Equipment		0.00	0.00	- 0.00	0.00
6060.2 G&A - Building - Office		3,438.04	0.00	9 4,966.04	4,966.04
6060.3 G&A - Building - Shop		0.00	0.00	0.00	0.00

HARRISON PRICE FRANK & CO LLP
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5/31/2007 12:27PM

Crooked River Ranch Water Company
ADJUSTED TRIAL BALANCE REPORT- 1/3
March 31, 2006

Page 2
Prepared by: ACS
Reviewed by:

Account Description	Worksheet Reference	Adjusted 12/31/2005	Unadjusted 3/31/2006	ADJ 3/31/2006	Adjusted 3/31/2006
6062.0 CAR - Staff Conferences		2,168.89	183.75	0.00	183.75
6065.0 Postage		10,441.14	6,372.67	0.00	6,372.67
6070.0 Licenses & Fees		1,786.32	1,456.86	0.00	1,456.86
6075.0 Dues & Subscriptions		527.78	1,035.50	0.00	1,035.50
6095.0 G & A Depreciation		0.00	0.00	0.00	0.00
6130.0 Automobile Expense		786.40	0.00	9 3,506.65	3,506.65
6130.0 Cash Discounts		0.00	0.00	0.00	0.00
6140.0 CONTRIBUTIONS		0.00	0.00	0.00	0.00
6150.0 Dues & Subscriptions		795.65	508.00	0.00	508.00
6170.0 Equipment Rental		25,770.00	0.00	0.00	0.00
6170. MEALS/MEETINGS		0.00	0.00	3 2,024.35	2,024.35
6180.0 Insurance Expense		10,109.74	14,274.27	0.00	14,274.27
6300.0 Interest Expense		6,664.01	5,897.62	7 (2,441.30)	
				7 934.82	
				7 2,035.32	
				11 1,187.35	7,544.51
6550.0 G & A Payroll Expenses	CC1	229,340.50	320,411.44	9 (22,575.74)	
				12 (65,079.48)	227,756.46
6999.0 Other Income & Expense		0.00	0.00	0.00	0.00
7000.0 G & A Utilities		892.90	1,052.16	0.00	1,052.16
7010.0 Interest Income	AA1	(1,586.00)	(714.53)	4 (125.65)	
				4 (1,126.89)	
				6 (2,209.45)	(4,277.38)
8010.0 Other Expenses		610.53	1,232.60	6 82.31	
				4 640.00	1,004.81
8030.0 GAIN/LOSS ON SALE OF ASSETS	AA3	0.00	0.00	15 (21,467.97)	
				17 504.00	(21,947.97)
8999.0 Suspense		0.00	0.00	0.00	0.00
TOTALS		(142,339.86)	15,809.74	(258,329.83)	(149,824.07)
CP HY (Loss)		141,339.86	(15,809.74)		142,824.07
YTD HY (Loss)		242,339.86	(25,809.74)		242,824.07

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5/11/2007 22:27PM

Crooked River Ranch Water Company
Journal Entries Report - Adjusting Entries
March 31, 2006

Page 1
Prepared by: ACS
Reviewed by:

Entry #	Balance	Account Description	Workpaper	Debit	Credit
AJE 1	Posted	3090.0 General Fund Balance 3085.0 Building Fund Balance 3010.0 Contingency Fund 5900.0 Retained Earnings TO ADJUST FUND BALANCES TO ACTUAL.	01	257,538.06	146,692.85 109,577.00 1,330.00
AJE 2	Posted	3900.0 Retained Earnings 4015.0 Special Assessment Income TO ADJUST FOR BACKDATED INCOME.	02	60,000.00	60,000.00
AJE 3	Posted	1505.0 Buildings 1515.0 Water Distribution System 1535.0 Operations Equipment 1540.0 Office Equipment 1550.0 Construction In Progress 1590.0 Accumulated Depreciation 2000.0 Accounts Payable 2005.7 OR UNEMPLOYMENT 2005.0 Payroll Liabilities 2015.0 CHRM Supplies 2025.0 Commercial Building Rate 2035.0 H/P excavator 3900.0 Retained Earnings 1100.0 N/R OR BOOKS 3900.0 Retained Earnings 1005.0 Washington Mutual 1005.1 Assessment Cash 1010.0 Community First Bank Reserve 1015.0 Columbia River Bank Reserve 1020.0 Washington Mutual Contingency 1030.0 NSF Checks & Redeposit 3900.0 Retained Earnings TO RECORD YEAR END INTEREST NOT RECORDED BY CLIENT.	23	36,630.00 37,402.81 135,725.00 3,350.00 223.60 1,430.87 705.00 1,000.00 94.05 583.24 15.31 17,573.94	10,145.23 43,226.00 276.47 330.29 11,057.33 107,160.71 63,491.30 705.00 12,320.00 94.05 583.24 15.31 1,013.95
AJE 4	Posted	1020.0 Washington Mutual Contingency 8010.0 Other Expenses 1005.0 Washington Mutual 8010.0 Other Expenses 1010.0 Community First - Assessment 7010.0 Interest Income 1015.0 Columbia River Bank Reserve 7010.0 Interest Income 3005.1 Assessment Cash 4015.0 Special Assessment Income 1010.0 Community First Bank Reserve 6043.0 BANK CHECKS 7010.0 Interest Income TO ADJUST CASH BALANCES TO ACTUAL.	A H/PS	82.31 640.00 115.85 1,116.55 9,000.00 1,755.91 144.54	82.31 640.00 115.85 1,116.55 9,000.00 1,755.91 2,200.45
AJE 5	Posted	1030.0 NSF Checks & Redeposit 4015.0 Special Assessment Income TO WRITE OFF UNCOLLECTIBLE NSF CHECKS.	03	319.76	319.76
AJE 6	Posted	1100.0 N/R OR BOOKS 6045.0 Office Supplies TO ADJUST N/R FOR PAYMENT.	09.6	705.00	705.00
AJE 7	Posted	2505.0 Commercial Building Rate 6200.0 Interest Expense 4005.0 Miscellaneous 6200.0 Interest Expense 2505.0 H/P excavator 6200.0 Interest Expense 5000.0 Repairs & Maintenance TO ADJUST NOTE PAYABLE AND INTEREST EXPENSE TO ACTUAL.	04	2,481.30 314.52 4,452.03 2,006.32	2,481.30 594.52 70,727.95
AJE 8	Posted	6005.0 G & A Payroll Taxes 2005.0 Payroll Liabilities 2005.7 OR UNEMPLOYMENT TAXES 6005.7 G & A UNEMPLOYMENT TAXES 4560.0 G & A Payroll Expenses TO ADJUST PAYROLL EXPENSES TO ACTUAL PER OR DETAIL AND RECLASS TAXES TO ONE ACCOUNT FOR EASE OF CALCULATION.	001	25,529.98 270.54 32.32	3,450.10 22,575.74
AJE 9	Posted	6042.0 education 6110.0 Automobile expense 6040.2 GAS - Building - Diffra 5030.0 Systems Inventory 6170.0 PARTS/ACCESSORIES 5030.0 Systems Inventory TO ADJUST CREDIT CARD EXPENSES TO PROPER EXPENSE ACCOUNTS.	003	530.58 3,506.65 4,966.84 2,624.35	9,006.47 2,076.35
AJE 10	Posted	1515.0 Water Distribution System 1545.0 VEHICLES 1535.0 Operations Equipment 1540.0 Office Equipment 1535.0 Operations Equipment TO ADJUST ASSET ACCOUNTS TO EASILY TIE TO INCOME.	J	32,143.00 15,307.00 1,848.16	47,650.00 2,848.16
AJE 11	Posted	1545.0 VEHICLES 2000.0 Accounts Payable 2510.1 N/P 2006 Chevy PU 6200.0 Interest Expense 1590.0 Accumulated Depreciation 1545.0 VEHICLES 5000.0 Misc. Expense TO RECORD TRADE IN OF FORD TRUCK FOR PURCHASE OF CHEVY SILVERADO, AND RECORD RELATED NOTE PAYABLE TO GMAC.	03	39,037.47 1,357.35 2,350.00	10,559.22 20,211.27 2,350.00 284.43

BARRINGTON PRICE FROCK & CO LLP
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5/11/2007 12:27PM

Crooked River Ranch Water Company
Journal Voucher Report - Adjusting Entries
March 31, 2006

Page: 2
Prepared by: ACS
Reviewed by:

Entry #	Status	Account Description	Wackespe	Debit	Credit		
AJE 12	Posted	1815.0 Water Distribution System	26	143,498.55			
		1550.0 Construction In Process		19,937.65			
		4045.7 Construction Income			133.44		
		5043.0 System Repairs & Maintenance			11,506.91		
		5025.0 System Repairs & Maintenance			103.69		
		6040.0 System Inventory			80,713.10		
		6045.0 Office Supplies			20.92		
		6360.0 G & A Payroll Expenses			65,079.48		
		6065.0 G & A Payroll Taxes			5,967.48		
		TO CAPITALIZE EXTENSION PROJECTS.					
		AJE 13	Posted	1550.0 Accumulated Depreciation	31		93,897.00
				6075.0 Depreciation		93,897.00	
TO RECORD CURRENT YEAR DEPRECIATION EXPENSE.							
AJE 14	Posted	6045.0 Office Supplies	01		521.99		
		1540.0 Office Equipment		521.99			
		5025.0 System Repairs & Maintenance			1,523.60		
		1510.2 Well #1		1,523.60			
		1540.0 Office Equipment		9,995.00			
6040.0 Communications			9,995.00				
TO CAPITALIZE ASSETS.							
AJE 15	Posted	1100.0 W/R JR BOOKS	39.4	40,011.29			
		1510.0 Accumulated Depreciation		19,339.00			
		1535.0 Operations Equipment			135,375.00		
		2336.0 W/R accounts		98,469.48			
		8030.0 GAIN/LOSS ON SALE OF ASSETS			22,451.97		
TO RECORD DISPOSITION OF EXCAVATOR AND RELATED BOOK PAYABLE.							
AJE 16	Posted	4015.0 Special Assessment Income	AAZ/CP.5		7,932.15		
		5040.0 System Inventory		2,621.15			
		5040.0 Misc. Expense		1,085.48			
		4015.0 Special Assessment Income			1,085.48		
		4010.0 Connections Fees		696.00			
		4015.0 Special Assessment Income			696.00		
		4015.0 Special Assessment Income			7,462.39		
		4010.1 WATER HYDR. SALES - WATKIND			31,543.21		
		4045.5 Inventory		15,962.67			
		4045.7 Construction Income		20,600.89			
4010.0 Connections Fees		21,226.60					
4045.2 Restorations - RM			15,962.67				
TO ADJUST ASSESSMENT INCOME.							
AJE 17	Posted	1510.0 Office Equipment	01		24,473.00		
		1530.0 Accumulated Depreciation		24,369.00			
		8030.0 GAIN/LOSS ON SALE OF ASSETS		504.00			
TO DISPOSE OF ASSETS.							
AJE 18	Posted	1100.0 W/R JR BOOKS	39.6		25,339.67		
		4045.2 Restorations - RM		25,339.67			
TO RECORD PAYMENTS ON NOTE RECEIVABLE.							
TOTALS				1,299,904.49	1,299,904.49		



John P. Hartigan, CPA
Wesley B. Price III, CPA
Candace S. Fronk, CPA

November 4, 2008

Ms. Jacquelyn R. Rooks
Crooked River Ranch Water Cooperative
P.O. Box 1388
Crooked River Ranch, OR 97760

Dear Jacque:

Attached are the adjusting journal entries and adjusted trial balance for Crooked River Ranch Water Cooperative, for the year ended December 31, 2007. Fund accounts should have the following credit balances at January 1, 2008:

975 SW Colorado
Suite 200
Bend, OR 97702

Tel (541) 382-4791
Fax (541) 388-1124

www.bendcpa.com
email@bendcpa.com

- General Fund \$1,808,368.19
- Building Fund 288,087.34
- Contingency Fund 35,567.64

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

Very truly yours,

Wesley B. Price, III

WBP:mmk
Attachments

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HARRIGAN PRICE FRANK & CO LLP
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2/22/2008 2:48PM

CROOKED RIVER RANCH WATER CO
ADJUSTED TRIAL BALANCE REPORT- B/S
December 31, 2007

Page: 1
Prepared by: ACS
Reviewed by:

Account Description	Worksheet Reference	Adjusted 12/31/2006	Unadjusted 12/31/2007	AJE 12/31/2007	Adjusted 12/31/2007
1000.0 Petty Cash	A	600.00	600.00	0.00	600.00
1005.0 Washinton Mutual	A	36,186.23	50,071.75	0.00	50,071.75
1005.1 Assessment Cash	A	69,000.00	115,964.51	7 (68,964.51)	48,000.00
1010.0 Community First Bank: Reserve	A	79,022.10	79,022.10	10 4,452.95	83,475.05
1015.0 Columbia River Bank: Reserve	A	36,960.51	37,844.23	3 614.96	38,459.19
1020.0 Washington Mutual: Contingency	A	34,784.26	35,567.64	0.00	35,567.64
1025.0 Cash Line Extension Acct		0.00	0.00	0.00	0.00
1030. Community First - Assessment	A	47,946.86	118,153.10	0.00	118,153.10
1090.0 NSF Checks & Redeposit		0.00	1,010.85	14 (1,010.85)	0.00
1100. N/R JR ROCKS	CI	14,678.62	18,271.32	1 (3,592.70)	
				5 (12,350.00)	2,328.62
1300.0 Material Inventory	E1	41,201.18	41,201.18	0.00	41,201.18
1500.. Land Improvements		0.00	0.00	0.00	0.00
1500.1 Land: General	J1	69,083.60	69,083.60	0.00	69,083.60
1500.2 Land: Commercial Loop	J1	20,100.00	20,100.00	0.00	20,100.00
1500.3 Land Improvements	J1	7,231.90	7,231.90	0.00	7,231.90
1505.0 Buildings	J1	222,646.70	222,646.70	6 14,065.42	236,712.12
1510.1 Well #2	J1	26,407.11	26,407.11	0.00	26,407.11
1510.2 Well #3	J1	402,334.93	402,334.93	0.00	402,334.93
1515.0 Water Distribution System	J1	1,468,621.55	1,468,621.55	0.00	1,468,621.55
1520.0 Main Reservoir	J1	341,960.38	341,960.38	0.00	341,960.38
1525.0 Cistern & Pumps	J1	206,098.00	206,098.00	0.00	206,098.00
1530.0 Installed Meters	J1	47,849.00	47,849.00	17 10,677.50	58,526.50
1535.0 Operations Equipment	J1	257,264.91	257,264.91	16 8,100.00	265,364.91
1540.0 Office Equipment	J1	46,883.99	46,883.99	13 (5,625.00)	41,258.99
1545.0 VEHICLES	J1	70,030.47	70,030.47	19 14,840.11	84,870.58
1550.0 Construction In Process	J1	46,481.49	46,481.49	0.00	46,481.49
1590.0 Accumulated Depreciation	J1	(1,429,411.00)	(1,429,411.00)	9 (89,209.00)	
				13 5,378.00	(1,513,242.00)
1650.0 LT DEPOSITS	K1	0.00	0.00	15 2,000.00	2,000.00
2000.0 Accounts Payable	01	0.00	21,208.67	1 (20,594.78)	
				2 (613.89)	0.00
2005.0 Payroll Liabilities		0.00	847.78	4 (847.78)	0.00
2005.1 Fed. Income Tax Payable		0.00	0.00	0.00	0.00
2005.2 FICA Withheld		0.00	0.00	0.00	0.00
2005.3 FICA Employer		0.00	0.00	0.00	0.00
2005.5 FUTA		0.00	0.00	0.00	0.00
2005.6 SUTA		0.00	0.00	0.00	0.00
2005.7 OR UNEMPLOYMENT		0.00	849.74	4 (849.74)	0.00
2015.0 Child Support		(296.40)	(296.40)	4 296.40	0.00
2020.0 Line Extension Deposits		0.00	0.00	0.00	0.00
2500.0 Reinks Note		0.00	0.00	0.00	0.00
2505.0 Commercial Building Note	N1	(44,367.63)	(30,196.11)	11 839.26	(29,356.85)
2506.0 N/P excavator		0.00	0.00	0.00	0.00
2510.0 N/P Autos		0.00	0.00	0.00	0.00
2510.1 N/P 2006 Chevy EV	N2	(24,473.17)	(18,114.95)	12 (2,171.62)	(20,286.57)
3000.0 General Fund Balance	Z1	(1,681,938.52)	(1,702,722.75)	1 (124,389.11)	(1,827,111.86)

