



Q&A

2023

Q. Why does OBCG have an Advisory Committee and what is its role?

A. During the June 2023 annual meeting it was recommended that OBCG update its Asset Management Plan – a document that was originally developed in 2018 and submitted to the Washington State Department of Health but has not been followed.

Following the annual meeting, the Board decided to involve the community in updating the Asset Management Plan to leverage the skills and experience of its members. Five members answered a call for volunteers and have met regularly since July as an Advisory Committee. Its members have invested many hours into reviewing OBCG's infrastructure and revenue needs and developing recommendations for the Board to consider.

Q. How do water charges and fees reflect the cost of water?

A. Ideally, water charges and fees pay for all the costs of providing water from operating the water system and maintaining the facilities to replacing equipment and adding new facilities in the future. Just like an automobile, a water system starts wearing out the day it is turned on. Water systems should price water to reflect the true cost of providing safe and reliable drinking water to customers now and in the future.

Q. What do these charges and fees cover?

A. It is essential to cover the full cost of producing and distributing water to customers. Revenues, including what customers pay for water, should meet or exceed the expenses generated by a water system. A portion of revenue is placed into reserve accounts for future improvements and unexpected emergencies. Expenses include:

- Water quality monitoring costs
- Planning and engineering
- Maintenance and repairs
- Operating and emergency reserves
- Electricity and other utilities
- Insurance
- Improvements and upgrades
- Professional services fees

Q. What causes water charges/fees to increase?

A. To provide customers with a reliable and fairly priced supply of safe drinking water, a water system must generate enough money to operate in a financially sound manner. Many factors can lead to increasing rates such as:

- Maintenance, repair, and replacement costs that increase with the age of a water system or its components
- Increased costs for water treatment due to contamination
- Past revenues not covering the true cost of water
- New regulatory requirements
- Inflation

Q. What happens if charges and fees are not raised?

A. Deferring major infrastructure projects due to a lack of revenue leaves a water system vulnerable to service interruptions caused by equipment failures. Deferring also means higher project costs due to inevitable increases in material and labor costs, and costs for compliance with state regulations may increase as well over time. When a lack of revenue leaves a self-governing water system like OBCG in a weak financial position, it becomes more vulnerable to a third-party takeover that means higher charges and fees as well as the loss of self-governance.

Q. What condition is the OBCG water system infrastructure in — meaning the pumps, wells and pipes that supply our connections?

A. Major components of our infrastructure have surpassed their life expectancy. For example, the pump on our primary well was installed in 1989 and is 9 years beyond its life expectancy. The pump on our backup (and original) well dates to 1980 and is 18 years past its expected service life. The pump controls also have been in service since 1989.

The OBCG Asset Management Plan submitted to the state Department of Health and approved in 2019 referenced the installation of a new well and replacement of the pump, to ensure reliability and provide redundancy.

The PVC pipes that serve as our water mains may have been the standard when they were installed, but a water system built today would use a PVC pipe with a thicker wall. After nearly 50 years of service means our pipes are increasingly brittle and subject to failure.

The manganese level in our water exceeds the Environmental Protection Agency recommendation. We need to be prepared to install a system-level filtration system in the relative near term in case the EPA mandates such.

Q. Can members install their own water filtration so we can save that expense?

A. Members are free to purchase and install their own filtration. However, water samples are tested from the source (the well), not individual properties, so property-owner filtration has nothing to do with EPA compliance.

Q. Why is 3,000 gallons/month considered “base” usage?

A. The base usage cited in OBCG bylaws was established according to our metering records, which showed (and continue to show) 3,000 gallons is the average amount of water drawn per member per month; it also fits within the OBCG water right permit, which limits the amount of water we may draw

from the ground. This standard also supports OBCG efforts to comply with the Department of Health's Water Use Efficiency mandate.

Q. What does a “tiered” rate structure mean for members?

A. The OBCG system is categorized as a municipal water system, and it is common for municipal water systems to promote efficient water use with a tiered rate structure. The intent of authorizing a tiered rate structure discourage overuse by imposing a financial penalty for excessive use. The OBCG Advisory Committee unanimously agreed that a user fee of .025 is appropriate for each gallon consumed above the base of 3,000 gallons/month.

Q. What if I can't or don't pay my water fee?

A. Failing to pay on time can result in a disconnection of service. OBCG has the authority to lock out meters for non-payment. An unpaid bill can result in the placement of a lien on the home.

If the payment schedule defined in the OBCG bylaws causes a hardship, you may propose a different schedule for paying the annual charge and/or any additional fee(s). This must be done in writing to the board, and any change in payment schedule must be agreed to by the board.

Q. Why does the State of Washington regulate our water system instead of Mason County?

A. Our water system is classified as a Group A Water system (more than 15 connections). All Group A water systems have to abide by state laws and regulations. Mason County regulates Group B water systems (less than 15 connections). Therefore, any questions you ask Mason County will be answered under the assumption that you are asking about a Group B water system.

Q. Are the upcoming OBCG infrastructure improvements primarily about supporting more connections?

A. No. While there is interest in more connections*, the purchase/installation of a new well and new pump is about ensuring reliability and providing redundancy. Our reserves would not cover the cost of installing a well/pump on an emergency basis should either fail.

The fees associated with new connections (once the infrastructure is able to support more connections) mean more revenue for the system that may not have to be generated through increases in the base charge.

