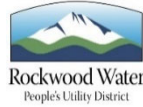


PRESIDENT, Tom Lewis
VICE PRESIDENT, Kathy Zimmerman
SECRETARY, Colby Riley



TREASURER, Larry Dixon
DIRECTOR, Steve Okazaki
GENERAL MANAGER, Kari J. Duncan

**REGULAR MEETING
ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
BOARD OF DIRECTORS**

April 28, 2021

6:00 p.m.

Zoom Video Conference

Members of the public may join the meeting via Zoom by:
copying the link below and pasting into your web browser:

<https://us02web.zoom.us/j/84763388781?pwd=d3ZZVEFBSkpEdEZ0WWIVdk01OGMwZz09>

Passcode: 751277

Or Phone: +1-253-215-8782

Webinar ID: 847 6338 8781 - Passcode: 751277

PRELIMINARY AGENDA

1. Approval of Agenda
2. Approval of Consent Agenda - Action
 - a. General Manager's Report - GM Duncan
 - b. Superintendent's Report - DS Crocker
 - c. Customer Service Report - OS Middleton
 - d. Engineer's Report - DE Hudson
 - e. Government Affairs Activities - GAC Aden
 - f. Financial Status - March 31, 2021
3. Approval of Minutes - March 24, 2021 Regular Board Meeting - Action
4. Approval of Bills - SA Zimmerman - Action
5. Public Comment on Non-Agenda Items
6. Bond Sale Update and Process - David Ulbricht, SDAO and Doug Goe, Orrick - Presentation/Discussion
7. Water Revenue Bonds Preliminary Official Statement - Discussion
8. Resolution No. RWPUD 20/21-003 Water Revenue Bond Authorization - Action
9. Resolution No. RWPUD 20/21-004 - Authorizing General Manager to Enter into Contract for the Groundwater Development Project Package No. 1 - Action
10. 2021 Financial Master Plan Model Update - Action

The meeting location is wheelchair accessible. Requests for a sign language interpreter should be made as soon as possible or at least 5 days prior to the meeting. Requests for language interpretation should be made at least 2 days in advance of the meeting. Requests can be made by calling 503.665.4179.

11. Five-Year Non-Renewal Notice for the City of Portland Regional Water Sales Agreement
- Discussion
12. For the Good of the Order
13. Next Meeting - April 28, 2021 - Budget Committee Meeting - Immediately Following
Regular Board Meeting
May 5, 2021 - Budget Committee Meeting (if necessary) - 6:00 p.m.
May 26, 2021 - Regular Board Meeting - 6:00 p.m.
14. Adjournment



Rockwood Water
People's Utility District

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MEMORANDUM

To: Board of Directors

From: Kari Duncan, General Manager

Date: April 21, 2021

Re: General Manager's Report – April 28, 2021 Board Meeting

1. Production, project, financial, fiduciary, engineering and government affairs reports have been completed by staff and are provided.
2. 2021/22 Finance Model: Staff worked with HDR Consulting to revise and model several rate options that will allow the District to meet financial requirements for the GDMP. The options studied will be presented at this Board meeting.
3. Budget: The 2021/22 Budget documents have been prepared and distributed and the Budget Hearing will take place after the April 28th Board Meeting.
4. Revenue Bonds and WIFIA: Staff have worked with the SDAO Bond Advisor and Bond Counsel to prepare the preliminary official statement, and the Water Revenue Bond Authorization to issue a first Bond for approximately \$22 million. Of the total \$22 million bond, \$4 million will go to refinancing the Districts' existing Bond for the Cleveland Reservoir and the remainder \$18 million will fund the first portion of the GDMP projects. The WIFIA loan application is also ongoing, and we expect to receive the first disbursements from this loan at the end of FY 21/22.
5. Logo and branding for the GDMP and Gresham Partnership! Gresham and Rockwood staff have collaborated to create outreach materials for the GDMP and a new logo! The project and partnership with Gresham has been named "The Cascade Groundwater Alliance" and the new logo is:



Additional efforts are ongoing to coordinate outreach efforts and to ensure that both Rockwood and Gresham are recognized in the efforts to develop the Groundwater system.

6. The Well drilling operation is finally coming to a close, and all three sites, Kirk Park (Cascade Well #9), 141st Ave (Cascade Well #8) and the Cascade Well #7 site are in the process of demobilization and clean-up. Some additional testing and development of Well #8 will be needed later in the Fall under a separate project.
7. Package 1 for the Groundwater Development Project went out to bid on Wednesday, March 17th. The mandatory pre-bid meeting was on March 30th and was well attended by both General and Sub-Contractors. The bid deadline was extended to April 28th, and preliminary results will be provided at the April 28th Board meeting.

Thank you for reviewing the material in the Board packet, and please contact me if you have any questions. I look forward to seeing everyone via Zoom meeting on the 28th.



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MEMORANDUM

To: Board of Directors

From: Andy Crocker, District Superintendent

Date: April 21, 2021

Re: Operations Update

Crews installed four new services, three fire services and three fire hydrants. We had two hydrant and one end-of-line blow off assembly repairs. Crews completed a couple of large installations, notably the new DHS building on 223rd just south of Stark Street and Albertina Kerr on 162nd north of Glisan. We continue preparing the main office grounds for Package 1. While moving materials around we have realized some of the items we are storing are no longer useful, taking up valuable space and need to be disposed of. I will be presenting a memo for surplus disposal at the May meeting including these items. Crews will be installing a 250 foot section of new 6" water main on SE Alder in coordination with a new road being put in.

Operations continues to work through maintenance items for the Cascade Groundwater Treatment and Pump Station preparing for summer demands. The flushing program has been completed for the year; operations staff did a great job! Large meter replacement continues to make progress with a 6" meter being changed last week; only a couple more planned for FY 20/21. Now that drilling at Cascade Well 8 is complete, we are in process of getting the 141st tank and pump station back online. A thorough cleaning, disinfection and regulatory sampling is necessary. We anticipate completing most of that next week and being back to full operation the first week of May.

On the horizon are some proposed revisions to the current LCR (Lead and Copper rule), one of which will require water systems to inventory all service lines, public and private. Internally we have met and had some great ideas from everyone on getting this inventory started. We have reached out and will be meeting with Gresham next week to discuss our approaches and resources that could potentially help both organizations. The rule changes are going to require the District to put a substantial effort directed at meeting the requirements within the proposed timeframe.

Demand for March was essentially the same as February; our average daily demand was 6.47 mgd for March compared to 6.52 in February. We continue trending a higher month-to-month comparison for 2021 than 2020. March was roughly 500,000 gallons a day higher for 2021. I anticipate seeing an upward bump in April due to the warmer weather.

FIELD PRODUCTION REPORT FY 2020/2021													
	JULY	AUGUST	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	
ACTIVITY													
Leak Repairs	2	1	1	1	1	1	1	0	1				
YTD	2	3	4	5	6	7	8	8	9				
CCF Loss	220	110	110	110	110	110	110	0	110				
Emergency repairs	4	5	3	1	2	2	5	7	1				
YTD	4	9	12	13	15	17	22	29	30				
CCF Loss	772	965	579	193	386	386	965	1351	193				
Utility Locates	319	332	320	316	294	247	358	302	402				
YTD	319	651	971	1287	1581	1828	2186	2488	2890				
Meter Replacements	10	7	27	44	35	23	27	16	27				
YTD	10	17	44	88	123	146	173	189	216				
Water Service Installs	5	6	6	4	1	3	1	2	18				
YTD	5	11	17	21	22	25	26	28	46				
Fire Service Installs	4	4	1	0	1	1	0	2	3				
YTD	4	8	9	9	10	11	11	13	16				
Fire Hydrant repairs	3	2	2	2	3	1	3	1	2				
YTD	3	5	7	9	12	13	16	17	19				
Vault/Backflow inspections	6	3	4	6	2	3	3	3	2				
YTD	6	9	13	19	21	24	27	30	32				
Meter Boxes Repl.	4	2	9	11	7	5	4	8	6				
YTD	4	6	15	26	33	38	42	50	56				
Emergency calls	3	4	3	3	5	3	6	11	1				
YTD	3	7	10	13	18	21	27	38	39				



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MEMORANDUM

To: Board of Directors

From: Cathy Middleton, Office Supervisor

Date: April 2, 2021

Re: March Monthly Customer Service Production Report

The meter readers read 6,951 meters this month.

Of the 7,065 bills that were sent out this month, 584 of them were sent via e-mail and 6 were estimated.

We mailed out 907 late notices and e-mailed 75 for a total of 982.

Of the 498 door hangers that were hung this month, we turned 113 of them off.

Customer assistance was given to 33 customers and 22 customers were sent to collections.

There were 28 maintenance orders done. They consisted of the following:

- 17 were to check high usage, verify read, and check if leaking
- 7 were to shut off/on for repairs
- 2 were for reported broken meter lids
- 1 was to check the water pressure
- 1 was to check a vault

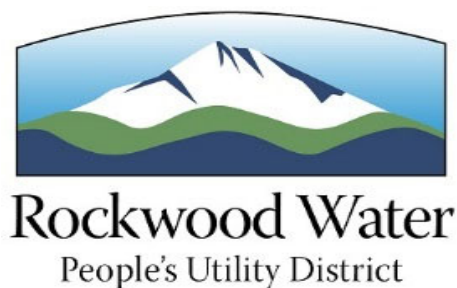
There were 2,735 phone calls this month.

Our doors remain closed to the public so we had no walk ins.

If you have any questions about this data, or would like to see other information, please let me know.

Customer Service Production Report FY 2020 - 2021

Function:	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Meter Reads	6,942	6,898	6,951	6,903	6,951	6,912	6,951	4,518	6,951				59,977
Estimates	9	8	4	9	6	5	7	2,398	6				2,452
Bills	7,126	6,947	7,098	6,947	7,087	6,943	7,062	6,895	7,065				63,170
Late Notices	1,144	1,372	1,097	1,371	1,087	1,407	1,114	1,383	982				10,957
Door Hangers	-	-	-	331	385	504	593	485	498				2,796
Turn Offs	-	-	-	69	68	110	97	60	113				517
Final Reads	27	97	110	128	99	98	56	58	90				763
New Accts	35	107	127	144	118	125	83	64	103				906
Bill Assistance	24	25	15	22	36	38	33	15	33				241
Collection Agency	10	15	18	46	5	15	24	11	22				166
Leak Adjustments	13	21	19	18	18	17	23	19	29				177
Phone Calls	2,710	2,221	2,564	3,147	2,547	2,574	2,363	1,518	2,735				22,379
Walk Ins	-	-	-	-	-	-	-	-	-				-
Work Orders	18	25	23	36	24	20	19	20	28				213
Misreads	13	10	6	6	12	22	13	6	13				101
Found On	-	-	-	-	1	1	1	2	1				6
Meters Pulled	-	-	-	-		-	-	-	-				-



MEMORANDUM

To: Board of Directors

From: Jeremy Hudson, District Engineer

Date: April 21, 2021

Re: Engineer's Report: April 28, 2021 Board Meeting

The aquifer testing for CW8 at 141st Avenue began late last month. The District's hydrogeologists determined that additional well development was needed to perform an acceptable aquifer test. The existing pump station (PS) and reservoir were taken offline for well testing. Due to the lost tooling and extension of time the PS was offline, we elected to close out the current drilling work and bring the 141st PS and reservoir back online for the increasing seasonal demands. We will plan with the hydrogeologist for additional development in the fall when the water demands are reduced, and the PS and reservoir can be taken offline again.

At the CW9 site, Kirk Park, the aquifer testing is complete, and the yields are 4 MGD. This is in-line with the expected capacity and is a success for the City of Gresham and the District! The contractor has removed all drilling equipment, materials, and fencing. The drill site has been graded and seeded, and the grass will fill in quickly with the upcoming rains. Gresham will start the design for the well house and onsite improvement this fiscal year to restore the park setting as soon as possible.

The Groundwater Development Master Plan (GDMP) Package 1 bids are due on April 28. We will update the Board on the bids that evening at the Board meeting. Package 1 includes the structural updates to Cascade Reservoir 1 (CR1) and the design for CR2, CW7 pump station and transmission main, a CIP steel main replacement and a portion of the proposed 36" groundwater transmission main. Construction for CR2 will begin this coming spring, with the remaining Package 1 projects moving to construction soon after. Package 1 project completion is June 3, 2023.

The groundwater pilot study report will be available this month. The CW8 results will be available after the aquifer testing in the fall. Water quality testing was conducted on CW3, CW4, CW5 and CW9. This will determine what treatment is needed for the Cascade and 141st Avenue sites.

The District's 20-year Water Master Plan (MP) Update - This project will determine what Capital Improvement Projects (CIP) are recommended for the District. Master Plans are updated every 7-10 years and list projects for the next 20 years. The last update was completed in 2013. The update will be completed near the end of this fiscal year.



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MEMORANDUM

To: Board of Directors

From: Kerry Aden, Government Affairs Coordinator

Date: April 13, 2021

Re: Government Affairs Activities

UPCOMING EVENTS/MEETINGS/PROJECTS

May 20, August 12, and October 28, 2021 - PNWS/AWWA Annual Conference Virtual Quarterly Conference Event - Statement from PNWS: The 2021 Section Conference is now a QUARTERLY virtual format.

- 0.6 CEUs (OR, WA, ID) Full Day – One CEU equals one professional hour.
- 0.3 CEUs (OR, WA, ID) Half Day – One CEU equals one professional hour.
- Quarterly training – Mark Your Calendars Now for:
- May 20 – Registration closes May 14. Regulatory Rodeo: Will include a 5-year look at RTCR assessments; cover updates to the NSF 61 standards that impact coating systems; updates to the Lead and Copper Rule and routine monitoring; corrosion control treatment and required monitoring; PFAS technologies; cross connection control regulations and a case study of response to a system contamination; using data and machine learning to improve regulatory compliance.
- August 12 – Bull Run Projects and Willamette Water Supply Projects: Will cover several sub-projects of two major water supply projects. Portland's Bull Run presentations will include a project overview; communications strategies; pilot treatment plant findings; a preliminary plant design update; and preparing the distribution system for the conversion to a filtered supply. Topics from the Willamette Water Supply project include a six-years-in update on the project; how lessons from the Tohoku earthquake were applied; and an evaluation of risk factors for integrating a new supply. There will also be a piece on applying lessons from mega-projects to midi-, mini- and micro-projects.
- October 28 – Asset and Data Management: Will cover asset management, including using analytics to make maintenance decisions, developing an asset management system for a new water supply system; maintaining distribution system piping; and updating pressure zones. The data management topics include building a data strategy for a utility; preparing an organization to move to digital water; managing and optimizing data and machine learning to improve system operation; and planning for the future.

Please contact me to register for these events. The cost is \$60 for half day, \$120 for full day.

Spring 2021 - Children's Clean Water Festival - Due to COVID-19, this event is cancelled; however, the Planning Committee has put together a curriculum that has been sent to the 4th grade teachers in our service areas. The website and curriculum the Planning Committee produced is an impressive piece of work. This is the link:
<https://virtual.cleanwaterfestival.org/>

June 13 - 16, 2021 - AWWA Annual Conference and Exposition - Virtual Conference -
Registration deadline April 23. Please contact me if you would like to attend. There is a lot of information about this event, which can be found at <https://www.awwa.org/ace>. The cost is \$395.

UPDATES

- Attendance at all community events is still suspended until further notice due to the pandemic.
- April 15 - 30, 2021 we will promote the Regional Water Providers Consortium Weekly Watering Number kickoff on our Facebook page.
- We will be submitting to print the next edition of the newsletter the week of April 26, 2021.
- We are beginning the process of producing the 2020 Consumer Confidence Report (Water Quality Report to be available July 1, 2021).
- We are working with Pavelcomm on the following projects:
 - Mobile device replacement fiscal year 20/21 - This project is complete except for return of the old mobile devices.
 - Board room audio/visual equipment replacement fiscal year 21/22 - We will be coordinating with Pavelcomm to begin this project after July 1.
 - Computer expansion for field staff and training fiscal year 21/22. This will be included and integrated with the new billing system after July 1, 2021.
 - WiFi expansion if needed fiscal year 21/22 - We will be coordinating with Pavelcomm to begin this project after July 1.
 - Contract renewal fiscal year 21/22 - We will be working on a new contract with Pavelcomm in March or April.
 - The theme for this year's SDIS Best Practices Program is cyber security. We will be completing several IT-related items to receive our insurance discounts for the calendar year 2022.



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MEMORANDUM

To: Board of Directors

From: Kari Duncan, General Manager

Date: April 21, 2021

Re: Finance/Budget Report – March 2021

The Finance/Budget Report is provided below and on the attached spreadsheet. The numbers provide the general conditions of the District. As more data is accumulated through the year, better estimates will be made and course corrections implemented, if needed.