HARRIGAN PRICE FRONK & CO LLP
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2/22/2008 2:48PM

CROOKED RIVER RANCH WATER CO
ADJUSTED TRIAL BALANCE REPORT- B/S
December 31, 2007

Page: 2
Prepared by: AC5
Reviewed by:

***** Description	Worksheet Reference	Adjusted 12/31/2006	Unadjusted 12/31/2007	AJE 12/31/2007	Adjusted 12/31/2007
3005.0 Building Fund Balance	E1	(220,670.00)	(220,670.00)	1 (12,259.47)	(232,929.47)
3010.0 Contingency Fund	Z1	(49,393.00)	(50,780.84)	1 15,996.58	(34,784.26)
3020.0 Contributed Capital		0.00	0.00	0.00	0.00
3900.0 Retained Earnings		0.00	(144,839.48)	1 144,839.48	0.00
TOTALS		142,824.07	157,575.37	(120,377.79)	37,197.58
YTD NI (Loss)		142,824.07	157,575.37		37,197.58

HARRIGAN PRICE FRONK & CO LLP
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2/22/2008 2:48PM

CROOKED RIVER RANCH WATER CO
ADJUSTED TRIAL BALANCE REPORT - I/S
December 31, 2007

Page: 1
Prepared by: ACS
Reviewed by:

Account Description	Workpaper Reference	Adjusted 12/31/2006	Unadjusted 12/31/2007	AJE 12/31/2007	Adjusted 12/31/2007
4000.0 Meter Water Sales		0.00	(31,039.78)	0.00	(31,039.78)
4000.1 METER WATER SALES - METERED		(615,656.97)	0.00	0.00	0.00
4005. Other income		0.00	(3,519.82)	8 34.00	(3,485.82)
4005.1 Meter Water Sales - OTHER		0.00	(555,291.72)	0.00	(555,291.72)
4005.2 Reimbursement - R&M		(5,199.06)	(15,801.61)	5 12,350.00	(3,451.61)
4005.3 Reimbursement - Shop Supplies		0.00	0.00	0.00	0.00
4005.4 Reconnect Fees		(270.00)	0.00	0.00	0.00
4005.5 Inventory		(7,239.15)	(1,539.08)	0.00	(1,539.08)
4005.6 Labor		(1,080.86)	(92.97)	0.00	(92.97)
4005.7 Construction Income		(22,787.76)	(18,045.92)	0.00	(18,045.92)
4005.9 Miscellaneous		(1,054.52)	(514.48)	0.00	(514.48)
4010.0 Connections Fees		(13,775.00)	(8,148.00)	0.00	(8,148.00)
4015.0 Special Assessment Income		(142,430.62)	(203,619.69)	7 68,964.51	(135,644.33)
				14 1,810.85	(135,644.33)
5000.0 Repairs & Maintenance		49,094.09	62,904.66	16 (8,100.00)	39,964.55
				19 (14,840.11)	6,387.98
5005.0 System Repairs & Maintenance		8,611.31	17,065.48	17 (10,677.50)	6,387.98
5005.2 System R&M - Well #2		0.00	0.00	0.00	0.00
5005.5 System R&M - Other		0.00	0.00	0.00	0.00
5005.6 System R&M - System Extension		0.00	0.00	0.00	0.00
5010.0 Fuel		17,900.90	13,044.23	0.00	13,044.23
5015.0 Contract Labor		6,210.11	7,158.83	0.00	7,158.83
5016.0 outside services		0.00	0.00	0.00	0.00
5020.0 Small Tools		4,760.18	191.51	0.00	191.51
5025.0 Shop Supplies		42,326.98	13,378.93	0.00	13,378.93
5030.0 Systems Inventory		22,254.53	45,936.89	0.00	45,936.89
5040.0 Water Quality Testing		2,051.00	4,392.40	0.00	4,392.40
5050.0 Utilities		48,857.79	51,386.00	0.00	51,386.00
5055.0 Operations Payroll		0.00	0.00	0.00	0.00
5060.0 Operations Payroll Taxes	CC1	0.00	7,592.04	0.00	7,592.04
5065.0 Worker's Comp		10,453.44	5,270.56	0.00	5,270.56
5070.0 Operations employee Benefits		0.00	0.00	0.00	0.00
5075.0 Depreciation	J1	93,897.00	0.00	9 89,209.00	89,209.00
5080.0 Misc. Expense		(147.43)	58.00	0.00	58.00
6000.0 G & A Payroll		0.00	1,284.92	0.00	1,284.92
6000.1 Manager's Salary		0.00	0.00	0.00	0.00
6005.0 G & A Payroll Taxes	CC1	19,423.30	(761.49)	4 1,401.12	24,139.91
				18 23,500.28	24,139.91
6005.7 G & A UNEMPLOYMENT TAXES		0.00	0.00	0.00	0.00
6006.0 Mileage Reimbursement		0.00	0.00	0.00	0.00
6015.0 G & A Employee Benefits		24,028.73	21,734.66	0.00	21,734.66
6035.0 Director's Expenses		189.61	281.71	0.00	281.71
6040.0 Communications		5,541.60	5,826.88	0.00	5,826.88
6042.0 education		530.98	0.00	0.00	0.00
6043. BANK CHARGES		444.54	0.00	0.00	0.00
6045.0 Office Supplies		19,748.57	15,616.52	0.00	15,616.52
6050.0 Legal & Actg		45,024.28	72,791.93	2 613.89	73,405.82

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CROOKED RIVER RANCH WATER CO
ADJUSTED TRIAL BALANCE REPORT- 1/5
December 31, 2007

Page: 2
Prepared by: ACS
Reviewed by:

***** Description	Workpaper Reference	Adjusted 12/31/2006	Unadjusted 12/31/2007	AJE 12/31/2007	Adjusted 12/31/2007
6060.0 G & A Repairs & Maintenance		3,891.48	186.99	0.00	186.99
6060.1 G&A - Office Equipment		0.00	4,478.61	0.00	4,478.61
6060.2 G&A - Building - Office		4,966.84	15,286.16	6 (14,065.42)	1,220.74
6060.3 G&A - Building - Shop		0.00	52.33	0.00	52.33
6062.0 G&A - Staff Conferences		183.75	195.85	0.00	195.85
6065.0 Postage		6,372.87	9,140.12	0.00	9,140.12
6070.0 Licenses & Fees		1,458.86	2,807.57	0.00	2,807.57
6075.0 Dues & Subscriptions		1,038.50	2,420.36	0.00	2,420.36
6095.0 G & A Depreciation		0.00	0.00	0.00	0.00
6110.0 Automobile Expense		3,506.65	0.00	0.00	0.00
6130.0 Cash Discounts		0.00	0.00	0.00	0.00
6140.0 CONTRIBUTIONS		0.00	0.00	0.00	0.00
6160.0 Dues & Subscriptions		508.00	0.00	0.00	0.00
6170.0 Equipment Rental		0.00	75.00	0.00	75.00
6179. MEALS/MEETINGS		2,024.35	0.00	0.00	0.00
6180.0 Insurance Expense		14,134.27	18,212.16	0.00	18,212.16
6200.0 Interest Expense	NI	7,544.51	3,618.70	11 (839.26)	
				12 2,171.62	4,951.06
6560.0 G & A Payroll Expenses	CCI	222,756.46	280,280.48	18 (23,500.29)	256,780.20
6999.0 Other Income & Expense		0.00	2,025.00	15 (2,000.00)	25.00
7000.0 G & A Utilities		1,052.16	919.35	0.00	919.35
7010.0 Interest Income		(4,177.18)	(2,915.64)	3 (614.95)	
				8 (34.00)	
				10 (4,452.95)	(8,017.55)
8010.0 Other Expenses		1,854.81	100.00	0.00	100.00
8030.0 GAIN/LOSS ON SALE OF ASSETS		(21,947.97)	0.00	13 247.00	247.00
9999.9 Suspense		0.00	0.00	0.00	0.00
TOTALS		(142,824.07)	(157,575.37)	120,377.79	(37,197.58)
YTD NI (Loss)		142,824.07	157,575.37		37,197.58

HARRIGAN PRICE FRONK & CO LLP
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CROOKED RIVER RANCH WATER CO
Journal Entries Report - Adjusting Entries
December 31, 2007

Page: 1
Prepared by: ACS
Reviewed by:

Entry #	Status	Account Description	Workpage	Debit	Credit
AJE 1	Posted	3000.0 General Fund Balance 3005.0 Building Fund Balance 3010.0 Contingency Fund 3900.0 Retained Earnings 2000.0 Accounts Payable 1100. N/R JR ROCKS TO ADJUST EQUITY BALANCES TO ACTUAL.	Z2	15,996.58 144,839.48	124,389.11 12,259.47 20,594.78 3,592.70
AJE 2	Posted	2000.0 Accounts Payable 6050.0 Legal & Actg TO CLEAR A/P BALANCE.	01	613.89	613.89
AJE 3	Posted	1015.0 Columbia River Bank: Reserve 7010.0 Interest Income TO ADJUST CRB BALANCES TO ACTUAL.	A3	614.96	614.96
AJE 4	Posted	2005.0 Payroll Liabilities 2005.7 OR UNEMPLOYMENT 8005.0 G & A Payroll Taxes 2015.0 Child Support TO ADJUST PAYROLL LIABILITIES TO ACTUAL.		1,401.32 296.40	847.78 849.74
AJE 5	Posted	4005.2 Reimbursement - REM 1100. N/R JR ROCKS TO RECORD PAYMENTS ON SHAREHOLDER N/R.	C1.1	12,350.00	12,350.00
AJE 6	Posted	6060.2 SEA - Building - Office 1505.0 Buildings TO CAPITALIZE OFFICE EXTENSION AND IMPROVEMENTS.	J2	14,065.42	14,065.42
AJE 7	Posted	1005.1 Assessment Cash 4015.0 Special Assessment Income TO ADJUST ASSESSMENT CASH ACCOUNT TO ACTUAL.	A5	68,964.51	68,964.51
AJE 8	Posted	4005. Other Income 7010.0 Interest Income TO RECORD RECEIPT OF TELEPHONE TAX REFUND INTEREST INCOME.	AA1	34.00	34.00
AJE 9	Posted	1590.0 Accumulated Depreciation 5075.0 Depreciation TO RECORD CURRENT YEAR DEPRECIATION EXPENSE.	J1	89,209.00	89,209.00
AJE 10	Posted	1010.0 Community First Bank: Reserve 7010.0 Interest Income TO RECORD INTEREST INCOME ON COMMUNITY FIRST CBS.	A6	4,452.95	4,452.95
AJE 11	Posted	2505.0 Commercial Building Note 6200.0 Interest Expense TO ADJUST COMMERCIAL BUILDING NOTE TO ACTUAL.	N1	839.26	839.26
AJE 12	Posted	2510.1 N/P 2006 Chevy BU 6200.0 Interest Expense TO ADJUST N/P CHEVY TO ACTUAL AND RECORD 2007 INTEREST EXPENSE.	N2	2,171.62	2,171.62
AJE 13	Posted	1540.0 Office Equipment 1590.0 Accumulated Depreciation 8030.0 GAIN/LOSS ON SALE OF ASSETS TO RECORD DISPOSITION OF FIXED ASSETS.	J1	5,378.00 247.00	5,625.00
AJE 14	Posted	1090.0 NSF Checks & Redeposit 4015.0 Special Assessment Income TO CLEAR NSF CHECK ACCOUNT.	V2.1	1,010.85	1,010.85

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2/22/2008 2:48PM

CROOKED RIVER RANCH WATER CO
Journal Entries Report : Adjusting Entries
December 31, 2007

Page: 2
Prepared by: AC5
Reviewed by:

Entry # Status	Account Description	Workpaper	Debit	Credit
AJE 15 Posted	1650.0 LT DEPOSITS 6999.0 Other Income & Expense TO RECLASS SURETY DEPOSIT FOR DUMP TRUCK.	K1	2,000.00	2,000.00
AJE 16 Posted	1535.0 Operations Equipment 5000.0 Repairs & Maintenance TO CAPITALIZE BOOM LIFT.	J4 - J5	8,100.00	8,100.00
AJE 17 Posted	5005.0 System Repairs & Maintenance 1530.0 Installed Meters TO CAPITALIZE INSTALLED METERS AT PENINSULA AND NEW FIRE HALL.	J5	10,677.50	10,677.50
AJE 18 Posted	6560.0 G & A Payroll Expenses 6085.0 G & A Payroll Taxes TO RECLASS PAYROLL TAXES.	CCI	23,500.28	23,500.28
AJE 19 Posted	5080.0 Repairs & Maintenance 1545.0 VEHICLES TO CAPITALIZE NEW ENGINE.	J7	14,840.11	14,840.11
TOTALS			421,602.93	421,602.93



ACCOUNTANTS' REPORT

John P. Harrigan, CPA
Wesley B. Price III, CPA
Candace S. Fronk, CPA

To the Board of Directors
Crooked River Ranch Water Cooperative
Crooked River Ranch, Oregon

We have compiled the accompanying statement of financial position – modified cash basis of Crooked River Ranch Water Cooperative, as of December 31, 2007, and the related statements of activities – modified cash basis, cash flows – modified cash basis and supplementary information for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles of the United States of America. Information for the year ended December 31, 2006, is presented for comparative purposes only and was extracted from the financial statements presented by fund for that year which were compiled by us on May 11, 2007.

975 SW Colorado
Suite 200
Bend, OR 97702

Tel (541) 382-4791
Fax (541) 388-1124

www.bendcpa.com
email@bendcpa.com

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The water delivery assets acquired from the beginning of operations in 1975 to 1991 are stated at their 1991 appraised value. The modified cash basis of accounting requires that such assets be stated at cost. It is not possible to determine the difference in the stated amounts of the assets and in the related accumulated depreciation, equity and depreciation expense accounts.

Effective July 5, 2006, the Organization reorganized with the State of Oregon as a cooperative not-for-profit entity from a domestic not-for-profit entity, and changed the name to Crooked River Ranch Water Cooperative. The Form 1024 "Application for Recognition of Exemption Under Section 501(a) of the Internal Revenue Code" is pending. The financial statements include information for the complete years ended December 31, 2007, and 2006 as both the domestic and cooperative not-for-profits.

Harrigan Price Fronk & Co. LLP
September 3, 2008

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IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF JEFFERSON

CHARLES NICHOLS, an individual,

Case No. 08CV0051

Petitioner,

v.

ORDER REGARDING PETITIONER'S
REQUEST TO INSPECT RECORDS
(Proposed)

CROOKED RIVER RANCH WATER
COMPANY, an Oregon Non-profit
Corporation,

Respondent.

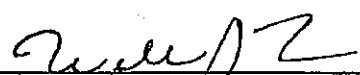
This matter came before the Court on September 12, 2008. After review of the pleadings and based on testimony at the hearing, the Court orders Crooked River Ranch Water Company to provide Petitioner Charles Nichols with the Company's membership list as requested in Mr. Nichols' letter dated May 28, 2008. This order is subject to the following conditions:

1. Use of the membership list is subject to the limitations set forth in ORS 65.782;
2. Mr. Nichols will use the membership list solely to communicate to members of the Crooked River Ranch Water Company; and
3. Petitioner Charles Nichols will not permit use of the membership list in violation of ORS 65.782.

IT IS SO ORDERED this _____ day of October 2008.

