



American Water Works Association  
**Pacific Northwest** Section

# Education & Training Endowment Fund Intro & Status

2023 PNWS Fall Trustee Meeting



# E&T Board

- Heather Pennington – Chair
- Tom Keown – Vice Chair
- Jeff Lundt
- Bill Carr – Past Chair member
- Laura Oxsen – YP member
- Jason Canady – PNWS Treasurer
- Kyle Kihs – PNWS Executive Director
- ***Thanks to Bob Willis – For 20+ years of service as Chair!***

# What the E&T Fund does

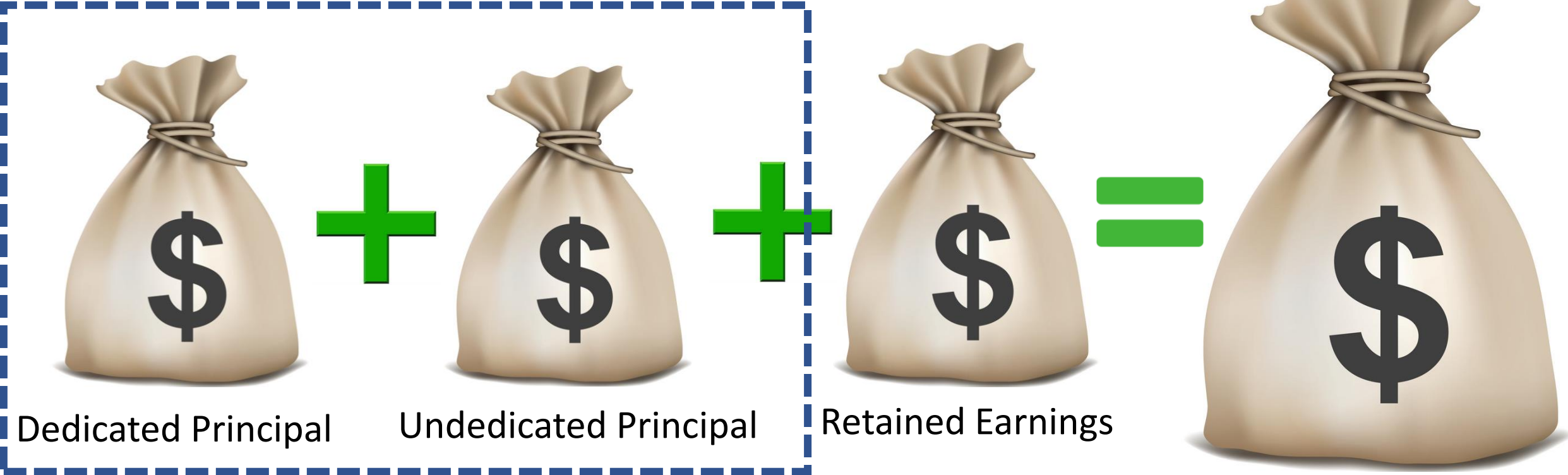
Scholarship growth and fund sustainability is our goal.  
Making generational decisions



- Provides scholarships for operators and college students in the water industry
- Approximately \$50k/year
- Managed by a board of 7
- Funds invested in a variety of mutual funds at Morgan Stanley brokerage

Education & Training  
Endowment Fund

# E&T Fund is Comprised of 3 “Pots” of Money



Dedicated Principal

Undedicated Principal

Retained Earnings

E&T Fund

Recent value \$1.56M

# Dedicated Principal



Grows only with  
donations - \$449,428

- Money donated in the name of an individual, subsection, group, purpose or company
  - 22 “funds” producing scholarships
  - Additional 11 funds in development
  - \$34,484 in scholarships for 2023
  - Increase of \$2,089 over 2022
- **THIS VALUE NEVER DECREASES**

# Undedicated Principal



Grows only with  
donations - \$346,114

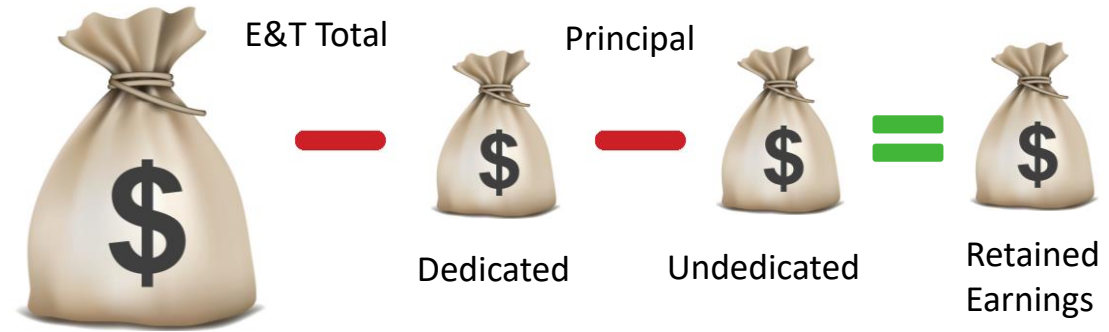
- Money donated but not to a specific fund
- Dedicated donations that are not at the \$10K level
- Interest and dividends on this invested money helps fund Dedicated Scholarships
- ***THIS VALUE NEVER DECREASES***

