

January 2022 Westside Water Association Newsletter

We have turned the corner and the days are getting longer again (yay!). This upcoming week promises to be a nice break from the rain. In this newsletter we will cover some operational topics. You can expect an update from the WWA Board on the proposed ByLaws and share sales topics separately and soon.

Financial Update

Although we tend to focus on finances at the end of our fiscal year (April) a brief peek 2/3 of the way through our year might be useful to members. Overall, our finances remain strong. Due to the extremely dry summer with increased demand, we are projecting revenue from water sales for the complete year at \$140K which will bring us in ahead of our expectations.

Almost all the capital costs for the Back40 well are now accounted for and we have spent \$56K which is favorable to our original estimate of \$65K. As a reminder, we paid for the Back40 project by borrowing from our Capital Asset Replacement fund and thus not incurring external loan fees and interest. As of the end of 2021 our assessment surcharge has paid in \$8.9K which is in line with our original plan of paying off a third of the capital cost of the new well over a three-year period (the balance planned to be paid through the sale of water shares). Accounting for the surcharge paid our current "loan" balance about \$47K.

As of the end of December our account balances were:

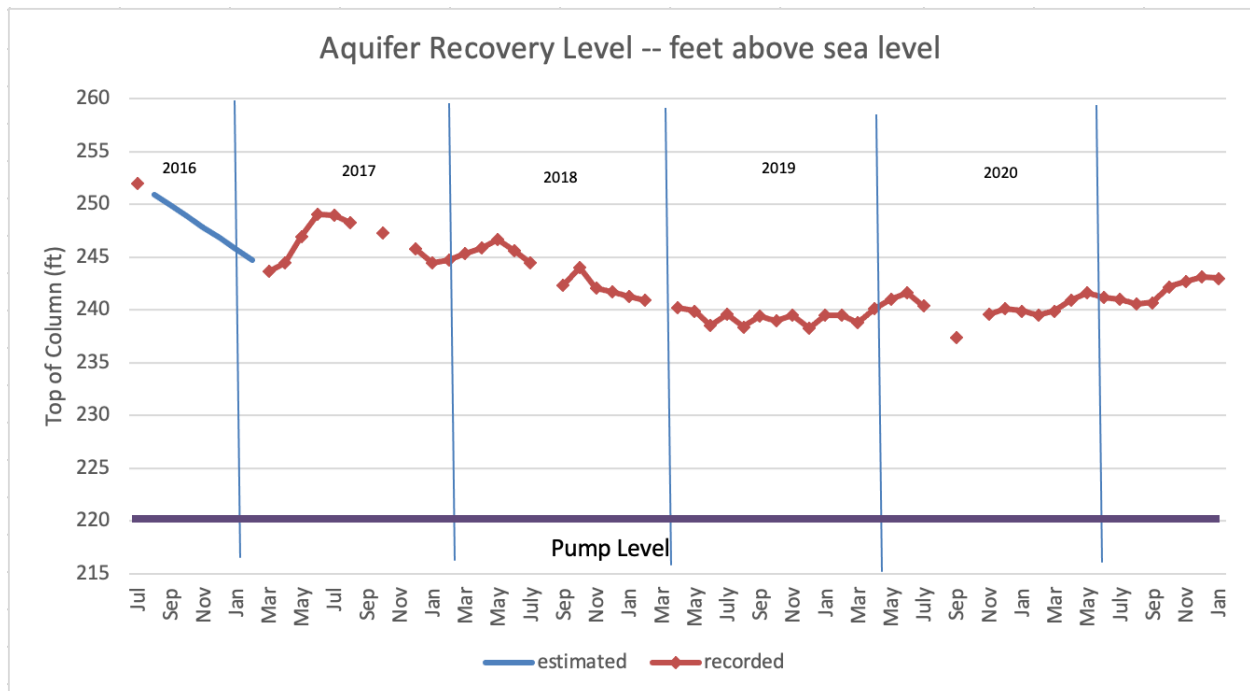
Account	Balance
Operating Fund	\$80,057
Emergency Reserve Fund	\$30,813
Repair Reserve Fund	\$12,002
Capital Asset Replacement (CAR) Fund	\$80,019
Total	\$202,891

We also continue to accrue for the King County Right of Way Fee that we are expecting to be billed for sooner or later. That account currently has \$25,536.

Two certificates of deposit (total of \$30K) that we had purchased using part of the CAR and Emergency funds to achieve a higher return on money not immediately in use have not been renewed since their yield didn't justify encumbering the funds.

