

Rhododendron Water Association

2019 Annual Meeting

Saturday May 18, 2019

1:00PM – 2:00PM

Mt. Hood Oregon Resort – Trees Room
68010 E Fairway Ave Welches, OR 97067

1 **PRESENT:** President, Steve Graeper; Vice President/Treasurer, Ralph Pitt; Secretary, Merv
2 Novinger; Board members, Bob Phillips, Dan Holm, and John Young.
3 Others present: Water Master, David Jacob; Executive Secretary, Laura Patty; Recording
4 Secretary, Katy Arnold.

5 A total of 27 members signed the sign in sheet.

6 **ABSENT:** Board Member, Bill Nylund (excused)

7 **CALL MEETING TO ORDER**

8 **Quorum Determination**

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

10 **Welcome and Opening Remarks**

11 President Graeper opened the meeting at 1:05 PM. Graeper thanked everyone for attending and
12 announced that RWA was providing pizza and beverages to say thank you to the membership.

13 He then introduced the RWA Board of Directors, Water Master, Executive Secretary, and
14 Recording Secretary. He praised them all for their dedicated service to RWA.

15 **SECRETARY'S REPORT**

16 **Approval of 2018 Annual Meeting Minutes**

17 The 2018 Annual Meeting minutes had been previously distributed, via email and they were
18 listed on RWA's website. Graeper asked for any corrections or amendments.

19 John Young moved and Regina Lythgoe seconded a **motion to approve the 2018 Annual**
20 **Meeting minutes as distributed.** Motion carried unanimously.

21 **PRESIDENT'S REPORT**

22 **Rhododendron Water Association Now and in the Future**

23 Graeper emphasized the importance of the RWA Board members and thanked them for their
24 foresight and efforts that have allowed RWA to accomplish so much over the past several years.
25 Graeper was pleased that over the past 13-years that he has served as President (2006 to current),
26 the Board has taken the water association and infrastructure from the 19th Century into the 21st
27 Century.

28 He pointed out that the association has a water right on Big Henry Creek for a maximum water
29 usage of 0.3cfs (cubic feet per second) or 135 gallons per minute (GPM). In 2006, 85GPM was
30 wasted due to leaks in the system. Now the leaks are down to less than 30GPM with a goal of
31 less than 10GPM within the next five years. Much of that reduction is due to branch line
32 metering, as well as metering all service connections, which has just recently been completed.
33 With Branch line metering, leaks can be narrowed down to a specific area. Once the area is
34 identified, meters on service lines in that area can be checked to determine if service lines have
35 leaks or if the leak is somewhere along the main branch line.

36 Also, RWA's infrastructure has improved substantially since weathering the 2009 disaster when
37 a tree fell and demolished the treatment plant. That disaster and several subsequent high-water
38 events, brought to light several system shortcomings that needed improvement.

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1 Toward that end, in 2017, RWA received a 30-year, low interest (1.74%), Oregon Health
2 Authority Drinking Water Revolving Loan Fund loan of \$750,000 with 30% loan forgiveness.
3 The funds allowed RWA to construct a sand filtration system, a 135-gallon water storage tank
4 and bore a new 4" water main under Highway 26. Graeper stated that RWA is truly living up to
5 its motto that RWA is "*Providing tomorrow's water quality and reliability - today*".

6 Graeper was pleased to point out that most of RWA's major infrastructure projects have been
7 accomplished without raising rates. While rates have been raised regularly since 2010 by a mere
8 3% every two years to stay within the 1.5% yearly inflation, rates have not and will not be raised
9 significantly to pay for the infrastructure improvements or service the loan. The association
10 board will be reviewing future income and budgets to determine the possibility of decreasing the
11 percentage rates are increased or increasing the number of years between rate increases.

12 Graeper was also pleased to announce that RWA has been granted \$30,000 to research and
13 possibly negotiate Conservation Easements to protect the source water in the watershed of Big
14 Henry Creek. Earlier this year RWA entered into a Memorandum of Understanding (MOU) with
15 Sustainable Northwest to work on the associations behalf. The goal is to protect the watershed
16 for future generations.

17 Board member Bob Phillips commended Graeper for his efficient efforts as RWA's President
18 and Thanked him for leading the Board.

19 **GUEST SPEAKER**

20 Graeper introduced Oregon Legislative District 52 Representative, Anna Williams, as Guest
21 Speaker. Ms. Williams is a resident of Hood River and represents the entire Hoodland area.
22 Representative Williams spoke about accomplishments during her first term as a Representative.
23 She currently serves on the committee's for: Energy and Environment, Agriculture and Land
24 Use, and Human Services and Housing. For the last 10 years, she has been involved with social
25 work and was focused on how to improve the "standard model" of rural Oregon community
26 living.

