

Westside Water Association Newsletter – January 2016 Edition

Association Bylaws Changed

At the Special Meeting held November 23, 2015 at Bethel Church, Article 8 of the Association's bylaws were amended to allow the Board to borrow up to \$100,000 in principal to improve the water system. The vote was 103 in favor and 13 opposed. The current version of the bylaws can be read on the *Documents* page of the Association's website (www.westsidewater.org).

Following the bylaws vote, an information session was held discussing the current plans to drill a second well this spring on the Anderson property. Several handouts were distributed that included graphs of our water sources by capacity and arsenic concentrations, production from these sources from summer 2014 to summer 2015, and arsenic concentrations in our system over the same time period. The handouts also included bids from prospective well diggers, and a letter from our engineer concerning the project. Pat Call, WWA's immediate past president, gave a talk on the key drivers that have shaped the Association's source development efforts in recent years. An outline of his talk, plus handouts from the session, can be viewed on the *Documents* page of the website under the *Special Meetings* heading.

Loan Process

Following the November 23rd meeting, the board began the formal and detailed process of securing a loan for the second Anderson Well. State and federal agency sources were explored fully. Since we need funding this spring to have a second well on-line by summer, lengthy application processes proved to be undesirable. A commercial loan application was submitted, but rejected because of "insufficient value or type of collateral" and "historical losses" (referring to our 2014-15 budget when WWA spent more than it received in water sales to finance the first Anderson Well). Fortunately, we had much better luck when non-profit development loans were explored. These types of loans are typically funded by grants provided by state or federal agencies to these non-profits. We have submitted an application to a rural development agency that offers loans specifically for small rural community water projects to enable improvements needed to maintain an uninterrupted supply of safe drinking water. We submitted our application and are hopeful it will be met with a positive result. The underwriting phase of our application should be completed by the end of January.

Asset Replacement Schedule & a new Capital Asset Replacement Fund

Responding to concerns raised at last year's annual meeting that WWA was not maintaining and building adequate capital reserves for our future needs, the board this fall created a Capital Improvement Plan Committee and charged it with reviewing and updating the *Asset Replacement Schedule* (The *schedule* was originally created with the assistance of an expert at the Rural Community Assistance Corporation). We needed to review when our various assets would reach the end of their useful lives and calculate how much it would cost to replace them using inflation-adjusted estimates. Then, in the cases where too many projects were due to be done during the same year, the committee spread them out enough to make them more manageable. The updated *Asset Replacement Schedule* can be viewed on the *Documents* page of the website under the *Capital Planning* heading. Based on the results of the updated *Schedule*, we calculate that the Association should be adding about \$30,000 each year to a designated *Capital Asset Replacement Fund* from now to 2030, which is our current planning horizon. If we are successful in doing this, all planned projects would be fully funded (given

their currently estimated costs) and completed within this 15-year planning horizon. These capital replacement projects include:

- (2016-2030) replacement of 230 water meters
- (2016) Pressure Reducing Valve (Cedarhurst)
- (2018) Well Point restoration (9)
- (2019) Booster Pump replacement: SW 156th Station
- (2020) Cove Station electrical upgrade
- (2020) Distribution Pipeline - Cove Road to 121st
- (2023) Distribution Pipeline: from SW 156th Reservoir to 115th SW
- (2023) Transmission Pipeline: 115th SW to 156th Reservoir
- (2028) Office: electrical upgrade
- (2029) Source meters: Cove & Canyon
- (2030) Booster Pump: Cove Station
- (2030) Pump House: Cove Station
- (2030) Source meter: Anderson
- (2030) Hydrants: 115th SW & 155th, 115th SW & 150th, and 121st SW & Cove
- (2030) New Transmission Pipeline: Canyon Station to 115th SW

It should be noted that the *Asset Replacement Schedule* will be reviewed annually and updated as new pricing, technological innovation, or other information becomes available that will impact estimated costs.

