WATER STUDY REVEALS NEED FOR ACTION

September 18, 2010

From Dennis McMackin, Chair Water Study Subcommittee

THE PROBLEM:

The Coast Village water system has become an economic liability. Compared to the previous several years, the CV water usage for 2009 - 2010 was off the charts compared to the previous 8 years.

- The August 2010 water/sewer bill was $18949.25 (for 36 days).
- June water loss is estimated at $6,777.93*.
- July water loss is estimated at $7,993.00*.
- June and July water loss estimates are costing each lot owner approximately $29.77* per month.
- It certainly isn't exact but probably safe to say that as Diana Glasgow reported we are certainly in the dollar lost range of $50,000 to $75,000 per year.
- Water/sewer costs for 2009 -2010 equal $62 of each lot owners $145 dues.
- Greentrees average water usage is less than 30 gallons per person per day.**
- Inaction will almost certainly require dues increases.

That is literally money down the into the sand! This problem was a driving force in the most recent $15 per month dues increase levied against each CV lot owner. Water/sewer charges will continue to increase, but we can do something to contain the rate of increased costs.

Coast Village is hampered by not having "as built drawings" or plans of our water system. We do not know where all water lines are, and we do not know where all shut off valves are located. The system is old, and is experiencing excessive leaks.

INFORMATION GATHERED:

A small group of Facilities Maintenance Committee members, Reserve Study Committee members, interested lot owners and Frank Brooks, met August 26 with Rick Kernutt of Ferguson Waterworks and Kevin Ankeny of McKenzie Excavating to discuss the Coast Village water situation. It was learned that the hiring of an engineering firm to study our problem would take up to six months and cost well into five figures for drawings and specifications. Further, the group learned that the most cost efficient way to proceed would be through "Time and Materials" contract with a reliable firm rather than going out for bids. Bids would be extremely difficult because of the numerous unknowns regarding our system, i.e. we don't know where lines are, the line sizes, where shut offs may be located or where lot owner shut off valves are, making it almost impossible to write tight specifications for contractors to bid on. There would be cost over runs and change orders if we go out for bid without tight specs. And if we write tight specifications, then the bidding contractor must bid relatively high to make sure he does not go in the hole on a tightly specified contract. This will cost another 20% to cover all contingencies. All of this will lead to elevated costs to our park residents, who would be understandably upset.

PROPOSED SOLUTION

After hours of discussion, our guests were asked how they would proceed to solve our water leak problem. We were told that the problem would not seem so great if the water system were broken down into smaller parts and addressed incrementally throughout the park, one section at a time. It was suggested that Coast Village start where the water pressure is greatest, ie: where city water enters the park or where the park is known to have had the most water leak problems. A leak chart of the park has been generated showing recent water leak locations. This provides a pattern of where the greatest concentration of leaks are. Hence, we could focus on that area as our number one zone to commence repairs.

We would begin by dividing the park into approximately ten (10) sections of 20 or more residences, and placing valves in the main line at each end of each section. When the first main line is cut and before a valve is installed, a metal fish line could be pushed inside the line for 200 or more yards (or until the metal tape hits an elbow or obstruction) and then traced mechanically on the surface to determine where the line goes. The line would then be cut again at the other end of the first section, well down the line, and a second main line valve would be installed. At this point, the section with valves can be checked for leaks because it would be totally isolated. The next step would be to install feeder valves to each residence off the main line of this section. All feeder valves can be turned off one at a time to determine if there are leaks on each residence feeder line. At this point new lines (or repairs) would be installed. After the first section of 20 or more residences is completed, we would go on the the next section of 20 or more residences and repeat the process. Further, it is highly recommended that the board require that the old irrigation type feeder lines be replaced at each residence.

There will be construction disruption to our normal daily lives, but the contractor, by law, must provide emergency access during the disruption. Either by alternate routing, or by placing steel sheeting over the ditches. Water can be turned back on in construction zones at the end of each day.

When this project is completed the village will have a set of as built plans of the park's water system.

This process will cost about $2,000 per main line valve or about $20,000 to $30,000 per section depending on the length of each section. This would probably continue over a period of approximately five years unless alternative funding can be found. Remember, we are losing over $6,000 per month in unused water/sewer, **so the faster we can get this completed, the less it will cost village residents in the long run.**

RECOMMENDATIONS:

The committee recommends that the Board of Directors: 1) Approve drawing funds from the CVPOC Reserve Fund in the amount of $60,000 to begin the project ASAP. 2) We recommend that the board mandate shutoff valves and a box close to the street for each property by a date certain. The shut off will become Coast Village property and paid for my the corporation out of the reserve fund 3) We recommend that the board approve two or three committee members to consult with our attorney, <u>if necessary</u>, to review a

contract for time and materials. 4) We recommend that the board set a special meeting as soon as a contract is ready for board consideration/approval. 5) We recommend that beyond this initial expenditure, the board ask the membership to approve $28,000 per annum to be allocated from the reserve fund until our water system is completely upgraded.

It is anticipated that the contractor can begin work in about 6 weeks after receipt of a contract and work through the winter as far as the funding can carry us. Another thing to remember is that with a Time and Materials Contract, we, "Coast Village" can cancel work at any time if the contractor is not performing to our expectations

The Water Study Subcommittee feels this of utmost importance to reduce cost of operations to the park and its residents and insure that our water system will serve us efficiently in the future. Finally, **this proposal does not require a dues increase or special assessment.**

* Data gathered by Garda Page comparing CV usage with the average per person per day usage (70 gallons)as determined Oregon Water Bd and Drinktap.org

** "Greentrees average usage is less than 30 gallons per person per day:" Louis Dashofy, Mgr. by e-mail 9-14-10.

Editors Note: Several lot owners have suggested that the corporation seek a loan to finance the complete project. This suggestion has the advantage of doing everything more quickly and saving more $$ in the long run. The disadvanages are that we do not have funds in our operating budget to make payments on a loan which would require a dues increase. Further, procurement of a loan, which may not be granted would delay the project by several months, costing the village several thousand dollars in lost water. If significant savings can be realized in our water usage after completing the first couple sections (using our reserve fund), then perhaps the board would consider seeking a loan. The board does not wish to raise dues.

Editors Note: Feeder lines from shut off valves to individual residences, in many cases are like irrigation lines and may be a source of major leaks in which case lot owners will need to replace them with approved lines.

Editors Note: This just in. McKenzie Excavating was contacted by Peg Mawhinney regarding a bid to fill the old pool with dirt/sand and was told that if they do our water system the excavated soil from digging the water line trenches could be placed in the old pool saving the corporation $$ on both projects.