

Rhododendron Water Association
Annual Meeting
May 19, 2018
Resort at the Mountain

1 **PRESENT:** Steve Graeper; Ralph Pitt; Merv Novinger; Robert Phillips; Dan Holm; John Young; Bill
2 Nylund
3 Others present: David Jacob; Laura Patty; Katy Arnold. 17 members signed the sign in sheet.

4 **CALL MEETING TO ORDER**

5 **Quorum Determination**

6 Graeper determined a quorum was present for the meeting to proceed.
7

8 **Welcome and Opening Remarks**

9 President Steve Graeper opened the meeting at 1:10 PM. Graeper thanked everyone for attending and
10 announced that RWA was providing the food and beverages for the meeting to say thank you to the
11 membership.

12 He then introduced the RWA Board of Directors: Ralph Pitt, Vice President/Treasurer; Merv Novinger,
13 Secretary; Board Members, Robert Phillips; Bill Nylund; and John Young.

14 He also introduced Water Master/System Engineer, David Jacob; Executive Secretary Laura Patty; and
15 Recording Secretary, Katy Arnold and praised them for their dedicated service to RWA.

16 **SECRETARY'S REPORT**

17 **Approval of 2017 Annual Meeting Minutes**

18 Graeper called for any corrections or amendments to the distributed 2017 Annual Meeting minutes. None
19 noted. Ralph Pitt moved, and Dan Holm seconded **a motion to accept the 2017 Annual Meeting minutes**
20 **as distributed.** Motion carried.

21 **PRESIDENT'S REPORT**

22 **RWA Accomplishments to Date**

23 Graeper commended the Board for their tremendous strides with RWA. He also commented that David
24 Jacob Waterworks, along with his employees and the current capital improvement projects are positioning
25 the water system to continue well into the 21st Century. RWA has one of the best water sources on Mt.
26 Hood. RWA will continue the planned replacement of the original 1918-1920's piping with state of the art
27 plumbing and we will continue to improve the system as new innovation evolves. Graeper would like to
28 preserve the water system for many future generations and believes that water itself may just be the next
29 "Gold".

30 **EXECUTIVE SECRETARY AND TREASURE'S REPORT**

31 **Review of 2017**

32 Laura Patty gave an overview of the 2017 Financials, which are also available on the RWA web site.
33 The Total Income was \$147,743.55 (Water dues and miscellaneous fees) and the Total Expenses were
34 \$82,422.13, leaving \$65,321.42 before Capital Expenditures (see **Capital Improvement Projects** below for
35 details).

36 **2018 Financials YTD**

37 Total Revenue: \$131,803.57; Expenses: \$34,141.50; leaving \$97,662.07. RWA continues to collect
38 receivables and payments continue to look on target for 2018.

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1 **Account Updates, Billing Changes**

2 The only rate change has been the normal 3% bi-annual increase that was effective this year. There have
3 been no complaints made about the increase. New for this year, the Board implemented a Financial
4 Assistance Program (funded by donations) designed to assist RWA members having difficulty paying water
5 dues.

6 **Investments in Municipal Bond Funds for Capital Improvement Projects**

7 Ralph Pitt reported on RWA's use of investments to help fund Capital Improvement projects, RWA's
8 investment in Certificates of Deposit (CD's) and Municipal Bonds total over \$130,000.

9 Currently, RWA has two CD's. One matures this June in the amount of \$50,000 plus interest and the other
10 matures in September in the amount of \$35,000 plus interest, each with an interest rate greater than 1.25%.

11 RWA also carries a Municipal Bond Fund: The Ameriprise Government/Municipal Bond Fund started with
12 an investment of \$42,500, and is currently valued at \$45,058.42. It is estimated to yield 2.95% and Pitt
13 states it is a very safe fund.

14 **WATER MASTER REPORT**

15 **2017 Consumer Confidence Report**

16 David Jacob reported that the 2017 Consumer Confidence Report is on the RWA website, rhodywater.com
17 and states RWA is well within compliance. Graeper added RWA continues to enter water samples in the
18 Best Tasting Surface Water in Oregon contests across the state. RWA has won the honor twice and aims to
19 continue winning.

20 **BUSINESS MEETING**

21 **RWA Financial Assistance Program**

22 Robert Phillips reported that in 2018 RWA established a Financial Assistance Program. It is confidential
23 and is funded solely by voluntarily donated contributions. The primary purpose is to assist members of the
24 RWA community who may be experiencing some financial hardships. Phillips added it is our elderly, our
25 neighbors with medical problems, or a member with temporary financial issues who may need monetary
26 support. The fund currently has a balance of \$895. One request for assistance has been received from a
27 community member.

