

OBCG annual meeting June 9, 2018

Attendance:

Jim Farrell, president, 270 Orchard Beach Drive

Erika Aust, vice president, 210 Orchard Beach Drive

Tom Mullins, trustee, 200 Orchard Beach Drive

Tom Mach, 50 Orchard Beach Drive

Chris Farrell, 270 Orchard Beach Drive

Roger Ewart, 150 Orchard Beach Drive

Chuck and Jill Wardle, 80 Orchard Beach Drive

Patrick Brockhaus, 101 Orchard Beach Drive

Charlene Ernst, 111 Orchard Beach Drive

Eric Campbell, 210 Orchard Beach Drive

Kate and Tom Eide, 300 Orchard Beach Drive

Curt/Melody Casey, 251 Orchard Beach Drive

Kyle Emtman, 360 Orchard Beach Drive

Dan/DeeDee Benitez, 41 Orchard Beach Drive

Renee Cappucino and Steve Czeck, Lot C10, Orchard Beach Drive

Laura Petrie, 20 Orchard Beach Drive

Bob Waters, 260 Orchard Beach Drive

The meeting was called to order @ 1 p.m., with a welcome to the 22 people attending.

A motion to approve the agenda was made by Chuck Wardle and seconded by Melody Casey; it carried unanimously.

A motion to approve the minutes of the 2017 annual meeting was made by Chuck Wardle and seconded by Chris Farrell; it carried unanimously.

Treasurer's Report

The report was offered by Jim Farrell, president, and Erika Aust, vice president, on behalf of secretary/treasurer Jim Loder, who was absent due to illness.

- Checking account: Erika had communicated with Heritage Bank and shared that OBCG has a balance of \$7,119.88 in checking, not counting a recent premium payment to Douglas Insurance, the system's insurance agent. The payment was estimated at approximately \$1,600, for liability.

Jim volunteered that OBCG's old insurance carrier had decided to get out of the business of insuring water systems, so a new carrier has the policy.

- Savings account: Erika reported a balance of at \$22,017.29. Interest accrued for May was 54 cents.

Old business

Jim Farrell explained that in 2017 and early 2018, repairs were made to two areas where the water line was broken. Also, three of the seven bladder tanks (for water storage) inside the OBCG wellhouse had to be replaced. Each new tank has a capacity of 83 gallons and a lifespan of 6-10 years, and is warranted for six years.

Patrick Brockhaus, who caused one of the breaks in the line, is reimbursing the OBCG for the repair and inquired about the cost. Erika Aust explained that one break cost approximately \$1,600 to repair, the second was approximately \$1,900, but she did not know which was which without checking further.

New business

Erika reported a major accomplishment: in May, her four years of work with the Department of Ecology (which regulates the withdrawal of water from the ground) had finally led to its approval of the OBCG application for an expanded water right. This is important for two reasons. First, because there is such a backlog of water right applications, the state has started allowing those seeking new or expanded water rights to essentially buy their way into the fast lane by paying approved third-party vendors to get involved in the processing. However, by establishing a productive relationship with Ecology regulators and continuing to working with them directly, Erika managed to avoid the third-party route and still accelerate the processing of the OBCG application (originally filed in 2007). This has saved OBCG members several thousands of dollars. Second, the larger water right will greatly help OBCG's effort to move from a "blue" operating permit from the state Department of Health to a "green" permit.

This news led to an extended discussion about what the water right approval and the ongoing work to go "green" mean to OBCG members, and the timeline for achieving green status. The "blue" operating permit we have now means our system's ability to draw and distribute water is unapproved, and as a result OBCG is not allowed to support new water-service connections. Obtaining a "green" permit will allow OBCG the freedom to accommodate requests for new connections.

The Department of Health insists that as one of the conditions of seeking "green" status, OBCG must be able to draw enough water to support full-time residency at each one of the 67 lots originally platted in Madings Orchard Beach. Although we expect some growth, it is highly unlikely that Orchard Beach will ever be fully "built out," with every dwelling occupied full-time. Even so, OBCG still must prove that it can accommodate full build-out, and the approval of an expanded water right means we may now draw enough water to meet that standard, as unrealistic as it may be.