27 Williams briefly discussed funding for HB 2860A (a House Bill relating to wells that supply
28 ground water for domestic purposes). Today she provided information on current ground water
29 studies and ground water contamination bills for the members to review.

30 She also commented on the 84th Revision of HB 2020A (a House Bill, relating to greenhouse
31 gas emissions; declaring an emergency). Williams said she is feeling good about how funds are
32 coming back into the communities.

33 Williams asked for any questions from the members. Ralph Pitt asked about Hood River's
34 homeless problem. She replied Hood River has a robust shelter system for the homeless
35 population and is statistically no larger than other communities.

36 Graeper asked for Representative Anna Williams' viewpoint on the following:

- 37 1) Tax kicker rebate.
- 38 2) Senator Courtney, Representative Kotek, PERS Reform SB 1049.
- 39 3) Bipartisan working together for the benefit of All Oregonians.
- 40 4) The sessions Greatest accomplishment or what could be during this long session.

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1 Representative Anna Williams' response:

2 1) Williams said she does not believe the tax kicker rebate will be issued this time around
3 and that no changes will be made to it. The kicker is unsustainable and no monies are
4 directed towards schools or mental health. At some point the tax kicker needs to be
5 addressed by the State and changed through the constitutional change process.

6 2) Williams stated the PERS Reform bill, SB 1049 (Senate bill relating to public employee
7 retirement; and declaring an emergency), was significantly amended recently. She said
8 businesses and public employees do not like the proposed PERS reform. However, she
9 thinks it may be better than anything else that might be run through the ballot or amended.

10 3) Williams said Bipartisanship is complicated. In the Oregon House, each bill is completely
11 read and reviewed, which takes time. Typically, each party (Republican and Democrat) tend
12 to disagree with one another and vote along party lines. When it comes to the leadership
13 level, in general, it seems to be more commonly about which political party wins majority.

14 4) Williams declared the greatest accomplishment in the long session would be education
15 reform coupled with education funding and HB 2020A, the Cap and Invest bill. These
16 would create major changes for the way that all of Oregon does business, education, and
17 taxes. It would essentially reformat how the people work with government and how the
18 government works with the people.

19 Representative Williams welcomes all comments or concerns from the public.

20 *Please refer to Oregon Legislature District 52 Representative Williams website for details at:*

21 <https://www.oregonlegislature.gov/williams>

22 **EXECUTIVE SECRETARY/TREASURE'S REPORT**

23 **Review of 2018 and 2019 Financials YTD**

24 Executive Secretary, Laura Patty reported the following for FY 2018: Total Income was
25 \$172,479.11 (Fees and Water Dues); Operating Expenses were \$88, 271.17, leaving a Net
26 Income of \$84,207.94, which goes towards Capital Expenditures and reserve funds.

27 For current year 2019 the total collected is \$143,062.89; and Total Expenses (Jan 1 through May
28 17, 2019) is \$40,941.28. Expenses are looking to be right in line with the budget.

29 **Account updates, billing changes**

30 Graeper reported there have been no recent updates or changes to the billing process. The only
31 known change was that RWA has done away with monthly billings. Only quarterly billings are
32 accepted now. The pay by credit card option is only available January -May. After May 31 the
33 pay by credit card option is shut off. All unpaid bills and shut off notices have been sent out.

34 **Investment in Municipal Bond Funds and CD's for Capital Improvement Projects**

35 Vice President, Ralph Pitt reported the current assets are about 6 times the liabilities. He said the
36 investment of the past Ameriprise Bond Fund was underperforming and is now resting in the
37 Money Market or a State Farm CD. The total savings is at \$107,749. One CD of \$35,500
38 maturing next year. Some of the savings will be used for current operations and future
39 investments.

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1 WATER MASTER REPORT

2 2018 Consumer Confidence Report

3 Filtration Plant Operator David Jacob reported that the Consumer Confidence Report is available
4 at the RWA web site. He also reported that RWA received an Outstanding Performer designation
5 from the Oregon Health Authority. That distinction means a money savings to the association
6 because the expensive system surveys that are normally conducted every 3 years are now
7 conducted every 5 years.

8 Jacob added that the costs for a metered water hookup is now an initial \$1,500 “Buy-in” and a
9 \$5,000 System Development fee toward installation of replacement water main, plus the cost of
10 installing a properly sized water meter.