28 **Capital Improvement Projects Recap and Update**

29 Graeper presented two slideshows for members to view. They document the ongoing progression of RWA's
30 current Capital Improvement Projects:

31 **Woodlands Water Storage Tank** 32 **Sand Filter System at Treatment Plant** 33 **Service Metering project along Highway 26**

34 Graeper briefly discussed the Capital Improvement financials. The current total costs for the projects are
35 projected to be approximately: \$225,000 for the Slow Sand Filtration System, \$425,000 for the Hofeldt
36 Reservoir Project, and \$175,000 for the Highway 26 Project.

37 Graeper explained that funding for these projects come from a \$750,000 Oregon Drinking Water Revolving
38 Loan Fund and \$75,000 from RWA. He further explained that because RWA met certain conditions, 30% of
39 the loan is forgivable by the state. The state loan has an interest rate of 1.72% over 30 years. He expects to
40 have the loan paid in full within 10 years.

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1 A member asked how many people the water system serves. Graeper said RWA currently has 363
2 customers and serves a population of just over 900.

3 The system has a water right for 135GPM and could accommodate new growth. The normal water demand
4 is approximately 45GPM. The peak load averages around 85GPM, with a midnight flow averaging 30GPM.
5 The midnight flow indicates there are some leaks throughout the system and the RWA Board is working to
6 get midnight flow down to 10GPM.

7 Graeper mentioned RWA would soon be acquiring the Zigzag Ranger Station as a new customer. He has
8 also been in communication with NW Natural Gas, Water Division, who recently purchased the Salmon
9 Valley Water System. They are discussing the possibilities of an intertie between the two systems.

10 Phillips asked how much of a revenue boost would RWA receive from the Forest Service. Jacob replied it
11 depends on how the meters are connected: One master meter or multiple individual meters. He said the
12 current plan is to install a pair of 1½-inch meters (equal to 10 dwellings). A negotiated rate structure has yet
13 to be established. The current proposal is to run the main line down the old Mt. Hood Loop road right of
14 way, connecting to the Faubion line. The Forest Service contract is broken into three Phases. Phase I and II
15 (Design and Build) have been established. Phase III (connection to Rhododendron) is still under negotiation
16 with the Forest Service.

17 **Hoodland Area Water Coalition (HAWC)**

18 Graeper explained that HAWC is a partnership of the more than 58 water systems in the 45-square mile area
19 between Alder Creek (Ivy Bear) and Government Camp. The group meets once, sometimes twice a year to
20 discuss topics of mutual interest. There is also a Mutual Aid agreement through ORWARN associated with
21 being a part of HAWC. Salmon Valley Water System originally chose not to participate in the HAWC.
22 However, now that NW Natural Water Systems Division purchased Salmon Valley, all indications are they
23 now wish to participate. Salmon Valley Water will be a welcome addition to the HAWC.

24 **Source Water Protection**

25 Several months ago, in an effort to be proactive, Graeper submitted a Letter of Interest (LOI) to the State
26 Drinking Water Source Protection fund requesting a grant to protect RWA's surface water source, Henry
27 Creek. Graeper asked Dan Holm to read the states reply letter aloud.

28 The letter stated that RWA had been recommended for grant funding and has been awarded a \$30,000 grant,
29 which will be administered through Oregon Business Development (BIZ Oregon) and funded by the
30 Infrastructure Finance Authority (IFA). The grant funds are to pay attorney fees to prepare and negotiate a
31 Conservation Easement with two private property owners at the headwaters of Henry Creek. A
32 Conservation Easement increases the buffer zone on each side of the water source to prevent contamination
33 from logging operations. It also records that easement on the property deed in perpetuity.

34 **RESULTS OF BALLOTING**

35 There were three Board positions available and three nominees. Executive Secretary Laura Patty announced
36 that she received a total of 27 ballots with the following results:

37 Robert Phillips 22 votes

38 Ralph Pitt 24 votes

39 John Young 26 votes

40 All three Board members were elected to serve another 3-year term.

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1 **MEMBER QUESTIONS/SUGGESTIONS**

2 There was a question about covering the new Sand Filter System. Graeper replied that a hard cover is not
3 necessary and may even hinder the efficacy of the system. The Bio-film, called “Schmutzdecke”, which
4 aids in filtration, requires sunlight. RWA is looking into an NSF rated mesh cover (comparable to a
5 swimming pool cover) that will allow sunlight through while still helping keep large debris out of the filter.

6 There was a question about replacing the John Lake Road water line. Graeper said that looping and/or
7 replacing various older water lines including the John Lake Road, Chinook Lane, and Marion Road lines
8 will be addressed after the current Capital Improvement Projects are completed.

9 **ADJOURNMENT**

10 Graeper adjourned the meeting at 2:18PM.

11 Respectfully submitted,

12 Kay Arnold, Recording Secretary

DRAFT