

Rhododendron Water Association  
Annual Meeting  
1:00PM-2:00PM, May 16, 2015  
Zigzag Inn, Zigzag, Oregon

1 PRESENT: Steve Graeper; Merv Novinger; Bob Phillips; Ralph Pitt, Bill Nylund. Others present: David  
2 Jacob, Water Master; Laura Patty, Executive Secretary; Mindy Peterson, Recording Secretary

3 ABSENT: Dan Holm (excused), John Young (Absent)

4 **CALL MEETING TO ORDER**

- 5 • President Steve Graeper opened the meeting at 1:02PM. He thanked everyone for attending the  
6 2015 Annual Meeting. Graeper announced that he received a \$35.00 Gift Card from **Cabela's** at  
7 the annual Oregon Association of Water Utilities (OAWU) Spring Conference and everyone in  
8 attendance at the meeting would receive a ticket for a chance to win the Gift Card at the end of the  
9 meeting.
- 10 • Graeper determined a quorum was present for the meeting to proceed. Holm was excused from  
11 the meeting, Young was not present.

12 **SECRETARYS REPORT**

- 13 • Graeper called for a reading of the May 20, 2014 Annual Membership Meeting minutes by  
14 Secretary Novinger.
- 15 • Barbara Novinger moved and Linny Adamson seconded **a motion to dispense with the reading**  
16 **of the minutes. Motion carried.**
- 17 • Graeper called for any corrections, additions to the minutes as circulated.
- 18 • Sue McAbery moved and Melanie Farnsworth seconded **a motion to accept the minutes as**  
19 **circulated. Motion carried.**
- 20 • Graeper introduced the Board of Directors: Steve Graeper, President; Ralph Pitt, Vice  
21 President/Treasurer; Merv Novinger, Secretary; Board Member Bill Nylund; Board Member  
22 Robert Phillips; Executive Secretary Laura Patty; Water Master/Filtration Plant Operator/System  
23 Engineer, David Jacob; Mindy Peterson, Meeting Minutes. Dan Holm, Board Member/Filtration  
24 Plant Backup had an excused absence; Board Member, John Young was absent.

25 **PRESIDENTS REPORT**

- 26 • Graeper reported that all RWA members were mailed a notice regarding the transition from  
27 MQBS, explaining the fact that MQBS was downsizing and would no longer be handling the  
28 RWA account. He thanked the transition team of Ralph Pitt and Merv Novinger for spearheading  
29 the transition and that it had gone very well. Graeper re-introduced Laura Patti, who will now be  
30 handling all RWA billing and administration. He also praised MQBS for their help in making the  
31 transition go smoothly.
- 32 • Graeper announced the new phone number for RWA, **503.622.5000**, this is a message only line,  
33 which Graeper and Patty check several times a day. As messages come in, return calls are made  
34 that day or the next regular business day at the very latest. The new RWA FAX number is  
35 **503.622.5466.**

- 1 • As part of the transition, RWA also purchased its own domain and established a new web site at:  
2 [rhodywater.com](http://rhodywater.com). The new web site features a more “user-friendly” environment and has added  
3 links to many valuable resources. The ultimate goal is for members to be able to log into the RWA  
4 website, get up to date information, and/or pay their bills on-line. Until then, RWA Members can  
5 continue to mail payments or drop off payments with Greg Bergman, at **Mountain High**  
6 **Espresso**, located next to the Mt. Hood Food & General Store in Rhododendron. Greg will date  
7 stamp when he receives the payment and will notify RWA of payments needing to be processed.  
8 In addition, Graeper announced that RWA could now accept all major credit cards except  
9 American Express. VISA-Master Card-Discover credit card payments can be made through  
10 Clackamas County Bank by providing Laura Patti with the necessary information to complete the  
11 payment.
- 12 • Graeper explained the large Capital Improvement construction project completed last year. RWA  
13 has a 4” water main suspended next to the Swinging Bridge that was not insulated. With the leak  
14 rate continually decreasing, this line could now be subject to freezing in colder weather. RWA  
15 Board prioritized the insulation of this line and dedicated nearly \$65,000 to get this 4” line  
16 insulated.
- 17 • Graeper reviewed the following Capital Improvement projects that will take place in the next 2-3  
18 years: 100,000 gallon reservoir by the Woodlands; meters installed on Henry Creek; re-routing  
19 lines on Holman Rd. (the south side of Hwy 26) and Faubion Loop.