Circuit Court Judge

Presented By:



William J. Lehman, OSB No. 025447
Raymond S. Kindley, OSB No. 964910
Cable Huston Benedict Haagensen & Lloyd, LLP
Of Attorneys for Petitioner

JAN-3-2005 09:18 FROM:

TO: 162644.31988

P.000

**ACTION TAKEN BY BOARD OF DIRECTORS
CROOKED RIVER RANCH WATER COMPANY**

DATE: December 8, 2005


SUBJECT: REMOVAL OF WAYNE SUTTON FROM CRRWC BOARD OF DIRECTORS

Resolution: The Board of Directors, by a majority vote of the Board, have agreed to remove Wayne Sutton from the Board of Directors of Crooked River Ranch Water Company with cause. The Board, in their judgment, has deemed that Mr. Sutton's presence on the Board not to be in the best interest of the CRR Water Company. Due to influences from outside the company, Mr Sutton's concerns are adversely effecting the management and operations of the Crooked River Ranch Water Company.


APPROVED:


Rick Keen, President

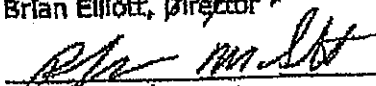
Date: DEC 8 2005


John Combs, Director

Date: DEC 8 2005


Brian Elliott, Director

Date: DEC 8 2005


Randy Scott, Director

Date: DEC 8 2005

Rec-06-01 02:21P

P.05



October 16, 2001

Gloria Elliott
PO Box 1165
Crooked River Ranch, OR 97760

RE: Water Service

Ms. Elliott:

Your application for membership into this corporation has not been accepted. It is based on the grounds stated in this letter. In June you sold this property to Mr. Krohn. He informed us on June 1st that he is purchasing the property on North Hill; since that time the water bill has been in his name and will remain that way, this is in accordance with company policy. The water will not be put back into your name under any circumstances nor will you ever be on the water system again.

The following are the reasons for this decision:

1. We are a private Non-profit corporation, we have the right to refuse service to anyone that has cost this company money in legal fees and other costs, as well as who has demonstrated ill will towards this company, which you have done on many occasions.
2. Due to your husband admitting to tampering with our water system this is another reason you will never be allowed on the water system again.

13845 S.W. Commercial Loop • P.O. Box 1388 • Crooked River Ranch, Oregon 97760
Office (541) 923-1041 • Fax (541) 923-9936 • E-mail errwe@teleport.com

5-11

Nichols_PUC_015336

Dec-06-01 02:21P

P.06

October 16, 2001
Gloria Elliott
Page 2

3. Legal action against your husband is pending at this time, awaiting the completion of a Jefferson County Sheriff's investigation.

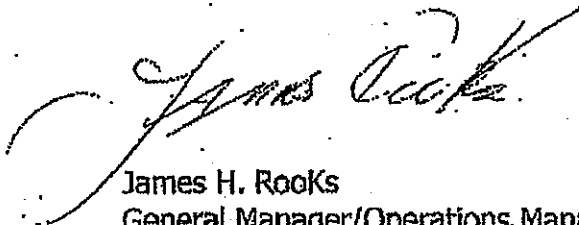
The right to refuse services is not against any PUC regulation (even though we are not under PUC jurisdiction), the following is from PUC:

860-036-0080 - Refusal of Service - (5) A water utility shall refuse to serve a customer or applicant, if, in the best judgment of the water utility, the facilities of the customer or applicant are of such a character that safe and satisfactory service cannot be given.

Any property you may purchase in the future will also not be allowed on the water system. At the time you purchase another property on the water service that property will be discontinued immediately and not restored until the property is sold.

I have consulted with our attorney David Glenn, of Glenn, Sites & Reeder he has reviewed, approved and confirmed we have no legal obligation to provide you with water service.

Please find enclosed your letter and check.



James H. Rooks
General Manager/Operations Manager

Letter B - B

CRRWC BOARD OF DIRECTORS MEETING
6/12/07

MINUTES

Called to order at 2:14 pm by Brian Elliott, President

Roll Call: Brian Elliott, Richard Miller, James Rooks.

Also present: Barb Oakley, Bev Elliott

Tape Recording: none

JR opened the meeting wanting to discuss the handout that was given at the PUC meeting by the Dogs. He explained that the handwritten page breaking out employee salaries was NOT done by the company. This was inserted by the Dogs, and they represented it to be a company handout. Brian wants to be sure that PUC gets a copy. JR stated that Jacquie had already emailed one to them.

JR has a real problem with Hal Robbins. Last night at the PUC meeting, he accused the CRRWC Board of Directors and the manager of gross mismanagement of the company for the last several years. Hal was not under oath, but the PUC had a court reporter there recording all comments. This isn't the first time that Hal has done this. JR would like to turn this over to Tim and have him send a letter to Hal giving him 20 days to prove his allegations or file charges against him. Brian Elliott suggested that we have Hal write a letter to the Board in lieu of legal action, and then that letter could be mailed to all our customers. Richard Miller agreed. Bev Elliott suggested that Hal be given 30 days, in that seems to be the normal amount of time given in other situations. All board members agreed - JR will discuss with Tim as soon as possible.

Brian Elliott also suggested that employee W2 forms be given to the attorney along with the Dog pack. This way they won't have to look for the info.

Brian also requested that JR ask Tim if the \$1900+ PUC charge is in fact a "user tax".

JR pointed out that on page 3 of the company bylaws, #E, it talks about terminating membership of members. And in the Co-op ORS's, it allows the company to fine members who interfere or speak badly of the company, board, employees, etc. The maximum fine allowed is \$500. JR is not

suggesting that the company *terminate* Hal's membership at this time, just fine him in order to get his attention. Brian suggested that perhaps the fine wouldn't have to be the full amount.

JR also noted that at the PUC meeting last night, there were only about 150 people, approximately 1/2 or less than the last meeting. And it was interesting to note that Kathy Miller wasn't there as she attends all these types of meetings. JR feels that people can't understand that we are not a public utility.

Bev Elliott asked why no late charges are appearing on the bills. JR explained that the PUC only allows 1.7% as a late charge, which doesn't even cover the cost of postage. So we stopped the late charge, and plan to do what the PUC suggests. Give the customers 15 days to pay, on day 16, send a shut off notice to those that haven't. If service is discontinued, the customer will have to pay the bill, a deposit, the service charge, and a reconnect charge. This hasn't been implemented yet.

JR noted that when Jacquie runs the bills every month, she has noticed that the billing system is no longer tracking the late months since no late charges are being applied. So he is having her start charging the PUC rate in order to keep our system up to date.

Brian Elliott instructed JR to send a notice to customers about the new past due policy and spell out how it will work.

Brian feels it's important to keep the public involved and informed. He noted that the applications for director do not ask if the person has had any type of convictions (felony, A class misdemeanors), etc. He also believes we should be asking if the person has had any licenses revoked (i.e., CDL's, drivers licenses, contractors license, etc.). It should read "including but not limited to". JR will discuss with Tim.

JR noted that Ruby Berrey is now trying to sue for a back injury, but notes in all the medical that's been received, there's been no mention of this, nor has there been any treatment.

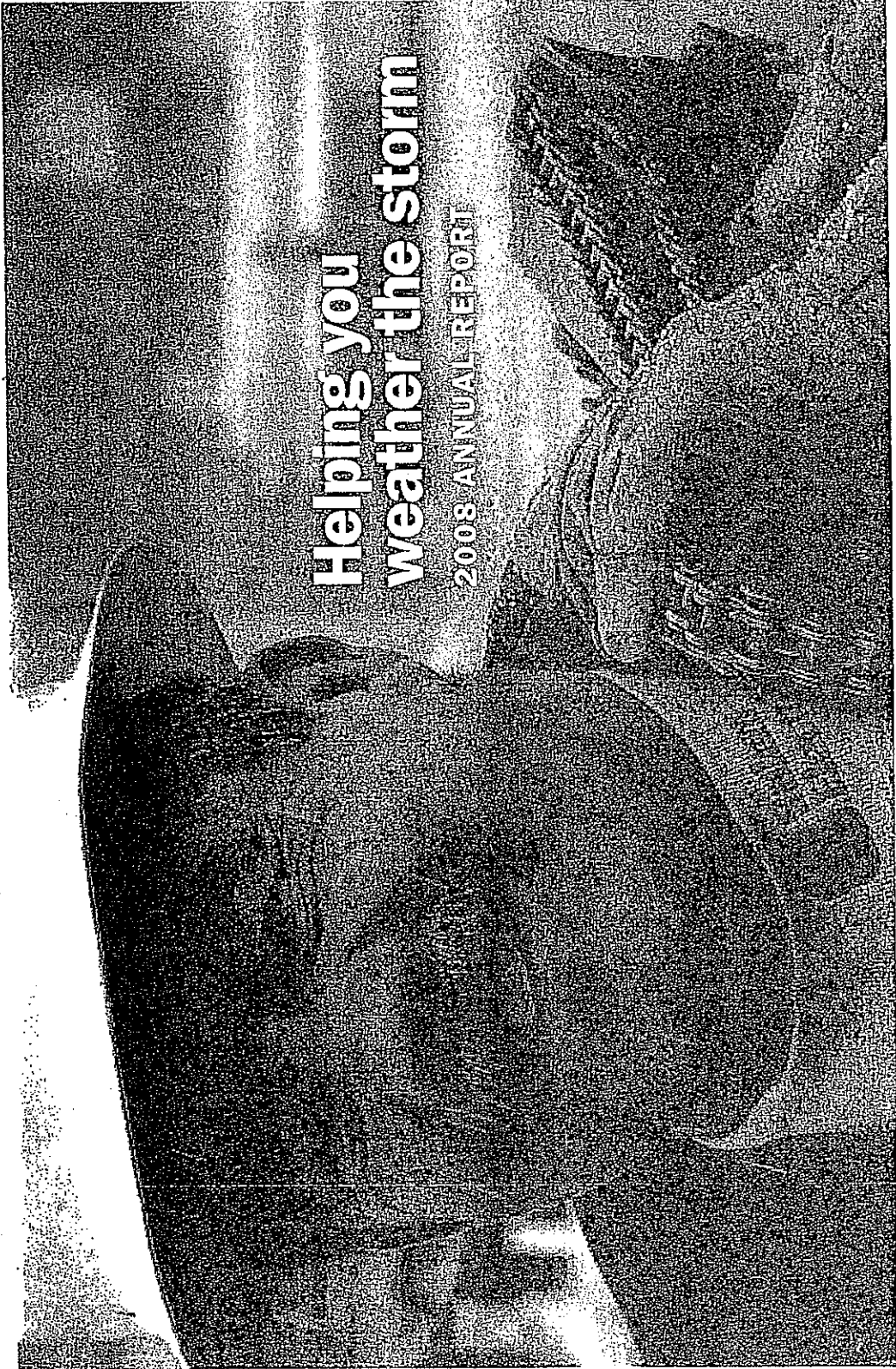
Meeting adjourned at 3:30 pm.

Submitted:



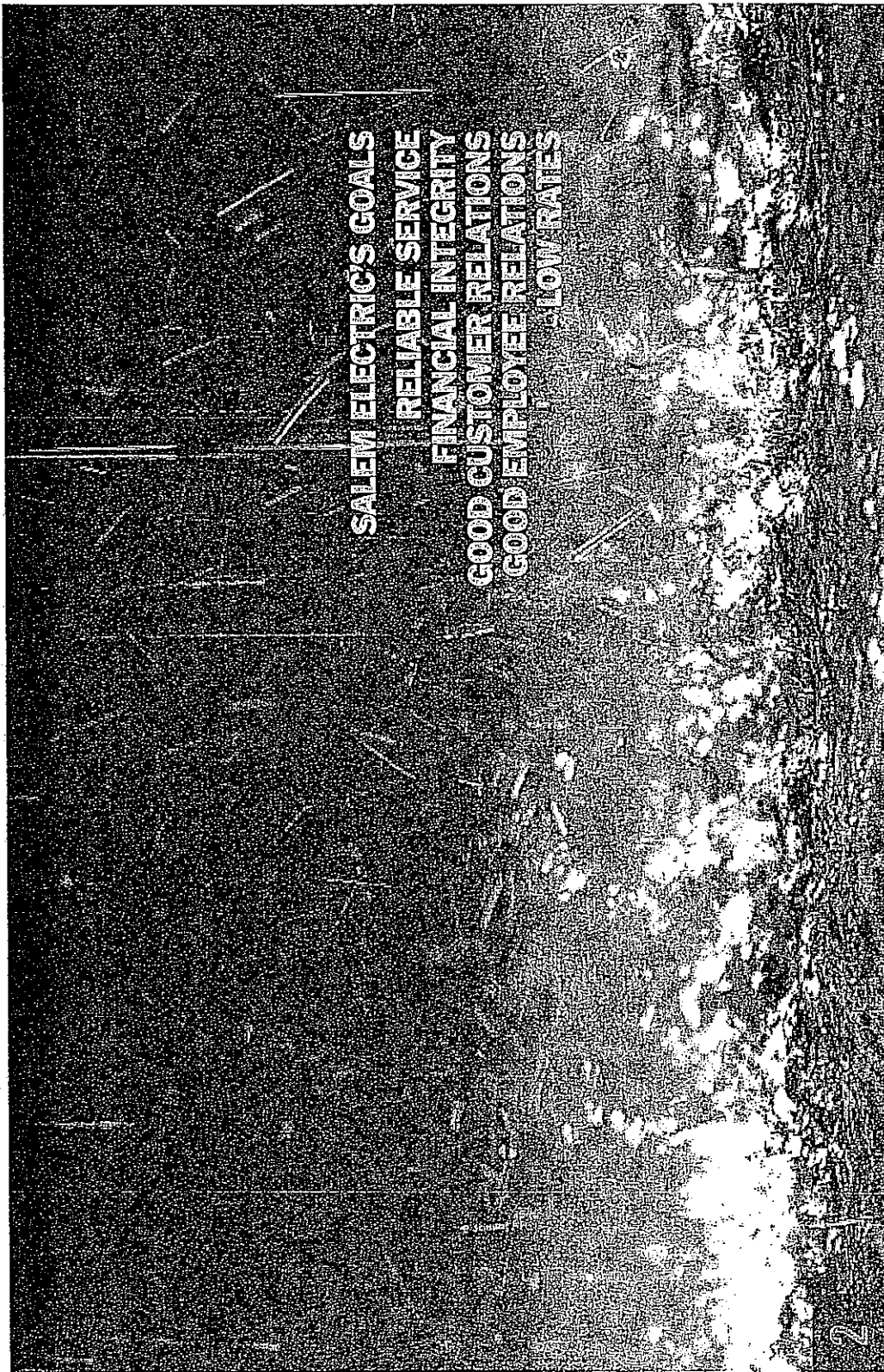
Richard Miller, Sec/Treasurer

Date



**Helping you
weather the storm**

2008 ANNUAL REPORT



SALEM ELECTRIC'S GOALS
RELIABLE SERVICE
FINANCIAL INTEGRITY
GOOD CUSTOMER RELATIONS
GOOD EMPLOYEE RELATIONS
LOW RATES

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SALEM ELECTRIC ANNUAL REPORT 2008

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2008 IN REVIEW

Salem Electric operates with funds from a single source—our members' electric bills.

It is our duty to spend the money wisely and provide adequate financing to achieve our goals. Financial Integrity is one of Salem Electric's five goals, the others being Reliable Service, Good Customer Relations, Good Employee Relations, and Low Rates. Considering the state of the economy in late 2008, it seemed appropriate to focus on Salem Electric's financial status. Unlike most utilities, Salem Electric is debt free. This allows a lot of flexibility in financial situations and presents many options relating to borrowing if it becomes necessary.

