2019 Eastsound Water Annual Meeting
2019 BY THE NUMBERS

Equivalent Residential Units Sold

• 2019 – 35
• 2018 – 33
• 2017 – 15

APRIL’S GROVE
AGENDA

- Sign In – Get Ballot
  Submit Candidate Questions?
- Welcome - Introductions
- Candidate Forum
- State of the Water System
  “By the Numbers“
  2019 Accomplishments
- Update on Rates/ Financial Report
- 2020 Goals
- Consolidation Initiative
- Questions and Answers
Since 2010 Growth in Active ERU’s averaged about 2% per year.
2019 BY THE NUMBERS

New Hook Ups for New Development

- 2019 – 33
- 2018 – 35
- 2017 – 35

OUTLOOK’s
New Leaf Cottages
2019 BY THE NUMBERS

New Service Hook Ups Per Year

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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>15</td>
<td>7</td>
<td>11</td>
<td>12</td>
<td>35</td>
<td>30</td>
<td>32</td>
</tr>
</tbody>
</table>

Note: The graph shows the number of new service hook-ups per year from 2010 to 2019.
2019 BY THE NUMBERS

New Members by Property Transfers

• 2019 – 59
• 2018 – 108
• 2017 – 79
2019 BY THE NUMBERS

Leak Count

29
Out of 1,056 Meters

13  45%
Without EyeOnWater

16  55%
With EyeOnWater
2019 BY THE NUMBERS

29 member leaks currently being detected.

Between 3 and 4% of services are leaking at any one time
About 2.3% of production is being lost to customer leaks last week. (26 ERU’s)
2019 BY THE NUMBERS

Average leak takes 25 weeks to locate and resolve.
5 Year Production Comparison

All Source Production by Month

- 2015
- 2016
- 2017
- 2018
- 2019
Summer Water Use

Peak Season Production Comparison

- June
- July
- Aug

Yearly production comparison from 2001 to 2019.
5 Year Production Comparison

Last 5 Years of Production

Gallons per Year


20,000,000
25,000,000
30,000,000
35,000,000
40,000,000
45,000,000
50,000,000
55,000,000
60,000,000
65,000,000

12 month - Oct 1 to Sept 31
EWUA Production VS Growth

55% more connections (ERU’s)

25% less water
2019 Accomplishments

- Relocated 700’ of 10” water main for OISD’s Track Project

- New Main
- Original Main
- $45,000 from EWUA
2019 Projects

Relocated 700’ of water main for OISD track project at $45,000 cost.
Voluntary Support for OISD’s new Booster Station
Water Service for April’s Grove

Over 1000’ of water lines, 5 meters, two fire hydrants, two 6” hot taps....
Water Service for April’s Grove
Buckhorn/Lodge Lane Extension
Replaced Pumps in Wells 2 and 8
Rehabilitate Well 13
New Well Online

- New well will support 150 additional ERU’s
Major Leak Response Efforts

Montgomery Lane
Madrona/Triplet Leak Response
Madrona Street Leak

Abandoned meter found by Public Works.
Geer Lane Valve Split Plug
Office Display Counter
Training Future Water Operators
Training for Future Orcas Operators
Training for Future Orcas Operators
3 Trainings for Orcas Fire

Underground Hydrant Installation
Orcas Fire Insurance Rating Evaluation

- Documented Orcas Fire hydrants
- Collected flow and modeling data
- Reviewed material and toured with State “Rating’s Bureau” Examiner
Paid Off Office Mortgage

- Balance was $70,000.
- Paying off saved over $9000 in interest.
“new” Mini Truck
Free Water Station

EWUA gives away over 11,000 gal per year from our office water station.

That a 5 gallon refill every hour of every business day.

Many users are not EWUA members
2019 Operational Plans

- Implement New Rate Structure
- Implement Reasonable Water Use Policy
- Process Backlogged Membership Transfers
- Develop Digital Membership Process
- Prepare Water System Plan Update

- COMPLETED
- ON SCHEDULE
- IN PROCESS
- EXPLORING OPTIONS
- IN PROCESS
Goals for 2019 Rate Structure

1. Promote Equity Among Members & Service Groups
2. Promotes Conservation
3. 75% base – 25% consumption charge ratio
4. Independent of ERU’s
5. Defendable
6. Simple
### 2018 to 2019 YTD Comparison

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>variation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Jan 1 - Oct 2 (9 months billing)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billed Water Use (gallons)</td>
<td>37,903,920</td>
<td>38,592,843</td>
<td>1.82%</td>
</tr>
<tr>
<td>Billed Service Fee Revenue</td>
<td>$770,544</td>
<td>$827,826</td>
<td>7.43%</td>
</tr>
</tbody>
</table>

- Goal was 9% increase in service fees
Review of New Rate Structure Impacts

- Every member pays exact same per gallon of use.
- Transition year.