# Retained Earnings



Varies with the value of the E&T Fund Portfolio **\$760,457** on MO 2 OCT

\$213,208 less than EOY 2021



- The Total Value of the E&T Fund minus the Dedicated and Undedicated Principal
- Value fluctuates with the market and the scholarship funding “demand”
- ***Value fluctuates and can become \$0***
- Scholarships would not be fully funded
- \$191,267 increase in 2023

# Retained Earnings Distribution



RE Distributions

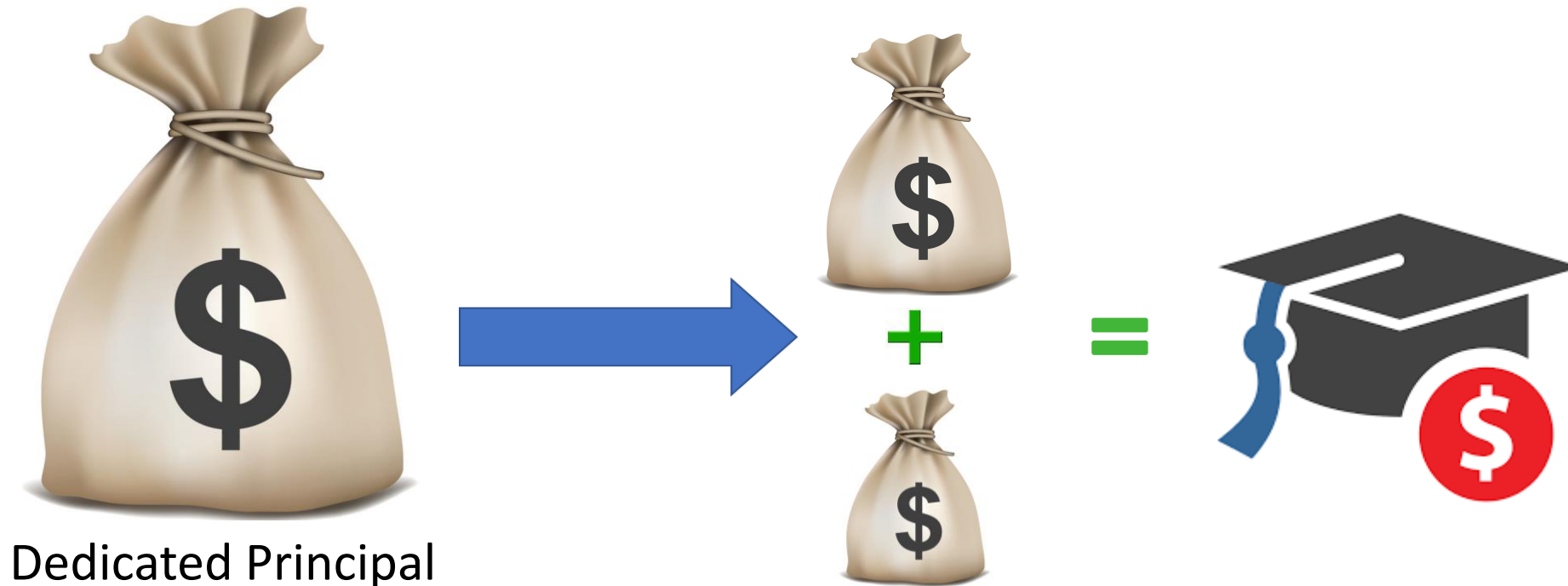
- Formula to divert “excess” RE in good years
- Developed in 2017
- Applied each year after EOY info is in
- Value distributed over 1-4 years

PNWS-AWWA Education & Training Fund Scholarship Calculation									
	YE for E&T Fund Calculation (Scholarships distributed the following spring)								
Source	2017	2018	2019	2020	2021	2022	2023	2024	2025
Minimum Transfer (% of dedicated funds)	\$ 23,961	\$ 27,725	\$ 29,322	\$ 29,735	\$ 32,395	\$ 34,565	\$ 36,881		
RE Distribution Total			\$ 33,756	\$ 29,064	\$ 18,051	\$ -	\$ 2,534		
# of years for distribution			3	3	4	0	2		
Annual distribution	\$ 785		\$ 11,256	\$ 9,688	[note 1]	\$ -	\$ 1,267		
Previous year's RE carryover - YR -1		\$ 785		\$ 11,256	\$ 9,688	\$ 4,513	\$ -	1,267	
Previous year's RE carryover - YR -2			\$ 785		\$ 11,256	\$ 9,688	\$ 4,513	\$ -	
Previous year's RE carryover - YR -3								\$ 4,513	\$ -
Previous year's RE carryover - YR -4									\$ 4,513
<b>Total</b>	<b>\$ 24,746</b>	<b>\$ 28,510</b>	<b>\$ 41,363</b>	<b>\$ 50,679</b>	<b>\$ 53,339</b>	<b>\$ 48,766</b>	<b>\$ 42,661</b>	<b>\$ 5,780</b>	<b>\$ 4,513</b>