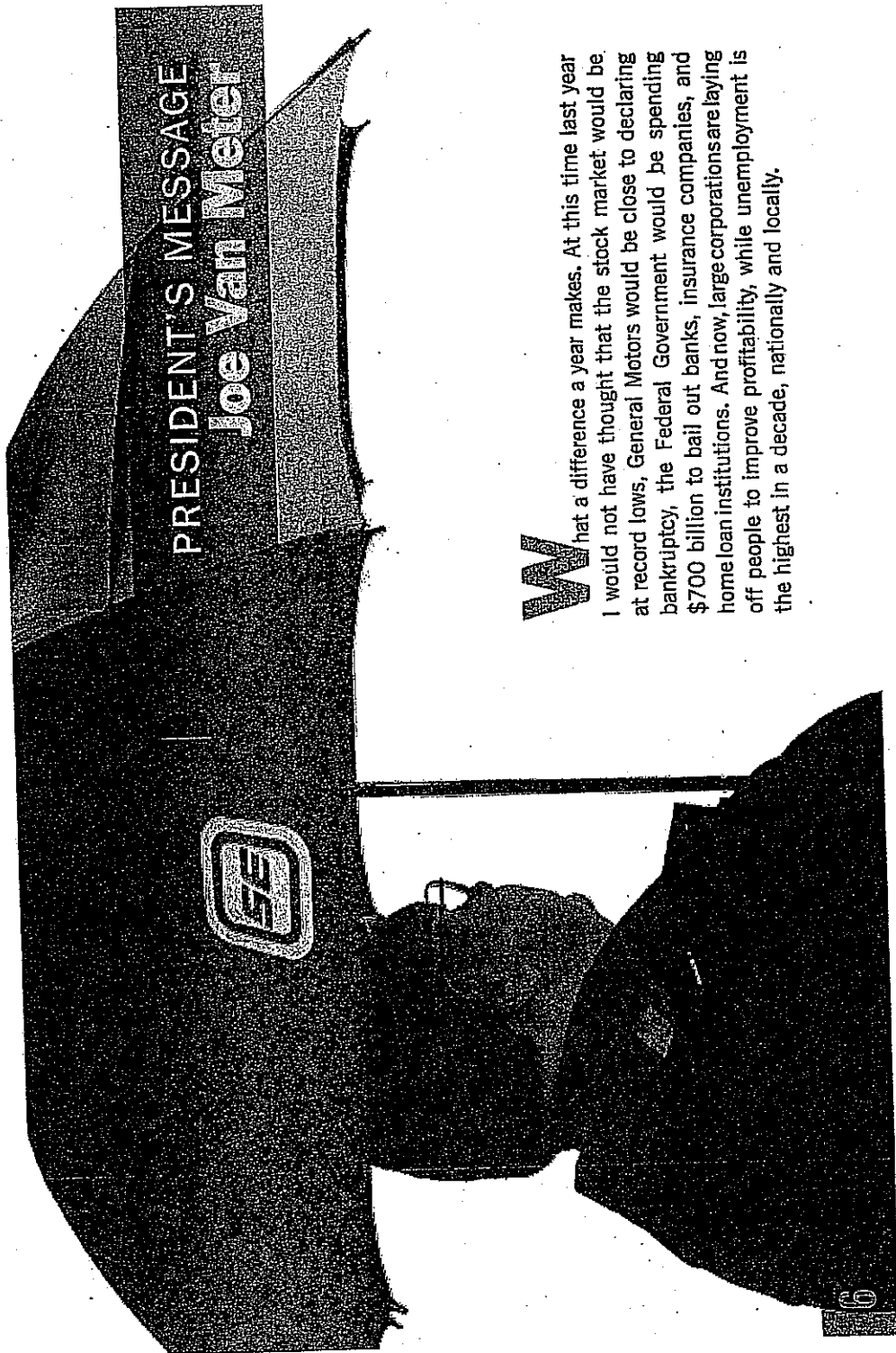
The philosophy of your board is to provide more rate stability to you than The Bonneville Power Administration provides to Salem Electric. That held true in 2008. The last rate adjustment was October 2006 with a goal of maintaining stable rates for five years. The board approved a rate adjustment in 2008, with a January 1, 2009 effective date. However, the adjustment decreases energy and demand rates by 5 percent, a rare event in today's economy.

The board continues their commitment to the community and our members by supporting community events and funding conservation opportunities for our members.

Being a good corporate citizen and helping our members stretch their dollars are things the board will continue to support in 2009.



Considering the state of the economy in late 2008, it seemed appropriate to focus on Salem Electric's financial status. Unlike most utilities, Salem Electric is debt free.



PRESIDENT'S MESSAGE
Joe Van Meter

What a difference a year makes. At this time last year I would not have thought that the stock market would be at record lows, General Motors would be close to declaring bankruptcy, the Federal Government would be spending \$700 billion to bail out banks, insurance companies, and home loan institutions. And now, large corporations are laying off people to improve profitability, while unemployment is the highest in a decade, nationally and locally.

of opportunities for members to increase the efficiency of their home or business. From compact fluorescent bulbs, to energy audits, to low-interest loans for heat pumps, solar and weatherization, Salem Electric's Member Services Department has many ideas to reduce the monthly cost of your electricity... contact them today.

Your electric cooperative representatives continue to carefully monitor the costs associated with providing electric service, helping members use electricity more efficiently and maintaining the financial integrity of Salem Electric.

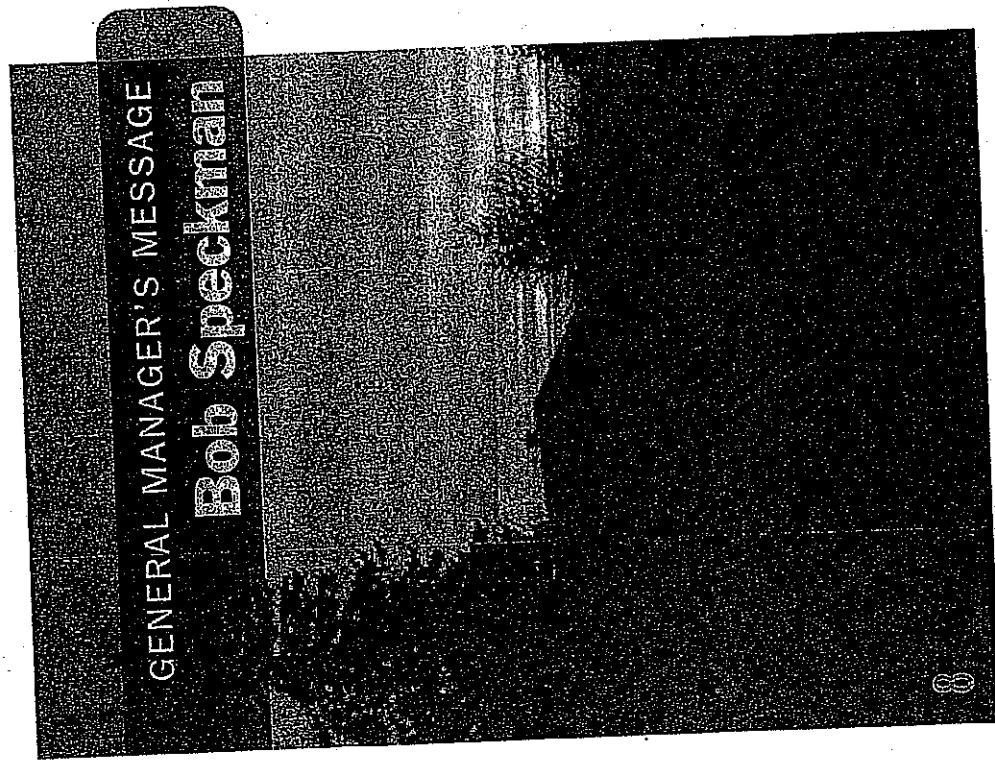
With this as a backdrop, your Salem Electric board is responsible for maintaining the financial stability of your electric cooperative. We take this responsibility seriously, as does your SE staff. Once again we have received a clean audit of our financial records; we are fiscally on solid ground.

With staff assistance, your board diligently monitors political and judicial decisions affecting your cooperative. A recent court decision affecting our power supplier, The Bonneville Power Administration, along with a reduction in our capital needs, led to an electricity rate reduction for our members. A board sub-committee recommended, and your board authorized, a 5 percent decrease in electric rates effective January 1, 2009. I believe this shows the responsiveness of your board in these financial times. It is our hope that members will take advantage of this respite to seek assistance from their co-op to help them find ways to reduce their electricity consumption and keep their energy costs as low as possible.

Members of your board were reminded, by presenters at the Oregon Rural Electric Cooperative Association's December Annual Meeting in Portland that energy efficiency is the greenest and most cost-effective source of electricity available to cooperatives today. As you have read in the many bulletins you have received over the years, we have a variety

A board sub-committee recommended, and your board authorized, a 5 percent decrease in electric rates effective January 1, 2009.





GENERAL MANAGER'S MESSAGE
Bob Speckman

For many reasons 2008 will be long remembered. The historic election alone would have made it memorable enough but the year also produced alarming headlines, especially during the last half of the year, reporting dramatic losses in the stock market and the worldwide financial crisis. We have argued, over the past decade, that deregulation does not work in real time markets like electricity; now we are finding that disaster lurks wherever some level of regulation is not present.

In the area of safety, electric co-ops fall under the regulation of a government agency. In all other areas cooperatives are regulated by their member/owners. Through their elected boards of directors, co-op members control everything from the budget to electricity rates and fees to the policies under which the co-op serves its members. Because boards speak as members and customers of the co-op, instead of representatives of non-customer investors, their top priority is good, reliable service provided at low cost by dedicated employees; things that can only be achieved if the cooperative has a healthy financial basis. This means being able to pay bills on time, having reasonable reserves and reasonable rates for the services provided. As 2008 came to a close your co-op was able to begin the new year with a 5 percent

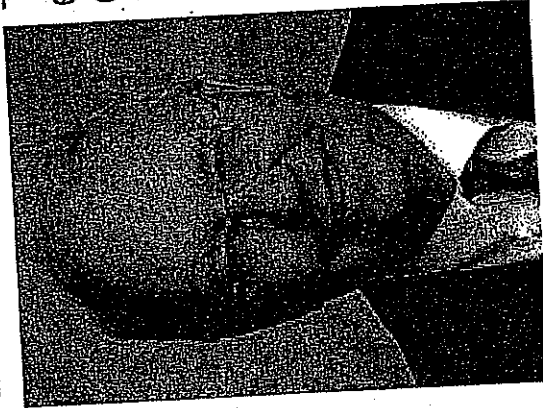
decrease in electricity rates; the board did this in response to a return of funds from BPA, a budget with lower capital needs than expected and because your board wanted to provide some relief to co-op members already struggling with tough economic news.

Future power supply remained a top concern throughout 2008. In November, after many months of negotiations between the region's utilities, other interested parties, and The Bonneville Power Administration, Salem Electric and BPA signed their 5th power sales contract since the co-operative was first energized in 1941. This contract is unique in many ways. Even though we executed it in November, it doesn't take effect until October 1, 2011. BPA encouraged early execution of the contracts as a way to protect BPA's resources from changes that could result from a new administration in Washington, DC. Unlike full requirements contracts of the past, new contracts provide BPA's customers with a finite amount of power to be based upon the individual utilities' 2010 loads; load growth beyond that level will be the responsibility of each utility. BPA will offer a product for load growth but they will charge a different and presumably higher

rate for it. This new provision is referred to as "Tiered Rates." The first tier will be at the traditional 'preference' or cost-based rate and the second tier will be market-based. Although the co-op has executed the power sales contract, we have until November 2009 to decide whether to purchase tier two power from BPA or from some other source. There are options and your board and staff are exploring them.

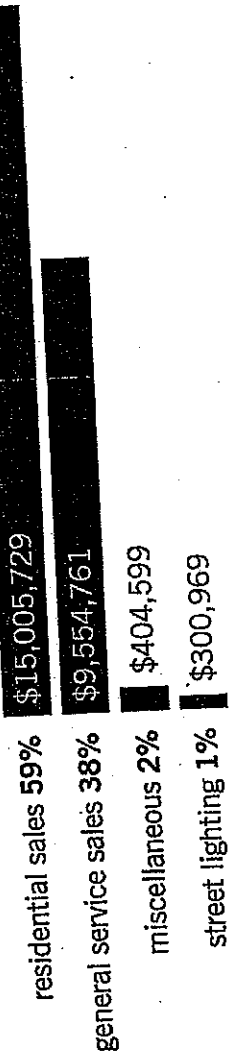
I hope you will take the time to attend your cooperative's Annual Meeting on May 13th!

Through their elected boards of directors, co-op members control everything from the budget to electricity rates and fees to the policies under which the co-op serves its members.

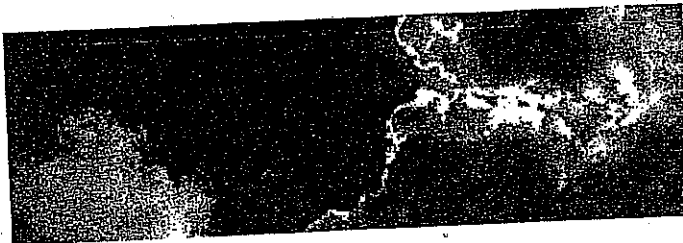
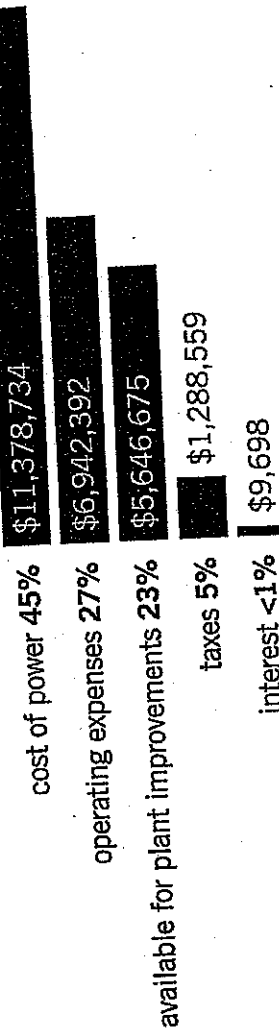


REVENUE DOLLAR

where it came from:



how it was used:



SALEM ELECTRIC ANNUAL REPORT 2008

FIVE-YEAR GROWTH HIGHLIGHTS

	2008	2007	2006	2005	2004
Electric Plant in Service — Depreciated	\$27,113,199	\$26,164,619	\$25,234,739	\$24,454,176	\$23,432,239
Maximum System Peak Demand in MW*	78.44	74.36	72.87	72.61	85.40
kWh Sold	335,244,829	326,776,315	327,033,051	322,085,153	380,435,828
Gross Revenue	\$25,266,058	\$24,700,974	\$21,984,916	\$20,907,121	\$23,566,164
Net Margin	\$4,319,971	\$4,452,891	\$1,021,618	\$488,952	\$2,213,095
Taxes	\$1,288,559	\$1,193,096	\$1,112,908	\$1,100,489	\$1,202,656
Number of Accounts Billed	18,487	18,338	18,492	17,951	17,462
Number of Employees	48	47	47	49	47
Payroll Cost per Dollar of Revenue	14¢	14¢	15¢	16¢	13¢
Capital Reserve Refunds	\$1,246,618	\$1,312,808	\$967,571	\$1,078,613	\$1,082,821

