

53rd 2018 Annual Meeting Letter (by the President)

Good evening and welcome to the 53rd annual meeting of the Roosevelt Water Association. My name is John Olsen and I am the President of our water association.

There has been one change in our trustees that I want to briefly mention. Marilyn Gauthier, who has been serving as a trustee since 2015, recently had to step down. Orville Pearl has stepped up, replacing Marilyn's term which runs through 2020. Please welcome Orville and thank you Marilyn for your service.

We had another busy year in 2017 and made a lot of progress in a number of areas. These include:

- Negotiating with the City of Monroe
- Completion of pump station #3 and the upgrade of pump station #1
- Moving forward with the completion of our new 1.1-million-gallon reservoir. Janelle will give you more information on this with her report.
- New service connections we made in 2017 & those planned for 2018. Again, Janelle will cover this in her report.
- Water system shutdown for main water line maintenance

I will discuss each of these briefly.

First, you may recall we had some issues with the City of Monroe relating to the new development above ARCO called Bear Mountain Estates. We have now settled with the contractor Sea Pac in the amount of \$13,060.76. Additionally, we are also in settlement talks with Quadrant Homes and we are looking for a settlement in the amount of \$30,718.49.

We had a number of substantial upgrades completed to our system in 2017. We completed our new pump station #3 in Lupine Meadows which improves the overall pressure balancing and allows full utilization of the existing capacity of the tank there. This booster pump also allows us to supply water to higher elevation connections that are presently on well water if they are willing to pay for a connection.

We also completed an upgrade to our little pump station #1 which includes an on-demand capability. This will help to improve the water pressure in one of our pressure-challenged areas.

Work on our new tank, or more correctly as I have learned recently is more properly called a reservoir. This work is progressing well. We have secured the land, completed the plans and are waiting on the permit process with Snohomish county planning department with construction expected to begin this summer.

We ended the year with 1135 connections in the association and still anticipate adding up to 200 new members over the next 2 -3 years. New members help fund a lot of the infrastructure associated with their connection. They have to pay for a members' certificate, the water meter, the connection and a fee to our capital improvement fund. When a large development comes in they usually pay for a big improvement to our water system. Janelle will be covering the new developments in the managers' report a little later in the meeting.

Regarding finances, the checks, balances and oversight protocols that we put into place several years ago are still working well and we are in a good financial position which Mike Carlson will discuss during his annual Treasurers' report. Janelle has once again been able to keep our 2017 expenditures a little under the planned budget. Very good work again by her and her team.

Mike Carlson, our treasurer, will report on our bank accounts along with the 1 $\frac{1}{2}$ percent loan we have with the Drinking Water State Revolving Fund. This loan covered our booster pump and

will fund the construction of the 1.1M gallon water "reservoir". After which we will likely not need another one until around 2030 which is already included in our long range plans.

Regarding our water rates. This will be discussed in detail by the trustees and decided at our reorganization meeting in about 2 weeks. Presently, it looks like we will have a modest increase of about a 2% over all.

As a reminder, any time you see water bubbling up from the ground or notice your water pressure suddenly seems low, please call. Also, if you see anyone taking water from one of our hydrants, please call. Often, they have permission, but many times they don't. Firms such as hydro seeding companies are required to pay for the water they use. Better to call than to assume that they have permission.

Closing:

In closing, I would like to personally thank all the Trustees for their efforts this past year. We have made great progress over the past year and we would not have been able to do so without everyone's help. We are operating in a best of class manner with transparency, fiduciary responsibility and are well postured for the future with some of the lowest water rates in the area.

Certainly, if you have any questions please do not hesitate to contact myself, the manager or any board member.

Thank you. John Olsen