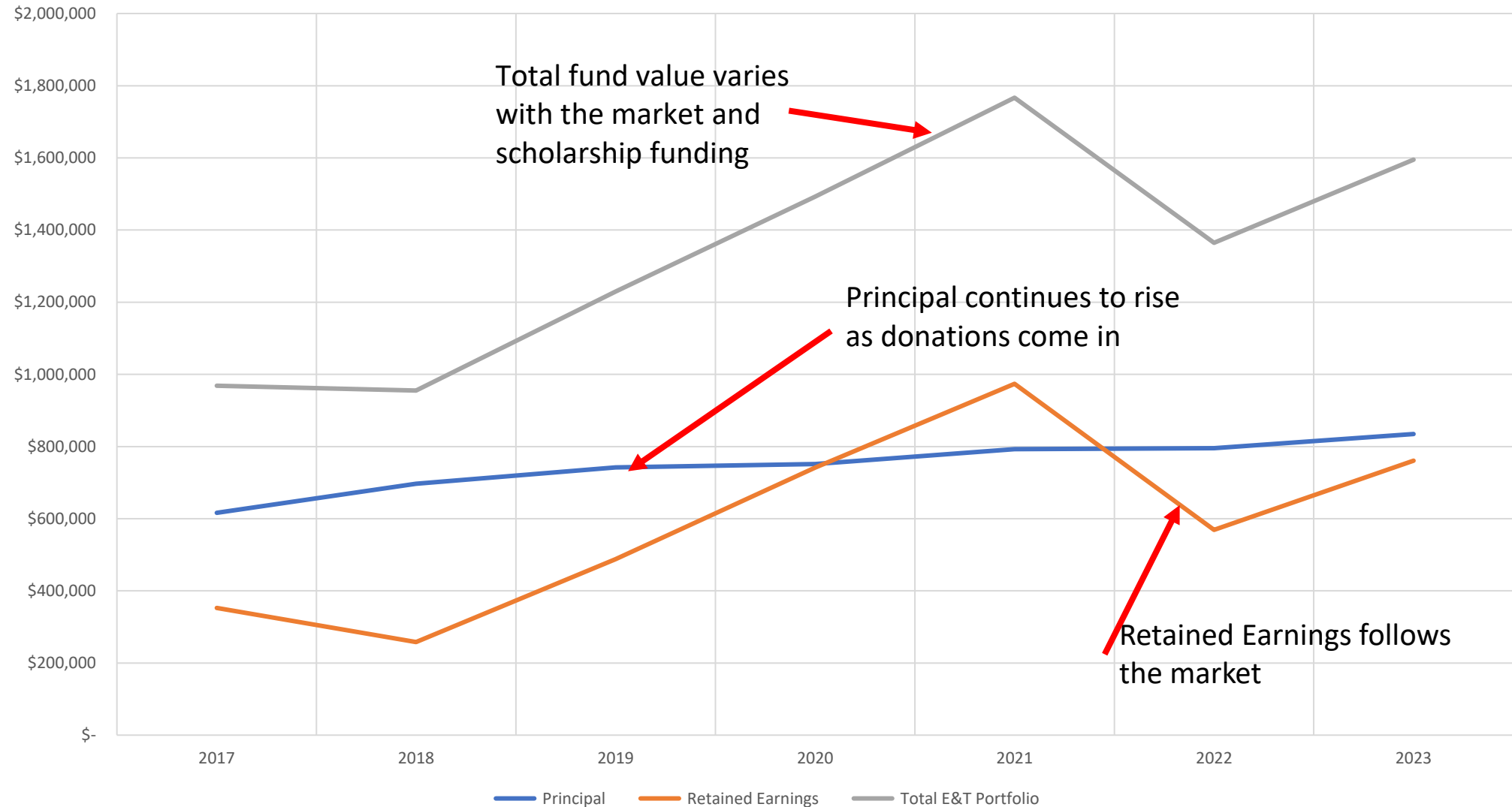
# Annual Scholarship Determination

- 10% of designated fund values donated prior to January 2016
- 5% of designated fund values donated after January 2016
- E&T Fund has historically returned 4.5% annually



# Value of the E&T Fund 2017 - Current

E&T Fund - 2017 - Current



# Changes in 2022-23

- One Water Matching Scholarship fund is fully funded
- Initiated Operator Certification Scholarship Program and received “seed” money for permanent funding
- Dan Bradley Memorial Fund initiated
- Large donation to:
  - John Aho fund
  - Bill & Teddy Beckman fund

# Comments, Questions, Suggestions, Donations

Contact Heather Pennington, Tom  
Keown, or any member of the E&T  
Board

Thank You for Your Time and  
Attention



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