*91.07 MW historic peak was set 12/23/98

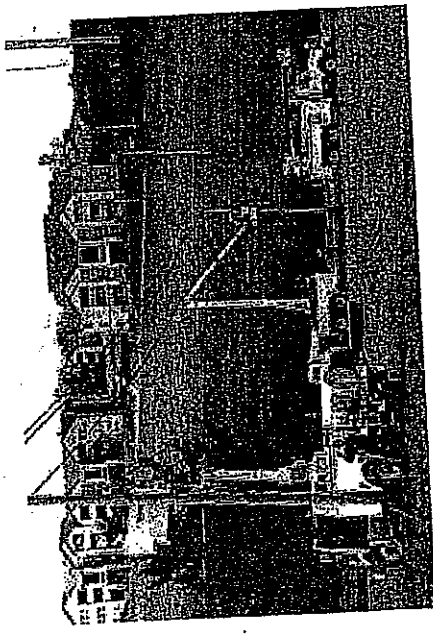
BALANCE SHEET

	2008	2007		2008	2007
ASSETS					
Distribution Plant in Service — Depreciated	\$23,253,071	\$22,448,003	LIABILITIES & EQUITIES		
General Plant in Service — Depreciated	3,860,128	3,716,616	Long Term Debt	\$0	\$0
Construction Work in Progress	28,796	40,874	Accounts Payable — BPA	1,279,076	1,354,431
Cash & Temporary Investments	14,316,876	9,638,186	Other Accounts Payable	357,660	165,439
Receivables (Net)	2,056,819	2,080,210	Consumer Deposits	307,654	294,494
Materials & Supplies	624,997	815,133	Accrued Expenses	2,182,058	2,111,359
Prepayments	428,853	366,704	Other Liabilities	6,426,051	4,112,857
Other Assets	217,663	234,216	Member Equity	30,745,225	27,995,348
TOTAL ASSETS	\$44,787,203	\$39,339,942	Capital Credits Retired	2,518,086	2,286,829
			Capital Credits Payable	971,393	1,019,185
			TOTAL LIABILITIES & EQUITIES	\$44,787,203	\$39,339,942

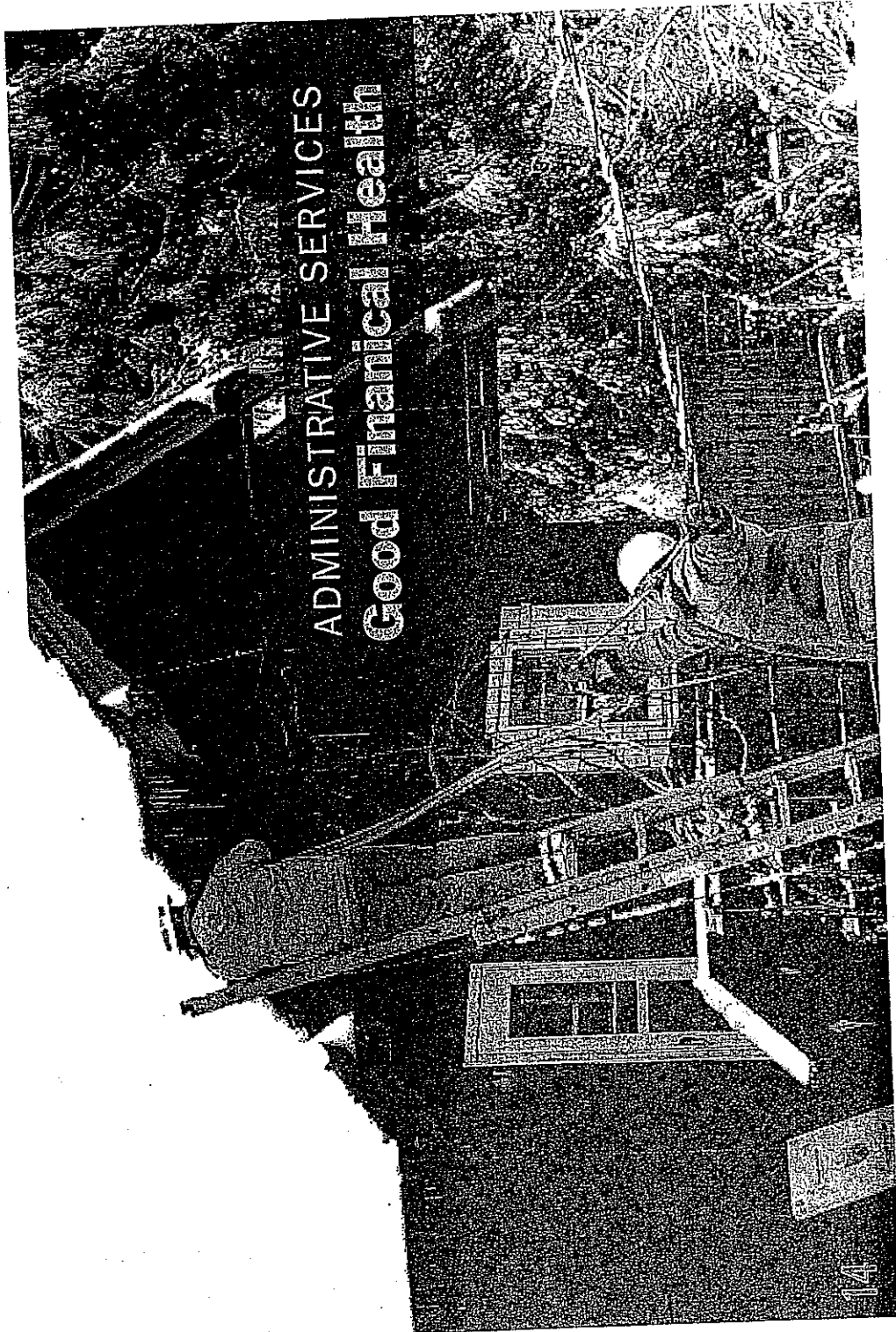
12

STATEMENT OF INCOME AND EXPENSES

	2008	2007	2008	2007
INCOME			EXPENSES	
Residential	\$15,005,729	\$14,520,998	Cost of Power	\$11,378,734
General Service	9,554,761	9,412,063	Operating Expenses	6,942,392
Miscellaneous	404,599	471,374	Depreciation and Amortization	1,326,704
Street Lighting	300,969	296,539	Taxes	1,288,559
TOTAL INCOME	\$25,266,058	\$24,700,974	Interest	9,698
			TOTAL EXPENSES	\$20,946,087
			NET MARGIN	\$4,319,971



13



FINANCIAL INFLUENCE

2008

As a co-op, owned by those we serve, we work to make sure we spend money wisely, keeping things running as smoothly as possible.

Salem Electric is in good financial health. While we hope to never experience a natural disaster that affects our system, it is good to know being debt-free allows us the flexibility needed should we ever have a reason to borrow money.

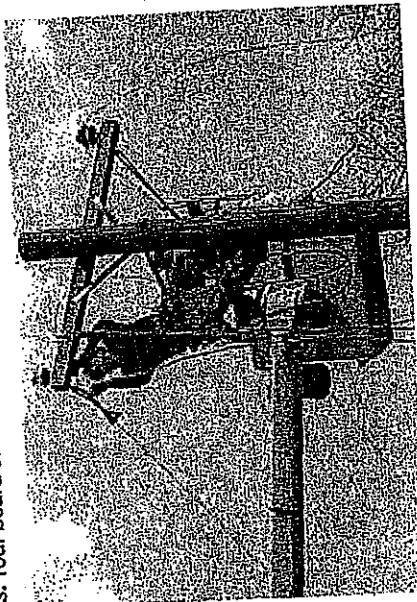
In 2006 we made a commitment to our members to provide stable rates for at least five years. Your board of directors recently made an adjustment in the rate structure. The good news...in January 2009 our rates were REDUCED by 5 percent—usually unheard of in these times of rising energy costs.

We have several options for paying your electric bill such as our Average Pay Program allowing you to plan ahead. Your payment is determined by averaging

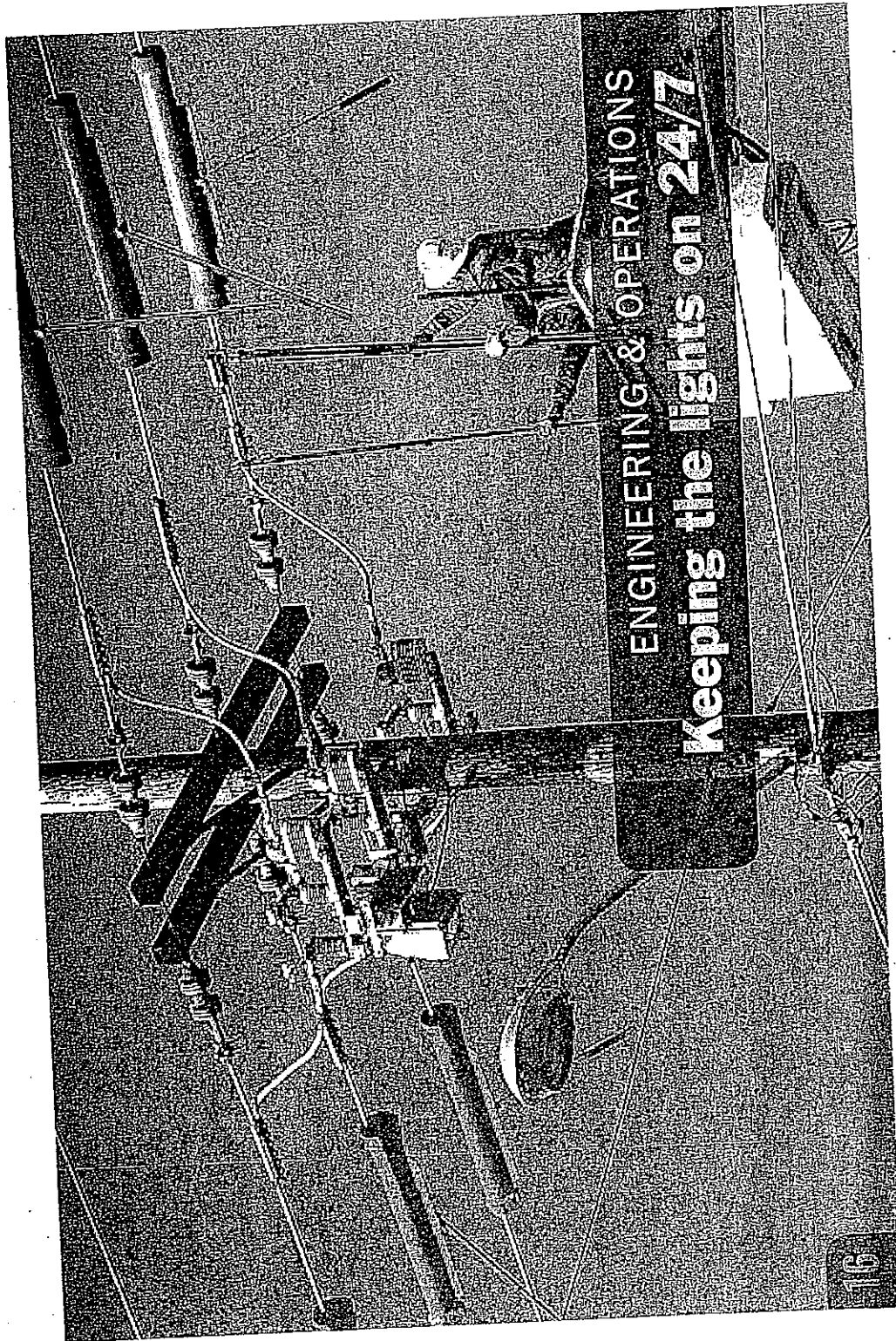
the amount of energy used for the prior twelve months, and your bills are approximately the same throughout the year. This makes budgeting easier because you have a fairly accurate idea of the amount of your bill and you're able to avoid high winter bills by leveling out your payments.

We offer the Salem Electric Member Assistance Program for households that use electricity as the main source of heat and meet specific income guidelines.

If you are having trouble and fall behind in your payment, please contact our office so we can work together to establish a payment plan to get you back on track.



...being debt-free allows us the flexibility needed should we ever have a reason to borrow money.



ENGINEERING & OPERATIONS
Keeping the lights on 24/7

RELIABLE SERVICE

SALEM ELECTRIC ANNUAL REPORT 2008

The Engineering and Operations Department's main concerns are making sure the lights stay on and our facilities are safe.

The key ingredients to make this happen include employees who are properly trained, efficient and well-maintained equipment, and material that is reliable. There are many ways to provide reliable service, but we choose to do it in a manner that helps maintain the financial integrity of the cooperative.

The cost to train employees is expensive. Salem Electric utilizes resources available through trade associations and vendors to provide employee training. We also share training experts from within electric utilities. This has provided cost-effective methods of keeping employees informed and up-to-date.

When we purchase equipment, we look at life-cycle costs to help determine what and when to make a purchase. We usually replace our larger

vehicles every 10 years as they tend to become less reliable after that time and newer models are more efficient. Proper maintenance and operating practices keeps equipment in peak operation. We replace equipment before it becomes obsolete and regular maintenance and inspections provide the best value over the life of the equipment.

Salem Electric has developed specifications for material to assure that it meets our expectations for service and reliability over its entire life. We follow the manufacturer's recommendations on installation and maintenance. By purchasing, installing and maintaining the material per specifications, we receive the best value.

Observing all safety requirements and making sure the lights stay on is vital, and doing so in a cost-effective manner helps us maintain our goal of financial integrity.

The key ingredients...include employees who are properly trained, efficient and well-maintained equipment, and material that is reliable.





MEMBER SERVICES
Saving energy & the environment

when buying appliances, windows or light fixtures... we're here to help.

If you're faced with financial challenges we can assist you through one of our programs or payment options.

Habit changes can impact your energy usage and our energy experts can recommend low-cost or no-cost suggestions to help lower your bill. We can also advise you on the most cost-effective ways to operate your lighting, appliances and heating system.

Use our expertise when it comes to questions about the safest and most efficient way to use electricity — we have the answers.

...members participating in a conservation program will have reduced electric bills and more money in their pocket.

Through Member Services, our members can choose from a variety of programs to save energy, reduce their electric bill, and help the environment.






The bottom line is that members participating in a conservation program will have reduced electric bills and more money in their pocket.

These annual savings can range from a few dollars, for screwing in a compact fluorescent lamp (CFL), to potentially hundreds after insulating their home. Our trained staff is here to help you through the entire process. Providing information and answering your questions is one of our specialties. If you need to know the best application for that CFL or what to look for



CONSERVATION & ENERGY PRO

RESIDENTIAL

	COMPACT FLUORESCENT BULBS			HEAT PUMPS	
	Bulbs Sold/Installed	744		Units Installed	95
	Annual kWh Savings	29,760		Annual kWh Savings	237,500
	LED DECORATIVE LIGHTS			HIGH EFFICIENCY APPLIANCES	
	Strings Sold	684		Refrigerators	216
	Annual kWh Savings	3,420		Freezers	14
				Dishwashers	56
	WEATHERIZATION			Clothes Washers	119
	42 of the homes weatherized were low-income households.			Water Heaters	39
	Homes Weatherized	187		Total Units	444
	Annual kWh Savings	296,415		Annual kWh Savings	64,288

SALEM ELECTRIC ANNUAL REPORT 2008

COMMERCIAL AND INDUSTRIAL



ENERGY SMART DESIGN

Projects Completed	20
Annual kWh Savings	304,388



ENERGY SAVINGS PLAN

Staff met with several members interested in the program, but there were no completed projects in 2008.

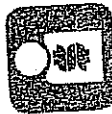
SOLAR WATER HEATING

Staff met with several members interested in the program, but there were no completed projects in 2008.



LOAN PROGRAM

In partnership with a local bank, 5 percent interest loans were available for the Weatherization, Heat Pump and Solar Water Heating Programs.



2008 Loans Granted	18
Amount Loaned	\$94,491

In 2008, Salem Electric members saved 904,677 kWhs — enough to serve 76 homes for one year.





COMMUNITY ASSISTANCE



HEATING BILL ASSISTANCE

Members who heat with electricity and meet income guidelines are eligible for assistance with their winter electric bill through the Salem Electric Member Assistance Program.

This unique program has been available to our members since 1986.

	SENIORS	DISABLED	NON-SENIOR NON-DISABLED	TOTAL
2008 Participants	183	306	531	1020
Amount	\$34,121	\$53,280	\$92,904	\$180,735

In addition, \$17,064 was forwarded to The Salvation Army for distribution to our members through our voluntary Dollar Check-Off Program.

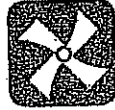


HABITAT IMPROVEMENT PROGRAM

The Habitat Improvement Program allows Salem Electric members to make automatic monthly contributions through their electric bill to improve local native fish and wildlife habitats. Pledges can be canceled at any time.