- Water sales revenue at the end of March 2021 (Period 9) showed a **15.6%** increase when compared to Period 9 in March 2020. Water sales are showing the effects of an increased demand over the similar period in FY 2019/20 and the effects of the 12.5% rate adjustment on July 1, 2020. The revenue is very encouraging for the purposes of gauging the effects of future rate adjustments for revenue bonding purposes.
- Overall revenue through Period 9 remains high at **12.7%** compared to the same period in 2019/2020 driven primarily by steady water sales and the impact of the rate increase in July 2020. Please note that the groundwater payments from the City of Gresham for Kirk Park Cascade 9 drilling is removed from this calculation. The non-sales revenue in Period 9 FY20/21 is up from the same period in FY 19/20 by **5%** due to a big increase in new service installations in March. Late fee revenue has steadied since assessment of the charge was started on October 1. Revenues which had been down ~27% at the end of Period 8 are still at ~27% at the end of Period 9.
- Personal Services and Total Operations & Maintenance show a normal use pattern for this time of year.

FISCAL YEAR 2020-21

MARCH, 2021

REVENUES

Category		Budget	March 2021	March 2020	Variance	Year To Date	Projection	Balance of FY 19-20
100.3-01-0101	Beginning Fund Balance	9,130,922					9,130,922	
100.3-10	Water Sales	9,690,517	526,884	479,818	0	7,544,919	9,813,487	2,268,568
100.3-20	Fees & Special Charges	313,000	24,809	21,511	0	217,255	266,809	49,554
100.3-40	Charges for Service	400,000	121,465	63,593	1	408,442	607,234	198,793
100.3-50	Investment Income	299,780	9,606	19,622	(1)	97,289	148,417	51,128
100.3-60	Other Income	580,660	42,038	30,867	0	435,393	569,229	133,837
100.3-90	Other Financing Sources	1,591,828	108,348	-		848,448	1,195,197	346,750
	Total Revenue Budget	22,006,707	833,151	615,411		9,551,746	21,731,296	3,048,628
	Annual Running Revenue (Includes Codes 100.3-10 thru -90)	12,875,785	833,151	615,411	0	9,551,746		

Assumptions: Projections are based on the balance of prior year's actual revenue plus current revenue to date.

EXPENDITURES

		Budget	March 2021	Total To Date	% Expended
5.10-4000	Personnel Services	3,326,490	239,904	2,332,859	70%
5.20-5000	Material & Services	2,023,201	91,151	1,107,129	55%
	Water Purchase	3,142,547	259,158	2,261,720	72%
5.40-4000	Capital Outlay	3,480,062	69,372	1,725,937	50%
5.60-7000	Transfers	2,583,000	-	2,583,000	100%
5.70-7000	Contingency	1,400,000	-		
5.90-8000	Unappropriated Balance	6,051,407	-		
	Total Expense Budget	22,006,707	659,585	10,010,644	45%
	Annual Running Expense (Includes Codes 5.1 - 5.4)	11,972,300	659,585	7,427,644	62%

**ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MINUTES, REGULAR MEETING OF THE BOARD**

March 24, 2021

Zoom Video Conference

Board members present: Larry Dixon, Tom Lewis, Steve Okazaki, Colby Riley, Kathy Zimmerman.

Staff present: Kari Duncan, General Manager (GM); Cathy Middleton, Office Supervisor (OS); Joey Schlosser, Assistant Superintendent (AS); Daniel Zimmerman, Senior Accountant (SA); Kerry Aden, Government Affairs Coordinator (GAC), Jeremy Hanson, Associate Engineer (AE).

Guests present: Bob Fowler, Christine Hollenbeck, Cori Johnson.

President Tom Lewis called the meeting to order at 6:03 p.m.

President Lewis asked the participants to introduce themselves.

APPROVAL OF THE AGENDA

President Lewis asked if there were any changes or additions to the agenda.

GM Duncan noted item 7, 2021 Financial Master Plan Model Update, will be a presentation and discussion topic, and adoption will be added to the April regular Board meeting agenda.

Colby Riley moved to approve the agenda as discussed. **Steve Okazaki** seconded the motion. The motion was approved; none opposed.

APPROVAL OF THE CONSENT AGENDA

President Lewis asked if there were any changes or updates to the consent agenda.

Kathy Zimmerman moved to approve the consent agenda. **Larry Dixon** seconded the motion. The motion was approved; none opposed.

APPROVAL OF MINUTES

President Lewis asked if there were any changes to the minutes.

Steve Okazaki moved to approve the minutes from the February 24, 2021 regular Board meeting. **Colby Riley** seconded the motion. The motion was approved; none opposed.

APPROVAL OF BILLS

President Lewis asked if there were any questions about the bills.

Larry Dixon moved to approve the bills as presented. **Colby Riley** seconded the motion. The motion was approved; none opposed.

PUBLIC COMMENT

There were no public comments.

APPOINT BUDGET COMMITTEE MEMBERS - DISCUSSION/ACTION

GAC Aden gave an overview of the positions to be filled on the Budget Committee and their terms.

Bob Fowler requested to be appointed to the vacant three-year term ending December 31, 2023. **Christine Hollenbeck** requested to be appointed to the vacant three-year term ending December 31, 2023.

President Lewis asked **Cori Johnson** if she had any questions.

Bob Fowler suggested scheduling a tour of the District's facilities to gain a better understanding of the project development and budget discussions during the Budget Committee meeting. Discussion ensued. **GM Duncan** stated she will arrange tour opportunities for Board and Budget Committee members.

Steve Okazaki moved to appoint **Bob Fowler, Christine Hollenbeck and Cori Johnson** to the Budget Committee vacancies as discussed. **Kathy Zimmerman** seconded the motion. The motion was approved; none opposed.

2021 FINANCIAL MASTER PLAN MODEL UPDATE - DISCUSSION

GM Duncan gave a PowerPoint presentation of the preliminary finance model report and preliminary results. Discussion ensued.

FOR THE GOOD OF THE ORDER

President Lewis briefed the group on his meeting with, **GM Duncan** and **Commissioner Mingus Mapps** with the City of Portland.

President Lewis noted he discussed with **GM Duncan** her thoughts about goals and evaluation tasks as well as strategic planning to speak about in July and August and would like to form a committee to come up with items for discussion in the June-July timeframe.

Larry Dixon was wondering about an inline electric generator to generate power to run our groundwater pumps in the future to offset power costs and requested District staff to look into the possibility. Discussion ensued.

GM Duncan announced the City of Gresham was awarded the national Source Water Protection Award from the American Water Works Association for the Groundwater Protection Program. The District is a participant in that program.

Bob Fowler asked if we had looked into the PGE buyback program during peak hours. **GM Duncan** noted during her tenure with the City of Lake Oswego, during her work with the Lake Oswego/Tigard Partnership, they participated in the Demand Response Program and noted it could be beneficial to look into in the future.

NEXT MEETING

President Lewis reminded everyone the next Board meeting will be Wednesday, April 28, 2021 at 6:00 p.m. and the Budget Committee meeting will follow.

ADJOURNMENT

Steve Okazaki made a motion to adjourn the meeting. Kathy Zimmerman seconded the motion. The motion was approved; none opposed.

The meeting was adjourned at 7:26 p.m.

Secretary



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MEMORANDUM

To: Board of Directors

From: Daniel Zimmerman, Senior Accountant

Date: April 8, 2021

Re: Checklist and Financial Report

Enclosed is the checklist for your review. The total amount of the checks listed for your approval is \$822,198.26. If you have any questions regarding any of the checks listed, please don't hesitate to call Kari or myself anytime.

The cash balances at March 31, 2021 are as follows:

Restricted Cash - \$2,188,418.95
Unrestricted Cash - \$8,429,429.15



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MONTHLY FINANCIAL MONITORING CHECKLIST

BOARD OF DIRECTORS MEETING: 4/28/2021

FOR THE PERIOD **March 2021**

- | | |
|---|-----|
| 1. Were books balanced and reconciled (General & Trust)?
If no, why not? | Yes |
| 2. Are YTD revenues and expenditures tracking per budget plan?
If no, explain variances or flags. | Yes |
| 3. Were all payroll liabilities paid in a timely manner?
If no, explain why not. | Yes |
| 4. Were required payroll reports (Federal, State) filed in a timely manner?
If no, explain why not. | Yes |
| 5. Were any cases of fraud detected and addressed?
If yes, explain situation and actions taken and underway. | No |
| 6. Were any changes made to the internal control system?
If yes, describe changes. | No |
| 7. Were all cash and investment accounts reconciled per schedule (LGIP)?
If no, explain why not. | Yes |

FROM 3/12/21 TO 99/99/99

DATE 10	CHECK # UMPQUA BK-GENERAL	VEN/EMP #	VENDOR/EMPLOYEE NAME		AMOUNT	DESCRIPTION
3/19/21	14943	49	ADEN	L	2,591.93	PAYROLL
3/19/21	14944	40	ALLEN	L	2,496.37	PAYROLL
3/19/21	14945	81	BRAY	R	1,657.03	PAYROLL
3/19/21	14946	47	BREEN	M	2,524.18	PAYROLL
3/19/21	14947	72	CONNER	M	1,446.16	PAYROLL
3/19/21	14948	35	CROCKER	D	3,291.27	PAYROLL
3/19/21	14949	88	DUNCAN	J	3,899.93	PAYROLL
3/19/21	14950	84	HANSON	G	2,618.57	PAYROLL
3/19/21	14951	87	HOFFMAN	T	1,343.43	PAYROLL
3/19/21	14952	46	HUDSON	C	3,307.30	PAYROLL
3/19/21	14953	51	HUNT	L	2,249.00	PAYROLL
3/19/21	14954	56	JACOBSON	E	1,875.53	PAYROLL
3/19/21	14955	42	JONES	W	2,352.09	PAYROLL
3/19/21	14956	82	JORDAN	S	1,493.25	PAYROLL
3/19/21	14957	74	KIPP	S	1,900.83	PAYROLL
3/19/21	14958	89	KLUDT	M	816.03	PAYROLL
3/19/21	14959	34	MCNEIL	J	2,138.91	PAYROLL
3/19/21	14960	8	MIDDLETON	C	3,045.17	PAYROLL
3/19/21	14961	76	PACHECO	A	1,975.56	PAYROLL
3/19/21	14962	68	PELAYO	M	1,681.51	PAYROLL
3/19/21	14963	41	SCHLOSSER	L	2,825.53	PAYROLL
3/19/21	14964	7	SCHMUNK	A	1,754.53	PAYROLL
3/19/21	14965	73	STROH	N	1,522.21	PAYROLL
3/19/21	14966	48	TOMPKINS	L	1,369.19	PAYROLL
3/19/21	14967	75	ZIMMERMAN	J	2,337.18	PAYROLL
3/25/21	14968	64	DIXON	G	46.12	PAYROLL
3/25/21	14969	63	LEWIS	W	92.25	PAYROLL

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DATE 10	CHECK # UMPQUA BK-GENERAL	VEN/EMP #	VENDOR/EMPLOYEE NAME		AMOUNT	DESCRIPTION
3/25/21	14970	66	OKAZAKI	R	46.12	PAYROLL
3/25/21	14971	77	RILEY	E	46.12	PAYROLL
3/25/21	14972	78	ZIMMERMAN	A	46.12	PAYROLL
4/02/21	14973	49	ADEN	L	2,591.93	PAYROLL
4/02/21	14974	40	ALLEN	L	2,315.12	PAYROLL
4/02/21	14975	81	BRAY	R	1,906.16	PAYROLL
4/02/21	14976	47	BREEN	M	2,524.88	PAYROLL
4/02/21	14977	72	CONNER	M	1,446.16	PAYROLL
4/02/21	14978	35	CROCKER	D	3,291.27	PAYROLL
4/02/21	14979	88	DUNCAN	J	3,899.93	PAYROLL
4/02/21	14980	84	HANSON	G	2,618.57	PAYROLL
4/02/21	14981	87	HOFFMAN	T	1,343.43	PAYROLL
4/02/21	14982	46	HUDSON	C	3,307.30	PAYROLL
4/02/21	14983	51	HUNT	L	2,071.72	PAYROLL
4/02/21	14984	56	JACOBSON	E	1,875.53	PAYROLL
4/02/21	14985	42	JONES	W	2,479.30	PAYROLL
4/02/21	14986	82	JORDAN	S	1,491.78	PAYROLL
4/02/21	14987	74	KIPP	S	2,239.01	PAYROLL
4/02/21	14988	89	KLUDT	M	1,385.87	PAYROLL
4/02/21	14989	34	MCNEIL	J	2,183.72	PAYROLL
4/02/21	14990	8	MIDDLETON	C	2,352.82	PAYROLL
4/02/21	14991	76	PACHECO	A	2,123.48	PAYROLL
4/02/21	14992	68	PELAYO	M	1,681.51	PAYROLL
4/02/21	14993	41	SCHLOSSER	L	2,825.53	PAYROLL
4/02/21	14994	7	SCHMUNK	A	1,754.53	PAYROLL
4/02/21	14995	73	STROH	N	1,522.19	PAYROLL
4/02/21	14996	48	TOMPKINS	L	1,369.19	PAYROLL

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DATE 10	CHECK # UMPQUA BK-GENERAL	VEN/EMP #	VENDOR/EMPLOYEE NAME	AMOUNT	DESCRIPTION
4/02/21	14997	75	ZIMMERMAN J	2,337.18	PAYROLL
3/18/21	25104	733	UMPQUA BANK	638.88	
				638.88	101-100-5205740 FEB BANK FEES
3/18/21	25105	1235	POINT & PAY	3,272.43	
				3,272.43	101-100-5205740 ONLINE PAYMENT PROCESSING FEES
3/18/21	25106	1211	HRA VEB A PLAN CONTRIBUTIONS	1,240.00	
				1,240.00	101-100-6202150 PAYROLL DEDUCTION
3/18/21	25107	17	OREGON DEPARTMENT OF REVENUE	4,928.37	
				4,928.37	101-100-6202230 PAYROLL DEDUCTION
3/18/21	25108	16	NATIONWIDE RETIREMENT SOLUTION	815.00	
				815.00	101-100-6202150 PAYROLL DEDUCTION
3/18/21	25109	736	UMPQUA EASY TAX	18,919.24	
				11,432.04	101-100-6202210 FICA PAYROLL TAX
				7,487.20	101-100-6202220 FEDERAL PAYROLL TAX
3/18/21	25110	24	ICMA RETIREMENT TRUST-457	580.00	
				580.00	101-100-6202150 PAYROLL DEDUCTION
3/18/21	25111	18	PERS	18,394.55	
				18,394.55	101-100-6202110 3/5 PERS PAYABLE
3/25/21	25112	18	PERS	18,355.08	
				18,355.08	101-100-6202110 3/19 PERS PAYABLE
3/25/21	25113	736	UMPQUA EASY TAX	45.94	
				45.94	101-100-6202210 BRD FICA PAYROLL TAX
4/01/21	25114	17	OREGON DEPARTMENT OF REVENUE	454.10	
				454.10	101-100-6202260 1ST QUARTER TRANSIT TAX PYMNT
4/01/21	25115	17	OREGON DEPARTMENT OF REVENUE	4,289.47	
				469.40	101-100-5104820 1ST QUARTER PAYMENT
				3,557.88	101-100-5104830 1ST QUARTER PAYMENT
				262.19	101-100-5104840 1ST QUARTER PAYMENT
4/01/21	25116	24	ICMA RETIREMENT TRUST-457	595.00	
				595.00	101-100-6202150 PAYROLL DEDUCTION
4/01/21	25117	17	OREGON DEPARTMENT OF REVENUE	5,173.07	
				5,173.07	101-100-6202230 STATE PAYROLL TAX
4/01/21	25118	736	UMPQUA EASY TAX	20,125.86	
				11,709.18	101-100-6202210 FICA PAYROLL TAX
				8,416.68	101-100-6202220 FEDERAL PAYROLL TAX
4/01/21	25119	1211	HRA VEB A PLAN CONTRIBUTIONS	1,280.00	

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DATE 10	CHECK # UMPQUA BK-GENERAL	VEN/EMP #	VENDOR/EMPLOYEE NAME	AMOUNT	DESCRIPTION
				1,280.00	101-100-6202150 PAYROLL DEDUCTIONS
4/01/21	25120	16	NATIONWIDE RETIREMENT SOLUTION	840.00	
				840.00	101-100-6202150 PAYROLL DEDUCTION
3/31/21	25121	733	UMPQUA BANK	575.19	
				411.30	101-100-5205760 MAR RETURN CHECKS
				163.89	101-100-5205760 MAR RETURN DD'S
4/08/21	25123	793	CITY OF GRESHAM	307.95	
				307.95	101-100-5205610 PERMIT FEE HYDRANT ON 188TH AV
3/18/21	50097	1232	AVANT PROPERTY MANAGEMENT	184.32	
				184.32	101-100-5205520 141ST RENTAL MISC FEES
3/18/21	50098	793	CITY OF GRESHAM	1,368.36	
				957.47	101-100-5205220 OFFICE SEWER/STORMWATER
				410.89	101-100-5205220 NW 1ST SEWER/STORMWATER
3/18/21	50099	637	COMCAST CABLE	403.20	
				289.85	101-100-5205210 OFFICE INTERNET
				113.35	101-100-5205660 NW 1ST INTERNET
3/18/21	50100	872	FASTENAL COMPANY	344.85	
				344.85	101-100-5205610 HARDWARE FOR FIELD CREW
3/18/21	50101	607	FERGUSON WATERWORKS #3011	377.84	
				377.84	101-100-5406030 LARGE METER UPGRADE PARTS
3/18/21	50102	813	GSI WATER SOLUTIONS, INC	13,777.26	
				11,417.56	101-100-5406010 JOB 309 CASCADE # 9
				2,359.70	101-100-5406010 JOB 307 CASCADE # 8
3/18/21	50103	85	H.D. FOWLER COMPANY	5,903.29	
				5,903.29	101-100-5205610 COPPER, JOINTS, BRASS, ANGLES
3/18/21	50104	21973	HARTUNG, MIRANDA & GREG	589.60	
				589.60	101-100-6302430 REFUND OVERPAYMENT
3/18/21	50105	975	HDR ENGINEERING, INC	2,535.05	
				2,535.05	101-100-5205120 2021 FINANCIAL PLAN UPDATE
3/18/21	50106	460	HUMAN SOLUTIONS, INC	70.00	
				70.00	101-100-5205800 JAN CUSTOMER ASSITANCE
3/18/21	50107	1137	JW UNDERGROUND INC	576.00	
				96.00	101-100-5205610 MISC ROCK/DUMP FEES
				480.00	101-100-5406020 NS729 ROCK/DUMP FEES
3/18/21	50108	753	KNIFE RIVER CORPORATE NW	2,456.90	
				1,983.52	101-100-5406010 SD704 ROCK/DUMP FEES
				473.38	101-100-5406020 NS729 ROCK/DUMP FEES
3/18/21	50109	742	LAKESIDE INDUSTRIES	514.60	

