

Rhododendron Water Association

2024 Annual Meeting

Saturday May 18, 2024

Alpine Event Center

73365 E. Hwy 26

Rhododendron, OR 97049

1 **PRESENT:** President, Steve Graeper; Vice President, Bob Phillips; Secretary, Merv Novinger;
2 Treasurer, Molly Espenel; Board Members, Mike Miskowicz, Bill Nylund, and Jerry King.
3 Others present: Executive Secretary, Laura Patty; Water Master, David Jacob.

4 **CALL MEETING TO ORDER**

5 **Quorum Determination:**

6 Graeper determined a quorum was present for the meeting to proceed with all Board members
7 present. Four members of the community also attended.

8 **Welcome and Opening Remarks:**

9 President Steve Graeper opened the meeting at 10:00 AM. Graeper thanked everyone for
10 attending and introduced the Board members present. He also introduced Executive Secretary,
11 Laura Patty and Water Master, David Jacob.

12 **SECRETARY'S REPORT**

13 **Approval of 2023 Annual Meeting Minutes**

14 Graeper explained that the minutes were previously distributed via email and listed on RWA's
15 website. A motion to dispense with the reading of the minutes was seconded and approved. He
16 then asked for any corrections or amendments to the May 20, 2023 Annual Meeting minutes.
17 Hearing none, he asked for a motion. Scott King moved and Kevin Liburdy seconded a **motion**
18 **to approve the 2023 Annual Meeting minutes as distributed.** Motion PASSED unanimously.

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

20 **Review of 2023 Financials**

21 Executive Secretary, Laura Patty reported on the Year End Balance Sheet for 2023 and the
22 financials YTD for 2024. She explained that the 2023 financials are listed on the web site. There
23 were no questions,

24 **Account updates, billing changes**

25 None reported. In 2024 there was a larger than normal rate increase. However, there have been
26 no comments received from the membership regarding the rate increase.

27 **BUSINESS MEETING**

28 **RWA Financial Assistance Program**

29 Graeper reported that for several years RWA has maintained a Bill Assistance program to help
30 qualifying members with water dues payments. Bob Phillips and Bill Nylund oversee the
31 confidential program. Bob Phillips reported that this year the fund has \$1890.00 remaining after
32 assisting one member with water association dues payments.

33 The program is funded strictly by donated funds from the RWA community.

Rhododendron Water Association
2024 Annual Meeting
Saturday May 18, 2024

1 **WATER MASTER REPORT**

2 **2023 Consumer Confidence Report**

3 Water Master and Filtration Plant Operator, David Jacob, reported that 2023 Consumer
4 Confidence Report shows that 2023 was relatively unremarkable. Once again RWA has
5 surpassed all minimum requirements for water quality standards. The 2023 Consumer
6 Confidence report is available on the web site.

7 He also reported on the unusually cold weather in January 2024, which caused numerous water
8 lines to freeze and break. The resulting high demand for water due to these breaks, caused the
9 system to use more water than production capacity allowed. Consequently, the 100,000-gallon
10 reservoir at the headworks, which is primarily used to facilitate disinfectant Contact Time (CT),
11 drained causing a couple of violations of the state safe drinking water standards. Those violations
12 triggered a “Boil Water” notification. The boil notice remained in effect for twelve days while
13 the leaks were identified and repaired, the reservoir filled, and the system brought back into
14 compliance.

15 He reported that the filtration plants continue to operate as designed. However, as a result of the
16 January event, the state requires RWA to implement corrective actions. Those actions are to
17 expedite the installation of radio-read meters throughout the system to help identify homes with
18 leaks more rapidly, and to install a back-up CT pipe. The additional CT pipe will be installed
19 along a section of Henry Creek Road and can supplement the 100,000-gallon redwood CT Tank.

20 Graeper then announced that due to David’s excellent work as Water-Master, RWA has once
21 again gained the states recognition as an “Outstanding Performer”! As such, our water system
22 not only receives statewide recognition, we are also exempt from the state mandate of paying
23 \$900.00 for a Water System Survey every 3-years. As an “Outstanding Performer”, system
24 surveys are now once every 5 years.

25 **PRESIDENTS REPORT**

26 **What prompted a nearly 10% increase in rates?**

27 **Are there more “larger than normal” rate increases planned?**

28 **Capital Improvement Projects, recaps, and update**

29 In answer to all those questions, Graeper referred to his notes. While according to David and the
30 CCR which stated that 2023 was relatively quiet, Graeper noted otherwise. He stated that 2023
31 was a busy year for the Board.

32 RWA lost 2 long time Board members (Ralph Pit and John Young), but gained 2 NEW Board
33 members with refreshing ideas and knowledge (Molly Espenel and Jerry King).

34 And, as explanation for the rate increase, he reminded everyone that in 2021, RWA was forced
35 to spend \$175,000 (plus closing and other associated costs) to obtain an Equitable Servitude (or
36 deeded protection rights) for our Henry Creek watershed, the sole source of water for RWA.