Contributions are forwarded to the Salem-Keizer Watershed Councils Association, a 501c3 organization. Donations collected in Polk County were assigned to habitat improvements in the Glenn/Gibson Creek Watershed and donations from Marion County funded Claggett Creek projects.

Donors	43
Funds Donated	\$2,567



RENEWABLE ENERGY

Renewable energy is produced by resources such as solar, wind, geothermal and water.

Salem Electric buys all its power from The Bonneville Power Administration (BPA). According to BPA, approximately 86 percent of their power comes from dams and other renewable resources. The remaining 14 percent is generated by other means including some non-renewable resources (gas, nuclear, coal). From late 1998 through 2003 Salem Electric replaced the non-renewable power with renewable power. Since that time, Salem Electric evaluated other renewable resource options and signed an agreement with BPA in October 2006 to purchase 1.8 MW of renewable energy, which is equivalent to 4.5 percent of our load.



COMMUNITY

Salem Electric strives to be a responsible, supportive member of the communities it serves. Our employees are actively involved in dozens of business, civic and community organizations.

Salem Electric contributed approximately \$55,000 to nearly 60 organizations in 2008 through donations.

Salem Electric offers a college scholarship program for individuals residing in Salem Electric's service area. Ten \$1,000 scholarships were awarded in 2008.

Whether it's sponsoring a little league team, supporting our local schools, volunteering at or sponsoring family-oriented community events, your electric cooperative was involved.

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KWH SOLD	
2008	335,244,829
2007	326,776,315
2006	327,033,051
2005	322,085,153
2004	380,435,828
2003	379,061,811
2002	390,673,186
2001	381,567,436
2000	419,836,516
1999	419,886,392

ACCOUNTS BILLED	
2008	18,487
2007	18,338*
2006	18,492
2005	17,951
2004	17,462
2003	17,099
2002	16,812
2001	16,574
2000	16,318
1999	16,036

*First year under new reporting system.

2A



WHOLESALE POWER COST

2008	\$11,378,734
2007	\$11,114,732
2006	\$11,952,032
2005	\$11,848,698
2004	\$13,422,109
2003	\$13,779,721
2002	\$13,715,603
2001	\$10,632,859
2000	\$11,036,470
1999	\$10,661,446

CAPITAL RESERVE REFUNDS

2008	\$1,246,618
2007	\$1,312,808
2006	\$967,571
2005	\$1,078,613
2004	\$1,082,821
2003	\$1,075,908
2002	\$1,104,854
2001	\$909,579
2000	\$898,904
1999	\$712,960

BOYS & GIRLS CLUBS OF AMERICA

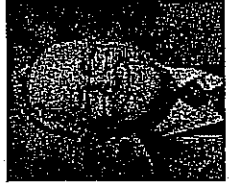
OFFICERS



Joe Van Meter
PRESIDENT

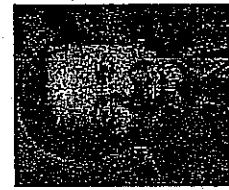


Jerry Berger
VICE-PRESIDENT



Carl Beach
SECRETARY/TREASURER

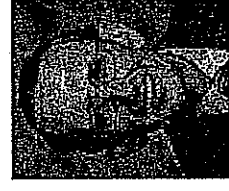
DIRECTORS



Jeff Anderson



Alicia Bonesteele



Jim Dyer



Paul Enrior

MANAGEMENT STAFF

- Robert J. Speckman GENERAL MANAGER
- Jack N. Belleque ADMINISTRATIVE SERVICES MANAGER
- Terry M. Kelly MEMBER SERVICES MANAGER
- Roger O. Kuhlman ENGINEERING AND OPERATIONS MANAGER
- Cindy J. Lenker ADMINISTRATIVE ASSISTANT



David Meehan
LEADERSHIP YOUTH REPRESENTATIVE





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Salem Electric

SERVING KEIZER AND SALEM



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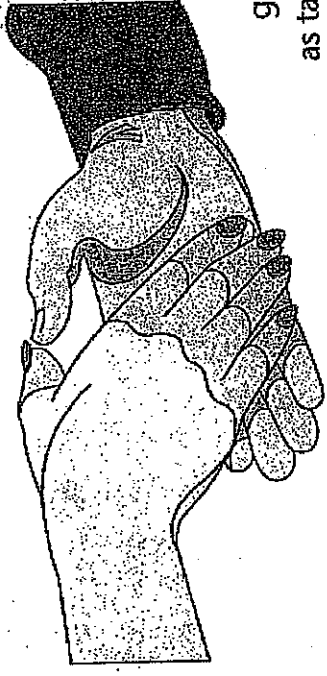
web: salemelectric.com

Find this publication on our website

You Are A Member

As a cooperative, our "customers" are actually our Members or Owners.

You might wonder what the difference is between a cooperative, or co-op, and other types of utilities, such as investor-owned (PGE or PacifiCorp) or other consumer-owned utilities, like Peoples' Utility Districts and Municipal Utilities.



Unlike other types of consumer-owned utilities electric co-ops are not government entities and do not have governmental powers such as taxing authority or the ability to issue bonds. Co-ops are private companies.

control, autonomy, member participation and concern for community.

Oregon's Electric Cooperatives:

Oregon's 18 electric cooperatives are distribution utilities serving approximately 10% of the state's electricity consumers. Electric co-ops are located in 32 Oregon counties, covering 65% of the state's geography and traversing some of its most rugged terrain, with over 24,000 miles of distribution line. ■

ELECTRIC COOPERATIVE BASICS

What Is A Co-op?

An electric cooperative is a private, non-profit corporation organized under the laws of the state and owned by the customers, or members it serves. It is governed by a board of directors elected from and by the membership. It is guided by principles including voluntary membership, local

What They're Not:

As consumer-owned utilities, electric co-ops differ from investor-owned utilities, in that they are non-profit companies, owned by their members—not stockholders. They are governed by locally-elected boards and are not rate-regulated by the Oregon Public Utility Commission as are the investor-owned utilities.

You Are A Member

As a cooperative, our "customers" are actually our Members and our Owners.

ELECTRIC COOPERATIVE BASICS

An electric cooperative is a private, non-profit corporation organized under the laws of the state and owned by the customers, or Members it serves. It is governed by a board of directors elected from and by the Membership. It is guided by the following principles:

1) Voluntary and Open Membership — Co-ops are voluntary organizations open to all persons able to use their service.

2) Democratic Member Control — Co-ops are democratic organizations controlled by their Members

who actively participate in setting policies and making decisions. Elected representatives are accountable to the Membership.

3) Members' Economic Participation — Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is the common property of the cooperative.

4) Autonomy and Independence — Co-ops are autonomous, self-help organizations controlled by their Members.

5) Concern for Community — While focusing on Member needs, co-ops work for the


sustainable development of their communities through policies accepted by their Members.

6) Education, Training and Information — Cooperatives provide education training and information for their Members, elected representatives,

managers and employees so they can contribute effectively to the development of their cooperatives.

7) Cooperation Among Cooperatives — Cooperatives serve their Members most effectively and strengthen the cooperative movement by

working together through local, regional, national and international organizations.

If you have any questions about your cooperative, please contact our office or visit our website for additional information. 



FREQUENTLY ASKED QUESTIONS

Q. What is Salem Electric?

A. Salem Electric is a cooperatively-owned electric power distributor.

Q. What do you mean by cooperatively-owned?

A. Salem Electric is owned by those it serves. Each member-customer pays a one-cent membership fee when they start service.

Q. What is the difference between Salem Electric's and Portland General Electric's type of ownership?

A. PGE is owned by stockholders, who may or may not be PGE customers and Salem Electric is owned and governed by its members.

Q. What is the advantage of cooperative ownership?

A. Salem Electric is owned entirely by those it serves. The members have the ultimate say in rates and policies. Earnings benefit the members through lower rates.

Q. Does Salem Electric have a program for returning equity to members?

A. Yes, a program of refunding capital reserves began in 1978 and continues today.

Q. Does Salem Electric have a tax advantage due to its cooperative ownership?

A. As a non-profit cooperative corporation, Salem Electric pays no profit income tax. However, Salem Electric pays all other taxes, including taxes on its land and buildings; 5% of its gross revenue which is earned within the city of Salem and 5% in the city of Keizer; 4% of all its revenue, less power cost, to the State of Oregon (this amount is then distributed to Polk and Marion counties). In addition, Salem Electric pays gasoline taxes, vehicle taxes, PUC taxes, and telephone excise taxes.

Q. How is Salem Electric managed?

A. Salem Electric's policies are established by a seven-member Board of Directors, elected by the members and from the members, serving three-year terms. The board meets monthly and board meetings are open to the members. The board is responsible for appointing a general manager whose responsibility it is to carry out board policy and oversee the operation of Salem Electric.



Frequently Asked Questions
Page 2

- Q. How old is Salem Electric?**
- A. Salem Electric was organized in 1938 and the system was energized at 7:30 p.m. on April 24, 1941, serving 17 residential and five commercial accounts.
- Q. What is Salem Electric's service area?**
- A. Salem Electric serves a majority of the West Salem area and portions of downtown Salem, Keizer, Portland Road and the Northgate area.
- Q. Is Salem Electric regulated by the Public Utilities Commission?**
- A. No. As a cooperative, Salem Electric's rates are not regulated by the PUC. Salem Electric is self-governing with rates established by the Board of Directors, who in turn are elected by the members.
- Q. Where does Salem Electric get its power?**
- A. Salem Electric buys its power from the Bonneville Power Administration. Approximately 50 percent of Salem Electric's operating costs are for the purchase of power.
- Q. How is Salem Electric financed?**
- A. While most electric cooperatives borrow large sums of money from the federal government through the Rural Electrification Administration, Salem Electric has used capital generated through rates and conventional lending institutions.
- Q. What are Salem Electric's goals?**
- A. 1) Service Reliability
2) Financial Integrity
3) Good Customer Relations
4) Good Employee Relations
5) Low Rates

06/15/09

WcpSEFAQ

CRRWC Assessment Funds - Summary

Credits

2004	\$64,806.42
2005	\$135,234.41
2006	\$136,741.24
2007	\$141,056.06
Total	\$477,838.13

Intended Expenditures

2004	\$21,167.09
2005	\$64,210.75
2006	\$39,149.23
2007	\$23,248.20
2008	\$31,247.09
Total	\$179,022.36

Vendor

Washington Mutual	\$108,902.57
Harris Group	\$29,642.99
Allen, Sheridan & McClanahan	\$3,706.81
Cooney & Crew	\$25,452.01
Glenn Sites & Reeder	\$11,317.98
Total	\$179,022.36

Building
Engineering Fees
Easement Rights
Easement Rights
Easement Rights

Purpose

Easement Rights	\$40,476.80
Engineering	\$29,642.99
Building	\$108,902.57
Total	\$179,022.36

Unintended Expenditures

Years	
2004	\$8,661.31
2005	\$53,674.61
2006	\$2,958.46
2007	\$4,051.00
2008	\$0.00
Total	\$69,345.38

June Difference

Purpose

Accounting	\$7,653.00
Maintenance	\$142.60
Assessment Booklets	\$3,727.60
Piping	\$35,605.38
Hammer	\$23,400.00
Total	\$70,426.38

142.60

Additional Invoice

None
None
None

Pre-Assessment Expenditures

Pre-Assessment 2004 Pipe

	\$1,209.60
	\$2,813.23
	\$4,254.92
	\$1,057.78
Total	\$9,335.53

None

Pre-Assessment Booklets

	\$4,858.00
	\$2,099.52
	\$604.45
Total	\$7,561.97

3,727.60

2005 Charges

Pre-Assessment Building

	\$3,560.08
	\$10,680.24
	\$10,680.24
	\$10,680.24
Total	\$35,600.80

None

Pre-Assessment Land

	\$15,000.00
	\$15,476.95
Total	\$30,476.95

None

Pre-Assessment Crane

	\$13,500.00
Paint	\$532.38
Paint	\$400.00
Paint	\$427.50
Total	\$14,859.88

None

Total Pre-Assessment

\$97,835.13

DATE: March 29, 2004
TO: Board of Directors
Crooked River Ranch Water Company
FROM: James H. Rooks
General Manager/Operations Manager

SUBJECT: SPECIAL ASSESSMENT (CAPITAL IMPROVEMENTS)

Issue: The Crooked River Ranch Water system is in need of major upgrades in order to maintain the system, provide adequate fire flow protection, and bring it into compliance with current and future state codes. The engineered 20 Year Plan, which was completed in 1997, states that a third well is needed in order to meet future demands. In addition, the final payment will be coming due on the office building in four years.

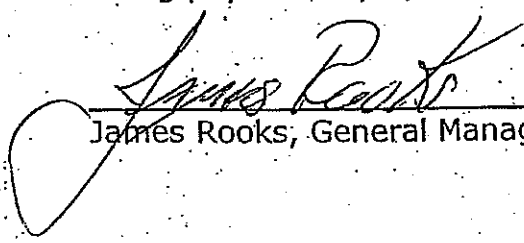
Recommendation: In order to bring this system into compliance, the following projects need to be completed:

- Drilling of Well #3 (Crater Loop and Tower Road) and plumbing to accommodate a chlorination system.
- Upgrading of the Cistern and building a new pump house
- Replumb and add a chlorination station to Well #1 (formerly #4) located at Cinder Drive and Lower Ridge).
- Pay off loan on office building.

The projects all have a large price tag, and I want to keep this on a pay as you go basis. I am recommending that instead of borrowing money and paying interest for many years, a special assessment be applied to all accounts in the amount of \$8 per month for 15 years.


The Board of Directors are authorized to implement this assessment according to the Crooked River Ranch Water Company Bylaws, originally dated May 23, 1977 and through all revisions to date.

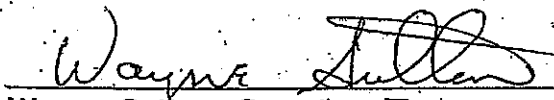
Resolution: The Board of Directors approve a special assessment in the amount of \$8 per month be implemented effective with the June, 2004 billing payable July 1, 2004.

