



Rathbun
Regional
Water
Association, Inc.

Spring 2019

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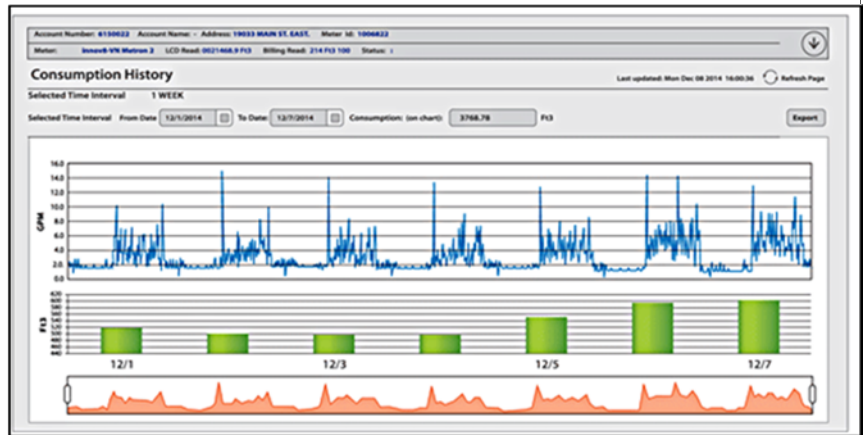
RRWA Offers Smart Water Meters and Automatic Bill Payment

RRWA Customers Can Benefit From Additional Services...Sign-Up Now!

RRWA has been evaluating the advantages of smart water meters for our customers over the past four years. During this time, RRWA researched and tested several different types of smart water meter technology. At the same time, RRWA has been developing a system that will give our customers the opportunity to pay their water bills automatically. RRWA's automatic bill payment system will use the smart meter reading to calculate customers' bills and then automatically deduct the amount owed from their bank accounts. RRWA expects to make smart meters and automatic bill payment available to our customers in the second half of 2019. RRWA customers who have a smart water meter installed will pay a \$3 per month fee to cover a portion of the costs to make this technology and its benefits available.

Benefits of Smart Meters

- ◆ Customers can monitor their water use on a secure website
- ◆ Customers can be notified of water leaks in their systems
- ◆ Customers with smart meters can sign-up for automatic bill payment



Benefits of Automatic Bill Payment



- ◆ Customers will no longer have to worry about paying their water bills on time
- ◆ Customers will no longer have to read their remotes and calculate their water bills
- ◆ Customers will no longer have to write checks and mail their payments
- ◆ Customers will be notified by email of the amount of their usage and water bill before payment

Sign-up for a smart meter with or without automatic bill payment by calling RRWA at 1-800-233-8849, emailing rrwainc@rrwa.net, or visiting our website at www.rrwa.net.

