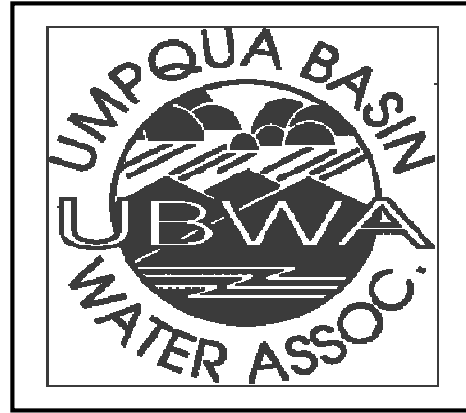


ON TAP



"Drinking Water You Can Trust"

Vol. 19 Issue 1

March 1, 2005

2004 YEAR IN REVIEW

2004 was a busy and successful year for UBWA. Our membership continued to grow with the addition of 78 new members giving your Association a total of 3046 members.

Our distribution system to grow with the addition of 4330 feet (0.80 miles) of new mainlines. Six separate extension lines ranging from 80 feet to 2700 feet in length were built and paid for by customers and developers at a total cost of \$111,424.00.

Your Association constructed several significant projects during 2004. In response to the Hydraulic Modeling and Tank Performance study conducted in 2003, we constructed 3600 feet of 18 inch transmission mainline between the water treatment plant and the Garden Valley Rd. / Fisher Rd. intersection at a total cost of \$346,200.00. This new transmission mainline allows us to efficiently move more water to the distribution system and reduce the system pressure to a more manageable level.

Additionally in response to the 2003 study, we constructed six new check valve / control valve stations around the distribution system at a total cost of \$278,350.00. These stations will allow the system to better utilize the existing storage and maintain system pressures in some areas that had unacceptable fluctuations.

We also completed construction of a 500,000 gallon storage reservoir in the Melrose area at a total cost of \$306,294.00. This tank will serve the fastest growing area of the distribution system and provide much more needed supply for our Melrose customers.

In response to heightened concerns about security and directives from the Federal Department of Homeland Security, your Association conducted a major security fencing project this past year at a total cost of \$101,631.00. Nineteen tank sites and pump stations were fenced with a six foot chain link fabric mesh topped with barbed and razor wire. While not particularly attractive, this fencing system has proven quite effective in deterring trespassers and has been adopted as an Association Standard.

Finally, our San Souci pump station building was replaced in 2004. Instead of a small rusting metal garden shed, we now have a stick framed building of adequate size to accommodate electrical panels, telemetry equipment, and pumps. Total cost for this project upgrade was \$17,348.00.

Grand total, the value of all projects was \$1,049,823.00. Funding for the projects came from our Funded Depreciation, Capital Improvement and Savings Accounts. No borrowing or financing was required.

YEAR 2005 PROJECTS

2005 looks to be a very exciting year for your Association with several projects in the works. We will finish with our security fencing projects at five (5) remaining tank sites and pump stations. Seven (7) new telemetry stations will be brought online to allow coordination between the new control valve stations and the reservoirs they will be serving. A new 5000 ft. transmission main (12 inch in diameter) will be built between the Garden Valley Rd. / Melrose Rd. intersection and the Melrose Rd. / Old Melrose Rd intersection that will provide improved hydraulic performance for our storage reservoirs and distribution system. We also anticipate upgrading several small mainlines around the system as time and budget allows.

Of a special note are the beginning steps we have taken to upgrade the water treatment plant. The engineering firm of Black & Veatch was selected last fall to help the Association choose the best method to address our current aging treatment facility. This new treatment plant will be designed to meet current demands and future growth demands over the next 25 years as well as maintain compliance with several new and emerging regulatory changes from the USEPA and the Oregon Health Division. This winter, Black & Veatch has conducted an Alternative Technology Assessment to determine the most appropriate water treatment process that will provide for a reliable 6 MGD production capacity that meets all regulatory requirements and that can be built in a manner and at a cost that is affordable to the members of the Association. The Assessment includes a planning level, 20 year net present worth analysis of capital costs, operational costs, and maintenance costs. The final Assessment report recommends membrane filtration as the preferred technology.

The next step in the process is Basis of Design. This spring, Black & Veatch will evaluate the components associated with the new filtration facilities, define the technical criteria for final design, and determine the site and space requirements for construction and efficient operation. Additionally they will provide a project schedule including design, bidding, construction activities and a budget level cost estimate for the facilities improvements. Completion of this step is expected June 1, 2005.

Upon completion of the Basis of Design, the Board of Directors will evaluate the reports and recommendations and make a final decision on how to proceed with the improvements. Financing options and alternatives are currently being evaluated with an eye of having a package together by July 1, 2005.

RATE ADJUSTMENTS

As a reminder, the Board of Directors adopted a 5 year water rate adjustment schedule that went into effect in 2003. This year's adjustment is 3% effective January 1, 2005. The monthly demand charge of \$14.00 per month remains unchanged and includes an allowance for the first 2700 gallons of usage, The commodity charge is now \$4.04/ thousand gallons up to 50,000 gallons and \$2.39/ thousand gallons over 50,000 gallons.