37 Funding that expense took a substantial amount of our capital improvement reserves. However,
38 with legislation passed in 2023, it was expected RWA would be reimbursed for those expenses
39 and we could hold off borrowing from the line of credit until reimbursement.

Rhododendron Water Association
2024 Annual Meeting
Saturday May 18, 2024

1 Then, in April 2023, RWA had an unprecedented leak under Highway 26 and the repair bills
2 tapped our remaining capital improvement reserves. That left very little in the RWA emergency
3 reserve account. Fortunately, RWA has a \$100,000 line of credit with Clackamas County Bank
4 that was borrowed against to see the association through the end of the year.

5 Unfortunately, the expected State reimbursement of over \$175,000, which was spent for
6 Watershed Protection, did not materialize in 2023. However, RWA still anticipates the funds will
7 be reimbursed because the Oregon legislature enacted HB 2010, which gave Oregon Watershed
8 Enhancement Board (OWEB) authority over qualifying and applying for Watershed protection
9 funding.

10 Fortunately, RWA President Graeper was appointed to serve on the OWEB Rules Advisory
11 Committee, which established the rules for qualifying and applying for OWEB Watershed
12 Grants. Once the rules for watershed protection grants are approved by the state, RWA will be
13 able to get reimbursed for expenses incurred for watershed protection. We are anticipating that
14 grant funding should materialize sometime late 2024 or early 2025.

15 Because of the lowered reserves and slow reimbursements, the RWA Board felt a larger than
16 normal rate increase should be implemented for 2024. The funds generated will replenish the
17 depleted Capital Improvement reserves and allow RWA to continue the ongoing meter
18 replacement program and complete some overdue capital improvements.

19 Graeper explained that since 2010, he has committed to a biennial rate increase of 3% to keep up
20 with inflation. He explained that this years rate increase was an anomaly and future rate increases
21 or decreases will be dependent on reimbursements received.

22 Then, on the heels of the rate increase this last January, the Pacific Northwest experienced
23 unprecedented cold weather with excessive east winds, which fell trees and snapped power
24 poles. As David explained earlier in his report, the resulting extended power outage caused
25 numerous frozen, then broken water lines that burst and overtaxed RWA's ability to produce
26 enough water for the demand. That caused our system to go into violation of state regulation and
27 created the "Boil Water" notice we all received.

28 On behalf of the RWA Board, I want to Thank everyone for their patience and understanding
29 during that trying time. I also want to thank the Mt. Hood Lions Club and Clackamas County
30 Emergency Management Department and the numerous volunteers who stepped up to help
31 during last January's emergency. Mike Miskowicz mentioned that he has the county's "After
32 Action" report that reviews how well the community did in reacting to the January emergency.

33 The good news that resulted from the January storm is that Governor Kotek declared Clackamas
34 County a Disaster Area. As a result, FEMA will be reimbursing businesses and residents for
35 qualified expenses relating to the disaster.

36 Then Board member Bill Nylund made comment by thanking President Graeper for his diligence
37 and persistence in making sure RWA remains in a sound financial position by researching all the
38 various funding opportunities.

Rhododendron Water Association
2024 Annual Meeting
Saturday May 18, 2024

1 **Planned Capital Improvements**

2 The ongoing radio-read meter replacement program will continue and be expedited as requested
3 by the state.

4 The long postponed East Henry Creek to John Lake water main installation along Highway 26
5 will be scheduled as will the John Lake homeowners' water main replacement.

6 The 750' of 18" HDPE line in Henry Creek Road to supplement the 100,000-gallon Redwood
7 CT tank will be scheduled once permits are obtained.

8 While we plan on other capital improvements, the priority of those improvements remains very
9 fluid as unscheduled system failures occur. David and the Board will continue to review needs of
10 the system as funds allow.

11 **MEMBER QUESTIONS/SUGGESTIONS**

12 Kevin Liburdy asked about the paving on Woodlands Road. David responded that it will get
13 paved along with several other projects sometime this summer.

14 **RESULTS OF BALLOTING**

15 **Director Election Results**

16 Executive Secretary Laura Patty reported that of the 365 postage-paid ballots mailed to the
17 membership, she only received 65 ballots in return. It was recommended that RWA no longer
18 provide postage-paid ballots since there is less than an 18% return. She then announced the
19 election results. RWA Director, Robert Phillips was re-elected for another 3-year term, and
20 appointed Board members, Molly Espenel and Jerry King were both elected to serve 3-year
21 terms.

22 Graeper then expressed his gratitude to the Board and suggested that the lack of participation by
23 the membership only means that they must be doing something right, because it's only
24 controversy that brings people to the meetings.

25 **ADJOURNMENT**

26 President Graeper thanked everyone for attending the 2024 Annual meeting and adjourned at
27 10:36AM. The next RWA Annual Meeting will be held in May 2025.

28 Respectfully submitted,
29 Steven Graeper, acting Recording Secretary