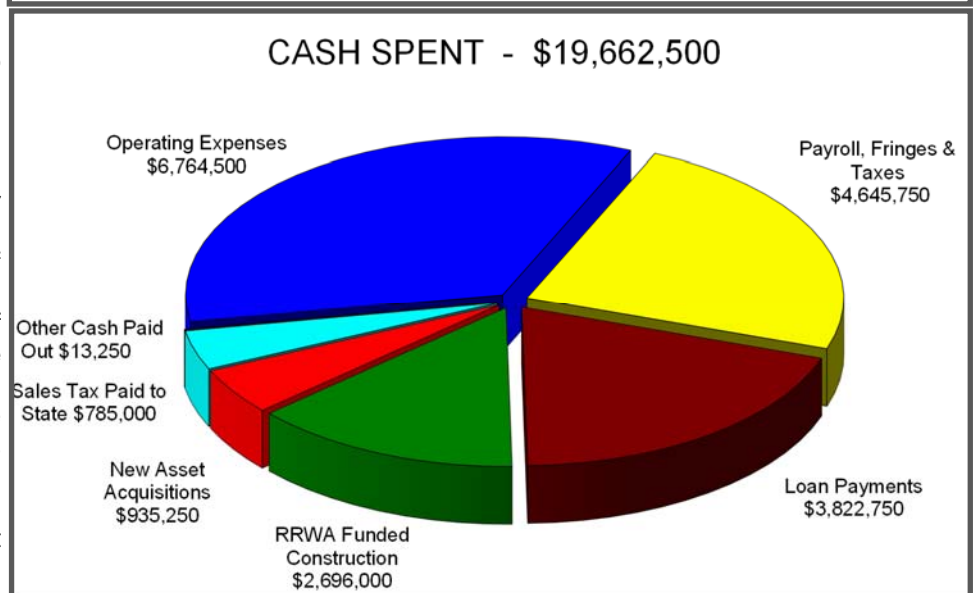
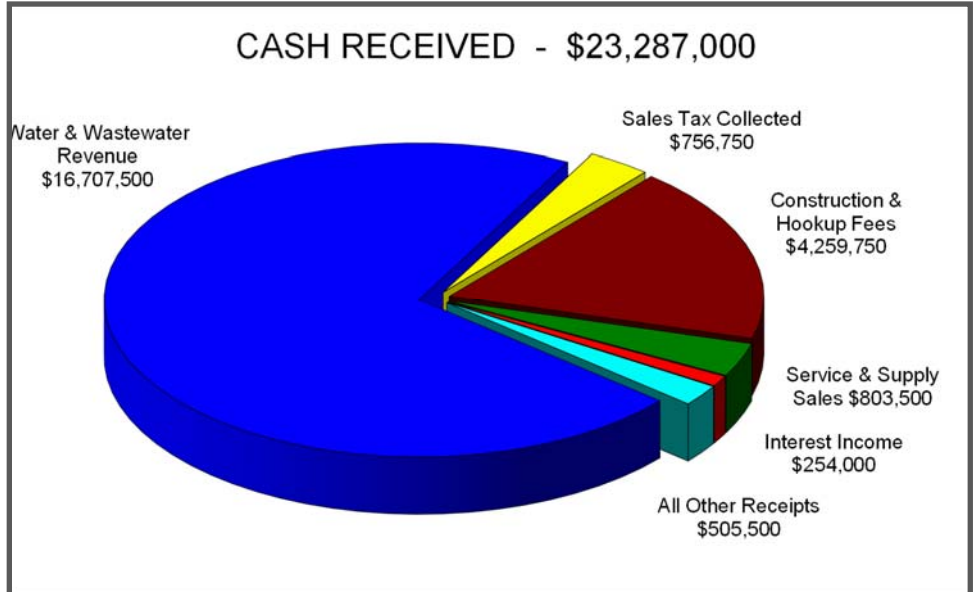
2018 FINANCIAL SUMMARY OF RRWA

The number of meters that RRWA customers had in service increased by 210 throughout the year and totaled 20,335 by the end of 2018. Water usage during the year from these meters increased by almost 5 percent or 125 million gallons from 2017 numbers and totaled 2.9 billion gallons for 2018. This increased water usage was primarily due to the dry and hot weather conditions experienced throughout most of the year as well as the connection and new bulk water sales to the City of Chariton.

The 2.9 billion gallons in water sales generated revenues of almost \$16.5 million for the Association and when combined with \$240,000 collected from 750 Waste Water customers, accounted for almost 75% of the total cash received during 2018. Another \$757,000 in sales/excise tax associated with water sales was collected for the State. A connection fee from the City of Chariton of \$3.35 million was received at the end of 2018 as reimbursement for expenditures required during the last two years to serve them water. Construction income and hookup fees charged for all other new additions to the distribution system brought in \$900,000 while additional construction services and material sales provided to members, customers and other entities added \$800,000. Income from RRWA's cash investments generated just under \$255,000 in interest income throughout the year and all other cash received from miscellaneous sources during 2018 totaled \$505,000.

Daily operating expenses of the company during 2018 required \$6.8 million in cash and included in this segment was everything from the chemicals and electricity used to purify and pump the water to the fuel and repair costs associated with RRWA's trucks and equipment, or the office supplies and postage expenditures incurred throughout the year. Operating expenses in this segment increased 3.5% or \$225,000 from the prior year. Another \$4.6 million was spent on salaries, fringe benefits and payroll taxes for the company's 62 full-time employees. The next segment of cash expenditures was loan payments which required \$3.8 million of cash. Interest payments totaled \$1.7 million on an average loan balance of roughly \$46 million throughout the year with principal payments making up the remaining \$2.1 million. Construction projects and improvements required almost \$2.7 million throughout the year for the funding of costs associated with new individual customer hookups and the infrastructure needed for the connection to the City of Chariton. New capital purchases required another \$935,000; payments made to the State for sales tax totaled \$785,000; and all other uses of cash totaled \$13,250.

Total cash expenditures for the year added up to \$19,662,500, which when compared with total cash receipts of \$23,287,000, resulted in a positive cash flow during the year of \$3,624,500. The company's balance sheet and financial ratios continued to remain strong in 2018 with the company's net worth or members equity increasing by over \$3.5 million when compared to numbers reported the previous year while long term debt and liabilities decreased by \$2 million.