Anderson Well Field

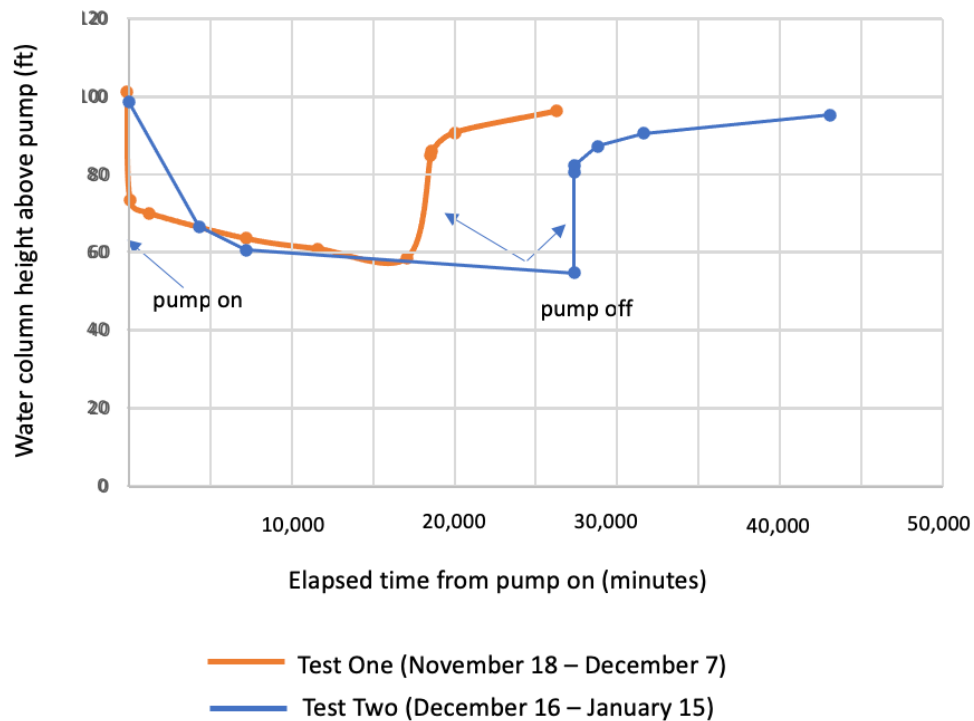
The continued strong performance of the canyon well points and spring (~30 gpm) has allowed us to mostly turn off the Anderson Wells since mid-September. We have continued to monitor the level of the Anderson 2 well and note that it is currently at a level not previously reached since September 2018. We plan to continue letting that source rest until late in the spring when we will need it to meet increased demand in the garden watering season. Here is a plot showing the recovery level since the initial drilling of the well.



Back40 Well Testing

We have now completed two two-week long pump tests of the Back 40 well at a continuous flow of 10 gpm (water was discharged into the ditch along 156th St). These tests are more extreme than our plan for actual usage of the well. The graph below shows the results from the two runs (the actual shape of the graphs is influenced by the sample frequency). We plan an additional two shorter duration tests of 15 gpm and 20 gpm during the wintertime.

Back 40 Well Extended Pump Tests



Leak status

For all of calendar year 2021 WWA had a distribution system loss rate of 10.2%, narrowly missing the Department of Health goal of 10%. This rate means that our average loss was 3.4 gpm for the entire year. This is the best year since 2017 for the Association regarding leaks however it doesn't tell the whole story. In September/October period we averaged 6.8 gpm of loss. But we do not know of any leak event in that period, and we fixed no leaks during that time frame. In November/December the average loss rate dropped back down to ~2 gpm. We simply don't have an explanation for these data. We continue to monitor our usage closely. The big freeze at the end of 2021 did cause several frozen and broken water lines on members properties but nothing on the system side that we know of.

An IRS Tale

As a non-profit we are required to file an annual report to the IRS (called the EZ990 form) and have been faithfully doing so for many years. The 2019 filing (due in May 2020) was filed with a hand-written EIN/Tax ID number which has triggered a two-year parade of IRS inquiries. If anyone wants the details (you don't) you can contact us for them. It appears as of this writing that the 2019 issue has been resolved. Recently we got a new inquiry regarding the 2020 filing

which claims that we didn't file it. (We did). So, we are now working on that inquiry. We have reached out to Representative Jayapal's office for assistance, and they have been responsive. Hopefully this new approach will help us get all matters settled. If anyone in the membership has experience communicating with the IRS we would welcome the input.