

VMWID 2018 Year End Summary

In partnership with our 3rd party operational and engineering providers (Hiland Water and Cascade Water Works) we continued to deliver high quality water that meets or exceeds all standards for safe drinking water. We operated our aging system with minimal service interruptions for maintenance while making targeted system improvements and repairs. A few highlights for this year:

- As reported at the May Annual Meeting, our new well, which replaced well 1, was completed on schedule and within budget. The water flow and quality have been excellent. Well 1 has been abandoned and sealed consistent with state regulations.
- Our new digital wireless control system operated our system with high reliability, much less operator time, and provided system operations data that will assist future planning.
- We made a number of repairs including several valve vaults and a few pipe leaks. Maintenance and repair costs represent about a third of our annual operating costs.
- In December, we added a new associate Board member, Bob Kirk, and look forward to the experience he brings in analyzing and evaluating our system and operations.
- We completed a second removal of dead trees from the well field, another 60 trees. This has improved the appearance of the field, reduced fire risk, and provides greater protection for our well houses in adverse weather. We expect to have another tree removal in 2019 and hopefully that will complete this project.
- Greg completed a review of the Water District records and organized them for us. Hiland completed a revised update of our Operations Manual.

In October, Greg Hayes transitioned from President to member of the Board. Greg has done an outstanding job as President. We have great appreciation for his huge time commitment to the Water District. Greg provided strong leadership for the Board and our service partners that together improved our operating condition and financial strength. As incoming President, I will be looking to Greg for guidance as we follow the strong path he provided.

A final item, the Board has changed our review of billing rates to year end to better match our operating year. In our December Board meeting, the Board approved our 2019 operating budget and reviewed water rates for next year. It my pleasure to inform everyone that we are maintaining a healthy operating reserve going into next year and the Board determined that we will not have a rate increase for either the fixed fees or use charges. We will review mid-year, but barring any unforeseen maintenance issues, no rate increase is expected for 2019. Additionally, we responded to feedback from the May Annual Meeting and deleted the second-tier rate. There is no change to the single tier rate of 3.2 cents/cubic foot. We will all be paying the same rate as a community water system. Priorities for the coming year, in addition to maintaining consistent, reliable water supply include continued maintenance projects, implementing a leak detection program, inspecting the condition of our reservoirs, evaluating condition of our booster pumps, improving our chlorine feed arrangement, confirming the continuation of our water rights, and reviewing backflow device compliance.

Best wishes for the New Year,

Ray Topping, on behalf of the Water Board