RRWA Remembers Board Leaders

This past year, RRWA lost two of our Association's strongest advocates and leaders. Charles Warner and Max Proctor were long-serving, dedicated members of RRWA's board of directors until their passing.



Charles was a member of RRWA's board for 19 years, the last five of which he served as board chairman. Charles and his wife, Charla, made their home near Bonaparte, Iowa where they shared a lifetime of farming and community service activities. Charles and Charla raised seven children, one being deceased, and have 13 grandchildren and one great-grandchild.



Max served on the RRWA board of directors for 15 years and was the board's vice chairman for five years. Max, with his wife Kay, lived near Drakesville, Iowa. Together, Max and Kay farmed and were active in serving others in their community. Max and Kay raised three children and have six grandchildren and five great-grandchildren.

The leadership that Charles and Max provided to RRWA made possible many of the Association's most significant accomplishments. During their tenure on the board, RRWA expanded water service to more than 90,000 residents in rural areas and 56 communities in Iowa and Missouri. As board members, Charles and Max oversaw the construction of RRWA's second water treatment plant and the addition of numerous water towers, pump stations, and miles of pipe to meet the region's growing demand for potable water. Charles and Max also strongly supported RRWA's efforts to protect Rathbun Lake, the Association's source of water for our treatment plants. The RRWA board of directors, staff, and member-customers owe a tremendous debt of gratitude to Charles Warner and Max Proctor for their service.

2018 CONSUMER CONFIDENCE REPORT INFORMATION

The Rathbun Regional Water Association, Inc. 2018 Water Quality Reports (CCR) are coming soon: Starting June 30, 2019 you will be able to view your RRWA system 2018 Annual Water Quality Report (also known as a Consumer Confidence Report, CCR) online.

If your account number begins with 01 through 30; then please log on to the following link to view your CCR.
<http://www.rwa.net/documents/803/2018CCRRathbun.pdf>

If your account number begins with 33, 34, 42, 43, 71, or 72; then please log on to the following link to view your CCR.
<http://www.rwa.net/documents/803/2018CCRFtMadison.pdf>

If your account number begins with 35-38, 40, 41, or 74; then please log on to the following link to view your CCR.
<http://www.rwa.net/documents/803/2018CCRBurlington.pdf>

If your account number begins with 39; then please log on to the following link to view your CCR.
<http://www.rwa.net/documents/803/2018CCRMtPleasant.pdf>

Your 2018 Consumer Confidence Report contains important information about the source and quality of your drinking water. If you would like a paper copy of the CCR mailed to your home or sent as an attachment to an email, please call (641) 647-2416 or email jbuckingham@rwa.net.

Rathbun Regional Water Association, Inc. Mission Statement

Rathbun Regional Water Association, Inc. strives to improve the quality of life in our region by providing our customers with safe, high quality drinking water and related services.

We believe the success of our organization depends on our commitment to the following values:

- **Good communication and cooperation between our customers, employees, management, and board.**
- **Innovative, dependable, highly trained employees that take pride in their work and are dedicated to serving our customers.**
- **Responsibility as a team for the efficient and reliable delivery of reasonably priced product and services to our region.**
- **Equal opportunity for growth and excellence for every employee.**
- **Proactive involvement with economic growth and environmental stewardship.**

RRWA 42nd ANNUAL MEETING HELD

The 42nd Annual Membership meeting was held at the RRWA Treatment Plant, 16166 Hwy J29, Centerville, IA on February 28, 2019 at 7:00 p.m.

Two directors were re-elected to serve a three-year term on the RRWA Board:

District 1: Randy Eddy-18365 Hwy 5, Centerville, IA 52544.

District 4: Kenneth Wuthrich-21177 Mallard Avenue, Bloomfield, IA 52537.

RRWA would like to thank all of those members of the nominating committee for their willingness to serve. Members of the nominating committee appointed by the Board of Directors were: Dan Furlin, Jr-Numa, Gary Dustin-Albia, Larry Moore-Bonaparte, Leroy Perkins-Corydon, Darrell Krehbiel-Donnellson, Susan Knapp-Bloomfield, and Bill Hillyard-Burlington.

Other items discussed at the meeting were:

- The 2018 Financial Report of RRWA
- Tour of the Updates to the Original RRWA Treatment Plant

Rathbun Regional Water Association, Inc.

BOARD OF DIRECTORS

Randy Eddy, Chairman
Denny Amoss, Vice Chairman
Doug Goben Secretary & Treas.
Garry Schiller
Ken Wuthrich
Curt Frank
Charla Warner