

This is the Treasurer's report for 2016

I am Mike Carlson a Trustee and the Treasurer. I live in the Robinhood area.

Roosevelt Water has received a draft of our financial statement for 2016 from our accountant McGoorty Eisenman Inc. of Everett. We should receive the final approved financial statement within the week.

If you would like a copy of please let Janelle know and we will mail or email you a copy.

Total revenues from new connections is \$19,750.00 increased from last year of \$17,000.00.

Operating and Administrative expenses were \$331,338. This does not include the water purchased. Our water rates cover what the city of Everett charges Roosevelt Water. We pay Everett just under \$200,000 each year for water and filtration.

The expenses are from last year due to small Salary increases along with we now pay either Sam or Janelle to be on call to monitor our water system on weekends and holidays, plus added man power due to having a qualified person on site during construction and the administration of the state revolving fund, which I will explain in a moment. There were also professional fees due to the city of Monroe and outfitting our new Ford Truck for safety and enough storage to have what we need always with us.

This cuts down on the many trips back and forth to the storage shed.

The Revenues over Expenses are \$150,695.00 to the good.

This is down \$48,133.00 from last year due to those items I just mentioned.

As John noted we were close to our budget again for 2016 even with these extra expenses which we had considered.

We keep a lot of these expenses under control because of all the work the employee's and trustees take on. This is mainly due to the work Janelle puts in. Thank you, Janelle, for a great job.

We started the year with \$1,358,275 dollars in 5 local banks and an investment firm.

At the end of 2016 we have \$1,349,238. This is down \$9,036.

We have upgraded several thousand feet of water pipe along with valves and pressure relief valves and still were able to keep money in the bank.

About the loan. The Association entered into a note payable with the Washington State Department of Commerce through the Drinking Water Sate Revolving Fund in June 2015 for the construction of the Water Tank 2 and Pump Station 3. A total of \$3,529,664 is available for our two project. These costs are expended through July 2019. We should have both projects completed by the end of 2017 or early 2018 which is a year of more from what the state needs us to be. We have drawn funds in the amount of \$824,619 on this loan as of December, 31st 2016. Upon project completion, the loan shall have a 20-year term with interest charged a 1.5%. We changed the pump station for tank 2 to a pump station that increases water pressure to the higher levels along with being able to use all the water from Tank one.

This other pump station was on the capital improvement list for later but because we changed to a money saving Water Tank fed by gravity we didn't need the expensive other pump station.

We have been calculating in our water rates for the past years to make sure we have enough money coming in to fund our loan payments. We feel more than confident we are in a very good position. We did not want to have to ask our members to come up with extra money for these two projects. This is also the way the board feels for any future projects. We don't see any large projects in the near future. Just replacing and updating lines and equipment as needed. We don't want to get into a position like the city of Everett has put themselves in. When large developments come in we made sure they pay a good portion of any updating our system. Developers for their development have to put in the water system under our supervision and their expense before we sign off on the development.

The trustees have put in place that we will always keep in a reserve fund 3 and a half months of our expenses. Which at this time is just under \$100,000.

Are there any questions?

Trustee and Treasurer
Mike K Carlson