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DATE 10	CHECK # UMPQUA BK-GENERAL	VEN/EMP #	VENDOR/EMPLOYEE NAME	AMOUNT	DESCRIPTION
				514.60	101-100-5406020 NS703,707 ASPHALT
3/18/21	50110	875	LOCATES DOWN UNDER INC	300.00 300.00	101-100-5205610 COMMS/ELECT LOCATES CASCADE FACILTY
3/18/21	50111	14	OREGON AFSCME	439.47 439.47	101-100-6202140 PAYROLL DEDUCTION
3/18/21	50112	360	PARKROSE HARDWARE	31.49 31.49	101-100-5205520 MISC WIRING
3/18/21	50113	172	PARR LUMBER COMPANY	55.80 55.80	101-100-5205520 2X6X10 FOR GATE PAD
3/18/21	50114	1124	PAVELCOMM INC.	2,812.05 2,812.05	101-100-5205110 MONTHLY REMOTE IT HELP
3/18/21	50115	976	PETERSON	14,429.45 5,160.50 4,108.45 5,160.50	101-100-5205520 SHOP GEN SET MAINTENANCE 101-100-5205520 CLEVELAND GEN SET MAINTENANCE 101-100-5205530 SHOP GEN SET MAINTENANCE
3/18/21	50116	178	PLATT ELECTRIC SUPPLY INC.	1,351.19 1,030.48 320.71	101-100-5205610 HEAVY DUTY BOX W/LID FOR GATE CNTRL 101-100-5205610 ELECTRIC KEY PAD
3/18/21	50117	181	PORTLAND GENERAL ELECTRIC	795.21 795.21	101-100-5205670 141ST AV PUMPING
3/18/21	50118	458	PREMIER RUBBER LLC	118.63 118.63	101-100-5205540 MX2 HYDRAULIC HOSE
3/18/21	50119	1218	PRINT & PROMOTIONAL IMAGING	150.00 150.00	101-100-5205320 GRAPH PAPER NOTE PADS
3/18/21	50120	1174	PURCHASE POWER	503.50 503.50	101-100-5205330 POSTAGE FOR METER
3/18/21	50121	189	QUILL CORPORATION	577.53 90.99 50.56 294.98 58.66 82.34	101-100-5205320 DRY ERASE CORK BOARD 101-100-5205320 DOOR RACK,HOOKS,BUS CRD HOLDER 101-100-5205320 ERGONOMIC DESK CHAIR WITH MAT 101-100-5205320 CREAMERS, WIPES 101-100-5205320 LABEL MAKER TAPE, COMMAND HOOKS
3/18/21	50122	21974	THOMAS, TONYA	59.79 110.00 50.21-	101-100-6302410 DEPOSIT REFUND 101-100-6302430 DEPOSIT REFUND
3/18/21	50123	1261	TOYOTA INDUSTRIES COMMERICAL F	462.25 462.25	101-100-5205530 FORKLIFT RENTAL PAYMENT
3/18/21	50124	213	TWINCO CUTTING & CORING, INC.	1,338.10	

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DATE	CHECK #	VEN/EMP #	VENDOR/EMPLOYEE NAME	AMOUNT	DESCRIPTION
10	UMPQUA BK-GENERAL				
				762.50	101-100-5406020 NS703,707 SAW CUTS
				575.60	101-100-5406020 NS729 SAW CUT
3/18/21	50125	22	UNITED WAY OF THE COLUMBIA-WIL	82.50	
				82.50	101-100-6202120 PAYROLL DEDUCTION
3/18/21	50126	1254	ZIPLY FIBER	1,187.76	
				929.63	101-100-5205210 TELEPHONE
				221.97	101-100-5205210 OFFICE FIOS INTERNET
				36.16	101-100-5205660 SE 148TH TELEMETRY
3/25/21	50127	1249	ACI PAYMENTS, INC	101.20	
				101.20	101-100-5205740 HOME BANKING FEES
3/25/21	50128	5	BACKFLOW MANAGEMENT, INC.	560.00	
				560.00	101-100-5205450 HH CROSS CONNECTION SPEC TRAINING
3/25/21	50129	54	CESSCO, INC.	538.90	
				538.90	101-100-5205610 SAW BLADES FOR STOCK
3/25/21	50130	66	CONSOLIDATED SUPPLY COMPANY	6,525.67	
				1,890.91	101-100-5406010 SD732-734 PARTS
				1,028.75	101-100-5406020 NS730 PARTS
				1,935.21	101-100-5406020 NS731 PARTS
				1,670.80	101-100-5406020 NS735-739 PARTS
3/25/21	50131	7	DAILY JOURNAL OF COMMERCE OREG	255.15	
				255.15	101-100-5205420 JOB 313 PROJECT 1 BID ADVERTISEMENT
3/25/21	50132	73	DELUXE FUEL OIL INC.	2,020.20	
				867.00	101-100-5205560 300 GALLONS UNLEADED GAS
				1,153.20	101-100-5205560 465 GALLONS ON ROAD DIESEL GAS
3/25/21	50133	1097	GRESHAM FORD	23.93	
				23.93	101-100-5205540 RW42 REPAIR
3/25/21	50134	85	H.D. FOWLER COMPANY	1,430.84	
				1,430.84	101-100-5205610 COPPER, JOINTS, BRASS, ANGLES
3/25/21	50135	15	KAISER PERMANENTE	17,104.43	
				17,104.43	101-100-6202107 EMPL MED/DENT INSURANCE
3/25/21	50136	753	KNIFE RIVER CORPORATE NW	2,750.27	
				1,180.46	101-100-5205610 MISC ROCK DUMP FEES
				1,569.81	101-100-5406020 NS 729 ROCK/DUMP FEES
3/25/21	50137	1004	LIFEMAP ASSURANCE COMPANY	2,749.69	
				2,749.69	101-100-6202109 EMPL LIFE/DISB INSURANCE
3/25/21	50138	875	LOCATES DOWN UNDER INC	180.00	
				180.00	101-100-5205610 LOCATE COMMS/ELECT VAULT CASCADE
3/25/21	50139	21975	MOULLET, THOMAS	56.89	

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				75.00	101-100-6302410 DEPOSIT REFUND
				18.11-	101-100-6302430 DEPOSIT REFUND
3/25/21	50140	940	O'REILLY AUTO PARTS	25.98	
				25.98	101-100-5205560 DEF FLUID
3/25/21	50141	1057	OXARC, INC	67.32	
				67.32	101-100-5205560 PROPANE
3/25/21	50142	372	PAPE MATERIAL HANDLING	2,404.36	
				2,404.36	101-100-5406010 JOB 307 CASCADE #8 BACKUP GENERATOR
3/25/21	50143	360	PARKROSE HARDWARE	13.95	
				13.95	101-100-5205610 RUBBER STRAP TIEDOWNS
3/25/21	50144	172	PARR LUMBER COMPANY	236.14	
				236.14	101-100-5205610 PALLETT OF CONCRET MIX, 2X4
3/25/21	50145	178	PLATT ELECTRIC SUPPLY INC.	38.09	
				38.82-	101-100-5205520 RETURN ITEMS CREDIT
				76.91	101-100-5205520 COUPLINGS, CONDUIT FOR GATE PAD
3/25/21	50146	181	PORTLAND GENERAL ELECTRIC	3,426.61	
				286.61	101-100-5205670 NW 1ST/ROYAL AV PUMPING
				818.84	101-100-5205670 148TH AV PUMPING
				265.85	101-100-5205670 14801 SE STARK PUMPING
				1,145.34	101-100-5205670 2021 NW 1ST PUMPING
				33.15	101-100-5205670 192/DIVISION PUMPING
				876.82	101-100-5205670 SE 235 AV PUMPING
3/25/21	50147	899	POTTER WEBSTER COMPANY	57.53	
				57.53	101-100-5205540 RW12 LED LIGHT REPLACMENT
3/25/21	50149	1009	RICOH USA, INC	70.80	
				70.80	101-100-5205110 COPIER - COST PER COPY
3/25/21	50150	21976	ROBINSON, RAYMOND & CHERYL	48.11	
				110.00	101-100-6302410 DEPOSIT REFUND
				61.89-	101-100-6302430 DEPOSIT REFUND
3/25/21	50151	26	ROCKWOOD WATER PUD	62.16	
				62.16	101-100-5104600 ON CALL MILEAGE JS
3/25/21	50152	767	SUPERIOR TIRE SERVICE	168.78	
				168.78	101-100-5205550 RW36 2 NEW TIRES
3/25/21	50153	20165	TIPPPIE, MIKE	50.00	
				50.00	101-100-5205410 1 TOILET REBATE
3/25/21	50154	504	TRUCKPRO LLC SIX STATES	342.93	
				155.91	101-100-5205540 RW32 & RW33 LED LIGHTS
				187.02	101-100-5205540 3 BROKEN LED LIGHTS
3/25/21	50155	339	UNITED RENTALS, INC.	3,098.14	

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DATE	CHECK #	VEN/EMP #	VENDOR/EMPLOYEE NAME	AMOUNT	DESCRIPTION
10	UMPQUA BK-GENERAL				
				67.72	101-100-5205530 SPEED SHORE PUMP REBUILD
				2,829.48	101-100-5406010 JOB 307 CASCADE #8 WELL PUMP TESTNG
				200.94	501-100-5205610 CONCRETE GRINDER RENTAL
3/25/21	50156	1182	WESTSIDE CONCRETE ACCESSORIES	80.00	
				80.00	101-100-5205610 CONCRETE & MAG FLOAT TROWELS
3/25/21	50157	1254	ZIPLY FIBER	137.97	
				137.97	101-100-5205660 BELLA VISTA FIOS INTERNET
3/25/21	50158	139	NORTHWEST NATURAL GAS COMPANY	1,370.52	
				1,370.52	101-100-5205230 HEATING
4/01/21	50159	48	CABLE, HUSTON, BENEDICT, ET AL	2,500.00	
				2,500.00	101-100-5205140 FEB GENERAL LEGAL
4/01/21	50160	1029	CARDMEMBER SERVICE	13,714.10	
				65.00	101-100-5205110 WEBSITE MAINTENANCE
				354.59	101-100-5205320 MONITOR STANDS, HEADPHONES, ADAPTERS
				572.90	101-100-5205320 GREEN BAR PAPER, BINDERS
				385.36	101-100-5205420 BUDGET COMMITTEE MGT PUBLIC NOTICE
				207.40	101-100-5205440 FACE MASKS
				240.00	101-100-5205450 JS LEAD & WATER QUALITY SUMMIT
				560.00	101-100-5205460 MICROSOFT LICENSES
				179.00	101-100-5205460 AMAZON PRIME MEMBERSHIP
				839.99	101-100-5205460 SCADA ANNUAL DUES
				5.00	101-100-5205460 ADVERTISE RW37 CRAIGSLIST
				350.00	101-100-5205540 RW40 UPHOLSTERY REPAIR
				439.91	101-100-5205570 8 MOTOROLA TWO-WAY RADIOS
				794.83	101-100-5205610 CONCRETE FOR HYDRANTS, CAR PHN HOLDR
				2,287.14	101-100-5205610 200' TEMPORARY FENCING
				146.98	101-100-5406140 HDMI CABLE & DOCKING STATION AC
				6,286.00	601-100-5205120 JOB 319 PACKAGE #3 LAND USE REVIEW
4/01/21	50161	54	CESSCO, INC.	305.95	
				305.95	101-100-5205570 ELECTRIC WATER PUMP
4/01/21	50162	1253	CITY WIDE FACILITY SOLUTIONS	650.00	
				650.00	101-100-5205110 JANITORIAL SERVICE
4/01/21	50163	59	COAST PAVEMENT SERVICES, INC	300.00	
				300.00	101-100-5205520 NIGHT SWEEPS
4/01/21	50164	637	COMCAST CABLE	113.35	
				113.35	101-100-5205660 141ST INTERNET
4/01/21	50165	66	CONSOLIDATED SUPPLY COMPANY	2,499.00	
				2,499.00	101-100-5406120 MILWAUKIE 14" SAW
4/01/21	50166	1147	CRYSTAL GREENS LANDSCAPING INC	1,050.00	
				500.00	101-100-5205520 OFFICE LANDSCAPE
				550.00	101-100-5205520 BELLA VISTA LANDSCAPE
4/01/21	50167	1085	EDGE ANALYTICAL LABORATORIES,	1,753.60	

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DATE 10	CHECK # UMPQUA BK-GENERAL	VEN/EMP #	VENDOR/EMPLOYEE NAME	AMOUNT	DESCRIPTION
				1,753.60	101-100-5205620 1ST QTR DBPS
4/01/21	50168	88	GASKET TECHNOLOGY, INC.	43.92	
				43.92	101-100-5205610 6" RED RUBBER GASKETS
4/01/21	50169	747	GENERAL PACIFIC, INC	6,147.00	
				6,147.00	101-100-5205610 3 5' HYDRANTS
4/01/21	50170	427	GRAINGER	1,162.47	
				671.69	101-100-5205320 TRASH BAGS,PAPER TOWELS,SEAT COVERS
				15.42	101-100-5205320 GROMMET SETS, WALL CLIPS
				394.32	101-100-5205520 AIR FILTERS FOR FACILITY
				81.04	101-100-5205570 SCREW DRIVERS
4/01/21	50171	446	GRESHAM LOCKSMITH, INC.	25.00	
				25.00	101-100-5205610 DUPLICATE KEYS MADE
4/01/21	50172	1137	JW UNDERGROUND INC	672.00	
				192.00	101-100-5205610 MISC ROCK/DUMP FEES
				480.00	101-100-5406020 NS735-739 ROCK/DUMP FEES
4/01/21	50173	753	KNIFE RIVER CORPORATE NW	670.89	
				670.89	101-100-5406020 NS735 ROCK/DUMP CHARGES
4/01/21	50174	1217	MURRAYSMITH	19,699.60	
				1,519.10	101-100-5406010 JOB 306 GROUNDWATER MASTER PLAN
				18,180.50	101-100-5406010 JOB 314 MASTER PLAN UPDATE
4/01/21	50175	940	O'REILLY AUTO PARTS	14.98	
				14.98	101-100-5205560 GEAR OIL
4/01/21	50176	1047	OGLETREE, DEAKINS, NASH, SMOAK	75.00	
				75.00	101-100-5205140 FEB EMPLOYEE LEGAL
4/01/21	50177	14	OREGON AFSCME	469.98	
				469.98	101-100-6202140 PAYROLL DEDUCTION
4/01/21	50178	1057	OXARC, INC	65.85	
				65.85	101-100-5205610 OXYGEN & ACETYLENE
4/01/21	50179	1124	PAVELCOMM INC.	168.75	
				168.75	101-100-5406140 COMPUTER REPLACEMENT HELP
4/01/21	50180	189	QUILL CORPORATION	129.21	
				129.21	101-100-5205320 DIVIDERS, SCISSORS, BINDERS,BLK INK
4/01/21	50181	1009	RICOH USA, INC	64.59	
				64.59	101-100-5205110 COPIER COST PER COPY
4/01/21	50182	339	UNITED RENTALS, INC.	3,030.42	
				200.94	101-100-5406010 JOB 307 CASCADE #8 CONCRETE GRINDER
				2,829.48	101-100-5406010 JOB 307 CASCADE #8 FLOW MTR,FITNGS
4/01/21	50183	22	UNITED WAY OF THE COLUMBIA-WIL	82.50	