*Washington State Department of Health requires that every dwelling unit has its own connection. This applies also to Accessory Dwelling Units (ADUs). See RCW 59.18.030

Q. How can I add a water meter to my existing property for a bunk house or ADU?

A. The state Department of Health considers an Accessory Dwelling Unit (ADU)/bunkhouse to be a dwelling that requires a separate connection. All connections are to be metered. It is unclear whether a branch connection is allowed or all connections must come straight from our water main, and whether a second meter is ever needed – so OBCG is seeking guidance from DOH on that.

At present the OBCG system is limited to 39 connections, and all are assigned. Until infrastructure upgrades are made and we receive permission to add connections (or a member gives up a connection, which can then be reassigned) the question is not applicable, as there are no connections available for any purpose: ADU/bunkhouse, primary residence, or recreation.

Q. Can OBCG take out a loan to pay for repairs and/or upgrades?

A. Maybe, but it's a pay-now-or-pay-later situation regardless, and a loan is debt that includes interest, ultimately meaning a higher total cost.

Q. Were rates compared to other water systems in the area?

A. The Hartstene Pointe water rate is \$93.80 per month (\$1,125.60/yr) for 500 cubic feet (3,740 gallons), or ~\$.030 per gallon. Ours will be \$1,000 for 3,000 gallons... or \$0.33/gal (the first year).

HP charges \$5 per every additional 100 cubic feet of water (748 gal) consumed monthly. At \$0.025/gal ours will be \$18.70 for every additional 100 cubic feet.

Beyond the fact that the HP system is also Group A, and the base rates are comparable, making an apples-to-apples comparison gets tricky. HP is not a private, non-profit organization like OBCG, it is a public water-sewer special taxing district with 400+ connections, meaning 10x the base revenue. While we don't know what the HP expenses are... we do know (from the district website) there's enough revenue to employ "three qualified operators," and hire people to apply for grants (according to a posted SOQ) and fun stuff like that. It's a big-league operation, while we are mom-and-pop.

At the end of the day, OBCG and HP are obviously similar in that it costs both of us to pull water from the ground and distribute it, through an aging infrastructure that needs maintenance and upgrades.

Q. How can I help or get more involved with this discussion/project?

A. In addition to attending the OBCG annual meeting, members may sit in on any board meetings that occur in between. Questions/comments also are welcomed at our orchardwater@yahoo.com email address.

Q. Are trailers on property allowed to use a garden hose for a water source and avoid needing a second meter?

A. From Article Eight of the OBCG bylaws: "Guests and visitors using recreational vehicles or trailers may access water from the hosting member."

Q. What is a backflow device as described on the Cross Connection Survey from the NW Water System. Do I need one at my home?

A. All exterior hose bibs/water hydrants are to have backflow preventers, to keep water outside the system from contaminating OBCG water. This could occur if water from a puddle or hot tub is siphoned back into our water system through a hose. While the chance of such happening is remote, it is a state requirement all the same.

2021 – FAQ – Changes to the Bylaws and other questions.

Q. Why are we considering a change to the OBCG bylaws?

A. As a non-profit organization we are required to have bylaws. The current bylaws were adopted in 2010. In the course of achieving a “green” operating status to our water system, the state Department of Health directed us to strengthen our bylaws to ensure that we promote water efficiency/conservation to keep our water rights.

Q. Why are we moving to a three member board?

A. Our system is relatively small, and we found that having a even number of board members promotes division, rather than become larger, we chose to be smaller when the opportunity presented itself. This model is used by other, larger systems (Belfair Water District #1 serves a much larger number of connections and has a 3-member board). Also, because each board member receives as compensation one annual fee waiver per year, downsizing to 3 members means one less waiver, which means more revenue for our system.

Q. Why is 3,000 gallons/month considered “base” usage?

A. The successful effort to obtain “green” operating status for our system had several important benefits but also required some changes in how we talk about water use. Key Benefit: All properties are now considered “full-time” use. – prior to 2019, most properties were only allowed 180 days occupancy per year. – this has a positive impact on the value of the property.

However, the upgrade to “green” came with a combination of other requirements and expectations from DOH and the Department of Ecology (the two agencies that regulate community water systems). Our total annual water withdrawal (as a community) must remain within our legal water right. We also must demonstrate efforts to comply with the DOH Water Use Efficiency mandate. Our metering records showed 3,000 gallons was the average amount of water drawn per member per month; also, 3,000 gallons/month would fit within our water right. Therefore, 3,000 gallons/month became the “base” usage.

Q. What does a “tiered” rate structure mean to members?

A. The OBCG system is categorized as a municipal water system, and it is common for municipal water systems to promote efficient water use with a tiered rate structure. The intent of authorizing a tiered rate structure in the proposed update of the bylaws is to discourage overuse by imposing a financial penalty for excessive use.

Q. What condition is the OBCG water system infrastructure in — meaning the pipes and pumps (and wells) that supply our residential connections?

A. The PVC pipes that supply water in a closed loop may have been the best available nearly 50 years ago, but a water system built today would use a PVC pipe with a thicker wall. Our pipes are increasingly brittle and subject to failure. We have been advised to install a new well and more powerful pump, which would allow for the original well and its pump to be retired and used as an emergency backup. A new well and more pump will not be inexpensive.

Q. Who do I call if I have a concern or need assistance?

A. Look to the directory for assistance. For electrical issues, contact Mason County PUD. For general interest questions, please use the email OrchardWater@yahoo.com. You can also contact the board directly if there's an unexpected water supply issue. Remember, always contact the board before you plan to dig so that we can ensure there isn't an accidental impact to the water system.

Q. When did we get a website, and why do we have one?

A. The website is new in 2021 and exists to share information with our members, over time we'll include water test results, Progress reports for improvements to the water system, and soon you'll be able to go online to review your water meter activity results.