<table>
<thead>
<tr>
<th>Rate Structure Impacts Residential vs Commercial</th>
<th>2018</th>
<th>2019</th>
<th>variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 1 - Oct 2 (9 months billing)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Use (gallons)</td>
<td>26,089,529</td>
<td>26,553,454</td>
<td>1.78%</td>
</tr>
<tr>
<td>Commercial Use (gallons)</td>
<td>11,814,391</td>
<td>12,039,389</td>
<td>1.90%</td>
</tr>
<tr>
<td>Residential Fees (gallons)</td>
<td>$547,490</td>
<td>$602,880</td>
<td>10.12%</td>
</tr>
<tr>
<td>Commercial Fees (gallons)</td>
<td>$223,054</td>
<td>$224,946</td>
<td>0.85%</td>
</tr>
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</table>
Base Rate Appeal Process

- Process provided a credit to accounts to address concerns that unusual water use event in 2018 did not create a double jeopardy with members 2019 base rates.
- 19 applications
- 16 approved
- $4848 credited to member’s accounts
Reasonable Water Use Policy

CHALLENGE

- Highest 2% of users (22 Accounts)
- Own 3.5% of ERU’s
- Use 7% of the water sold.

RESPONSE

- Rate Structure includes “Capital Expansion Surcharge” ($20/1000 gal)
- Applied to use over 100,000 gal/ERU/yr.
- OR Can purchase additional ERU’s
- OR Can use less water
2020 Rates

- No Change in SERVICE FEE rates expected.

- *All Base Rates will be recalculated after Dec 31.*

- First bill in 2020 will be based on Base Rates calculated on 2019 water use.
Cost of Membership Change

Membership cost increasing Jan 1 2020 from $12,700 to $14,000.

(initially announced Jan 2019)
Membership Fee Increase

Increasing from $12,700/ERU to $14,000 as of March 31, 2019

[Graph showing the cost of membership vs. inflation from 2004 to 2019]
## Financial Performance

### Profit and Loss

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<tbody>
<tr>
<td><strong>Income</strong></td>
<td>$825,709</td>
<td>$856,464</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td>$657,629</td>
<td>$799,832</td>
<td>21.6%</td>
</tr>
</tbody>
</table>

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>October 15, 2018</th>
<th>October 15, 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations</strong></td>
<td>$420,144</td>
<td>$366,820</td>
<td>-13%</td>
</tr>
<tr>
<td><strong>Capital Improvements</strong></td>
<td>$367,870</td>
<td>$463,232</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Capital Replacement</strong></td>
<td>$70,822</td>
<td>$308,528</td>
<td>336%</td>
</tr>
<tr>
<td><strong>Total Cash Assets</strong></td>
<td>$858,836</td>
<td>$1,138,580</td>
<td>33%</td>
</tr>
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</table>

### Total Liabilities and equity

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<td>$5,479,843</td>
<td>$5,804,853</td>
<td>6%</td>
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</table>
Capital Needs and Funds Study

- 6 members volunteering for 20 weekly meetings (so far)
E-Billing, and Bank Draft

- 61% of members receive their bills electronically. (43% in 2018)

- 42% of members pay their bills via bank draft. (28% in 2018)

See Lindsay for help in accessing these services.
Audience Question?

- Currently, If you wish to pay by credit card, EWUA passes Merchant Services processing costs (3%) directly to the customer?
- Should Eastsound Water “eat” the processing costs?
- Doing so would have all members “subsidizing” a service that only some members use.
Eye On Water Access

Eastsound Water Users Association
Service you can trust. Water you can depend on.

- **Prospective Members**
  Get membership information

- **Member Resources**
  Learn about your water system

- **EyeOnWater**
  Monitor your water usage online

- **EWUA News**
  News and Information

- **Billing & Payments**
  Learn about online options

- **Water Emergency**
  Find, fix, or report a water leak
Eye On Water — your water use online

- 7 day rolling comparison
- Program/Change Leak Alerts
- Historic year, month, day, hour water use data
- Daily report-in schedule
- Data is downloadable.
EyeOnWater Instructions

Monitor Your Water Use Online

In 2016, EWUA invested in an “advanced metering analytics” system. The upgraded water meters report their daily water use automatically via a cellular network. The system allows all members to access their water use history, view their daily water use patterns, and program emergency leak detection alerts. These new member capabilities are accessed via “EyeOnWater”.

EWUA is the first water system in Washington to fully deploy this system. EyeOnWater’s capacity has the potential to significantly improve our

EyeOnWater Information
- Login Instructions
- Usage Instructions
- System Overview

EyeOnWater Videos
- EyeOnWater Overview
- EyeOnWater Alerts
- EyeOnWater Water Chart
2020 Facility Plans

- Replace Water Mains on Harrison Point/Urner St.
- Move Another Section of 10” main for OISD (New Parking Lot)
- Replace Booster system on Upper Buck Mountain
- View Haven / Blanchard Booster Station Transition
- School Rd – April’s Grove Water Main for Nelson
2020 Organization Plans

- Begin Planning Treatment Plant Replacement
- Upgrade Billing Software to support digital membership process.
- Complete Water System Planning.
- Complete Bylaws Revision.
Water System Consolidation Discussion?

- Eastsound Water, Doe Bay Water and Olga Water Systems applied this fall for a $30,000 Dept of Health Grant to explore the benefits of consolidating the 3 water systems into a single system.

- NOT FUNDED FOR 2020, however, Discussion may begin w/o funding.
Water System Consolidation Discussion?

Potential Opportunities

• Share operator expertise/coverage
• Share volunteer expertise
• Potential Cost Efficiencies include billing, meter reading, monitoring, after hours calls, parts inventory, long range planning.
Water System Consolidation Discussion?

EWUA PROMISE – Eastsound Members WILL NOT subsidize other water systems.

Could lay a foundation for a voluntary water system support model that could be applied island-wide.
Questions?