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DATE 10	CHECK # UMPQUA BK-GENERAL	VEN/EMP #	VENDOR/EMPLOYEE NAME	AMOUNT	DESCRIPTION
				82.50	101-100-6202120 PAYROLL DEDUCTION
4/01/21	50184	804	US CRANE & HOIST, INC	433.50	
				433.50	101-100-5205520 ANNUAL CRANE INSPECTION
4/08/21	50185	251	ADT COMMERCIAL LLC	104.96	
				104.96	101-100-5205520 APRIL ALARM SERVICE
4/08/21	50186	442	ADVANCED AUTO PARTS	29.14	
				29.14	101-100-5205540 DEF FLUID, LIGHT BULBS
4/08/21	50187	883	ASSET CONTROL, INC	84.63	
				84.63	101-100-5205110 NEW EMPLOYEE BACKGROUND CHECK
4/08/21	50188	981	CENTURYLINK	44.87	
				44.87	101-100-5205660 SE 148TH TELEMETRY
4/08/21	50189	1	CHAVES CONSULTING, INC.	4,397.13	
				1,319.43	101-100-5205110 MARCH BILLINGS
				3,077.70	101-100-5205330 MARCH POSTAGE
4/08/21	50190	66	CONSOLIDATED SUPPLY COMPANY	3,843.88	
				3,843.88	101-100-5406020 NS729 PARTS FOR FIRELINE INSTALL
4/08/21	50191	1147	CRYSTAL GREENS LANDSCAPING INC	490.00	
				490.00	101-100-5205520 CLEVELAND LANDSCAPE
4/08/21	50192	747	GENERAL PACIFIC, INC	1,960.00	
				916.00	101-100-5205610 HYDRANT METER AND CONNECTION SET
				1,044.00	101-100-5205640 12 3/4" METERS
4/08/21	50193	427	GRAINGER	698.35	
				698.35	101-100-5205570 8' & 10' MANHOLE LADDERS, WRENCH
4/08/21	50194	1262	GUSTIN CREATIVE GROUP	500.00	
				500.00	101-100-5205410 CCWF VIDEO PRESENTATION
4/08/21	50195	460	HUMAN SOLUTIONS, INC	84.00	
				84.00	101-100-5205800 FEB CUSTOMER ASSISTANCE
4/08/21	50196	1137	JW UNDERGROUND INC	288.00	
				288.00	101-100-5406020 NS730,731 ROCK/DUMP FEES
4/08/21	50197	753	KNIFE RIVER CORPORATE NW	2,085.51	
				690.91	101-100-5205610 MISC ROCK/DUMP FEES
				487.38	101-100-5406010 SD732,733 ROCK/DUMP FEES
				907.22	101-100-5406020 NS731-739 ROCK/DUMP FEES
4/08/21	50198	21186	LOBODIUK, OLGA	150.00	
				150.00	101-100-6302410 DEPOSIT REFUND
4/08/21	50199	604	LOWE'S	280.55	
				27.66	101-100-5205520 COBRA 5-CT GRIPS, CAR WASH SOAP

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DATE	CHECK #	VEN/EMP #	VENDOR/EMPLOYEE NAME	AMOUNT	DESCRIPTION
10	UMPQUA BK-GENERAL				
				42.22	101-100-5205530 MAGNETIC TOOL, OUTLET PLUG
				134.73	101-100-5205610 PADLOCK, PVC CONDUIT
				134.84	101-100-5205610 EXTENSION CORDS FOR SHOP
				58.90-	101-100-5205610 RETURN ITEMS CREDIT
4/08/21	50200	956	MCCOY FREIGHTLINER	495.07	
				495.07	101-100-5205540 RW48 PARTS-WARRANTY LABOR
4/08/21	50201	21977	MUNTYAN, KONSTANTIN	8.97	
				8.97	101-100-6302430 CLOSED ACCOUNT REFUND
4/08/21	50202	1217	MURRAYSMITH	139,716.79	
				129,230.87	601-100-5205120 JOB 313 PACKAGE #1
				10,485.92	601-100-5205120 JOB 315 PROJECT MANAGEMENT STUDY
4/08/21	50203	962	OVERTON SAFETY TRAINING, INC	220.00	
				220.00	101-100-5205450 FORKLIFT TRAINING JK,JP
4/08/21	50204	1057	OXARC, INC	26.14	
				26.14	101-100-5205560 PROPANE FOR FORKLIFT
4/08/21	50205	360	PARKROSE HARDWARE	228.75	
				228.75	101-100-5205530 CUT OFF WHEELS,SANDING DISC
4/08/21	50206	181	PORTLAND GENERAL ELECTRIC	12,407.18	
				983.06	101-100-5205230 OFFICE ELECTRICITY
				6,875.91	501-100-5205670 HALSEY PUMPING
				4,548.21	501-100-5205670 192ND PUMPING
4/08/21	50207	184	PORTLAND, CITY OF	259,157.81	
				259,157.81	101-100-5205010 MARCH WATER SALES
4/08/21	50208	189	QUILL CORPORATION	551.91	
				194.99	101-100-5205320 ERGONOMIC DESK CHAIR
				333.97	101-100-5205320 PRINTER TONER CARTRIDGES
				22.95	101-100-5205320 PURELL SANITIZER
4/08/21	50209	21	SPECIAL DISTRICTS OF OREGON	26,776.96	
				26,776.96	101-100-6202108 EMPL MED/DENT INSURANCE
4/08/21	50210	1214	TACOMA SCREW PRODUCTS, INC	42.71	
				42.71	101-100-5205540 O-RING SET FOR SHOP
4/08/21	50211	866	TRAFFIC SAFETY SUPPLY CO, INC	428.40	
				428.40	101-100-5205610 TORCH NOZZLE, SPARK PLUG
4/08/21	50212	221	WASTE MANAGEMENT, INC	181.51	
				181.51	101-100-5205520 GARBAGE SERVICE
4/08/21	50213	1207	WIN-911 SOFTWARE	660.00	
				660.00	101-100-5205460 SCADA CALL OUT SOFTWARE ANNUAL FEE
4/08/21	50214	1119	XYLEM DEWATERING	63.17	

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DATE	CHECK #	VEN/EMP #	VENDOR/EMPLOYEE NAME	AMOUNT	DESCRIPTION
10	UMPQUA BK-GENERAL				
				63.17	101-100-5205610 2 PUMP IMPELLERS
			GRAND TOTAL	822,198.26	

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
R E V E N U E S						
3-01-0101	BEGINNING FUND BALANCE	9,130,922	--	8,801,056.57	329,865.43	96
	REVENUE ACCOUNTS	9,130,922		8,801,056.57	329,865.43	96
3-10-1100	WATER SALES	9,690,517	526,884.07	7,544,919.05	2,145,597.95	78
	WATER SALES	9,690,517	526,884.07	7,544,919.05	2,145,597.95	78
3-20-2100	BACKFLOW CHARGES	35,000	1,716.00	26,309.40	8,690.60	75
3-20-2200	SET-UP FEES	28,000	1,732.80	20,246.40	7,753.60	72
3-20-2300	LATE FEES	250,000	21,360.00	170,699.60	79,300.40	68
	FEES & SPECIAL CHARGES	313,000	24,808.80	217,255.40	95,744.60	69
3-40-4100	SERVICE INSTALLATIONS	200,000	94,494.41	293,445.32	93,445.32-	147
3-40-4200	SUB-DIVISION PROJECTS	50,000	--	13,761.74	36,238.26	28
3-40-4300	OTHER SERVICE INCOME	150,000	26,970.79	101,234.46	48,765.54	67
	CHARGES FOR SERVICES	400,000	121,465.20	408,441.52	8,441.52-	102
3-50-5100	INTEREST INCOME	210,000	3,583.81	44,343.39	165,656.61	21
3-50-5200	RENTAL INCOME	89,780	6,022.61	52,945.93	36,834.07	59
	INVESTMENT INCOME	299,780	9,606.42	97,289.32	202,490.68	32
3-60-6100	SCRAP METAL SALES	10,000	3,116.45	9,227.82	772.18	92
3-60-6200	CONSTRUCTION PLAN SALES	--	--	--	--	0
3-60-6600	OTHER MISC INCOME	28,000	10,425.64	34,750.80	6,750.80-	124
3-60-6800	GRESHAM UTILITY TAX	379,300	7,650.68	251,595.76	127,704.24	66
3-60-6900	PORTLAND UTILITY TAX	152,000	445.35-	110,807.34	41,192.66	73
3-60-7000	FAIRVIEW UTILITY TAX	11,360	21,290.92	29,011.07	17,651.07-	255
	OTHER INCOME	580,660	42,038.34	435,392.79	145,267.21	75
3-90-9200	INTERFUND TRANSFERS	498,328	--	--	498,328.00	0
3-90-9300	FIXED ASSET DISPOSITION	355,000	5,500.00	25,500.00	329,500.00	7
3-90-9500	OTHER GOVERNMENT AGENCIES	738,500	102,848.33	822,947.64	84,447.64-	111
	OTHER FINANCING SOURCES	1,591,828	108,348.33	848,447.64	743,380.36	53
T O T A L DEPT 100	R E V E N U E	22,006,707	833,151.16	18,352,802.29	3,653,904.71	83
E X P E N S E S						
5-10-4001	GENERAL MANAGER	--	--	--	--	0
5-10-4010	SUPERINTENDENT	--	--	--	--	0
5-10-4030	ENGINEER	--	--	--	--	0
5-10-4035	SENIOR ACCOUNTANT	--	--	--	--	0
5-10-4040	ASSISTANT SUPERINTENDENT	--	--	--	--	0
5-10-4043	OFFICE SUPERVISOR	--	--	--	--	0
5-10-4045	ACCOUNTING CLERK	--	--	--	--	0
5-10-4050	ADMINISTRATIVE SECRETARY	--	--	--	--	0
5-10-4055	CONSER & PR COORDINATOR	--	--	--	--	0
5-10-4100	CUSTOMER ACCT SPECIALIST	--	--	--	--	0
5-10-4110	CUSTOMER ACCT SPECIALIST	--	--	--	--	0
5-10-4115	CUSTOMER ACCT SPECIALIST	--	--	--	--	0
5-10-4120	RECEPTIONIST	--	--	--	--	0

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
5-10-4150	PART TIME LABOR/OFFICE	--	--	--	--	0
5-10-4180	ENGINEERING TECH I	--	--	--	--	0
5-10-4200	LEAD PERSON	--	--	--	--	0
5-10-4210	LEAD PERSON	--	--	--	--	0
5-10-4220	UTILITY WORKER II	--	--	--	--	0
5-10-4230	UTILITY WORKER II	--	--	--	--	0
5-10-4240	UTILITY WORKER II	--	--	--	--	0
5-10-4250	UTILITY WORKER I	--	--	--	--	0
5-10-4260	UTILITY WORKER I	--	--	--	--	0
5-10-4270	UTILITY WORKER I	--	--	--	--	0
5-10-4290	PART-TIME LABOR/FIELD	--	--	--	--	0
5-10-4300	MECHANIC	--	--	--	--	0
5-10-4310	WATER QUALITY TECH	--	--	--	--	0
5-10-4315	WATER OPERATIONS SPEC	--	--	--	--	0
5-10-4320	METER OPERATION SPEC	--	--	--	--	0
5-10-4330	METER READER-OFF/ON	--	--	--	--	0
5-10-4340	METER READER	--	--	--	--	0
5-10-4350	METER READER	--	--	--	--	0
5-10-4450	SALARIES/WAGES	1,999,207	150,236.21	1,429,054.90	570,152.10	71
5-10-4500	OFFICE OVERTIME	1,500	--	--	1,500.00	0
5-10-4550	FIELD OVERTIME	16,000	748.43	11,531.97	4,468.03	72
5-10-4600	ON CALL DUTY	68,090	4,231.35	41,692.46	26,397.54	61
5-10-4610	WATER CERTIFICATIONS	15,080	994.88	10,092.31	4,987.69	67
5-10-4620	EMPLOYEE BONUS	1,000	--	--	1,000.00	0
5-10-4630	MARKET BASED WAGE ADJUST	15,000	--	--	15,000.00	0
5-10-4700	CHANGE/VACATION ACCRUAL	--	--	--	--	0
5-10-4800	SOCIAL SECURITY	131,184	9,378.59	86,796.73	44,387.27	66
5-10-4810	MEDICARE	30,680	2,193.42	21,078.84	9,601.16	69
5-10-4820	UNEMPLOYMENT INSURANCE	2,116	--	1,162.29	953.71	55
5-10-4830	TRI-MET	15,313	--	7,734.76	7,578.24	51
5-10-4840	WORKERS COMPENSATION	25,501	1,370.66	13,243.10	12,257.90	52
5-10-4850	SICK LEAVE P/O	--	--	--	--	0
5-10-4900	P.E.R.S	532,704	26,749.37	347,216.55	185,487.45	65
5-10-4920	EMPLOYEE INSURANCE EXPENS	473,115	44,001.53	363,255.17	109,859.83	77
	PERSONAL SERVICES	3,326,490	239,904.44	2,332,859.08	993,630.92	70
5-20-5010	WATER PURCHASES	3,142,547	259,157.81	2,261,719.64	880,827.36	72
5-20-5110	CONTRACT SERVICES	87,060	5,366.66	52,734.45	34,325.55	61
5-20-5120	TECHNICAL & CONSULTING	27,000	2,535.05	17,176.40	9,823.60	64
5-20-5130	AUDITING	18,500	--	11,300.00	7,200.00	61
5-20-5140	LEGAL SERVICES	100,000	25.00	9,812.50	90,187.50	10
5-20-5210	TELEPHONE	37,320	1,441.45	26,357.34	10,962.66	71
5-20-5220	SEWER/STORM WATER	6,500	1,368.36	6,526.63	26.63-	100
5-20-5230	HEATING/ELECTRICITY	30,500	2,593.40	16,861.02	13,638.98	55
5-20-5310	ENGINEERING SUPPLIES	500	--	599.89	99.89-	120
5-20-5320	OFFICE SUPPLIES	29,000	2,036.94	25,824.87	3,175.13	89
5-20-5330	POSTAGE	44,300	3,509.93	27,168.57	17,131.43	61
5-20-5410	CONSERVATION	69,350	150.00	1,976.00	67,374.00	3
5-20-5420	ELECTIONS/LEGAL ADVERTISE	3,500	818.59	1,088.59	2,411.41	31
5-20-5430	INSURANCE-GENERAL	85,000	6,486.58	60,501.17	24,498.83	71
5-20-5440	SAFETY GEAR & EQUIPMENT	23,000	478.45	19,716.61	3,283.39	86
5-20-5450	TRAINING & EDUCATION	31,500	810.00	4,166.62	27,333.38	13
5-20-5460	DUES/LICENSES/SUBSCRIPTNS	103,771	659.14	91,180.23	12,590.77	88
5-20-5470	OFFICE EQUIPMENT	2,500	--	1,047.31	1,452.69	42

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
5-20-5480	TAPPING TEAM EXPENSE	--	--	--	--	0
5-20-5510	COMPUTER/OFFICE EQUIPMENT	5,250	658.73	851.38	4,398.62	16
5-20-5520	BLDG/GROUNDS MAINTENANCE	80,190	11,856.92	47,308.38	32,881.62	59
5-20-5530	SHOP EQUIPMENT MAINT	10,000	5,690.47	9,424.68	575.32	94
5-20-5540	VEHICLE MAINTENANCE	35,000	742.45	21,092.96	13,907.04	60
5-20-5550	TIRES	8,000	186.78	6,024.69	1,975.31	75
5-20-5560	GAS/LUBRICANTS & DISPOSAL	30,000	2,169.48	14,910.43	15,089.57	50
5-20-5570	SMALL EQUIPMENT/TOOLS	10,000	457.97	2,691.79	7,308.21	27
5-20-5610	UTILITY OPERATING SUPPLY	250,000	26,152.13	189,407.91	60,592.09	76
5-20-5620	WATER SAMPLES/TESTING	30,000	100.00-	18,919.19	11,080.81	63
5-20-5625	WATER QUALITY & NOTICES	7,000	--	158.14	6,841.86	2
5-20-5630	RESERVOIR MAINTENANCE	10,000	--	4.86	9,995.14	0
5-20-5640	METER MAINTENANCE	40,000	3,100.62	5,192.01	34,807.99	13
5-20-5650	HYDRANT MAINTENANCE	2,500	--	--	2,500.00	0
5-20-5660	TELEMETRY	20,600	913.72	19,163.81	1,436.19	93
5-20-5670	PUMPING	43,100	4,221.87	31,270.89	11,829.11	73
5-20-5710	BOARD MEETING FEES	8,100	300.00	3,000.00	5,100.00	37
5-20-5720	DIRECTORS' EXPENSE	28,000	--	2,734.96	25,265.04	10
5-20-5730	MANAGER'S EXPENSE	3,000	--	62.80	2,937.20	2
5-20-5740	GENERAL OFFICE	62,400	4,422.40	42,975.71	19,424.29	69
5-20-5750	CASH OVER/SHORT	--	--	--	--	0
5-20-5760	BAD DEBT EXPENSE	35,000	--	--	35,000.00	0
5-20-5770	GRESHAM UTILITY TAX	379,300	--	200,547.02	178,752.98	53
5-20-5780	PORTLAND UTILITY TAX	152,000	--	85,977.09	66,022.91	57
5-20-5790	FAIRVIEW UTILITY TAX	11,360	--	6,154.10	5,205.90	54
5-20-5800	CUSTOMER ASSISTANCE	60,000	2,098.20	19,247.77	40,752.23	32
5-20-5810	NON-REIMBURSED LIABILITY	--	--	--	--	0
5-20-5820	TAXES & ASSESSMENTS	3,100	--	6,044.74	2,944.74-	195
5-20-7050	PAYMENTS ON FINANCING	--	--	--	--	0
5-20-7070	INTEREST EXPENSE	--	--	--	--	0
	MATERIAL & SERVICES	5,165,748	350,309.10	3,368,923.15	1,796,824.85	65
5-40-6010	WATER SYSTEM	2,495,880	40,427.75	1,372,299.76	1,123,580.24	55
5-40-6015	CRW CAPACITY	--	--	--	--	0
5-40-6020	METERS	50,000	15,010.07	98,942.06	48,942.06-	198
5-40-6030	METER UPGRADES	58,000	12,196.33	35,174.36	22,825.64	61
5-40-6110	METER EQUIPMENT	19,100	--	16,681.00	2,419.00	87
5-40-6120	SHOP EQUIPMENT	5,000	--	--	5,000.00	0
5-40-6130	AUTOMOTIVE EQUIPMENT	208,882	--	182,893.57	25,988.43	88
5-40-6140	COMPUTER/OFFICE EQUIP	233,200	1,737.71	4,985.85	228,214.15	2
5-40-6210	BUILDINGS	10,000	--	--	10,000.00	0
5-40-6220	LAND	400,000	--	14,960.50	385,039.50	4
	CAPITAL OUTLAY	3,480,062	69,371.86	1,725,937.10	1,754,124.90	50
5-60-5810	NON-REIMBURSED LIABILITY	--	--	--	--	0
5-60-7110	TRANSFER TO OTHER FUND	2,583,000	--	2,583,000.00	--	100
	TRANSFERS	2,583,000		2,583,000.00		100
5-70-7210	CONTINGENCY	1,400,000	--	--	1,400,000.00	0
	CONTINGENCY	1,400,000			1,400,000.00	0
5-90-8010	UNAPPROP ENDING FUND BAL	6,051,407	--	--	6,051,407.00	0
	ENDING FUND BALANCE	6,051,407			6,051,407.00	0