## 20 EXECUTIVE SECRETARY / TREASURER’S REPORT

- 21 • Patty gave an overview of 2014. RWA ended the year with \$20,274 in Operating Cash and  
22 \$53,671 in Long Term Investment Accounts (CD, Ameriprise). The total income for 2014 was  
23 \$147,309, which was up from 2013 by \$3,764 and over budget by \$2,681. The total expenses for  
24 2014 came in at \$90,852, over 2013 by \$3,294 and over budget by \$2,680. After Capital  
25 Expenses of \$22,284, RWA ended 2014 in the black with \$34,171. The Equity position of RWA  
26 continues to improve and 2015 is following close to the adopted budget.
- 27 • Patty discussed the 2015 YTD Financials. Income ending March 2015 was \$111,318. CD’s and  
28 Ameriprise investments totaled \$108,515. YTD expenses totaled \$19,001 and there is \$12,765 in  
29 outstanding billings due to the transition of Executive Secretaries. The projected income (dues) for  
30 2015 is \$147,000.
- 31 • Graeper announced there would be no special assessments and rates are on track with the 10-year  
32 projection. Rates are scheduled to increase by 3% every two years, with 2016 being the next rate  
33 increase year.
- 34 • Patty emphasized that RWA is now accepting credit card (excluding American Express) payments  
35 on member accounts through Clackamas County Bank and stated that this new payment method  
36 should help with receivables.
- 37 • Pitt discussed RWA’s investment of funds reserved for Capital Improvement projects with  
38 Ameriprise. He explained that in 2012, RWA invested \$42,500 in Ameriprise Municipal Bond  
39 Fund in hopes of improving the annual yield. To date, the amount has grown to \$43,021. There  
40 was a setback in the bond market for about six months due to a scare that the Fed might raise

1 interest rates. The monthly dividend is approximately \$111.00 or about 3.1%. While the fund has  
2 not performed as hoped, it still out paces current long-term CD rates. In addition, RWA is able to  
3 withdraw these funds at anytime, without penalty, if needed.

- 4 • Pitt also suggested that for short-term investing, State Farm Bank currently had a 28-month CD  
5 with a 1.04% yield. He explained that RWA has around \$70,000 in reserve Operating Capital,  
6 currently held in the State Farm Bank Money Market account, earning .50%. He suggested that  
7 RWA should invest those reserve funds in the SFB CD for a better short-term yield. **Pitt moved  
8 and Novinger seconded a motion to invest \$70,000 in Capital reserves with State Farm Bank.  
9 The \$70,000 would be divided into four State Farm 28 months CD's at 1.04% (3/\$20,000  
10 CD's, and 1/\$10,000 CD.)** Nylund asked why the four CD's and not one? It was explained that if  
11 a portion of the funds were needed, RWA could partially withdraw funds with less penalty.  
12 Question was called and the **Motion carried.**
- 13 • Pitt stated there was no advantage to "Ladder" the reserve funds in CD's until rates improved.

