

Westside Water Association Newsletter: 2024 Annual Meeting edition

Please mark your calendars and plan to attend this year's Annual Meeting. We will call the meeting to order at 7 pm on Thursday May 30th at the Havurah at 15401 Westside Highway. This meeting will be the first in-person meeting in quite a while so please bring a finger food to share and come early to socialize with your neighbors. Doors will open at 6:15 pm. If you are unable to attend, please designate a proxy to vote for you. 60 members are required for a quorum. Look for the Notice of Annual meeting containing more proxy information to arrive by email or snail mail by the 20th of May.

Two Board positions are up for renewal this year. Both currently serving members, Peter Meyers and Holly Vogel, have agreed to serve another term. If you are interested in running for either position or if you would just like to get more involved with WWA please contact Doug Dolstad at (206) 715-3805.

A Review of Funding WWA's Capital Asset Replacement Fund

This fund covers our predicted replacement costs of existing capital assets. Our water fees cover ongoing operations plus long term anticipated expenses for replacing our capital infrastructure. While our operating expenses are predictable, the replacement costs of our capital assets (pumps, pipes and so forth) are reviewed and adjusted regularly in light of economic conditions.

About 2/3 of our annual water sales revenue goes to Operations & Maintenance. The other third goes to the Capital Asset Replacement (CAR) fund. At the moment that amounts to about \$50K per year going into the CAR fund. We have developed a pretty complex model to predict those costs. The model lists every piece of capital in our system (pipes, pumps, valves, tanks, buildings, etc.) with a lifetime and a replacement date. For example, if we have a pump that we estimate will need to be replaced 10 years from now and its replacement is estimated to be \$5,000 then we will need to put \$500 per year into the CAR fund each year to accrue enough to replace the pump. There are about 100 items on this list and our annual accrual is the sum of all of those little amounts as in the pump example.

In keeping with sound financial management and as it has done regularly, your board convened a financial planning group from Westside Water Association Members (in addition to Board members the group consisted of the system managers and members, Jessica Vreeswijk, Jeff Thurlow and Pat Call) to consider the question of whether our

accrual rate for CAR is high enough. In particular, we are entering a period where our schedule calls for the replacement of a significant portion of our mains over the next 20 years. In total these mains make up about ¾ of our estimate of total capital assets so getting the \$/ft cost of replacement correct is critical to having enough money to pay for these replacements. Historically our “trenching costs” have been below the island average but there are many forces pushing that number up. In short, we believe that it is prudent to increase our estimate for trenching on the King County Right of Way from the current value of \$60/ft to \$75/ft (this amount is still substantially below reported costs from other water districts on the island). The effect of this increase will be to raise our water fees by 10%. That means with an annual Consumer Price Increase adjustment of 3% the total rate for water will be up 13% this year. We are doing this across all tiers of usage. This means the base rate for water will increase by \$10/period (\$5/month). Below is the revised rate card:

Billing Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Base Rate*	\$65.65	\$65.71	\$68.01	\$72.09	\$75.70	\$85.54
Cost (\$/cubic foot)	> 600 cf	\$0.020	\$0.020	\$0.020	\$0.022	\$0.023
	>1000 cf	\$0.022	\$0.022	\$0.023	\$0.024	\$0.025
	>2000 cf	\$0.034	\$0.034	\$0.035	\$0.037	\$0.039
	>5000 cf	\$0.065	\$0.065	\$0.067	\$0.071	\$0.074
	>10000 cf	\$0.127	\$0.127	\$0.131	\$0.139	\$0.146
	>19000 cf	\$0.138	\$0.138	\$0.142	\$0.151	\$0.158

*Does not include \$4.50 King County Right of Way fee

A reminder: members can calculate their future costs based on water usage at <https://westsidewater.org/billing.html>.

156th St Steel Tank

We have had the tank inspected by a professional engineer who specializes in steel tanks. The PE’s assessment was that the tank and the interior lining are in “fair to good” shape with some localized areas to watch. Given that assessment, we are starting to plan for replacing the lining on this tank sometime in the next 10 years. We don’t have firm estimates at this point but replacing the liner will cost a fraction of the cost of the tank. This expense is likely to equate the replacement of one of our mains segments so should be manageable within the timeline and budget we have laid out.