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
	TOTAL PERSONAL SERVICES	3,326,490	239,904.44	2,332,859.08	993,630.92	70
	TOTAL MATERIAL & SERV	5,165,748	350,309.10	3,368,923.15	1,796,824.85	65
	TOTAL CAPITAL OUTLAY	3,480,062	69,371.86	1,725,937.10	1,754,124.90	50
	TOTAL ALL OTHER	10,034,407		2,583,000.00	7,451,407.00	26
T O T A L DEPT 100 E X P E N D I T U R E		22,006,707	659,585.40	10,010,719.33	11,995,987.67	45
T O T A L FUND 101 R E V E N U E		22,006,707	833,151.16	18,352,802.29	3,653,904.71	83
	FUND PERSONAL SERVICES	3,326,490	239,904.44	2,332,859.08	993,630.92	70
	FUND MATERIAL & SERV	5,165,748	350,309.10	3,368,923.15	1,796,824.85	65
	FUND CAPITAL OUTLAY	3,480,062	69,371.86	1,725,937.10	1,754,124.90	50
	FUND ALL OTHER	10,034,407		2,583,000.00	7,451,407.00	26
T O T A L FUND 101 E X P E N D I T U R E		22,006,707	659,585.40	10,010,719.33	11,995,987.67	45
	FUND PRIOR BALANCE	8,168,517.20				
	NET FUND BALANCE	8,342,082.96				

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
R E V E N U E S						
3-01-0101	BEGINNING FUND BALANCE	632,492	--	735,762.79	103,270.79-	116
	REVENUE ACCOUNTS	632,492		735,762.79	103,270.79-	116
3-40-4500	SYSTEM DEVELOPMENT FEES	150,000	119,897.72	370,880.98	220,880.98-	247
	CHARGES FOR SERVICES	150,000	119,897.72	370,880.98	220,880.98-	247
3-50-5100	INTEREST INCOME	15,000	659.13	7,507.48	7,492.52	50
	INVESTMENT INCOME	15,000	659.13	7,507.48	7,492.52	50
T O T A L DEPT 100 R E V E N U E		797,492	120,556.85	1,114,151.25	316,659.25-	140
E X P E N S E S						
5-60-7110	TRANSFER TO OTHER FUND	300,000	--	--	300,000.00	0
	TRANSFERS	300,000			300,000.00	0
5-90-8010	UNAPPROP ENDING FUND BAL	497,492	--	--	497,492.00	0
	ENDING FUND BALANCE	497,492			497,492.00	0
	TOTAL PERSONAL SERVICES					0
	TOTAL MATERIAL & SERV					0
	TOTAL CAPITAL OUTLAY					0
	TOTAL ALL OTHER	797,492			797,492.00	0
T O T A L DEPT 100 E X P E N D I T U R E		797,492			797,492.00	0
T O T A L FUND 201 R E V E N U E		797,492	120,556.85	1,114,151.25	316,659.25-	140
	FUND PERSONAL SERVICES					0
	FUND MATERIAL & SERV					0
	FUND CAPITAL OUTLAY					0
	FUND ALL OTHER	797,492			797,492.00	0
T O T A L FUND 201 E X P E N D I T U R E		797,492			797,492.00	0
	FUND PRIOR BALANCE	993,594.40				
	NET FUND BALANCE	1,114,151.25				

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RWDANIEL

FUND-202 SDC FUND-IMPROVEMENT

DEPT-100 FUND ACTIVITIES

ROCKWOOD WATER P.U.D.

REVENUE/EXPENDITURE REPORT

3/01/21 THRU 3/31/21

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ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
R E V E N U E S						
3-01-0101	BEGINNING FUND BALANCE	99,802	--	118,245.08	18,443.08-	118
	REVENUE ACCOUNTS	99,802		118,245.08	18,443.08-	118
3-40-4500	SYSTEM DEVELOPMENT FEES	25,000	35,658.28	100,914.02	75,914.02-	404
	CHARGES FOR SERVICES	25,000	35,658.28	100,914.02	75,914.02-	404
3-50-5100	INTEREST INCOME	1,000	94.59	964.43	35.57	96
	INVESTMENT INCOME	1,000	94.59	964.43	35.57	96
T O T A L DEPT 100 R E V E N U E		125,802	35,752.87	220,123.53	94,321.53-	175
E X P E N S E S						
5-60-7110	TRANSFER TO OTHER FUND TRANSFERS	--	--	--	--	0 0
5-90-8010	UNAPPROP ENDING FUND BAL ENDING FUND BALANCE	125,802 125,802	--	--	125,802.00 125,802.00	0 0
	TOTAL PERSONAL SERVICES					0
	TOTAL MATERIAL & SERV					0
	TOTAL CAPITAL OUTLAY					0
	TOTAL ALL OTHER	125,802			125,802.00	0
T O T A L DEPT 100 E X P E N D I T U R E		125,802			125,802.00	0
T O T A L FUND 202 R E V E N U E		125,802	35,752.87	220,123.53	94,321.53-	175
	FUND PERSONAL SERVICES					0
	FUND MATERIAL & SERV					0
	FUND CAPITAL OUTLAY					0
	FUND ALL OTHER	125,802			125,802.00	0
T O T A L FUND 202 E X P E N D I T U R E		125,802			125,802.00	0
	FUND PRIOR BALANCE	184,370.66				
	NET FUND BALANCE	220,123.53				

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FUND-301 DEBT RESERVE FUND DEPT-100 FUND ACTIVITIES		3/01/21 THRU 3/31/21					
ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%	
R E V E N U E S							
3-01-0101	BEGINNING FUND BALANCE	551,163	--	549,329.32	1,833.68	100	
	REVENUE ACCOUNTS	551,163		549,329.32	1,833.68	100	
3-40-4500	SYSTEM DEVELOPMENT FEES CHARGES FOR SERVICES	--	--	--	--	0 0	
3-50-5100	INTEREST INCOME	13,500	281.56	3,546.79	9,953.21	26	
	INVESTMENT INCOME	13,500	281.56	3,546.79	9,953.21	26	
3-90-9200	INTERFUND TRANSFERS	463,000	--	463,000.00	--	100	
3-90-9400	FINANCING PROCEEDS	--	--	--	--	0	
	OTHER FINANCING SOURCES	463,000		463,000.00		100	
T O T A L DEPT 100 R E V E N U E		1,027,663	281.56	1,015,876.11	11,786.89	99	
E X P E N S E S							
5-60-7110	TRANS TO DEBT SERV FUND TRANSFERS	463,000	--	463,000.00	--	100	
		463,000		463,000.00		100	
5-90-8010	ENDING FUND BALANCE	564,663	--	--	564,663.00	0	
	ENDING FUND BALANCE	564,663			564,663.00	0	
	TOTAL PERSONAL SERVICES					0	
	TOTAL MATERIAL & SERV					0	
	TOTAL CAPITAL OUTLAY					0	
	TOTAL ALL OTHER	1,027,663		463,000.00	564,663.00	45	
T O T A L DEPT 100 E X P E N D I T U R E		1,027,663		463,000.00	564,663.00	45	
T O T A L FUND 301 R E V E N U E		1,027,663	281.56	1,015,876.11	11,786.89	99	
	FUND PERSONAL SERVICES					0	
	FUND MATERIAL & SERV					0	
	FUND CAPITAL OUTLAY					0	
	FUND ALL OTHER	1,027,663		463,000.00	564,663.00	45	
T O T A L FUND 301 E X P E N D I T U R E		1,027,663		463,000.00	564,663.00	45	
	FUND PRIOR BALANCE	552,594.55					
	NET FUND BALANCE	552,876.11					

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
R E V E N U E S						
3-01-0101	REVENUE ACCOUNTS	--	--	--	--	0
3-50-5100	INTEREST INCOME INVESTMENT INCOME	--	--	--	--	0
3-90-9200	INTERFUND TRANSFERS	463,000	--	463,000.00	--	100
3-90-9400	FINANCING PROCEEDS	--	--	--	--	0
	OTHER FINANCING SOURCES	463,000		463,000.00		100
T O T A L DEPT 100	R E V E N U E	463,000		463,000.00		100
E X P E N S E S						
5-20-7040	ADMINISTRATION FEES MATERIAL & SERVICES	--	--	--	--	0
5-50-7050	PAYMENTS ON FINANCING	285,000	--	285,000.00	--	100
5-50-7070	INTEREST EXPENSE DEBT SERVICE	178,000 463,000	--	178,000.00 463,000.00	--	100
	TOTAL PERSONAL SERVICES					0
	TOTAL MATERIAL & SERV					0
	TOTAL CAPITAL OUTLAY					0
	TOTAL ALL OTHER	463,000		463,000.00		100
T O T A L DEPT 100	E X P E N D I T U R E	463,000		463,000.00		100
T O T A L FUND 401	R E V E N U E	463,000		463,000.00		100
	FUND PERSONAL SERVICES					0
	FUND MATERIAL & SERV					0
	FUND CAPITAL OUTLAY					0
	FUND ALL OTHER	463,000		463,000.00		100
T O T A L FUND 401	E X P E N D I T U R E	463,000		463,000.00		100
	FUND PRIOR BALANCE					
	NET FUND BALANCE					

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
R E V E N U E S						
3-01-0101	BEGINNING FUND BALANCE	253,295	--	282,848.65	29,553.65-	112
	REVENUE ACCOUNTS	253,295		282,848.65	29,553.65-	112
3-50-5100	INTEREST INCOME	5,000	--	--	5,000.00	0
	INVESTMENT INCOME	5,000			5,000.00	0
3-90-9200	INTERFUND TRANSFERS	180,000	--	180,000.00	--	100
3-90-9400	CITY OF GRESHAM	180,000	--	90,000.00	90,000.00	50
	OTHER FINANCING SOURCES	360,000		270,000.00	90,000.00	75
T O T A L DEPT 100	R E V E N U E	618,295		552,848.65	65,446.35	89
E X P E N S E S						
5-20-5530	EQUIPMENT MAINTENANCE	10,000	--	16,539.00	6,539.00-	165
5-20-5610	OPERATING SUPPLIES	30,000	200.94	18,537.44	11,462.56	62
5-20-5615	WELLHEAD PROTECTION	70,000	--	70,000.00	--	100
5-20-5620	TESTING	5,000	--	1,818.18	3,181.82	36
5-20-5630	RESERVOIR MAINTENANCE	5,000	--	--	5,000.00	0
5-20-5670	PUMPING	200,000	11,006.96	167,592.91	32,407.09	84
	MATERIAL & SERVICES	320,000	11,207.90	274,487.53	45,512.47	86
5-50-7070	INTEREST EXPENSE	--	--	--	--	0
	DEBT SERVICE					0
5-60-7110	TRANSFER TO OTHER FUND	198,328	--	--	198,328.00	0
	TRANSFERS	198,328			198,328.00	0
5-90-8010	ENDING FUND BALANCE	99,967	--	--	99,967.00	0
	ENDING FUND BALANCE	99,967			99,967.00	0
	TOTAL PERSONAL SERVICES					0
	TOTAL MATERIAL & SERV	320,000	11,207.90	274,487.53	45,512.47	86
	TOTAL CAPITAL OUTLAY					0
	TOTAL ALL OTHER	298,295			298,295.00	0
T O T A L DEPT 100	E X P E N D I T U R E	618,295	11,207.90	274,487.53	343,807.47	44
T O T A L FUND 501	R E V E N U E	618,295		552,848.65	65,446.35	89
	FUND PERSONAL SERVICES					0
	FUND MATERIAL & SERV	320,000	11,207.90	274,487.53	45,512.47	86
	FUND CAPITAL OUTLAY					0
	FUND ALL OTHER	298,295			298,295.00	0
T O T A L FUND 501	E X P E N D I T U R E	618,295	11,207.90	274,487.53	343,807.47	44
	FUND PRIOR BALANCE	289,569.02				
	NET FUND BALANCE	278,361.12				

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FUND-601 GW CONSTRUCTION FUND DEPT-100 FUND ACTIVITIES		3/01/21 THRU 3/31/21					
ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%	
R E V E N U E S							
3-01-0101	BEGINNIING FUND BALANCE REVENUE ACCOUNTS	--	--	--	--	0 0	
3-50-5100	INTEREST INCOME INVESTMENT INCOME	--	--	--	--	0 0	
3-90-9200	INTERFUND TRANSFERS	1,940,000	--	1,940,000.00	--	100	
3-90-9400	FINANCING PROCEEDS	4,700,000	107,344.55	450,443.74	4,249,556.26	10	
3-90-9600	BOND PROCEEDS	13,492,500	--	--	13,492,500.00	0	
	OTHER FINANCING SOURCES	20,132,500	107,344.55	2,390,443.74	17,742,056.26	12	
T O T A L DEPT 100 R E V E N U E		20,132,500	107,344.55	2,390,443.74	17,742,056.26	12	
E X P E N S E S							
5-20-5110	CONTRACT SERVICES	20,000	--	--	20,000.00	0	
5-20-5120	ENGINEERING SERVICES	4,732,500	159,971.28	977,281.76	3,755,218.24	21	
	MATERIAL & SERVICES	4,752,500	159,971.28	977,281.76	3,775,218.24	21	
5-40-6035	GROUNDWATER CONSTRUCTION	15,380,000	--	--	15,380,000.00	0	
5-40-6220	PROPERTY RELATED TO GW	--	--	--	--	0	
	CAPITAL OUTLAY	15,380,000			15,380,000.00	0	
5-60-7110	TRANSFER TO OTHER FUND TRANSFERS	--	--	--	--	0 0	
5-90-8010	ENDING FUND BALANCE	--	--	--	--	0	
	ENDING FUND BALANCE					0	
	TOTAL PERSONAL SERVICES					0	
	TOTAL MATERIAL & SERV	4,752,500	159,971.28	977,281.76	3,775,218.24	21	
	TOTAL CAPITAL OUTLAY	15,380,000			15,380,000.00	0	
	TOTAL ALL OTHER					0	
T O T A L DEPT 100 E X P E N D I T U R E		20,132,500	159,971.28	977,281.76	19,155,218.24	5	
T O T A L FUND 601 R E V E N U E		20,132,500	107,344.55	2,390,443.74	17,742,056.26	12	
	FUND PERSONAL SERVICES					0	
	FUND MATERIAL & SERV	4,752,500	159,971.28	977,281.76	3,775,218.24	21	
	FUND CAPITAL OUTLAY	15,380,000			15,380,000.00	0	
	FUND ALL OTHER					0	
T O T A L FUND 601 E X P E N D I T U R E		20,132,500	159,971.28	977,281.76	19,155,218.24	5	
	FUND PRIOR BALANCE	1,465,788.71					
	NET FUND BALANCE	1,413,161.98					
	GRAND TOTAL REVENUE	45,171,459	1,097,086.99	24,109,245.57	21,062,213.43	53	
	TOTAL PERSONAL SERVICES	3,326,490	239,904.44	2,332,859.08	993,630.92	70	
	TOTAL MATERIAL & SERV	10,238,248	521,488.28	4,620,692.44	5,617,555.56	45	
	TOTAL CAPITAL OUTLAY	18,860,062	69,371.86	1,725,937.10	17,134,124.90	9	
	TOTAL ALL OTHER	12,746,659	42	3,509,000.00	9,237,659.00	28	
	GRAND TOTAL EXPENDITURE	45,171,459	830,764.58	12,188,488.62	32,982,970.38	27	

ACCOUNT	DESC	BUDGET	MONTH-TO-DATE EXPENSE/REV	YEAR TO DATE EXPENSE/REV	UNEMCUMBERED BALANCE	%
	PRIOR BALANCE	11,654,434.54				
	NET FUND BALANCE	11,920,756.95				



Rockwood Water
People's Utility District

19601 NE Halsey Street
Portland, OR 97230-7430
503-665-4179 - Phone
503-667-5108 - Fax
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MEMORANDUM

To: Board of Directors

From: Kari J. Duncan, General Manager

Date: April 21, 2021

Re: Resolution No. RWPUD 20/21-003: 2021 Water Revenue Bonds and Preliminary Official Statement

The Rockwood Water PUD, in partnership with the City of Gresham, has agreed to fund the design and construction of water infrastructure projects defined in the Groundwater Development Master Plan. The total estimated cost to Rockwood for these projects is \$57.42 million. Resolution 20/21-003 is the Resolution that will allow the District to issue the first bond in a series that will fund the GDMP in FY 21/22 for \$18 million. A portion of this bond will also be used to refinance the District's existing bond, in the amount of \$4.2 million. The total amount of this bond will, therefore, be \$22.2 million. The Resolution defines a not to exceed (NTE) amount of \$24 million to *"i) finance or refinance the Project, (ii) refund, if necessary, certain outstanding obligations of the District related to the System and (iii) to pay the costs incident to the authorization, sale, issuance and delivery of the 2021 Bonds..."*. In other words, to finance the GDMP, refund the existing bond, and cover costs related to the bond issuance process.