#### 14 **WATER MASTER**

- 15 • Jacob reported that the 2013 Consumer Confidence Report is currently on the website for review.  
16 Anyone wishing a copy should let him know and a hard copy will be provided. The 2014 CCR  
17 will be on the RWA website soon. July 1<sup>st</sup> is the deadline to submit the CCR report to the state.
- 18 • He also reported on Filtration Plant and Distribution system upgrades. Plans for the new water  
19 reservoir in the Woodlands area are progressing as planned. The Forest Service should have the  
20 proposal by June 1, when they hold their "Open Season" for 2015-16 proposals. RWA is  
21 proposing a 100,000-Gallon Water Tank/Reservoir and replacement of the current Pressure  
22 Reducing station (PRV), which is currently on Forest Service land near the Skyway Tavern in the  
23 Woodlands area.
- 24 • Jacob announced that RWA continues installing meters. This year, he will concentrate on the  
25 Henry Creek Loop, due to significant leaks in that area. It is possible that additional contractors  
26 will be hired to help complete this work. Jacob explained that the meters are not for RWA billing  
27 purposes, but to help detect leaks. He reported that the "Midnight flow," a measurement that  
28 determines the system leak rate, is approximately 40 gallons per minute. RWA needs to get that  
29 leak rate down. Installed meters will help determine if some of the leaks are located between the  
30 RWA meter and members' cabins. If so, water will be shut-off to the cabin and owners instructed  
31 that they are responsible to make the repair(s) prior to service being restored.
- 32 • Jacob also discussed a new filtration process that will help substantially reduce filtration costs. He  
33 explained that RWA is currently testing a filtration method called a Slow-Sand filter. He reported  
34 that RWA is in the second month of a one-year trial period and so far, all is going well. Test water  
35 is now going through the Slow-Sand filter and the test will continue for a year. Jacob submitted  
36 his plan to the State for review and continues to get feedback from the State about the review.

#### 37 **NEW BUSINESS**

- 38 • Graeper reported on an article that was in the March issue of The Mountain Times regarding the  
39 Hoodland Area Water Coalition (HAWC). Graeper and Jacob formed HWAC, which encompasses

1 approximately 58 water systems in the 45 square miles from Alder Creek to Government Camp. In  
2 addition to becoming familiar with all the systems on the mountain, HWAC's goal is to form a  
3 mutual agreement with area water suppliers, in case there is an emergency effecting one or more  
4 of the suppliers on the mountain. With a Mutual Aid agreement in place, affected water suppliers  
5 could call on support (be it materials, supplies or labor) from neighboring water suppliers and  
6 possibly qualify for FEMA funding of reimbursable expenses. Jacob has drafted a map of the area  
7 identifying water companies and the boundaries within which they provide water. HAWC initially  
8 met in September 2014. February 2015 HAWC systems agreed to formalize the group and will  
9 meet again in September. The following community groups have all indicated support for HWAC:  
10 the Hoodland Fire Department, The Villages at Mt Hood, The Mountain Times, the Mt. Hood  
11 Chamber of Commerce, and a majority of area water systems.

## 12 RESULTS OF BALLOTING

- 13 • Graeper announced that John Young and Ralph Pitt's terms would be expiring and were  
14 nominated for another 3-year term. Robert Phillips took over for Curt Thompson, whose term was  
15 also expiring and was nominated for a 3-year term. Bill Nylund took over mid term for Nancy  
16 Dougherty and his appointment needs to be ratified. Graeper called for any additional ballots to be  
17 counted.
- 18 • Laura Patty tallied all Ballots submitted and announced the results as follows: Of the 31 ballots  
19 submitted, Pitt received 31 votes; Young received 30 votes, Phillips received 31 votes and Nylund  
20 received 29 votes. Graeper declared that the above names had been re-elected or ratified by a  
21 majority of ballots submitted.
- 22 • Graeper announced that the refreshments of pizza and beverages were provided by RWA.
- 23 • The winning ticket for the \$35 Gift Certificate to **Cabela's** was drawn and the lucky winner was  
24 RWA member David Axelson.

## 25 ADJOURNMENT

- 26 • Graeper called for adjournment. Phillips moved and Michelle Lamoreaux seconded **a motion to**  
27 **adjourn the meeting. The motion carried.** Graeper adjourned the meeting at 2:08PM.

28 Respectfully submitted,

29 Mindy Peterson, Recording Secretary