King County Right of Way Fee

We have learned that the process by which King County is enacting their right of way fee is lagging the Franchise renewal process significantly. We assumed that the conversation with the county on this matter would be congruent with our Franchise renewal in 2025. Given our review of how many franchises the County has actually reviewed and settled a fee structure for, we're left wondering when they will actually bill Westside for this fee. We will continue to accrue for when this fee becomes a reality. As best we can tell, our accrual rate of \$4.50/period (\$2.25/month) will be sufficient to cover the bill that has been accruing since April 2018.

Distribution System Loss (aka "Leaks")

After a really lousy winter for leaks (notably on the customer side of the meter). The March/April report showed marked improvement over the previous period. From an average of 6.6 gallons per minute (gpm) to 3.8 gpm. The Department of Health would like to see our annual average DSL be under 10% of water produced. For us that equates to 3.3 gpm, so we still have a way to go. At this point it seems likely that we have a few smaller leaks but as we start to move into the dryer summer months, please keep your eyes peeled for persistent green spots that might indicate a leak near the surface. Call Paul Huss at (206-567-4568, 1) to report any such sightings.

New Capital Fund (CAN)

This fund is dedicated to the acquisition of new capital assets.

Accounting for the surcharge money collected to purchase the Back40 well and the money collected for the four shares sold last year, approximately \$25K remains after paying for the Back40 project. The Board has decided to place these funds in a separate account to pay for new capital projects. If additional water shares are sold in subsequent years those proceeds will also go into this CAN fund as would any future surcharges or assessments.

The Board has approved spending from this new fund to add an in-line meter to the main 8" line coming from the 156th St tank down through 119th Ave and 148th St. This section of the system has been the only portion on which we are "blind" to leaks. Adding this meter will correct this blind spot and, just as important, will provide a more accurate way to measure the peak use and daily volume of water used by the "Gravity" side of the system. The Gravity side is all of 119th and Westside Hwy.

Well “health”

We track the aquifer depth monthly for all of our well sources. It is typical that we observe the Anderson wells still in a recovery period at this time of the year. The aquifer appears to lag surface precipitation by about 6 months, so our best Anderson levels occur just as our need to use them increases. Both Anderson sources are comparable to last year’s levels at this time (about one foot lower; the pump is about 20 below the aquifer surface at rest). The Back40 well and the Canyon well both are showing slightly higher levels than a year ago.

Sanitary Survey

Every 5 years the Washington State Department of Health conducts a Sanitary Survey of public water systems. The purpose of the survey is to document water system facilities relative to the goal of insuring safe and reliable drinking water. Over the years increasing attention has been paid by DOH to the financial viability of water utilities (without sound financial management, a decaying infrastructure can compromise public health) .

Westside Water passed with high marks and only a few relatively minor issues to address (e.g. making the water tanks less accessible by blocking the ladders more effectively) The Survey is posted on the Westside Water web site (www.westsidewater.org) as are all past Surveys.

Remembrances by WWA veteran Steve Rubicz

“When we bought our property in 1982, we got a Westside Water share along with the property, though it was not hooked up. After making arrangements with my neighbor Tom Lorentzen, acquiring a meter, and engaging Bob Siebold and VIPCO to hook us up, we eventually had Westside Water coming from our faucets. But after about a month the water stopped! I switched back to the old homesteader’s hand dug well and pump system, wondering why, and how to go about getting things set right again.

A day or two passed before there was a knock at the door. It was a volunteer repair crew asking me to join up to do some digging so we could have our water on again. After a day of digging, and some gravel shoveling, under the then existing structure, our work was done. During the day there was talk about the importance of the fairly recent acquisition of the big green tank. This asset had been negotiated by the elder Dolstad well before his son Doug started his career as our manager taking over repairs and regular maintenance. Any wishes for the good old days of volunteer committees? “