Water Rates

With the *Asset Replacement Schedule* updated, the board worked out a preliminary budget for the 2015-2016 financial year. This budget can be viewed on the *Documents* page of the website under the *Budgets* heading. The board can now turn to ascertain whether or not the Association can add \$30,000 each year to the *Capital Asset Replacement Fund* with its current rate structure. Funds to replace the system's assets come from the sale of water. An initial review indicates that some adjustment in rates will be necessary. The board has authorized a *Rate Committee* to convene and examine how the Association can best meet its need to save the funds required to replace those capital assets that will reach the end of their useful lives over the next 15 years. The membership will be informed of the committee's findings.

Repairs

All repair expenditures dating back to 1993 have been examined. Repairs are expenditures not directly related to the planned replacement of fully depreciated assets. This 22 year study found that, on average, about \$12,500 per year is spent on these repairs. WWA is planning to create a dedicated bank account that will receive \$12,500 per year in 2015 dollars to fund future repairs. In the past, such repairs were line items in the budget. The new approach renders repairs fully funded and explicitly financed.

Well Point Production Declines

Well Points, our source of clean water installed in 1988 in the Shinglemill Canyon, have a shorter expected useful life than other common sources of water, such as wells and springs. In 2015, WWA saw its well point production diminish from 28 gpm to 23 gpm during the peak summer season and then fall further to 18 gpm this fall, its current maximum production level. Our system manager has had little enduring success in backflushing the well points to sustain increased flow. Normal late Fall/Winter/early Spring water demand is about 24 gpm continuously. Because the first Anderson Well is a better source (lower arsenic level and a

more protected source) than the well points, we are currently drawing about 12 gpm from the first Anderson Well and 12-13 gpm from the well points. We have been monitoring this reduced flow from the well points, and our system manager will research all options available to us to see what can be done about it. This situation is another reason why the board is hopeful that our current loan application for a second Anderson Well will be secured and completed expediently to bring this new source on-line before the summer.

Contract Renewal with our System Manager

As this newsletter goes to press, we are finalizing a new contract with Island Water Management, Inc., owned and operated by Doug Dolstad. It has been 7 years since the last contract was signed. Doug has done a wonderful job for the membership over the years running the Westside system, planning and executing projects large and small in a cost effective manner, finding and resolving leaks, handling emergencies in rapid fashion, and working with the board in an informative and congenial manner. We look forward to having Doug and his crew continue working with Westside Water. Thank you, Doug, for your hard work!

Message from our System Manager - Cedarhurst Work & Preventable Freeze Damage

In early January we installed a new Pressure Reducing Valve across from 11611 Cedarhurst. This valve controls the pressure for all the folks to the north – many of whom are almost at sea level. If you've noticed the spread straw at that corner, that is associated with the project. We flushed the lines for a long time following the installation but still received several calls from people who noticed slightly discolored water. A message had been left on the Westside Water answering machine (567-4568) but many of you are used to calling Island Water (Doug) directly and that's fine too. The quickest way to get a response is to call or text me at 206-715-3805. We appreciate the calls and regret any disquiet experienced by anyone who turned on their tap and had something other than clean, sparkling water.

Almost every winter we expect a freeze. After every freeze we watch for a spike in the volume of water pumped from our sources and we usually see one. What's up? Water lines broken in the freeze that have thawed and are now generously and gaily releasing water to reunite with gravity in its eternal quest for the sea. It's amazing how much water can run out of a broken hose bib! Even though this winter is warmer due to El Nino, we still had a freeze into the upper 20's in December. And, sure enough, there was a broken water line that was revealed post freeze. Please protect vulnerable water lines on your property. The most vulnerable seem to be the older galvanized lines that are in pastures or out buildings, though any exposed pipe is in danger. - Doug Dolstad

Neighborhood News

We have some new members to our system. Gennaro I Avolio-Toly & Lauren Evashenk on 119th and Selena and Scott Sanders on 156th. Welcome to you all.

The Westside Water Association Volunteer Board