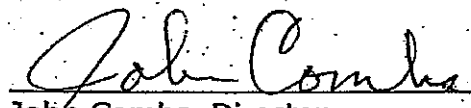

James Rooks, General Manager

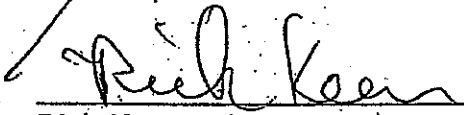
3/29/04
Date

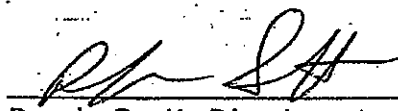
APPROVED:


Paul Dinsmoor, President 3/29/04
Date


Wayne Sutton, Secretary/Treasurer 3-29-04
Date


John Combs, Director 3-29-04
Date


Rick Keen, Director 3-29-04
Date


Randy Scott, Director 3-29-04
Date

<u>Type</u>	<u>Name</u>	<u>Backhoes</u>	<u>Dump Trucks</u>	<u>Excavators</u>	
Class A	Avion	2 O	None	None	Outsourced as needed
Class B	Agate	1 O	1 O	None	Outsourced as needed
	Cline Butte	1 O	1 X	None	Outsourced and/or rent additional equipment/in-house labor
	Roats	1 O	1 O	3 O	Rent additional equipment/in-house labor
	Running Y	None	None	None	Outsourced as needed
	Salmon Valley				
	Sunrver	1 O	1 O	1 O	Outsourced as needed

- O - Owned
- L - Leased
- X - One unit is owned by another division of the parent organization and is loanable

Type	Date	Num	Adj	Name	Memo	Original Amount
6050.1 G & A - LEGAL & ACCOUNTING						
Bill	11/16/05			ALLEN & SHERIDAN, LLP	CLIENT # 2250-001	224.13
Bill	09/27/01			ALLEN, SHERIDAN & McCLANAHAN		623.00
Bill	10/26/01			ALLEN, SHERIDAN & McCLANAHAN		204.70
Bill	11/14/01			ALLEN, SHERIDAN & McCLANAHAN		131.36
Bill	12/21/01			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	137.52
Bill	01/18/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	121.03
Bill	02/12/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	35.00
Bill	05/17/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	122.50
Bill	06/14/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	105.30
Bill	07/17/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	4,243.32
Bill	08/15/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	1,159.02
Bill	09/26/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	1,624.70
Bill	10/10/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	369.50
Bill	11/20/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	3,420.92
Bill	12/19/02			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	3,881.61
Bill	03/28/03			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	222.31
Bill	04/24/03			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	981.40
Bill	05/23/03			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	1,738.79
Bill	06/19/03			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	393.15
Bill	11/20/03			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	418.22
Bill	12/19/03			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	236.62
Bill	01/30/04			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	434.57
Bill	02/13/04			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	877.94
Bill	04/29/04			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	2,780.55
Bill	05/20/04			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	1,933.88
Bill	07/16/04			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	172.81
Bill	08/12/04			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	57.00
Bill	10/21/04			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	96.01
Bill	11/18/04			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	1,883.00
Bill	12/16/04			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	1,673.65
Bill	01/13/05			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	997.37
Bill	02/11/05			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	1,482.50
Bill	03/10/05			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	1,675.37

Type	Date	Num	Adj	Name	Memo	Original Amount
Bill	04/08/05			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	123.60
Bill	05/19/05			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	304.22
Bill	06/16/05			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	422.40
Bill	07/14/05			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	694.11
Bill	09/08/05			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	981.10
Bill	10/13/05			ALLEN, SHERIDAN & McCLANAHAN	CLIENT # 2250-001	195.28
Bill	01/18/08			AROUND THE BEND CT REPORTING	RUBY BERRY	265.05
Bill	05/15/08			AROUND THE BEND CT REPORTING	RUBY BERRY	183.80
Bill	09/05/09			AROUND THE BEND CT REPORTING	RUBY BERRY	190.25
Bill	09/18/07			BALYEAT & EAGER		160.00
Bill	10/03/07			BALYEAT & EAGER		2,746.78
Bill	11/15/07			BALYEAT & EAGER		2,935.08
Bill	12/14/07			BALYEAT & EAGER		2,164.41
Bill	01/09/08			BALYEAT & EAGER		1,646.78
Bill	02/06/08			BALYEAT & EAGER		1,719.99
Bill	03/07/08			BALYEAT & EAGER		170.61
Bill	04/18/08			BALYEAT & EAGER		90.44
Bill	05/15/08			BALYEAT & EAGER		148.00
Bill	06/11/08			BALYEAT & EAGER		902.89
Bill	07/10/08			BALYEAT & EAGER		330.82
Bill	08/08/08			BALYEAT & EAGER		594.64
Bill	09/19/08			BALYEAT & EAGER		4,801.75
Bill	10/15/08			BALYEAT & EAGER		23.64
Bill	11/13/08			BALYEAT & EAGER		8.00
Bill	12/11/08			BALYEAT & EAGER		920.85
Bill	12/23/08			BALYEAT & EAGER		2,158.62
Bill	12/23/08			BALYEAT & EAGER		761.21
Bill	01/08/09			BALYEAT & EAGER	INVOICE # 11195	4,129.21
Bill	02/23/09			BALYEAT & EAGER	INVOICE # 11252	422.22
Bill	02/23/09			BALYEAT & EAGER	INVOICE # 11322	3,348.86
Bill	03/19/09			BALYEAT & EAGER	INVOICE # 11320	6,994.94
Bill	04/30/09			BALYEAT & EAGER	INVOICE # 11375	5,223.52
Bill	05/14/09			BALYEAT & EAGER	JTE	4,788.00
Bill	05/14/09			BALYEAT & EAGER	NGS	2,000.00
Bill	05/14/09			BALYEAT & EAGER	ACB	2,000.00

Type	Date	Num	Ad	Name	Memo	Original Amount
Bill	05/19/09			BALYEAT & EAGER	JTE	2,000.00
Bill	07/22/09			BALYEAT & EAGER	NGS	3,000.00
Bill	08/05/09			BALYEAT & EAGER	NGS	896.15
Bill	08/05/09			BALYEAT & EAGER	NGS	1,832.47
Bill	08/05/09			BALYEAT & EAGER	NGS	2,000.00
Bill	08/26/09			BALYEAT & EAGER	NGS/JTE	5,000.00
Bill	03/19/09			BAUER INVESTIGATION	BOD ASSOC. FOR WALTER MILLER	495.27
Bill	05/20/04			BERRY, ELSNER & HAMMOND		1,005.00
Bill	09/26/02			BRIDES & ASSOCIATES		267.50
Bill	12/21/01			BULLVANT/HOUSER/BAILEY		314.50
Bill	01/30/02			BULLVANT/HOUSER/BAILEY		203.50
Bill	02/22/02			BULLVANT/HOUSER/BAILEY		564.50
Bill	11/15/06			CASH-PETTY CASH		126.90
Bill	11/01/07			CASH-PETTY CASH		30.00
Bill	01/18/08			CASH-PETTY CASH		35.00
Bill	07/02/08			CASH-PETTY CASH		56.12
Bill	10/30/08			CASH-PETTY CASH		148.99
Bill	10/13/05			CHARLES PETERSON		111.49
Bill	12/14/05			COONEY & CREW, LLP		7,532.40
Bill	01/25/06			COONEY & CREW, LLP		3,614.69
Bill	03/23/06			COONEY & CREW, LLP		332.50
Bill	04/20/06			COONEY & CREW, LLP		6,818.51
Bill	05/31/06			COONEY & CREW, LLP	ASSOCIATION	7,335.86
Check	04/20/06	1001		CRR WATER CO		15,000.00
Depot	04/21/06	DEP		DEPOSIT	Deposit	(15,000.00)
Bill	08/05/09			DONALD OLIVER	HARRY BROWN	325.00
Bill	05/09/07			GLENN, SITES, REEDER & GASSNER		1,618.00
Bill	06/13/07			GLENN, SITES, REEDER & GASSNER		482.22
Bill	06/28/07			GLENN, SITES, REEDER & GASSNER		2,938.00
Bill	08/09/07			GLENN, SITES, REEDER & GASSNER		50.00
Bill	08/10/07			GLENN, SITES, REEDER & GASSNER		2,561.51
Bill	09/06/07			GLENN, SITES, REEDER & GASSNER		1,990.00
Bill	10/03/07			GLENN, SITES, REEDER & GASSNER		2,473.00

Invoice	Date	Num	Adj	Name	Memo	Original Amount
Bill	11/15/07			GLENN, SITES, REEDER & GASSNER		5,202.94
Bill	01/30/08			GLENN, SITES, REEDER & GASSNER		7,093.74
Bill	03/05/08			GLENN, SITES, REEDER & GASSNER		870.00
Bill	04/02/08			GLENN, SITES, REEDER & GASSNER		2,807.14
Bill	05/15/08			GLENN, SITES, REEDER & GASSNER		9,370.86
Bill	06/11/08			GLENN, SITES, REEDER & GASSNER		3,041.34
Bill	07/10/08			GLENN, SITES, REEDER & GASSNER		2,641.11
Bill	08/11/08			GLENN, SITES, REEDER & GASSNER		6,466.57
Bill	09/04/08			GLENN, SITES, REEDER & GASSNER		2,840.00
Bill	10/02/08			GLENN, SITES, REEDER & GASSNER		3,020.84
Bill	10/29/08			GLENN, SITES, REEDER & GASSNER		2,120.98
Bill	12/10/08			GLENN, SITES, REEDER & GASSNER		450.00
Bill	01/08/09			GLENN, SITES, REEDER & GASSNER		790.00
Bill	04/16/09			GLENN, SITES, REEDER & GASSNER		2,000.00
Bill	04/30/09			GLENN, SITES, REEDER & GASSNER		2,000.00
Bill	06/24/09			GLENN, SITES, REEDER & GASSNER		2,903.09
Bill	08/26/09			GLENN, SITES, REEDER & GASSNER		2,500.00
Bill	07/10/00	DCG		GLENN, SITES, & REEDER		1,093.00
Bill	08/03/00			GLENN, SITES, & REEDER		40.00
Bill	08/03/00			GLENN, SITES, & REEDER	WELL # 2	40.00
Bill	09/12/00			GLENN, SITES, & REEDER	DRUM/TAYLOR	590.00
Bill	10/12/00			GLENN, SITES, & REEDER	DRUM/TAYLOR/TOW	410.00
Bill	11/09/00			GLENN, SITES, & REEDER	ER	620.00
Bill	12/06/00			GLENN, SITES, & REEDER	DRUM/ASSOC./TOW	939.00
Bill	01/31/01			GLENN, SITES, & REEDER	ER	536.00
Bill	03/14/01			GLENN, SITES, & REEDER	ZIMMERMANS/SHUT	290.00
Bill	04/09/01			GLENN, SITES, & REEDER		30.00
Bill	05/11/01			GLENN, SITES, & REEDER		371.00
Bill	06/06/01			GLENN, SITES, & REEDER		453.00
Bill	07/06/01			GLENN, SITES, & REEDER		100.00
Bill	08/03/01			GLENN, SITES, & REEDER		280.00
Bill	09/12/01			GLENN, SITES, & REEDER		400.00
Bill	10/10/01			GLENN, SITES, & REEDER		123.00

Type	Date	Num	Ad	Name	Memo	Original Amount
Bill	12/05/01			GLENN, SITES, & REEDER		255.00
Bill	01/18/02			GLENN, SITES, & REEDER		20.00
Bill	02/08/02			GLENN, SITES, & REEDER		165.00
Bill	03/13/02			GLENN, SITES, & REEDER		250.00
Bill	05/07/02			GLENN, SITES, & REEDER		140.00
Bill	06/06/02			GLENN, SITES, & REEDER		150.00
Bill	07/03/02			GLENN, SITES, & REEDER		135.00
Bill	08/09/02			GLENN, SITES, & REEDER		150.00
Bill	08/30/02			GLENN, SITES, & REEDER		565.00
Bill	10/10/02			GLENN, SITES, & REEDER		332.44
Bill	10/31/02			GLENN, SITES, & REEDER		1,190.00
Bill	12/03/02			GLENN, SITES, & REEDER	FILING FEE/BARNUM	91.00
Bill	12/19/02			GLENN, SITES, & REEDER		2,740.57
Bill	01/15/03			GLENN, SITES, & REEDER		580.26
Bill	02/13/03			GLENN, SITES, & REEDER		50.00
Bill	03/14/03			GLENN, SITES, & REEDER		150.00
Bill	04/10/03			GLENN, SITES, & REEDER		100.00
Bill	05/09/03			GLENN, SITES, & REEDER		90.00
Bill	06/05/03			GLENN, SITES, & REEDER		220.00
Bill	08/15/03			GLENN, SITES, & REEDER		375.00
Bill	09/12/03			GLENN, SITES, & REEDER		100.00
Bill	10/10/03			GLENN, SITES, & REEDER		120.00
Bill	11/07/03			GLENN, SITES, & REEDER		704.88
Bill	12/19/03			GLENN, SITES, & REEDER		280.00
Bill	02/13/04			GLENN, SITES, & REEDER		30.00
Bill	03/12/04			GLENN, SITES, & REEDER		150.00
Bill	03/10/05			GLENN, SITES, & REEDER		650.00
Bill	04/01/05			GLENN, SITES, & REEDER		111.29
Bill	06/16/05			GLENN, SITES, & REEDER		315.00
Bill	08/12/05			GLENN, SITES, & REEDER		240.00
Bill	09/08/05			GLENN, SITES, & REEDER		470.00
Bill	10/18/05			GLENN, SITES, & REEDER	DEUEL	930.00
Bill	11/16/05			GLENN, SITES, & REEDER	DEUEL	1,383.13
Bill	01/11/06			GLENN, SITES, & REEDER	DEUEL	2,015.00

Type	Date	Num	Adj	Name	Memo	Original Amount
Bill	02/15/06			GLENN, SITES, & REEDER	DEUEL	510.00
Bill	03/06/06			GLENN, SITES, & REEDER	DEUEL	1,025.00
Bill	04/20/06			GLENN, SITES, & REEDER	ASSOC.	660.00
Bill	05/16/06			GLENN, SITES, & REEDER	ASSOC.	1,226.11
Bill	06/15/06			GLENN, SITES, & REEDER	ASSOC.	3,442.85
Bill	08/09/06			GLENN, SITES, & REEDER	ASSOC.	2,203.86
Bill	09/20/06			GLENN, SITES, & REEDER	ASSOC.	3,043.86
Bill	10/18/06			GLENN, SITES, & REEDER	ASSOC.	1,734.14
Bill	11/15/06			GLENN, SITES, & REEDER	ASSOC./PUC	1,165.86
Bill	12/14/06			GLENN, SITES, & REEDER	ASSOC./PUC	3,271.14
Bill	01/11/07			GLENN, SITES, & REEDER	ASSOC./PUC	2,305.00
Bill	02/08/07			GLENN, SITES, & REEDER	ASSOC./PUC/BERRY	1,701.64
Bill	03/07/07			GLENN, SITES, & REEDER	ASSOC./PUC/BERRY	1,866.16
				STATE		
				DATE		
Bill	04/19/07	3/307		GLENN, SITES, & REEDER		960.00
Bill	03/07/07			HARRANG/LONG/GARY/RUDNICK		555.00
Bill	04/05/07			HARRANG/LONG/GARY/RUDNICK		3,213.80
Bill	05/09/07			HARRANG/LONG/GARY/RUDNICK		4,425.85
Bill	06/13/07			HARRANG/LONG/GARY/RUDNICK		3,170.00
Bill	07/13/07			HARRANG/LONG/GARY/RUDNICK		2,758.31
Bill	09/19/07			HARRANG/LONG/GARY/RUDNICK		115.00
Bill	11/26/07			HARRANG/LONG/GARY/RUDNICK		1,846.67
Bill	12/14/07			HARRANG/LONG/GARY/RUDNICK		984.31
Bill	01/09/08			HARRANG/LONG/GARY/RUDNICK		259.50
Bill	02/06/08			HARRANG/LONG/GARY/RUDNICK		246.81
Bill	03/05/08			HARRANG/LONG/GARY/RUDNICK		7,871.92
Bill	04/18/08			HARRANG/LONG/GARY/RUDNICK		8,294.87
Bill	05/15/08			HARRANG/LONG/GARY/RUDNICK		8,615.85
Bill	06/11/08			HARRANG/LONG/GARY/RUDNICK		12,693.53
Bill	07/10/08			HARRANG/LONG/GARY/RUDNICK		10,808.81
Bill	08/08/08			HARRANG/LONG/GARY/RUDNICK		11,969.50
Bill	09/19/08			HARRANG/LONG/GARY/RUDNICK		6,000.00
Bill	11/03/08			HARRANG/LONG/GARY/RUDNICK		6,000.00
Bill	11/13/08			HARRANG/LONG/GARY/RUDNICK		6,000.00