The immediate benefit of the water right expansion is that Health no longer requires OBCG member properties to be labeled as “full time” or “part time,” as they have been in the OBCG directory, which will help when properties are marketed or sold. Also, Erika explained, if a well belonging to one of our neighbors were to fail, Ecology says we can connect that neighbor to our system – so no one needs to fear being without water.

Erika reported that with the expanded water right in hand, the remaining steps in seeking “green” should be down to two: submit a Capacity Analysis (CA), and a Small Water System Management Program /Water System Plan (SWSMP/WSP), to the state Department of Health. Northwest Water Systems, which is already under contract to OBCG for other compliance-related services, can prepare both documents for an estimated total cost of \$10,000.

The discussion also covered how meter readings in April and May indicated a major loss of water from the OBCG system (more than 40,000 gallons in May alone, equal to more than 400% of what is being consumed by members). Erika explained that the Department of Health is a stickler about water conservation and allows only 10% leakage. If we do not address the water loss, the effort to go “green” will have to add a third step, in the form of a document (prepared at extra cost) detailing our plan for bringing the leakage within the 10% limit.

Following further discussion about detecting the leaks, and lots that have wells and also are connected to the system, and what constitutes a “connection,” two motions were made and approved.

- Tom Eide made a motion to find and fix the leaks. Kyle Emtman seconded the motion, and it carried unanimously.
- Kyle Emtman made a motion to authorize the OBCG board to move forward with its efforts to pursue a “green” operating permit from the state Department of Health. Jill Wardel seconded the motion, and it carried with one member opposed.

Also, an Action Item was created – to verify the readings of the meters on Well #2 (primary) and Well #1 (backup), in case inaccurate readings are actually the reason for the apparent water loss.

New water rates

Jim F. raised the question about whether the \$400 annual fee for water access should be increased. He and Erika related the board’s discussions about needing to increase the OBCG’s reserve, to accommodate the eventual replacement of the water mains (now 44 years into an assumed 70-year lifespan) and the ability to address future repairs should there be another break in the water main, or some catastrophic event.

The membership discussion that followed ranged from concerns about the lack of a strong reserve and the choice between assessments and a fee increase, to the possibility of moving to a tiered-rate structure (those consuming above a certain level would pay more) and whether the board has a savings target in mind. It was noted that the SWSMP/WSP that will be prepared needs to contain a budget for future capital investments.

Chuck Wardle made a motion to raise the annual fee to \$500. Chris Farrell seconded the motion. After discussion about whether a \$100 increase would do enough to increase the OBCG reserve, and the

possibility of seeking another fee increase based on recommendations from Northwest Water Systems, Chuck called for the question. The motion carried with one opposed.

Other

- Erika reported about her June 7, 2018 meeting with Northwest Water Systems to discuss an update of our existing contract, plus future work products (the CA, and SWSMP/WSP) and the possibility of also paying NWS to take over the reading of meters.

An Action Item was created, to share the NWS contract proposal with members.

- Roger Ewart asked about shared water lines (an issue being addressed on two adjacent lots) and whether OBCG could position itself to replace our own water mains, over time. There was also discussion about heavy items (like piles of soil and/or gravel) being left on the right-of-way above the water mains, which could cause issues.
- Kate Eide wondered if our insurance policy could be expanded to cover catastrophic failures of the system; Jim F. said he would check with our insurance agency.

Proposed Changes to Bylaws

This was tabled, without a motion, as the board is continuing to discuss possible changes.

With no further business, and nothing more for the good of the order, Curtis Casey made a motion to adjourn, which was seconded by Tom Mullins, trustee. The motion carried and the meeting was adjourned at 2:38 p.m.

NOTICE: The board has been informed of a potential health danger from Shellfish that Impacts some of our community – you can learn more by looking at the shellfish safety map here:

www.doh.wa.gov/shellfishsafety

There is also a mobile-friendly version:

www.doh.wa.gov/shellfishmobilemap

Our 24-hr recorded biotoxin hotline is [1-800-562-5632](tel:1-800-562-5632).