

Supplying Walnut Mountain with Water

Frequently Asked Questions for Residents

What is happening?

After years of operating our own water system, Walnut Mountain is transitioning to water provided by the Ellijay-Gilmer Country Water & Sewer Authority (Water Authority). We expect the change to occur in the fall of 2012. Several months of construction are nearing completion, allowing us to purchase water from the county and distribute it via our own pumping system to residents on the mountain.

Why are we making this change?

As the community grew over the years, demand for water increased, adding to the complexity and cost of operating our own water system. The state required us to become a Class 1 water system, which involved additional government oversight, hiring more employees and maintaining the mandated certifications. We currently operate under the same guidelines and regulations that govern the City of Atlanta's water systems. While we are able to produce quality water, we do so at great cost and our ability to sustain our water production operations into the future is of growing concern.

What are the benefits?

There are numerous benefits to the residents of Walnut Mountain in making this change, including:

Securing our water supply

Over the last few years, extreme drought has taken a toll on our lakes - the source of our water here on the mountain. In that same time, the number of homes and full-time residents on the mountain increased, adding to the demand for water. Transitioning to water provided by the county gives us a more reliable and stable source of water for the entire community. It also gives us the ability to increase capacity in the coming years as the mountain continues to grow.

Lower operating costs

Purchasing water from the county is a far less costly option than maintaining and upgrading our own production system in the coming years. The Water Authority fronted the cost of construction and structured our water rates so that we'll pay back the initial costs associated with the project over a six-year period at a cost nearly equivalent to what we'd pay to produce our own water in that same time period. Over the long-term, we expect to reduce our expenses by eliminating the day-to-day costs, as well as expensive emergency repairs, associated with producing our own water. After six years, our purchase rates will decline substantially.

Financial flexibility

When we no longer have to produce our own water, we'll be able to begin utilizing our capital improvement funds to upgrade existing water distribution lines throughout the neighborhood, many of which are over forty years old and are currently located under our roads. The Board understands that the condition of the roads are of great concern to many residents, but from a financial and construction perspective, we must first replace and relocate the distribution lines before we can begin major paving projects.

Will this change the quality of our water?

While you may notice a slight change in odor and/or taste in our water, the quality meets all state-mandated requirements.

Will this affect our annual dues and monthly water allotments?

One of the greatest benefits of this project is that we'll be able to maintain our annual dues and increase your monthly allotments from 3,000 gallons per household to 4,000 gallons. This is not to say that other issues and needs won't affect our annual dues in the future, but the transition to county water will not create additional costs to homeowners at this time. Our 2012 dues remain the same as they were in 2011. After the first six years of our agreement with the Water Authority, our water rates will decline and future Boards will collaborate with homeowners to decide if we should reduce individual water assessments or put the savings toward additional improvements for our water distribution systems.

Where can I learn more about Walnut Mountain's transition to county water?

If you'd like more information regarding our agreement to purchase water from the county and distribute it via our own pumping systems, please refer to the front-page article in the <u>April 2011 Mountaineer newsletter</u>. Additional financial information is available in the 2012 Walnut Mountain POA budget. You may also contact Board President Lee Gilreath with questions by email at <u>gilreath0812@gmail.com</u>.