Attached to this memorandum is **Resolution 20/21-003**. The Resolution has been prepared by the District's Bond Counsel Attorneys from Orrick and reviewed by the District's Bond Advisor David Ulbricht of SDAO and District staff.

Staff, Bond Counsel, and our Bond Advisor will be prepared to answer any questions the Board may have related to the Resolution prior to Board Action.

Also attached to this memorandum is the Preliminary Official Statement (POS) for the Rockwood Water PUD 2021 Water Revenue Bonds. The POS is a document that outlines key information about the District for the purpose of the Bond process. This includes financial information, board and key staff biographies, current facility information and the facilities that will be constructed with the proceeds from the Bonds. The POS is for board information and discussion.

David Ulbricht from SDAO and Doug Goe from Orrick will provide a presentation detailing the Resolution and POS and will be available to answer questions.

PRELIMINARY OFFICIAL STATEMENT DATED [____], 2021**NEW ISSUE
BOOK-ENTRY ONLY****RATING:S&P “[_]”
(See “Rating” Herein)**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of Oregon personal income taxation. In the further opinion of Bond Counsel, interest on the 2021 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2021 Bonds. See “TAX MATTERS” herein.

\$[____]*
**ROCKWOOD WATER PEOPLE’S UTILITY DISTRICT
 MULTNOMAH COUNTY, OREGON
 WATER REVENUE BONDS
 SERIES 2021**

DATED: Date of Delivery**DUE:** As shown on inside cover

The Water Revenue Bonds, Series 2021 (the “2021 Bonds”), are being issued by Rockwood Water People’s Utility District (the “District”) to (i) finance the costs of additions, replacements, expansions or improvements to the District’s water system (the “System”), (ii) prepay the District’s outstanding Water Revenue Obligations, Series 2011, and (iii) pay costs of issuance of the 2021 Bonds (collectively, the “2021 Project”). Unless otherwise indicated, capitalized terms used on the cover page have the meanings given in this Official Statement.

The 2021 Bonds shall be payable solely from the Net Revenues (defined herein) of the System and related amounts as provided by the Master Water Revenue Bond Declaration, as supplemented, executed and delivered by the District on the Date of Delivery of the 2021 Bonds (the “Bond Declaration”). The 2021 Bonds do not constitute a general obligation of the District. Neither the full faith and credit, nor the taxing power of the District, is pledged for the payment of principal or interest on the 2021 Bonds. The 2021 Bonds are being issued by the District as Bonds under the Bond Declaration, which provides for the issuance of revenue bonds, including the 2021 Bonds, that are secured with a first lien on the Security (as defined herein) on an equal and ratable (pari passu) basis.

THE 2021 BONDS SHALL NOT BE A GENERAL OBLIGATION OF THE DISTRICT OR THE COUNTY OR THE STATE, NOR A CHARGE ON THEIR TAX REVENUES. THE DISTRICT HAS NO OBLIGATION TO PAY THE 2021 BONDS, EXCEPT FROM NET REVENUES OF THE SYSTEM. THE 2021 BONDS SHALL BE PAYABLE SOLELY FROM THE NET REVENUES OF THE SYSTEM SPECIFICALLY PLEDGED THERETO UNDER THE BOND DECLARATION. NO RECOURSE SHALL BE HAD AGAINST ANY PROPERTIES OR ASSETS, OTHER THAN NET REVENUES OF THE SYSTEM, OF THE DISTRICT OR THE COUNTY OR THE STATE FOR THE PAYMENT OF ANY AMOUNTS OWING UNDER OR WITH RESPECT TO THE 2021 BONDS OR THE BOND DECLARATION. THE BONDHOLDERS SHALL HAVE NO RIGHT TO COMPEL THE PAYMENT OF ANY AMOUNTS OWING UNDER OR WITH RESPECT TO THE 2021 BONDS OR THE BOND DECLARATION OUT OF ANY TAX REVENUES OR OTHER ASSETS OF THE DISTRICT OR THE COUNTY OR THE STATE (OTHER THAN THE NET REVENUES OF THE SYSTEM).

Interest is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2021. The 2021 Bonds are subject to redemption prior to maturity at the times, under the conditions and at the prices described herein.

The 2021 Bonds will be initially issued in book-entry-only form in denominations of \$5,000 or integral multiples thereof. The Bonds are registered obligations issued in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York.

So long as the 2021 Bonds remain in the book-entry-only system, principal and interest payments will be remitted by the registrar and paying agent of the District, currently [_____] (the “Paying Agent”), to DTC, who in turn will be required to distribute such payments to DTC Participants for ultimate distribution to Beneficial Owners.

The 2021 Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, Portland, Oregon, Bond Counsel to the District, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, [_____]. It is expected that the 2021 Bonds in definitive form will be available for delivery to DTC in New York, New York on or about [____], 2021.

This Official Statement has been prepared on behalf of the District to provide information on the 2021 Bonds. Selected information presented on this cover page is for the convenience of the users. To make an informed decision regarding the 2021 Bonds, a prospective investor should read this Official Statement in its entirety.

[UNDERWRITER TBD]

* Preliminary, subject to change.

MATURITY SCHEDULE

\$[_____] *
ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
WATER REVENUE BONDS
SERIES 2021

<u>Maturity Date</u> <u>(June 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>No. 774459[†]</u>
--	-----------------------------------	--------------------------------	--------------	---

[\$ _____ * _ . ____ % Term Bond due June 15, 20 ____ *
to yield _ . ____ %; CUSIP No. ____[†]]

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2021 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

No dealer, broker, salesperson or any other person has been authorized by the District to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer or solicitation of an offer to buy nor shall there be any sale of the 2021 Bonds by any person in any jurisdiction in which it is unlawful for such offer, solicitation or sale.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information set forth herein has been obtained from the District, DTC, and other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the District or in any other information contained herein since the date hereof.

This Preliminary Official Statement has been “deemed final” as of its date by the District, except for the omission of offering prices, interest rates, selling commissions, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the 2021 Bonds depending on such matters, in accordance with Rule 15c2-12(b)(i) under the Securities Exchange Act of 1934, as amended.

This Official Statement contains “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
19601 NE Halsey Street
Portland, Oregon 97230
(503) 665-4179

DISTRICT BOARD

Tom Lewis	President
Kathy Zimmerman	Vice President
Larry Dixon	Treasurer
Colby Riley	Secretary
Steve Okazaki	Director

DISTRICT ADMINISTRATION

Kari J. Duncan	General Manager
Andy Crocker	District Superintendent
Jeremy Hudson	District Engineer
Daniel Zimmerman	Senior Accountant
Cathy Middleton	Office Supervisor

BOND AND DISCLOSURE COUNSEL

Orrick, Herrington, & Sutcliffe LLP, Portland, Oregon

MUNICIPAL ADVISOR

SDAO Advisory Services LLC, Portland, Oregon

PAYING AGENT AND REGISTRAR

[_____, _____, _____]

OFFICIAL STATEMENT

\$[_____]*

**ROCKWOOD WATER PEOPLE’S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
WATER REVENUE BONDS
SERIES 2021**

The Rockwood Water People’s Utility District (the “District”), located in Multnomah County, Oregon (the “County”), a political subdivision duly organized and existing under and by virtue of the laws of the State of Oregon (the “State”) furnishes this Official Statement in connection with the offering of \$[_____] * Water Revenue Bonds, Series 2021 (the “2021 Bonds”), dated the Date of Delivery. This Official Statement, which includes the cover page, inside cover and appendices, provides information concerning the District and the 2021 Bonds.

Certain capitalized words and phrases used in this Official Statement and not otherwise defined herein shall have the meanings set forth in the Master Water System Revenue Bond Declaration dated as of [_____] 1, 2021 (the “Master Declaration”) and the First Supplement to the Master Declaration dated the Delivery Date (the “Supplemental Declaration” and together with the Master Declaration, the “Bond Declaration”), which are attached hereto as Appendix A-1 and Appendix A-2, respectively.

DESCRIPTION OF THE 2021 BONDS

General

The 2021 Bonds will be issued in the aggregate principal amount of \$[_____] * and will be dated and bear interest from the date of delivery. The 2021 Bonds will mature on the dates and in the principal amounts, and will bear interest payable semi-annually on June 15 and December 15, commencing December 15, 2021 at the rates as set forth on the inside cover of this Official Statement. The 2021 Bonds will be initially issued only as fully registered bonds in book-entry form, without coupons, in principal denominations of \$5,000 or any integral multiple thereof. Interest on the 2021 Bonds will be remitted by the registrar and paying agent of the District, currently [_____] (the “Paying Agent” or “Registrar”) to the Depository Trust Company (“DTC”), who in turn will be required to distribute such payments to its participants (the “DTC Participants”) for ultimate distribution to Beneficial Owners.

Authorization and Purpose of Issuance

The 2021 Bonds are being issued pursuant to the Bond Declaration, the Oregon Constitution and statutes of the State, including Oregon Revised Statutes (“ORS”) Chapter 287A which provides for the issuance of revenue bonds for a public purpose and to refund revenue bonds. The Board of Directors of the District (the “Board”) authorized the issuance of the 2021 Bonds pursuant to Resolution No. RWPUD 20/21-001, adopted by the Board on January 27, 2021,

* Preliminary, subject to change.

and Resolution No. RWPUD 20/21-003, adopted by the Board on [April 28], 2021 (collectively, the “Bond Resolution”).

The proceeds of the 2021 Bonds are to be used to (i) finance the costs of additions, replacements, expansions or improvements to the District’s water system (the “System”), (ii) prepay the District’s outstanding Water Revenue Obligations, Series 2011 (the “2011 Obligations”), and (iii) pay costs of issuance of the 2021 Bonds (collectively, the “2021 Project”). See “PLAN OF FINANCING.”

The 2021 Bonds are being issued by the District as Bonds under the Bond Declaration, which provides for the issuance of revenue bonds, including the 2021 Bonds, that are secured with a first lien on the Security (as defined below) on an equal and ratable (pari passu) basis (collectively, the “Bonds”). All references herein to the Bonds includes the 2021 Bonds.

Redemption of the 2021 Bonds*

Optional Redemption. The 2021 Bonds maturing on or after June 15, 20[] are subject to redemption prior to maturity at the option of the District, in whole or in part on June 15, 20[] and on any date thereafter at a price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, with maturities to be selected by the District and by lot within a maturity.

[Mandatory Redemption. The 2021 Bonds stated to mature on June 15, 20[] are term bonds subject to mandatory sinking fund redemption, in part, at a redemption price equal to 100 percent of the principal amount to be redeemed, plus accrued interest, if any, to the date fixed for redemption, on June 15 in the years and in the amounts as set forth below:

2021 Term Bonds Maturing June 15, 20[]	
Year (June 15)	Sinking Fund Redemption
	\$

±

* Final maturity.

Upon any partial optional redemption of such term bond, the amount of future mandatory sinking fund redemption with respect thereto will be reduced, as directed by the District, to take into account such partial optional redemptions.]

Notice of Redemption. Notice of redemption shall be mailed by the Paying Agent, not less than twenty (20) nor more than sixty (60) days prior to the redemption date, to each Owner and DTC or any successor depository. Notice of redemption to DTC shall be given by certified,

* Preliminary, subject to change.

registered or overnight mail or by such other method as may be requested by the DTC. Each notice of redemption shall state the following information: (i) the date of such notice; (ii) the date of issue of the 2021 Bonds; (iii) the redemption date; (iv) the Redemption Price; (v) the place or places of redemption (including the name and appropriate address or addresses of the Registrar); (vi) the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the 2021 Bonds of such maturity to be redeemed and, in the case of 2021 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed.

Conditional Redemption. With respect to any notice of optional redemption of 2021 Bonds, unless upon the giving of such notice, such 2021 Bonds shall be deemed to have been paid or unless the Paying Agent has cash or Government Obligations sufficient to pay the principal of and premium, if any, purchase price and interest on the 2021 Bonds to be redeemed, such notice may state that such redemption shall be conditional upon the receipt by the Paying Agent on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and premium, if any, purchase price and interest on such 2021 Bonds and that if such moneys shall not have been so received said notice shall be of no force and effect and the Paying Agent shall not be required to redeem such 2021 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Registrar shall be within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Failure by the Paying Agent to give such notice to the DTC or failure of any Owner to receive such notice or any defect in any such notice shall not affect the sufficiency of the proceedings for redemption.

Payment of Principal and Interest; Registration

So long as the 2021 Bonds are subject to the book-entry-only system, payment of principal of and interest on the 2021 Bonds when due shall be paid through the facilities of DTC in accordance with the rules, regulations and practices established and followed in connection with the DTC book-entry-only system. See APPENDIX E—"BOOK-ENTRY-ONLY SYSTEM."

In the event the book-entry-only system is discontinued, the 2021 Bonds will be issued in the form of fully registered 2021 Bonds without coupons in Authorized Denominations. Under the Bond Declaration, Authorized Denominations are denominations of \$5,000 and any integral multiple thereof within a single maturity date. Interest on each 2021 Bond shall be paid on each interest payment date (or the next Business Day if the payment date is not a Business Day) by check or draft drawn upon and mailed by the Paying Agent to the registered owner of such 2021 Bond at the address thereof, all as shown on the registration books maintained by the registrar as of the 15th day of the month next preceding the interest payment date.

Exchange and Transfer of the 2021 Bonds

While the 2021 Bonds are in book-entry-only form, Beneficial Owners may transfer the 2021 Bonds only through DTC. If the 2021 Bonds cease to be in book-entry-only form, the 2021 Bonds may be transferred upon the books of the Paying Agent as provided in the Bond Declaration.

PLAN OF FINANCING

The 2021 Projects

A portion of the proceeds of the 2021 Bonds will be deposited into the Bond Proceeds Account and applied by the District to finance the costs of additions, replacements, expansions or improvements to the System.

Plan of Prepayment

The District expects to use a portion of the proceeds of the 2021 Bonds to currently prepay all of the 2011 Obligations at a price of par plus accrued interest to the expected prepayment date of August 15, 2021, to obtain net present value savings.

A portion of the proceeds of the 2021 will be used to provide funds to establish irrevocable escrow deposit account pursuant to an escrow deposit agreement (the “Escrow Deposit Agreement”) between the District and the Escrow Agent to defease and currently prepay the 2011 Obligations, as shown in the table below.

<u>Original Principal Amount</u>	<u>Principal Amount Outstanding</u>	<u>Amount Refunded</u>	<u>Refunded Maturities</u>	<u>Redemption Date</u>	<u>Redemption Price (as % of Par)</u>
\$6,375,000	\$4,090,000	\$4,090,000	2021 through 2031	August 15, 2021	100%

From a portion of the proceeds of the 2021 Bonds, the District expects to purchase direct United States government obligations (the “Government Obligations”). These Government Obligations, together with a cash deposit, if necessary, will be deposited in the custody of the Escrow Agent. The maturing principal of the Government Obligations, interest earned thereon, and necessary cash balance, will provide funds sufficient to prepay the principal amount of the 2011 Obligations on the respective prepayment date identified above. The Government Obligations, interest earned thereon, and necessary cash balance, if any, will, pursuant to the Escrow Deposit Agreement, be irrevocably pledged to and held in escrow for the benefit of the 2011 Obligations.

Verification of Mathematical Calculations

[] (the “Verification Agent”), will deliver to the District, on or before the Date of Delivery, its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the mathematical computations of the adequacy of the cash deposit into the escrow, to pay, when due, the maturing principal of, interest on and related call premium requirements of the 2011 Obligations.

Sources and Uses of Funds

The proceeds from the 2021 Bonds are estimated to be applied as shown in the table below.