11 BUSINESS MEETING

12 RWA Financial Assistance Program

13 Board Members Bob Phillips and Bill Nylund oversee the highly confidential Financial
14 Assistance Program. Phillips reported two eligible customers have requested assistance and are
15 being financially aided by the fund. The program is funded strictly by donations from the RWA
16 membership or “neighbor helping neighbor”.

17 Capital Improvement Projects Recap and Update

18 Graeper reported the Sand Filtration System has been online since September of 2018. It is
19 working great and is saving nearly \$18,000 a year by not having to replace the cartridge filters as
20 often. The State completed the System Survey and was impressed with the slow sand system and
21 its cleaning process. Graeper commended Jacobs for his design of the system.

22 Woodlands Water Storage Tank

23 Graeper reported the 135,000-gallon Water Storage Tank has been online since March 1, 2019.
24 He is pleased with the quality of the tank and that there have been no complaints regarding a
25 change in the taste of water. The tank is currently servicing the Faubion and Woodlands area.
26 But, in the rare case of the headworks redwood storage tank failing, or the treatment plant not
27 meeting demand, the new reservoir has the capability to pump water all the way up to the
28 treatment plant.

29 Service Metering Project along Highway 26

30 Graeper reported that every home serviced by RWA now has a meter. The meter installs were
31 not for generating revenue, but as a pre-requisite for receiving the State Revolving Loan Funds.
32 The meters will also assist in detecting service line leaks.

33 Graeper also talked briefly about the current construction along the South side of Highway 26.
34 The new water line will run along the Highway Right of Way to the parking lot at the Log Lodge
35 and eventually looping over to the Holden Rd. line. The new water main will serve two new
36 services and allow for future tie-ins if need be.

37 Hoodland Area Coalition (HAWC) Meeting

38 Graeper reported that HAWC has not had a 2019 meeting yet and that they are currently seeking
39 out guest speaker(s). The 58 water systems between Alder Creek and Government Camp that
40 make up HAWC membership come together once or twice a year to discuss topics of mutual
41 interest. One major benefit of HAWC membership is having a mutual aid agreement among the

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1 member systems via ORWARN. That enables systems to help other systems and be financially
2 reimbursed by FEMA if/when a natural disaster occurs. Communication and networking between
3 water systems is also one of the other benefits of HAWC membership. The goal for all systems
4 on the mountain is to provide safe reliable drinking water to their communities. Working
5 together can help all systems achieve that goal.

6 **Other Business**

7 RWA recently acquired the responsibility of providing water to the Forest Service Ranger
8 Station complex at ZigZag. After an extensive replumbing of the complex water lines, RWA is
9 now generating revenue through the Forest Service's commercially metered account.

10 Also, NW Natural, who now own Salmon Valley Water system is very interested in an intertie
11 with RWA's service lines. This would generate additional revenue by selling excess RWA water
12 to Salmon Valley Water and allow an exchange of water between system in the event of an
13 emergency.

14 Melanie Farnsworth asked what the criteria is for becoming an RWA Board Member. Graeper
15 mentioned the current criteria is attending two Annual Meetings, which could be waived, if
16 necessary. He said there are currently no Board positions open, but a Board member may be
17 leaving soon, thus opening a Board position for the 2020 election.

18 Ms. Farnsworth also asked if RWA had enough spare water to sell. Graeper replied that indeed
19 there was. It would be sold by the metered cubic feet at the current commercial rate.

20 Jacob said there is a leak on Road 12-A, which has been increasing since last winter. Locating
21 the leak has been difficult due to conditions in the surrounding area. He said a new line will be
22 installed soon.

23 Gordon Rice asked about water mains in the John Lake and Marion Rd. areas. Graeper said the
24 John Lake line replacement is going to be a priority Capital Improvement as funds are available.

25 **RESULTS OF BALLOTING**

26 **Director Election Results**

27 Executive Secretary, Laura Patty reported the results of the RWA Board election. All 27 ballots
28 received were all for reelection of Merv Novinger and Bill Nylund.

29 **MEMBER QUESTIONS/SUGGESTIONS**

30 Nothing noted.

31 **ADJOURNMENT**

32 President Graeper thanked everyone for attending the 2019 Annual meeting and adjourned at
33 2:10 PM. The next RWA Annual Meeting will be held in May 2020. Place and Time to be
34 determined.

35 Respectfully submitted,
36 Katy Arnold, Recording Secretary