Type	Date	Num	Adl	Name	Memo	Original Amount
Bill	11/26/08			HARRANG/LONG/GARY/RUDNICK		6,000.00
Bill	12/23/08			HARRANG/LONG/GARY/RUDNICK		819.84
Bill	04/16/09			HARRANG/LONG/GARY/RUDNICK		4,000.00
Bill	04/30/09			HARRANG/LONG/GARY/RUDNICK		2,000.00
Bill	05/19/09			HARRANG/LONG/GARY/RUDNICK		4,000.00
Bill	07/13/09			HARRANG/LONG/GARY/RUDNICK		15,400.00
Bill	07/14/09			HARRANG/LONG/GARY/RUDNICK		340.00
Bill	08/05/09			HARRANG/LONG/GARY/RUDNICK		2,000.00
Bill	08/26/09			HARRANG/LONG/GARY/RUDNICK		5,000.00
Bill	02/13/03			HUTCHISON, HAMMOND & WALSH		42.00
Bill	03/14/03			HUTCHISON, HAMMOND & WALSH		1,246.00
Bill	04/10/03			HUTCHISON, HAMMOND & WALSH,		1,327.00
Bill	05/23/03			HUTCHISON, HAMMOND & WALSH		199.00
Bill	06/19/03			HUTCHISON, HAMMOND & WALSH		560.00
Bill	05/17/06			JEFFERSON CO. SHERIFFS DEPT.	LAW SUIT ASSOC.	28.00
Bill	09/07/06			JEFFERSON CO. SHERIFFS DEPT.	HOBBS	28.00
Bill	03/10/05			JIM SMITH		510.00
Bill	01/25/06			JIM SMITH		1,085.00
Bill	03/27/08			JIM SMITH		848.80
Bill	04/18/08			JIM SMITH		482.16
Bill	05/15/08			JIM SMITH		858.50
Bill	10/02/08			JIM SMITH		315.45
Bill	11/15/07			KARNOPP PETERSEN, LLP		3,111.00
Bill	12/14/07			KARNOPP PETERSEN, LLP		2,983.50
Bill	01/24/08			KARNOPP PETERSEN, LLP		850.10
Bill	01/08/04			KAZIMERZ "KEN" STROKOSZ & EDWARD P. FITCH	PH 1, BL 12 LT 5, CRR, OR - STROKOSZ	1,800.00
Bill	08/29/06			MONA PRUITT	TRANSCRIBE COURT TAPES	665.00
Bill	09/26/03			NANCY A. BORNEMAN	BARNUM CASE	200.00
Bill	11/18/03			PAUL J. SPECK, ATTORNEY	\$1,125.00=BARNUM	5,742.56
Bill	08/30/07			PAUL J. SPECK, ATTORNEY		202.50
Bill	10/01/07			PAUL J. SPECK, ATTORNEY		900.00
Bill	11/28/07			PAUL J. SPECK, ATTORNEY		90.00

Type	Date	Num	Adj	Name	Memo	Original Amount
Bill	12/26/07			PAUL J. SPECK, ATTORNEY		112.50
Bill	02/06/08			PAUL J. SPECK, ATTORNEY SECRETARY OF STATE/BUSINESS SERV.		247.50
Bill	02/08/07			DIV. SECRETARY OF STATE/BUSINESS SERV.		38.75
Bill	05/31/07			DIV.	LAW SUIT AGAINST ASSOC.	50.00
Bill	05/17/06			STATE OF OREGON		206.00
Bill	09/07/06			STATE OF OREGON	HOBS SMALL CLAIMS # 983	59.00
Bill	04/30/09			SUSAN DALEY STEARNS, LLC	CORP NAME	500.00
Bill	05/21/02			WASHINGTON MUTUAL - VISA		14.00
Total 6050.1 - G & A - Legal Services						408,657.59
Total 6050 - G & A - LEGAL & ACCOUNTING						
TOTAL						

CRRWC BOARD OF DIRECTORS MEETING
November 20, 2002

MINUTES

Meeting was called to order at 7:30 pm by Wayne Sutton.

Roll call of Board of Directors: Wayne Sutton and John Combs present.

Absent: Paul Dinsmoor, Rick Keen, and Randy Scott.

Visitors present: Gloria Elliott, Jim and Carol Day, Bob Balcom

Tape Recording Announcement made by Wayne Sutton. Visitor Gloria Elliott was taping in addition to the CRRWC.

Agenda approved.

Managers Report:

- JR announced that the Chinook Extension project was started today. He hopes to have it completed before the snow flies.
- He will be receiving the final budget from the accountants on Dec. 4, and should have it to the Board by the following Wednesday at the latest.
- Need to discuss water for the roads, but without all directors present, it needs to wait.
- We had the insurance presentation on Monday. Final figures will be given to the board when they are received.
- Extension on Peninsula will probably start next spring, as well as continuing down Steelhead.

Jim Day: Quail will "probably" be paved next spring. Would like to see the water extensions completed before they pave. The Road district will have to identify their road schedule by Jan. 15, 2003, for budgetary purposes. Quail will probably be an "oil mat" rather than asphalt. They are doing a traffic count now, and there isn't much. By doing an "oil mat", it will allow them to pave more roads. Commercial Loop - the road district will get some estimates to see whether it's more cost effective to "oil mat" or do asphalt. JR states that oil mat won't work as there is too much weight on this road, garbage trucks, etc. Jim states that there is some "resistance" to keeping Commercial Loop up as there is little traffic. JR asked if there is a list available yet as to what roads will be paved or repaired. Jim stated that there is a list, but it hasn't been presented to the board yet, so he can't

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CHBH-CRR0256

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release it. But Quail, Commercial Loop and Steelhead are on the list for the next year or so. The list will be for the next 8 years.

Mgr report continued:

- SCADA needs upgrading, but has been unable to find a computer to handle the load. He is having a computer built that can accommodate SCADA and Auto Cad.
- Has located a tank that he is hoping he can obtain and use as a water tower. Already has a 180 ton crane located.

OLD BUSINESS

John Combs states that the by-laws contain several references as to when ballots need to be returned. One place states 2 working days before the annual meeting, another is Wednesday by 4:30 pm, and another states 48 hours. He believes this needs to be reviewed and stated the same way.

JR: Will have Barb research and get back to board.

A "suggestion form" was received and the suggestion was to not charge people when they aren't here. Jacquie will write a response to the customer explaining our policy.

"Receipt" from Robert Reinke showing that the property that the business is located on has been paid off. We paid it off 1½ years ahead of time.

NEW BUSINESS

Power bills are up \$5000 this past year. JR states that he had a discussion with PP&L a couple of weeks ago and was informed that they will go up another \$6000 over this next year.

New connections: In 1999 we had 45 new connections totaling \$67,5000 in revenue to the company. In 2002, we had 24, giving us \$36,000. JR states that in the future, we are not going to have that revenue to fall back on, and will be losing about \$70,000 from the budget.

PUC - deferred until later.

Road Standards: JR getting ahold of Mike McHaney to meet on this. Jim Day: They haven't necessarily been meeting county standards, but will have to start in the future. They have a 16 ton roller, but he's not sure what it will compact down to. And it belongs to CRR - not the SRD.

Financial Statement: Again, Accountant will be here Dec. 4 - JR recommends

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Board members attend if possible.

JR: Company Insurance: Had a meeting on Monday, rates are increasing an average of 30%. This year, rates are up \$5000 - \$10,000. Depends on whether coverage can be found for the tower. Last year the tower rate was \$800, this year it's \$20,000 - if a carrier can be found to cover it. The rates and coverage are the result of 9/11 and it's hitting everyone. Jim Day: He has been told the same thing for his personal coverage.

PUBLIC COMMENTS

Gloria Elliott: How can the Board of Directors justify purchasing dirt to fill in water line ditches when JR uses company equipment and time to fill in his own property? No response

Gloria Elliott: Have you submitted the log for using equipment? At the annual meeting, you said a log is being kept to document private, volunteer, and water company use. Has it been submitted to the IRS? It effects the depreciation amount for taxes. No response

Gloria Elliott: As a water company member, she has the right to see the agreement that allows JR to use equipment. Also, Paul Dinsmoor said it's in the by-laws, where is it? Apparently not in by-laws. The agreement is in JR's contract, but she can't see that.

Jim Day: Question on water for roads, but that's between CRR and CRRWC.

Jim Day: Will there be vacancies/re-elections at the next annual meeting?
Unknown - will have to look.

John Combs motioned that the meeting be adjourned, Wayne Sutton seconded. Meeting Adjourned.

Submitted by:



Wayne Sutton, Secretary/Treasurer

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CHBH-CRR0258

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DATE: February 15, 2005
TO: Board of Directors
Crooked River Ranch Water Company
FROM: James H. RookS
General Manager/Operations Manager

SUBJECT: BILLING AND COLLECTIONS FOR CROOKED RIVER WATER COMPANY

Issue: As a result of a 12 month study done by staff at CRRWC, it has become increasingly evident the damage that delinquent accounts are having regarding our ability to pay our bills. (See attachment A and B). In order for this company to maintain an excellent credit rating with our suppliers and utility companies, it is extremely important that we receive our account receivables in a more timely manner.

Recommendation: The General Manager proposes a complete revision in the company policy toward delinquent accounts. This revision will ultimately require all accounts receivable to be paid within 60 days of billing. It will include a two letter warning system, a door hanger, and if possible, personal contact. All of the requirements are within the guidelines of the Public Utility Commission and their OAR 860-036. In addition to the extensive warning system, at this time I propose additional charges to be levied on severely late accounts, i.e., over 30 days. These charges will include an Administrative Fee of \$25 for preparing and processing the required paper work, a \$10 charge for delivering the door hanger and a deposit to be placed on their account. (Deposits are calculated by adding the last 12 months of charges and dividing by 6. The result is the deposit amount. This calculation is according to OAR 860-036-0040). These charges will be included on the final notice and the door hanger (see attached letter copies).

In addition, we are offering payment agreements according to PUC guidelines. We are offering a 3 option payment plan (pay in 3, 6 or 12 installments) and have established a standardized guideline that allows staff to waive the deposit, Administrative fees, or other charges, on a one time only basis.

I feel this is an extremely necessary measure based on the \$5 charge we initiated last April (see attachment A). As you can see, delinquent accounts dropped drastically for about 3 months, but eventually customers went back to their old paying habits.

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CHBH-CRR0074

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The new system will also be monitored and tracked in a completely different manner. With the additional office space the extension has provided, we can now afford a completely separate collections department to closely track and monitor delinquent accounts. We have spent 7 years increasing fees, increasing the customer base, extending the boundaries of the water system, and deleting insurance policies in order to guarantee the financial stability of this company. This will be one more responsible step in guaranteeing the financial stability of this company.

Resolution:

APPROVED:


Paul Dinsmoor, President

Date: 6/24/05


Wayne Sutton, Secretary/Treasurer

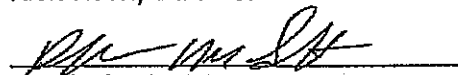
Date: 5-20-05


John Combs, Director

Date: 5-19-05

Rick Keen, Director

Date: _____


Randy Scott, Director

Date: 6/28/05

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CHBH-CRR0075

CRRWC Visa - Meals & Ent

<u>Date</u>	<u>Vendor</u>	<u>Amount</u>	<u>Past Due</u>	<u>Amount</u>
1/24/2008	McDonalds	\$7.18		
1/25/2008	Regio's Café	\$9.05		
1/28/2008	Mazatlan Mexican	\$71.65		
2/5/2008	Pappy's Pizzeria	\$31.85		
2/6/2008	KFC	\$16.06		
2/8/2008	Pilot Butte Drive-in	\$11.00		
2/14/2010	Geno's New York Pizza	\$20.50		
2/26/2008	Smith Rock Restaurant	\$30.95		
2/27/2008	Big Dog Saloon	\$43.50		
3/10/2008	McDonalds	\$12.77		
3/20/2008	McDonalds	\$9.77	9/9/2008	\$17.57
4/10/2008	McDonalds	\$17.07	11/29/2008	\$39.00
4/11/2008	Geno's New York Pizza	\$15.99	3/2/2009	\$39.00
4/14/2008	Metolius River Sub Shop	\$33.70	7/29/2009	\$39.00
4/14/2008	Geno's New York Pizza	\$39.93		<u>\$134.57</u>
4/16/2008	Burger King	\$10.78		
4/16/2008	Metolius River Sub Shop	\$17.60		
4/16/2008	Black Bear Diner	\$22.67		
4/17/2008	Mazatlan Mexican	\$67.90		
4/21/2008	Shari's of Salem	\$22.16		
4/21/2008	The Gallery Restaurant	\$39.50		
5/6/2008	Metolius River Sub Shop	\$13.70		
5/14/2008	Smith Rock Restaurant	\$31.60		
5/16/2008	Fountains Bar and Grill	\$25.00		
5/16/2008	Smith Rock Restaurant	\$28.85		
5/10/2008	Applebee's	\$36.53		
6/13/2008	Burger King	\$11.38		
6/17/2008	McDonalds	\$3.79		
6/24/2008	Black Bear Diner	\$24.85		
6/25/2008	McDonalds	\$12.96		
6/30/2008	Taco Time	\$6.34		
6/30/2008	McDonalds	\$4.49		
7/2/2008	Trading Post	\$45.62		
7/21/2008	Black Bear Diner	\$26.11		
8/1/2008	Sandbagger	\$25.00		
8/8/2008	Shari's of Salem	\$21.83		
8/18/2008	Baldy's Barbeque	\$44.00		
8/25/2008	Black Bear Diner	\$44.33		
9/2/2008	Dairy Queen	\$11.88		
9/12/2008	Black Bear Diner	\$33.95		
10/23/2008	Regio's Café	\$32.50		
10/30/2008	Cindy's Chinese	\$33.00		
11/12/2008	Pilot Butte Drive-in	\$13.50		
11/20/2008	Sandbagger	\$27.75		
11/21/2008	Pilot Butte Drive-in	\$15.00		
11/24/2008	KFC	\$14.57		
12/11/2008	Geno's New York Pizza	\$22.49		
12/31/2008	Applebees	\$77.65		
2008 Total		\$1,240.25		

CRRWC Visa - Meals & Ent

<u>Date</u>	<u>Vendor</u>	<u>Amount</u>	
1/26/2009	McDonalds	\$14.97	
1/27/2009	Smith Rock Restaurant	\$45.65	
1/30/2009	McDonalds	\$10.57	
3/5/2009	McDonalds		Charge not visible
3/10/2009	Shari's of Salem		Charge not visible
3/10/2009	Korner Post, Detroit		Charge not visible
4/7/2009	Sunspot Drive-in	\$21.45	
4/13/2009	Sandbagger	\$34.00	
4/14/2009	Sandbagger	\$40.00	
4/20/2009	Pappy's Pizzeria	\$38.80	
4/20/2009	Subway	\$9.20	
5/19/2009	Shari's of Salem	\$26.65	
5/27/2009	McDonalds	\$6.28	
6/23/2009	KFC	\$10.75	
6/28/2009	McDonalds	\$17.65	
7/1/2009	McDonalds	\$8.00	
7/7/2009	Smith Rock Restaurant	\$35.60	
7/10/2009	Applebees	\$145.82	
7/14/2009	McDonalds	\$5.58	
7/15/2009	Sandbagger	\$42.45	
7/16/2009	Sandbagger	\$50.45	
7/30/2009	Regio's Café	\$23.65	
8/4/2009	Pilot Butte Drive-in	\$21.00	
8/23/2009	Smith Rock Restaurant	\$55.75	
10/1/2009	McDonalds	\$2.89	
10/2/2009	Black Bear Restaurant	\$34.96	
2009 Total		\$702.12	
Total		\$1,942.37	

To: Board of Directors
Crooked River Ranch Water Company

From: James H. RooKs
General Manager/Operations Manager

Date: January 1, 2000

Subject: Employment Policy Outline-Conditions of Employment as of January 1, 2000:

As directed by the Board of Directors of the Crooked River Ranch Water Company

#1 No CRRW Co. employee, nor any relative, or significant other may be elected to the Board of Directors while that person is employed. Also, the same applies for a period of two years after that person ceases to work for CRRW.

#2 Conflicts of Interest: No CRRW Co. employee or acting board member may participate in any action in which that person has a substantial financial interest. Participation includes, but is not limited to, reviewing bids or proposals, making recommendations for awards of contracts, awarding services, preparing bids, etc. when the employee stands to profit from the outcome of actions taken with respect to the above.

#3 Any person acting as a Board Member of this company shall not retain, or apply for any paid position of this company for a period of 60 months after that person's term has expired. This does not include short-term contractual work that is necessary for the benefit of the company. This contractual work shall be at the discretion of and under the responsibility of the General Manager, this responsibility shall include reporting to the Board of Directors.

Recommendation:

Above guidelines be adopted and voted into Company Policy.

Approved:

Chuck Peterson
Chuck Peterson, President

Barbara Oakley
Barbara Oakley, Vice President

Wayne Sutton
Wayne Sutton, Secretary/Treasurer

Bill Pemberton
Bill Pemberton, Director

Paul Dinsmoor
Paul Dinsmoor, Director