SOURCES AND USES OF FUNDS

Sources Of Funds	
Par Amount	
[Plus/Less]: Original Issue [Premium/Discount]	
Less: Underwriters' Discount	
Total Sources of Funds	<hr/>
USES OF FUNDS	
Deposit to Bond Proceeds Account	
Deposit to Escrow Deposit Account	
Issuance Costs ⁽¹⁾	
Total Uses of Funds	<hr/>

⁽¹⁾ Includes additional proceeds and other costs associated with the issuance of the 2021 Bonds including, rating agency fees, legal fees and financial advisor fees.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds shall be payable solely from the Net Revenues (defined herein) of the System and related amounts as provided by the Bond Declaration. The Bonds do not constitute a debt or indebtedness of the County, the State, or any political subdivision thereof other than the District. Neither the full faith and credit, nor the taxing power of the District, is pledged for the payment of principal or interest on the Bonds.

The District has covenanted and agreed with the Bond Owners that it will keep and perform all of the covenants in the Bond Declaration. Certain provisions of the Bond Declaration are summarized below. Complete copies of the form of Master Declaration and proposed form of Supplemental Declaration, which include full descriptions of the following as well as additional provisions, are attached hereto as Appendix A-1 and A-2, respectively.

Security for Bonds; Net Revenues

Security. The Bonds are special obligations of the District payable solely from the Security, which consists of (a) Net Revenues; (b) Subsidy Payments; (c) moneys and investments (including investment earnings thereon) on deposit in the Debt Service Account and the Bond Reserve Account, including without limitation the District's right, title and interest in any Reserve Credit Facility (and any moneys drawn or paid thereunder) given with respect to meeting the Bond Reserve Requirement on a particular Series of Bonds; (d) any Credit Facility other than a Reserve Credit Facility given as security for the payment of any amounts owing on any Bonds (and any moneys drawn or paid thereunder); provided that such Credit Facility secures only those Bonds for which it was given; and (e) such other properties and assets as may be hereafter pledged to the payment of Bonds pursuant to any Supplemental Declaration or which may be delivered, pledged, mortgaged or assigned by any person as security for Bonds.

Net Revenues. The Bond Declaration defines Net Revenues as all Gross Revenues less Operating Expenses.

Gross Revenues is defined in the Bond Declaration to mean all fees, charges and other revenues (including System Development Charge Revenues) from the operation of the System, including, without limitation, transfers from the Rate Stabilization Account, other moneys required to be placed in the funds and accounts created pursuant to the Bond Declaration and any interest earnings thereon. The term “Gross Revenues” does not include: (a) the interest income or other earnings derived from the investment of the Bond Proceeds Account, the Rebate Account, or any escrow fund established for the defeasance or refunding of outstanding indebtedness of the District; (b) payments of assessments made with respect to a local improvement (as defined in ORS Chapter 223) levied against benefited properties; (c) any gifts, grants, donations or other moneys received by the District from any State or federal agency or other person if such gifts, grants, donations or other moneys are the subject of any limitation or reservation that is: (i) imposed by the donor or grantor; or (ii) imposed by law or administrative regulation to which the donor or grantor is subject, limiting the application of such funds in a manner inconsistent with the application of Gross Revenues hereunder; (d) the proceeds of any borrowing; (e) the proceeds of any liability or other insurance (excluding business interruption insurance or other insurance of like nature insuring against the loss of revenues); (f) the proceeds of any casualty insurance that the District intends to use for repair or replacement of the System; (g) the proceeds derived from the sales of assets pursuant to the Bond Declaration; (h) any ad valorem taxes or other taxes imposed by the District (except charges or payments for System services that constitute “taxes” within the meaning of Article XI, Section 11b of the Oregon Constitution because such “taxes” are imposed on property or property owners) or any fees imposed by the District that are not related to the System but payment of which is collected as a separate line-item on the bills to customers of the System; (i) amounts deposited in the Rate Stabilization Account as provided by Section 7.05(a), or (j) any income, fees, charges, receipts, profits or other funds received by the District from its ownership and operation of any Separate Utility System.

Operating Expenses is defined in the Bond Declaration to mean all costs spent or incurred by the District for maintaining and operating the System including the expenses of maintenance, repair, billing and collection, and other expenses incurred to maintain and preserve the System in good repair and working order, and including, but not limited to administrative expenses, financial and auditing expenses, insurance premiums, claims arising in the ordinary course of business (e.g., claims for workers’ compensation (to the extent monies are not available from proceeds of insurance)), payments in lieu of taxes, if required, franchise fees, if any, legal and engineering expenses relating to operation and maintenance, payments for pension, retirement, health, hospitalization, taxes and sick leave benefits, and any other similar expenses to be paid to the extent properly attributable to operations of the System.

The Bond Declaration provides that Operating Expenses do not include: (a) any rebates or penalties paid from Gross Revenues under Section 148 of the Code; (b) payments for the settlement of litigation and payments to any liability reserve fund; (c) depreciation and amortization of property, values or losses, and all amounts treated for accounting purposes as payments for capital expenditures; (e) expenses incurred to maintain and preserve the System that are otherwise paid for from a grant or other restricted funding source; (f) debt service payments (including amounts treated for accounting purposes as debt service payments); or (g) capital

transfers and capital outlays including without limitation transfers to capital construction accounts, related administrative expenses capitalized in connection with such capital transfers and capital outlays and expenditures for renewals and replacements.

Pursuant to ORS 287A.310, the pledge of the Net Revenues made by the District under the Bond Declaration will be valid and binding from the Delivery Date of the Bonds. The lien of this pledge is superior to all other claims and liens, except liens and claims for the payment of Operating Expenses, to the fullest extent permitted by ORS 287A.310, or any successor statute.

THE 2021 BONDS SHALL NOT BE A GENERAL OBLIGATION OF THE DISTRICT OR THE COUNTY OR THE STATE, NOR A CHARGE ON THEIR TAX REVENUES. THE DISTRICT HAS NO OBLIGATION TO PAY THE 2021 BONDS, EXCEPT FROM NET REVENUES OF THE SYSTEM. THE 2021 BONDS SHALL BE PAYABLE SOLELY FROM THE NET REVENUES OF THE SYSTEM SPECIFICALLY PLEDGED THERETO UNDER THE BOND DECLARATION. NO RECOURSE SHALL BE HAD AGAINST ANY PROPERTIES OR ASSETS, OTHER THAN NET REVENUES OF THE SYSTEM, OF THE DISTRICT OR THE COUNTY OR THE STATE FOR THE PAYMENT OF ANY AMOUNTS OWING UNDER OR WITH RESPECT TO THE 2021 BONDS OR THE BOND DECLARATION. THE BONDHOLDERS SHALL HAVE NO RIGHT TO COMPEL THE PAYMENT OF ANY AMOUNTS OWING UNDER OR WITH RESPECT TO THE 2021 BONDS OR THE BOND DECLARATION OUT OF ANY TAX REVENUES OR OTHER ASSETS OF THE DISTRICT OR THE COUNTY OR THE STATE (OTHER THAN THE NET REVENUES OF THE SYSTEM).

Flow of Funds

Under the Bond Declaration, Gross Revenues (other than interest earnings on the Bond Proceeds Account) will be deposited to and maintained in the Water Fund. As long as any Bonds remain outstanding, monies and investments in the Water Fund will be used solely to pay the following amounts in the following order:

- 1) To pay Operating Expenses;
- 2) To credit the Debt Service Account to pay interest, principal, purchase price and premium, if any, next maturing or coming due on the next Interest Payment Date, subject to the Bond Declaration, or pursuant to any Mandatory Redemption Schedule;
- 3) To reimburse the Credit Provider for any amounts advanced under a Reserve Credit Facility so long as the Bond Reserve Requirement for any Series of Outstanding Bonds is secured by a Reserve Credit Facility;
- 4) To make all payments required to be made into the Bond Reserve Account to maintain the Bond Reserve Requirement;
- 5) To pay rebates or penalties to the federal government pursuant to the Tax Covenants or credit a Rebate Account with respect to any Bonds;

6) To credit first, the Subordinate Obligations Account to make all interest, principal or purchase price, and premium, if any, payments required to be made with respect to any Subordinate Obligations and second, to reimburse the Credit Provider for (a) any amounts advanced under a Credit Facility for each series of Outstanding Subordinate Obligations secured by a Credit Facility and (b) any fees or charges payable to the Credit Provider in connection with a Credit Facility for any Series of Outstanding Subordinate Obligations secured by a Credit Facility;

7) To carry out any of the following without priority or preference, (a) to credit the Rate Stabilization Account; (b) to retire by optional redemption or purchase in the open market any Outstanding Bonds or other revenue obligations of the District as authorized in a Supplemental Declaration of the District in connection with the authorization and issuance of the Bonds; (c) to make appropriate additions, betterments, improvements and repairs to or extension and replacements of the System, maintain operating reserves consistent with the fiscal policies of the District and for any other lawful purposes related to the System; (d) to pay costs of acquiring, operating and maintaining the Separate Utility System; or (e) for any other lawful purpose of the District related to the System.

Select Funds and Accounts

Water Operating Fund. All Gross Revenues shall be deposited, as and when received by the District, in the Water Operating Fund. The Gross Revenues shall be applied in accordance with the Bond Declaration.

Debt Service Fund. The Debt Service Fund is for the purpose of paying the principal or Accreted Value of, premium, if any, purchase price and interest on the Bonds. The District shall make the following deposits into the Debt Service Fund: (a) the District shall deposit into the Debt Service Fund from the Water Fund or the Bond Reserve Account money sufficient to make payments in accordance with the Bond Declaration; (b) the District hereby covenants with the Owners of the Bonds that, so long as any Bonds remain outstanding, it shall make deposit into the Debt Service Account, as soon as practicable, but in any case not later than one (1) Business Day prior to each Interest Payment Date, an interest payment equal to the interest coming due on any Outstanding Bonds on the next succeeding Interest Payment Date, and a principal payment amount equal to the principal, if any, coming due on the succeeding Principal Payment Date.

Bond Reserve Account. The Bond Reserve Account is authorized to be created by the District within the Water Fund for the purposes of securing the payment of the principal of, premium, if any, purchase price and interest on all Outstanding Covered Bonds. The District may establish in a Series Declaration for any one or more series of Bonds that are not Covered Bonds (a) a separate reserve requirement (which may be zero) and (b) a separate reserve account in the Water Fund to secure the payment of such Bonds. See APPENDIX A-1 – “MASTER WATER REVENUE BOND DECLARATION – BOND FUNDS AND ACCOUNTS.”

The District has not designated the Bonds as Covered Bonds; therefore the Bonds are not secured by the Bond Reserve Account.

Rate Stabilization Account. The District may deposit lawfully available funds, including Gross Revenues as permitted under the Bond Declaration, into the Rate Stabilization Account from time to time as determined by the District. Amounts deposited in the Rate Stabilization Account from the Water Fund shall reduce Gross Revenues for the period for which they are deposited. The District may withdraw funds from the Rate Stabilization Account at any time without limitation, subject only to the terms and conditions set forth in the Bond Declaration, including: (a) monies in the Rate Stabilization Account may be withdrawn at any time and used for any purpose for which Gross Revenues may be used, and (b) amounts withdrawn from the Rate Stabilization Account shall increase Gross Revenues for the period for which they are withdrawn. Unless otherwise excluded, funds withdrawn from the Rate Stabilization Account shall be included as Net Revenues for all Rate Covenant purposes.

The District currently has \$600,000 on deposit in its existing Rate Stabilization Account. The District has no current plans to make additional contributions to the Rate Stabilization Account in the foreseeable future.

Bond Proceeds Account. The proceeds of Bonds shall be deposited to the Bond Proceeds Account of the Water Construction Fund in accordance with the Bond Declaration and pursuant to the provisions of any Series Declaration in connection with the issuance of any Series of Bonds. Upon the issuance of any Series of Bonds, the District shall deposit into the Bond Proceeds Account (or any subaccount thereof) the amounts required to be deposited therein pursuant to the Series Declaration providing for the issuance of such Series of Bonds. Amounts on deposit in the Bond Proceeds Account shall be applied to pay costs of the Project (as defined by the Bond Declaration). Upon completion of a Project or if moneys in the particular account of the Bond Proceeds Account are not immediately needed for completion of the Project, the balance in the particular account of the Bond Proceeds Account relating to that Project in excess of the amount held for the purpose of paying costs of that Project (i) may be transferred to the Debt Service Account, and (ii) unless such Bonds are Taxable Obligations, shall be invested at a yield that complies with the Tax Covenants or may be used for any other lawful purpose approved by Bond Counsel in writing.

Rate Covenant

The District covenants for the benefit of the Owners of all Bonds that it will charge rates and fees in connection with the operation of the System which, when combined with other Gross Revenues, are adequate to generate Net Revenues in each Fiscal Year at least equal to each of (a) 1.25 times Annual Bond Debt Service due in that Fiscal Year for Outstanding Bonds, (b) 1.15 times Annual Bond Debt Service due in that Fiscal Year for Outstanding Bonds, excluding SDC Improvement Fees, (c) 1.00 times Annual Bond Debt Service due in that Fiscal Year for any Subordinate Obligations (after subtracting Annual Bond Debt Service from Net Revenues due in that Fiscal Year for Bonds), and (d) any amounts owed by the District to a Credit Provider for surety premium payments. If the Net Revenues fail to meet the Rate Covenant, the District will promptly, but in no event more than 270 days after the close of the Fiscal Year in which the failure occurred, increase its rates and fees or reduce expenses to a level so that Net Revenues are projected to meet the Rate Covenant for the remainder of the then-current Fiscal Year and for the succeeding Fiscal Year. The District will demonstrate its compliance with the Rate Covenant and all other provisions of the Bond Declaration by filing the Annual Certificate.

Additional Bonds

Subsequent to the issuance of the 2021 Bonds, the District may, by Series Declaration, issue one or more Series of Additional Bonds that, subject to the Bond Declaration, are secured on an equal and ratable basis with Outstanding Bonds, including the Bonds, with respect to the lien on the Security. Additional Bonds may be issued upon compliance by the District with the provisions set forth in the Bond Declaration to provide funds for any purpose relating to the System which is authorized by law, but only upon the following conditions:

- 1) No Default under the Bond Declaration has occurred and is continuing.
- 2) At the time of the issuance of such Additional Bonds there is no deficiency in the Bond Reserve Account, and Net Revenues less Annual Bond Debt Service on Outstanding Bonds for the Base Period are not less than one hundred percent (100%) of any costs due and owing by the District in connection with any Credit Facility or Reserve Credit Facility.
- 3) In connection with the issuance of any Additional Bonds, if so determined by the District, the designation of the Additional Bonds of such Series or portion thereof as Covered Bonds secured by the Bond Reserve Account; provided, that the Bond Resolution authorizing the issuance of such Series of Additional Bonds may designate an Authorized Representative to determine whether the Series of Additional Bonds, or any portion of such Series, will be Covered Bonds.
- 4) The Series Declaration providing for the issuance of Additional Bonds shall contain a covenant requiring the District to charge rates and fees sufficient to generate Net Revenues equal to the amount described in the Bond Declaration, including the proposed Additional Bonds.
- 5) On the earlier of the date of authorization or date of delivery of any Series of Additional Bonds, there shall have been filed with by the District as part of the documents delivered in connection with such Additional Bonds either:
 - (i) a certificate of an Authorized Representative stating that Net Revenues (including any transfers from the Rate Stabilization Account) in the Base Period preceding the delivery of the Additional Bonds then proposed to be issued are not less than:
 - (A) one hundred twenty-five percent (125%) of the Maximum Annual Debt Service on all Bonds, which includes all Outstanding Bonds and the Additional Bonds then proposed to be issued; and
 - (B) excluding SDC Improvement Fees, one hundred fifteen percent (115%) of the Maximum Annual Debt Service on all Bonds, which includes all Outstanding Bonds and the Additional Bonds proposed to be issued.

For purposes of this section 5(i), in the event that any adjustment in the rates, fees and charges for the services of the System shall be effective on or before the date of the delivery of such Series of Additional Bonds, an Authorized Representative shall reflect in his or her certificate the Net Revenues he or she calculates would

have been collected in the Base Period if such new rates, fees and charges had been in effect for the entire Base Period; *or*

(ii) a certificate of the Qualified Consultant setting forth:

(A) the amount of the Adjusted Net Revenues for the five Fiscal Years succeeding the date of delivery of the Additional Bonds, then proposed to be issued, or, if capitalized interest is used, five Fiscal Years after the last capitalized interest payment;

(B) the debt service on all Outstanding Bonds and the Annual Bond Debt Service for each maturity of the Series of Additional Bonds then proposed to be issued, and stating that the amount shown in paragraph (A) above for each of the five Fiscal Years succeeding the date of delivery of the Additional Bonds, then proposed to be issued, or, if capitalized interest is used, five Fiscal Years after the last capitalized interest payment is not less than:

(1) one hundred and twenty-five percent (125%) of the Maximum Annual Debt Service on all Bonds, which includes all Outstanding Bonds and the Additional Bonds then proposed to be issued; and

(2) excluding SDC Improvement Fees, one hundred fifteen percent (115%) of the Maximum Annual Debt Service on all Bonds, which includes all Outstanding Bonds and the Additional Bonds then proposed to be issued.

