

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter III – Corporate Governance**

**Recommendation Number:** III-1

**Recommendation Page Number:** 12

**Recommendation:**

Consider expanding the audit committee to three directors.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will expand the audit committee to three directors.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** The audit committee will be expanded by September 30, 2018.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter III – Corporate Governance**

**Recommendation Number:** III-2

**Recommendation Page Number:** 12

**Recommendation:**

Expand the strategic planning process by developing and monitoring performance metrics that support the overall strategy of the company.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will expand the strategic planning process by developing and monitoring performance metrics that support the overall strategy of the company.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** The planning process will be expanded by March 30, 2019.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter IV – Financial Management**

**Recommendation Number:** IV-1

**Recommendation Page Number:** 16

**Recommendation:**

Document the process and procedures used to perform budgeting, variance reporting, and other significant financial management functions.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will further document the process and procedures it uses to perform budgeting and variance reporting.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** The documentation will be prepared by September 30, 2018.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter IV – Financial Management**

**Recommendation Number: IV-2**

**Recommendation Page Number: 16**

**Recommendation:**

Periodically explore banking and financing services through price comparison or competitive bid.

**Company's Position on Recommendation:** Accepted with qualifications.

**Implementation Plan:**

The Company will periodically explore banking and financing services through price comparison or competitive bid. Switching banks is not a task that can be done easily or should be done without considerable review and planning. All of our customers that pay electronically, over 30 percent of them, would need to modify their accounts to point to our new bank. This will take much effort to coordinate and without a doubt be inconvenient for the customer. Due to loan covenants and stipulations, switching banks would require refinancing all of our debt with the new bank. This could result in an overall increase in our debt service, especially during this period of rising interest rates. Asking other banks to prepare proposals should not be done lightly and/or frequently since it's a costly process for them. Anyone who has switched banks, even on a personal level, knows that it is a monstrous task given that much of today's commerce is tied electronically to one's banking account. The overall process of switching banks would be time consuming and costly and needs to be factored into the evaluation. Lastly, the foundation of borrowing from a bank is built on trust and a working understanding of the business. Starting new with a bank creates borrowing risks that have to be thoroughly understood and factored into the decision making process. During emergencies or quickly changing regulatory environments, the Company is obligated to make sure it has reliable and adequate access to capital.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** This will be an ongoing process that will be reviewed in detail at a minimum of every 5 to 10 years.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter IV – Financial Management**

**Recommendation Number:** IV-3

**Recommendation Page Number:** 16

**Recommendation:**

Prepare the necessary adjusting journal entries to accurately account for customer overpayments.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will make the necessary adjusting journal entries for customer over payments at the end of each fiscal year. Currently the Customer Information System (CIS) accurately tracks each customer's overpayment. This process will simply make sure the net overpayment is recorded as deferred revenue on the Company's books.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** Ongoing with action at the end of each fiscal year.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter V – Water Operations**

**Recommendation Number:** V-1

**Recommendation Page Number:** 27

**Recommendation:**

Accelerate the replacement of cast iron mains.

**Company's Position on Recommendation:** Accepted.

**Implementation Plan:**

The Company will strive to accelerate the replacement of cast iron mains.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** Ongoing.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter V – Water Operations**

**Recommendation Number:** V-2

**Recommendation Page Number:** 27

**Recommendation:**

Test a sample of new residential meters in accordance with regulations.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will begin testing at least 10 percent of the new meters it purchases in accordance with regulations.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** The process will begin on or before June 30, 2018.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**C Chapter V – Water Operations**

**Recommendation Number:** V-3

**Recommendation Page Number:** 27

**Recommendation:**

Update the Drought Contingency Plan.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will update its drought contingency plan before December 31, 2018.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** The plan will be updated before December 31, 2018.



Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter V – Water Operations**

**Recommendation Number:** V-4

**Recommendation Page Number:** 27

**Recommendation:**

Develop and maintain a damage prevention program to include a damage prevention manual, line damage database, and a pipeline education and awareness program for the company's stakeholders (i.e., customers, contractors, etc.).

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will develop and maintain a damage prevention program.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** The plan will be developed by September 30, 2018.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter V – Water Operations**

**Recommendation Number:** V-5

**Recommendation Page Number:** 27

**Recommendation:**

Strive to exercise non-critical valves every seven to ten years.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will strive to exercise non-critical valves every seven to ten years.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** Ongoing.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter VI – Public Utility Emergency Preparedness**

**Recommendation Number:** VI-1

**Recommendation Page Number:** 30

**Recommendation:**

Strive to annually test all emergency plans on at least a limited basis.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will strive to test all of its emergency plans annually.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** Ongoing.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter VII – Customer Service**

**Recommendation Number:** VII-1

**Recommendation Page Number:** 35

**Recommendation:**

Evaluate historical customer delinquent account data and modify collection practices accordingly.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will evaluate the historic customer delinquent account data and modify collection practices based upon its findings.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** The Company will begin its evaluation by June 30, 2018.

Columbia Water Company  
Focused Management And Operations Audit  
Implementation Plan  
2018

**Chapter VII – Customer Service**

**Recommendation Number:** VII-2

**Recommendation Page Number:** 35

**Recommendation:**

Evaluate the feasibility of offering an automated pay-by-phone payment option.

**Company's Position on Recommendation:** Accepted

**Implementation Plan:**

The Company will evaluate the feasibility of offering an automated pay-by-phone payment option.

**Responsible Officer:** President

**Responsible Manager:** General Manager

**Implementation Date:** The Company will begin the evaluation by September 30, 2018.