

This is the Treasurer's report for 2014

I am Mike Carlson a Trustee and the Treasurer.

I live in the Robinhood area.

Roosevelt Water has received our financial statement from our accountant McGoorty Eisenman Inc. PS.

If you would like a copy of this statement please sign the sheet and we will mail or email you a copy.

We are pleased to announce that we were only 2 and a half % over our budget for 2014. We were able to keep a lot of these expenses under control because of all the work the employee's and trustees take on.

Total revenues from water service and new connections

\$755,332 an increase of \$17,798

Total cost of water (this would be water purchased, testing, repairs & maintenance

\$258,725 a decrease of \$7,893. The reason for this one is a very low % of water lost.

We had a low loss of water of 8.56%. The state says anything below 15% is good.

Loss of water comes from leaks, flushing of the system, theft and fire.

General and Administrative expenses this does not include the water

\$304,452 a decrease again this year of \$4,253.

The trustees and I would like to commend Janelle for the way she has stayed on top of these expenses. And the controls she has put in place.

Other Revenue (Capital improvement fees, Interest

\$44,183. This is down from last year because we only had 11 new connections compared to 20 in 2013.

This gives us a total revenue over expenses of

\$236,338

We started the year with money in 4 local banks of \$797,206 dollars.

At the end of 2014 we have \$1,388,145 in those 4 banks. Almost 1.4 million

This money is to help pay for the new tank and pump station we are in the process of building.

The trustees have set that we will always keep a reserve fund of 3 and a half months of our expenses.

In September of 2014 we applied for a low interest loan with the state which is called the Drinking Water State Revolving Fund Loan. This is money that the federal government allots to each state for low interest loans for Districts and Associations like us. The DWSRF loan program is jointly administered by the Washington State Department of Health's (DOH) Office of Drinking Water, Public Works Board (BOARD) and the Department of Commerce.

We have been approved for up to 3.5 million dollars. We won't need all of the 3.5 but it shows how strong the state feels RWA is. We also shouldn't need a construction or bridge loan with what we have in the bank. The loan has a 1.5% interest rate with a 1% loan fee. The repayment is for 20 years. We have enough money coming in to fund the loan payments and still be able to do our regular capital improvements that is needed each year.

If you would like to read the "Customer Handbook Guidelines" for this loan it is a nice evening read of only 171 pages.

Yes there has been an increase in our water rates but that is so we keep up with the increases that Everett Water imposes on us each year. The average water user should only see about \$2.60 per month. We do set aside each month monies that go back into capital improvements.

We have also increased the capital improvement fee that we charge for new member hook up's. As John has said we have pipe, valves and connections that needs to be updated. We don't need to do this all at one time but by recognizing the areas that we need to update we can lay a lot of this on the new developments that we should be seeing in the next 6 to 7 years.

The trustees have always felt that new members need to be paying the majority of the expense to keep our water system in good working order. They also pay for the water system in their development done to our specifications. We do not accept the water lines, valves and connections until we feel it is up to our standards. After which it is our system.

Trustee and Treasurer
Mike K Carlson