The Board of Directors adopted a new Membership Fee (hook-up fee) schedule effective March 1, 2005. The new schedule was arrived at using a detailed methodologies analysis patterned after the municipal system development charge (SDC) process. While your Association is a non-profit private cooperative and not subject to the statutory SDC requirements, the Board of Directors felt it was a valid exercise to use these methodologies to validate the Associations Membership fee schedule. The cost of a single family dwelling Membership is now \$2200.00. For a complete copy of the methodology analysis or rate schedule of all meter sizes, please contact the office.

WATER MATTERS

Water conservation is something we all should practice. Except for the air we breathe, water is the single most important element in our lives. It is much too precious to waste. Due to the increasing competition from environmental, agriculture, and wildlife interests for the surface water on which we rely, water has become a far more valuable and expensive commodity to obtain, treat, and supply to our customers than it was forty years ago when the Association was being organized.

Obviously, water conservation efforts can reduce the rate increase impact for those customers who choose to reduce their usage. While conservation alone is not the answer to rising water costs, its role in managing our increasingly scarce and expensive source is vitally important. Customers must become more aware of things they can do to make sure water is not being wasted. A customer who is attentive and proactive in the management of their water consumption can most likely conserve enough water to more than make up for the small rate increase.

Here are some useful facts and simple suggestion that will help you understand more about water. They'll help you save hundreds, perhaps thousands of gallons per month without any great inconvenience. And, as a bonus, you'll also save money!

“Ways You Can Save Water Every Day”

We drink very little of our drinking water. Generally speaking, less than 1% of the treated water produced by water utilities is actually consumed. The rest goes on lawns, in washing machines, and down toilets and drains.

Every glass of water brought to your table in a restaurant requires another two glasses of water to wash and rinse the glass. Since nearly 70 million meals are served every day in U.S. restaurants, we'd save more than 26 million gallons of water if only one person in four declined the complimentary glassful.

Indoor water use statistics vary from family to family and in various parts of the country, but they average out pretty reliably. Nearly 40% gets flushed down toilets, more than 30% is used in showers and baths, the laundry and dishwashing take about 15%, leaks claim 5% or more, which leaves about 10% for everything else.

If you have a lawn, chances are it's your biggest water consumer. Typically, at least 50% of water consumed by households is used outdoors. Inside your house, bathroom facilities claim nearly 50% of the water used.

Ultra-low-flush toilets, which may cost from under \$100 to over \$300, depending on the type purchased, use only about 1.5 gallons of water per flush. That could cut your family's total indoor water use by as much as 20%.

Select the appropriate water level for the size of your load of laundry. Most clothes washers now offer preset water levels for small, medium and large loads. Use full loads whenever possible.

If somebody in your family likes to shave with water running in the basin, they probably use at least one gallon per minute, most of it wasted. A stoppered basin needs one-half gallon or so of water for adequate razor rinsing.

Fill your dishwasher full because it will use the same amount of water for a normal cycle, whether it contains a full load of dishes or just a few items. Also, there's really no need to fully wash dishes before loading in the dishwasher. Just scrape off the food scraps and rinse.

Do you wash your car at home? Please don't let the hose run. Instead, wet the car thoroughly, then turn off the hose while you swab off the car with soapy water from a bucket. Use the hose again for final rinse. A trigger nozzle is best because it turns off automatically.

Do your lawn sprinkling early in the morning, between 4 and 6 a.m., when water demand is low. After about 10 a.m., both heat and evaporation go up, robbing the lawn of moisture. Also, be sure to adjust lawn watering to the weather. Following a heavy rain, for instance, skip your regular watering day until the grass needs it again. Teach the family how to turn off the automatic sprinkler system in case a storm comes up during the sprinkler cycle.

“ If everyone saves a little, we'll all save a lot !”

“THIRTY-NINTH ANNUAL MEETING”

Umpqua Basin Water Association will be holding its **Thirty-ninth Annual Meeting** at the Riversdale Grange Hall on Thursday evening, March 17, 2005, at 7:30 PM. The Agenda includes the election of two (2) Board Members, an update on the current status of the Association, a review of recently completed projects, and an opportunity for questions, answers and general discussion.

Names of the nominees for the Board Member positions are posted in the office of the Association. Copies of the Annual Financial Statement will be available at the Annual Meeting or from the Association office upon request.

This is your Association. Please join us for the 2005 Annual Meeting and exercise your right to vote and be heard. Light refreshments will be served.

Umpqua Basin Water Association, Inc.

<u>District</u>	<u>Director</u>	<u>Area Served</u>	<u>Term Expires</u>
1	John Stenbeck	Garden Valley W. / Lower Garden Valley	March 2007
2	Dick Lewis	San Souci / Braunda / Colonial	March 2006
3	Roy Ellis	Lookingglass / Happy Valley	March 2006
4	Mike Brinkley	Melrose	*March 2005
5	Don Bentz	Fisher / Garden Valley	*March 2005
6	Frank Schuchard	Wilbur / College	March 2007
At-Large	Mike Luttrell	Entire System	March 2007

*** - Director Positions up for election**

UMPQUA BASIN WATER ASSOCIATION, INC.

4972 Garden Valley Road
Roseburg, Oregon 97470-9284

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