

ROOSEVELT WATER ASSOCIATION, INC.

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2016 ANNUAL MEETING MINUTES (year ended 12/31/2016)

February 16, 2017

The 52nd annual meeting of Roosevelt Water Association, Inc. (the Association) was called to order at 7:07 pm by President John Olsen. The meeting was held at the Monroe PUD building.

A quorum was present by the attendance of President John Olsen, Treasurer Mike Carlson, and Trustees April Farrimond and Clarence Prins. Also present: Secretary/Manager Janelle MacDicken and Rose Fowler. President John Olsen announced when and how the meeting notice was sent to each member of the Association.

President John Olsen asked the Board of Trustees and guests to introduce themselves. In addition to the above, ten members were present.

Minutes from the February 18, 2016 annual meeting were approved as read.

President's Report: President John Olsen remembered Glen Allen, who passed away on January 3 and was President of the Association for more than 40 years. Glen was largely responsible for creating the Association we have today and made many contributions to this Association. Glen will be missed; he leaves big shoes to fill.

Two Trustees resigned during the course of 2016. Long time Trustee John Claybrook moved out of the area necessitating his resignation; Marilyn Gauthier stepped in to fill the vacancy. John Jackson also resigned and a former Trustee, Clarence Prins, came forward to fill this vacancy. Thank you to Marilyn and Clarence.

The City of Monroe has rather aggressively taken over several of our members' water service connections adjacent to a new development called Bear Mountain Estates, services which the Association has had since the late 1960's. While this is largely unavoidable, the City has not been very forthcoming with equitable compensation for taking these services. Also, during construction of Bear Mountain Estates and Quadrant Homes developments, the contractors damaged our water main on Roosevelt Road several times. Negotiations continue on both of these issues.

The Association could be adding up to 200 more members over the next few years. New members are required to purchase a membership, pay a water meter/connection fee, and also a capital improvement fee. Large developments usually also pay for an improvement to our system, such as new pipe to replace, extend or upgrade the old line.

Pump station, new water tank/reservoir and anticipated growth – also covered in Manager's Report.

Water rate increases will be discussed by Trustees at the Annual Reorganization meeting in two weeks. The Association's cost to purchase water from the City of Everett is increasing, so expect a small rate increase before summer. If you see anyone taking water from one of our hydrants, please call. Often

they have permission/have paid for the water, but sometimes they don't. Businesses such as hydro seeding companies are required to pay for the water they use. Your help in ensuring the water is paid for is appreciated. Also, please call if you notice any water bubbling up from the ground or if your water pressure suddenly drops – it could be caused by a leak.

Janelle has once again kept the Association's budget to within 1% - thank you Janelle! Mike will present more information in the Treasurer's report. I also would like to thank all our Trustees for their efforts this past year, as well as our staff; Janelle and Sam have been working hard to get the new pump station completed.

Treasurer's Report: The 2016 Treasurer's Report was presented by Mike Carlson and detailed the current balances of Association funds in various local banks in Certificates of Deposit, Money Market and Checking accounts totaling \$1,349,238. The year ended with \$150,695 more in revenues than expenses, excluding draws on the revolving fund loan from the state for planning and construction of a pump station and water tank/reservoir. At the end of 2016, the Association had drawn \$824,619 on the loan. The new Pump Station increases water pressure to our customers at higher elevations, and allows us to access all the water contained in Tank One.

The Association is in good financial health, and has planned for the future well with an eye to the construction loan repayment. We continue to make improvements to and/or replacements of the water lines and equipment as needed. This proactive approach will ensure the Association remains healthy, both financially and in infrastructure, to serve future generations while keeping water rates reasonable. We continue the policy of keeping a reserve to cover at least 3.5 months of expenses, which currently is just under \$100,000.

Janelle continues to do a great job managing expenses and ensuring the budget is adhered to as closely as possible. A copy of the Treasurer's Report is filed as part of these minutes.

Manager's Report: The 2016 Manager's Report was presented by Janelle MacDicken which will be filed as part of these minutes. The total number of services at year end was 1130. 7 new services were added in 2016, but 3 services were lost to the City of Monroe's activity, as mentioned previously by President John Olsen. The Monroe Woodlands development (190 lots in the Robinhood/Roosevelt Ridge area) is expected to begin their phase III. A 14 lot development is to begin construction in a few months (located at the intersection of Trombley Road and Robinhood Lane), and plans for six 5 acre parcels behind the 14 lot development (accessed from Trombley Road) has also been discussed.

The Association replaced nearly 5800' of old asbestos pipe with ductile iron during 2016. Two line replacements were due to breaks, and the third was due to the damage previously mentioned on Roosevelt Road due to new development activities that caused several breaks and undermined the safety/integrity of the line.

2016 highlighted the need for water storage in our system. We had short notice to alert customers of shut down from City of Everett. We have set up a Facebook page in addition to the email notification system in place, plus we had some large sandwich board signs made up to be placed on major routes to alert customers that something is going on in hopes they will check the Facebook page or email to see what the alert is about. We are also looking into text messaging customers. We continue to use our website to provide customers up to date information and emergency notifications. Those who are not connected to the internet can request mailings of notifications by calling the office.

A new gravity fed tank/reservoir site has been found and is moving forward pending easement approval for use of the land from the City of Everett. The design is complete and plans will be submitted soon to

the County for permitting, with bidding and construction commencing in the fall. With the new pump station the Association has State approval for 200 additional services, will meet fire flow, and will be able to provide water pressure during short water shut offs within the system.

Engineering expenses were high in 2016, but we received lots of information in addition to what was required for the new tank/reservoir and pump station. The GIS mapping system is a great asset in the field, and the hydraulic analysis of our water system will be of great help in designing current and future projects.

Water loss was at a minimum (8.6%) even with the annual flushing, fire department use and several line breaks which required main line replacement. Thank you for your patience during repair/ replacement projects to our system. We strive to complete jobs quickly.

Elections: The Trustee terms of Michael Karl, Scott Nielsen and Marilyn Gauthier have come to an end. April Farrimond, Nominating Committee chair, presented 4 names for the 3 Trustee positions: Scott Nielsen, Michael Karl, Marilyn Gauthier and Jim McDaniel as nominees for three year terms as Trustee. Nominations from the floor were requested, none were heard. A written ballot with instructions to vote for 3 of the 4 nominees was given to each member. Janelle MacDicken and Rose Fowler tallied the votes. The ballot results are Marilyn Gauthier, Scott Nielsen and Jim McDaniel.

Old Business: None

New business: None

Hearing no additional new business, President John Olsen entertained a motion to adjourn the 52nd annual meeting. The motion was heard, seconded and carried. The meeting adjourned at 8:13 pm.

Respectfully submitted,
Rose Fowler
Recording Secretary