

August 2015 Newsletter



Project construction costs higher than expected.

Bid opening for the water tower project was held on July 23rd

The Tower/Well project was separated into two Bids (called Schedules) and will result in two separate contracts due to the unique nature of the Tower Construction. Schedule 1 is the elevated tank and Schedule 2 is everything outside of the tank area. The apparent lowest bid for schedule 1 is \$2.2 million and the apparent lowest bid for schedule 2 is \$2.9 million. This is a total construction cost of \$5.1 million which is a cost overrun of \$782,337. The board, engineers, and management were able to make a few adjustments to help lower the cost of the project by \$182,337. This lowered the overrun to \$600,000 and brings the total project cost including other non-construction costs, to just over \$6.4 million.

Why is there such a cost overrun? The original price estimates were done in the spring of 2014 when construction costs were lower. When we applied for the loan with the USDA in the summer of 2014 bids were coming in at lower levels and the USDA would only allow us to request funds at current engineer's estimates which were based on current bid levels. Over the past year the demand for construction has increased greatly and so have resulting costs. The result, were Bids that were greater than projected.

On July 21st in anticipation of current construction costs the PUC approved the water company to request additional funding from the USDA. This request was approved, on July 24th the board passed a resolution to request an additional \$600k from the USDA, if needed, to cover the potential of bids higher than we anticipated. The additional \$600,000 will be a 40 year loan at 2.8% interest. This will not have any effect on the current rates as contingencies required by the USDA will absorb some of this and the balance can be handled within our current budget structure.

Water Tower Project to be awarded in the next few weeks.

Once the USDA has approved additional funding as stated above, we will award the project. The apparent low bidder for the Water Tower (Schedule 1) is Landmark Structures out of Texas. <http://www.teamlandmark.com/> They specialize in this design and construction of elevated water storage tanks. The apparent low bidder for everything outside the tank (Schedule 2) is Jack Robinson & Sons from Bend. If you would like to see the full list of bids, it is available on the front page of our website. Follow the link under Public Bid Opening.

Construction will start soon after the two contracts have been executed. Once we have a construction start date and schedule, we will hold a meeting for the residents around the construction site to answer any questions they may have.

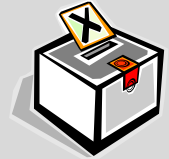
Next Scheduled Board Meeting
November 18th, 2015

Located in the Water Company
conference room.

Meeting locations are accessible to persons with disabilities

Election 2015

Please see the back of this
newsletter for the complete
2015 election schedule.



Crooked River Ranch Water Company

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Election 2014 Calendar

On Monday September 21st, Ballots will be mailed by Ryder Election Services. Your ballot will be mailed separate from your normal water bill.

On Wednesday October 21st, Ballots are due into Ryder Election services or the Drop Box in the lobby of the water company office by 4:30pm.

**Note that the drop box in the water company office is controlled by Ryder and can not be opened by anyone associated with the water company.*



Election day is Friday October 23rd, Ryder will announce the election results to the water company and the candidates will be notified.

Election Results will go out in the October Newsletter.

Well #2 tests absent for Total Coliform

After many months of working to eliminate the Total Coliform from well #2 it appears that we have done so for the time being. We have taken samples from Well #2 for the past several months and they have all returned results that were free of Total Coliform. We will not be bringing Well #2 online to the rest of the system as a precaution, but we will be continuing to sample this well monthly so that we can use the well in an emergency.

Recent tests resulting in the presents of Total Coliform are not related to Well #2. See the letter in with this bill for details.