6) There shall have been delivered to the District an opinion from Bond Counsel, to the effect that the Series Declaration executed and delivered by the District in connection with the issuance of such Series of Bonds is entered into in accordance with the Bond Declaration and that such Series of Bonds when executed and delivered by the District, or with respect to the initial delivery and execution of Draw-Down Obligations, such Draw-Down Installments when duly received by the District, will be valid and binding obligations of the District. In connection with Draw-Down Obligations issued pursuant to the Bond Declaration, the District shall have additionally received an opinion from Bond Counsel upon the earlier of the date of authorization or the date of delivery of any subsequent Draw-Down Installments delivered pursuant to the Bond Declaration to the effect that the certificate executed and delivered pursuant to the Bond Declaration or (ii) in connection with such Draw-Down Installments is entered into in accordance with the Bond Declaration and the amount of the Draw-Down Installments authorized by such certificate will be valid and binding obligations of the District.

7) The Estimated Debt Service Requirement for Balloon Payments shall be calculated in accordance with Section 10.01(g) of the Master Declaration.

(i) Whenever a Balloon Payment will be Outstanding on the date a Series of Additional Bonds is issued, an Authorized Representative shall prepare a schedule of principal and interest payments for a hypothetical Series of Additional Bonds that refunds each Balloon Payment in accordance with the Bond Declaration. An Authorized

Representative shall prepare that schedule using the date the Balloon Payment is scheduled to be paid, and that schedule shall be used to determine compliance with the tests for the issuance of Additional Bonds in the Bond Declaration.

(ii) Each hypothetical Series of refunding Additional Bonds shall be assumed to be paid in equal annual installments of principal and interest sufficient to amortize the principal amount of the Balloon Payment over the term selected by an Authorized Representative; however, an Authorized Representative shall not select a term that exceeds the lesser of 20 years from the date the Balloon Payment is scheduled to be paid or the District's estimate of the remaining weighted average useful life (expressed in years and rounded to the next highest integer) of the assets which are financed with the Balloon Payment.

Refunding Additional Bonds. The District may issue Additional Bonds to refund Outstanding Bonds if the Annual Bond Debt Service of the refunding Bonds does not exceed the Annual Bond Debt Service for the refunded Bonds payable in any Fiscal Year by more than \$5,000 or if the total Bond Debt Service on all Outstanding Bonds will not increase by more than 10% after the issuance of the refunding Bonds.

Separate Utility Systems

The District Council may take official action to declare and establish one or more "Separate Utility System" that consists of property that the District owns and is part of the System, but has a value of less than five percent (5%) of the System as of the date of the Council declaration establishing the Separate Utility System, and/or property that the District has not yet acquired but that would otherwise be part of the System. The revenues of that Separate Utility System shall not be included in Gross Revenues and may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire or expand such Separate Utility System. The Net Revenues of the System shall not be pledged by the District to the payment of any obligations of such Separate Utility System except in accordance with other provisions of the Bond Declaration. The District is permitted to use Net Revenues to pay costs of acquiring, operating and maintaining the Separate Utility System, provided that there is no deficit in the Debt Service Account or the Bond Reserve Account and that the District can demonstrate compliance with the Bond Declaration, including without limitation the financial covenants set forth in Bond Declaration after the use of Net Revenues for the benefit of the Separate Utility System. The District is permitted to issue Subordinate Obligations to pay for costs of a Separate Utility System, and may include a pledge the revenues of the Separate Utility System to secure Subordinate Obligations issued for the benefit of the Separate Utility System.

No Acceleration

The Bonds shall not be subject to acceleration.

Events of Default and Remedies

The District hereby covenants and agrees with the purchasers and Owners from time to time of the Bonds, to protect and safeguard the covenants and obligations undertaken by the District securing the Bonds, that the following shall constitute "Events of Default":

1) If default shall be made in the due and punctual payment of the principal of, premium, if any, or purchase price on any of the Bonds when the same shall become due and payable, either at maturity, tender or by proceedings for redemption or otherwise;

2) If default shall be made in the due and punctual payment of any installment of interest on any Bonds whether scheduled or payable by reason of redemption or tender;

3) If the District shall default in the observance and performance of any other of the covenants, conditions and agreements on the part of the District contained in the Bond Declaration, and such default or defaults shall have continued for a period of ninety (90) days after the District shall have received from the Bondowners Committee or from the Owners of not less than 25% in aggregate principal amount of the Bonds Outstanding, a written notice specifying the Event of Default and demanding the cure of such default;

4) If the District shall (except as herein permitted) sell, transfer, assign or convey any properties constituting the System or interests therein, or any part or parts thereto or shall make any agreement for such sale or transfer (except as expressly authorized by the Bond Declaration);

5) If an order, judgment or decree shall be entered by any court of competent jurisdiction: (i) appointing a receiver, trustee or liquidator for the District or the whole or any part of the System; (ii) approving a petition filed against the District seeking the bankruptcy, arrangement or reorganization of the District under any applicable law of the United States or the State; or (iii) assuming custody or control of the District or of the whole or any part of the System under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree shall not be vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control shall not be otherwise terminated within sixty (60) days from the date of the entry of such order, judgment or decree); or

6) If the District shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (iii) make an assignment for the benefit of its creditors; (iv) consent to the appointment of a receiver of the whole or any part of the System; or (v) consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the District or of the whole or any part of the System.

Appointment of Trustee

During the continuance of an Event of Default, the Owners of fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding may call a Bondowners meeting for the purpose of electing a Bondowners Committee. Such meeting shall be called and the proceedings shall be conducted in the manner provided in the Bond Declaration. See APPENDIX A-1—"MASTER WATER REVENUE BOND DECLARATION—DEFAULTS AND REMEDIES."

Subordinate Obligations

The District is permitted to issue Subordinate Obligations pursuant to the terms and conditions of the Master Declaration. Any Subordinate Obligations shall be special obligations of the District solely from the Security on a subordinate and junior basis to the Bonds as provided by the Master Declaration. The Master Declaration provides for the District to establish and make deposits into a Subordinate Obligations Account as required by the documents governing such Subordinate Obligations. See APPENDIX A-1—"MASTER WATER REVENUE BOND DECLARATION—BOND FUNDS AND ACCOUNTS."

Outstanding Obligations

Upon the issuance of the 2021 Bonds, the District will have no other obligations outstanding. The 2021 Bonds are the first water revenue obligations to be issued under the Master Declaration.

Future Financing

The District has been invited to apply for a loan from the U.S. Environmental Protection Agency ("EPA") Water Infrastructure Finance and Innovation Act (WIFIA) Program. The loan is estimated to be for approximately \$[28,135,800] million and is expected to be secured as a Bond under the Master Declaration. The District expects to use the proceeds of such loan to finance the costs of additions, replacements, expansions or improvements to the District's water system. The loan is expected to close in late 2021 or early 2022.

Other than as described in the paragraph above, the District does not anticipate issuing Parity Bonds in the next 24 months. The District periodically reviews its outstanding debt for refunding opportunities and may issue bonds for refunding purposes if market conditions warrant.

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DEBT SERVICE REQUIREMENTS

The debt service requirements for the 2021 Bonds are set forth in the table below.

TABLE 1*
WATER FUND DEBT SERVICE REQUIREMENTS ⁽¹⁾

Fiscal Year Ending June 30	2021 Bonds		Total Water Fund Debt Service Requirements⁽²⁾
	Principal	Interest	
2022			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
Total			

* Preliminary, subject to change.

⁽¹⁾ Columns may not foot due to rounding.

⁽²⁾ The 2021 Bonds are the first water revenue bonds to be issued under the Master Declaration.

THE WATER SYSTEM

Administration

The following are biographies of key District personnel with responsibility for management of the System.

Kari J. Duncan, General Manager. Ms. Duncan was hired by the District in January 2021 as General Manager. Her previous experience includes 15 years with the City of Lake Oswego where she served as Water Supply and Treatment Manager. Ms. Duncan was directly involved in the Lake Oswego - Tigard Water Expansion Project where she served on the Technical Committee to advise Council Oversight Committee on the design, construction and operation of a \$250 million water supply system construction project, maintained water system operations during the replacement of the existing 16 mgd water supply facilities with a 38 mgd River Intake Pump Station, 15 miles of 24" to 48" raw and finished water transmission main, 38 mgd High Rate Conventional Water Treatment Plant with Ozone, and a terminal 3.5 mg reservoir and pump station. Ms. Duncan oversaw development of a new water (SCADA) Control system, asset management database and electronic operations and maintenance manual. Her previous experience includes 5 years with the Eugene Water and Electric Board as Senior Operator/Water Quality Analyst where she performed water treatment operations at the 72 mgd class 4 drinking water filtration plant and water quality laboratory. In addition, she has served on the Technical Advisory Committee for the Portland Water Bureau Water Filtration Plant Evaluation, Northwest Women's Leadership Academy, Ozone Coalition Chair for the subcommittee of the Oregon Water Utility Council, Association Director of the American Water Works Association (AWWA) Board of Directors, AWWA Standards Committees, and the Pacific Northwest Section/AWWA Board Chair. She is a Pacific Northwest Section/AWWA George Warren Fuller Award winner; an award that recognizes distinguished service in the water supply field, diplomatic and constructive leadership, and creativity and innovation. Ms. Duncan has a Master of Public Administration degree in Public Policy and Management from the University of Oregon and a Bachelor of Arts degree in Environmental Science and Biological Science from Willamette University. Ms. Duncan possess State of Oregon Water Treatment 4 and Water Distribution 3 certifications.

Andy Crocker, District Superintendent. Mr. Crocker is the Superintendent for the District, where he has worked for 18 years. He is the direct responsible charge, plans, schedules, organizes, directs, and evaluates all District operations and Operations employees. He manages facilities, fleet, SCADA, water quality, construction, safety, and maintenance. He is responsible for the District's designation of Outstanding Performer for 2012 and 2020 from the State of Oregon Health Authority. Mr. Crocker's previous experience has been as Assistant Superintendent and Utility Worker for the District. Mr. Crocker possess State of Oregon Water Distribution 4, Cross Connection, and ICS 100/700 MGT 317/343 FEMA certifications.

Jeremy Hudson, PE, District Engineer. Mr. Hudson is the Senior Engineer for the District, where he has worked for 15 years. He manages the Engineering department for the District. Prior to joining the District, Mr. Hudson worked on community design and utility replacement projects. He is registered in the State of Oregon as a Civil Engineer. Mr. Hudson has a Bachelor of Science in Engineering from Walla Walla College.

Daniel Zimmerman, Senior Accountant. Mr. Zimmerman is the Senior Accountant for the District where he has worked for 3 years. He is responsible for the accounting and financial integrity of the District, ensuring all District funds are accurately accounted for and managed. Prior to joining the District, Mr. Zimmerman was the Finance Manager for Rivergrove Water District. Mr. Zimmerman has a Master of Business Administration degree from Eastern Oregon University and a Bachelor of Science Business Administration degree in Finance and Management and Anthropology from Oregon State University.

Cathy Middleton, Office Supervisor. Ms. Middleton is the Office Supervisor for the District where she has worked for 23 years. She is responsible for and/or heavily engaged in a number of critical office functions. Ms. Middleton works with the Senior Accountant to ensure financial controls are in place. She engages in budget preparation and monitoring as well as assists in preparation for the annual audit. Ms. Middleton is a United States Air Force veteran.

Existing Facilities

The District has a service area population of approximately 65,000 people in east Multnomah County. The District currently owns the following properties:

- District Offices, a 4 mg reservoir, with two pump houses
- 14 acres, and a ten-foot easement onto the property on Grant Butte
- 2.5 mg reservoir and associated pump station
- 3 mg reservoir and associated pump station
- Three wells with 11.5 mgd capacity
- 10 mg reservoir and pump station

Planned Improvements

The District plans to use a portion of proceeds of the 2021 Bonds and available cash reserves to build 4 new groundwater production wells and 1 new 6-million gallon storage reservoir; rehabilitate existing facilities including a 4 million gallon reservoir, a 2.2 million gallon reservoir and 2 new water treatment facilities; expand 2 pump stations, and implement transmission main improvements.

Water Source, Storage, and Distribution

Water Source. The District purchases its water supply from the City of Portland whose source is the Bull Run Watershed, located 30 miles east of the City of Portland. Bull Run Lake and the two Bull Run dams have a 19-21 billion gallon storage capacity. In addition, the City of Portland has developed a 90 million gallon a day (mgd) groundwater well field which is used for emergency situations or as augmentation of the Bull Run Supply during periods of high summer usage. The Bull Run supply currently is not treated; if water treatment is required in the future, it will be the responsibility of the City of Portland.

Bull Run water is brought from the Bull Run Watershed via conduits to a 50 million gallon storage reservoir on Powell Butte, located south of the District. Water from the well field can

also be pumped and stored at this site. The District connects to the conduits, feeding the Powell Butte facility, as well as the Powell Butte facility itself, via the conduits.

The District also owns three groundwater wells with a maximum capacity of 11.5 million gallons per day and firm capacity of 5.2 million gallons per day. The groundwater is used to supply peak demands during summertime and as an emergency secondary source.

Delivery Contracts. The District entered into a 20-year agreement with the City of Portland in 2006. The District currently pays the Portland Water Bureau (“PWB”) 52.4¢ per 100 cubic of water. Future water rates will be determined annually by PWB based on an enterprise fund method of accounting which includes a return on investment capital and depreciation. The water rates will reflect PWB’s total cost as allocated to the District and its other customers in proportion to the use of the water system. The District is one of approximately 13 purchasers of PWB water, all purchasing pursuant to a contract substantially similar to the District’s contract with PWB.

The contract provides for a minimum purchase of water. There is no upper limit on the amount of water purchased unless curtailment occurs. The contract provides that in times of shortage, all users of the Bull Run System will curtail proportionately.

The contract contains a renewal clause for another 20-year term unless either party elects not to renew at least five years prior to term expiration.

Storage and Distribution. The available water supply capacity of the Water System is approximately 20.6 million gallons per day, which includes 7.8 million gallons per day from the wholesale contract with PWB, and 12.8 million gallons per day from the district owned groundwater wells. The average water demand for the District is 6.5 million gallons per day. The District’s Water System consists of approximately 140 miles of pipe ranging from 4 inches to 30 inches. Within the Water System, there are four reservoirs with a combined storage capacity of over 18.9 million gallons. The major pumping stations and reservoirs were recently equipped with full Supervisory Control and Data Acquisition (SCADA)/telemetry control systems. The District delivers approximately three billion gallons of water per year.

The following table shows the average and maximum daily demand for Fiscal Year 2016 through 2020.

**TABLE 2
WATER SYSTEM HISTORICAL DEMAND**

Fiscal Year	Average Daily Demand (MGD)	Maximum Daily Demand (MGD)
2016	6.32	9.55
2017	6.30	8.90
2018	6.61	9.66
2019	6.41	9.83
2020	6.28	8.58

Source: The District.

The following table shows the District’s current System supply capacity and expected capacity following completion of the Groundwater Development Master Plan projects (the GWMP Projects”).

**TABLE 3
WATER PURCHASE AND PRODUCTION CAPACITY**

Source	Current (MGD)	After GWMP Projects (Total MGD)	After GWMP Projects Completion (Rockwood MGD Share)
Wholesale Purchase Agreement			
Bull Run PWB	7.8	n/a	n/a
Production Capacity			
Cascade Wells 3 & 4	9.2	9.2	4.7
Cascade Well 5	3.6	5.8	3.6
Cascade 6,7, 8 & 9, 10	0	17.4	9.2
Total	12.8	32.4	17.5

Source: The District.

The following table shows the District’s current System storage volume and expected storage volume following completion of the GWMP Projects, which are described below under the subheading “—Ground Water Development Master Plan.”

**TABLE 4
WATER SYSTEM STORAGE VOLUME**

Facility	Current (MG)	After GWMP Projects Completion (MG)
Bella Vista	10.0	10.0
Cleveland	2.7	2.7
Cascade	4.0	10.0 ⁽¹⁾
141 st Avenue	2.2	2.2
Total	18.9	24.9

⁽¹⁾ This storage capacity is evenly allocated between the District and the City of Gresham.

Source: The District.

Permits

In addition to the three wells the District owns, the District has water rights and permits for five wells within the District with a capacity of 44.6 million gallons per day. It also has a Final Order for 50 million gallons per day in water rights from the Columbia River issued by the State of Oregon Water Resources Department. Permits are extended for 50 years and the District has never received a permit violation.

Ground Water Development Master Plan

The District updated its Groundwater Development Master Plan (the “Master Plan”) in September 2020. PWB is implementing significant rate increases to its wholesale customers, including the District and City. Rate increases are set to begin in the next few years with the design and construction of a new water filtration plant for the Bull Run surface water supply, and they will continue through future extensions of wholesale contracts with PWB starting in 2026.

The District and the City of Gresham are proposing improvements to its groundwater supply system which would eliminate the need for maintaining the existing wholesale contracts with the PWB. The purpose of this reporting is to summarize and document the feasibility and costs associated with proposed groundwater supply improvements. Conceptual implementation planning has also been completed to allow for the District and City of Gresham to end the wholesale contracts with PWB by 2026. Proposed seismically resilient improvements include the development of multiple new groundwater wells throughout the District and City of Gresham with associated wellhead improvements; rehabilitation of the 4.0 million gallon (MG) Cascade Reservoir 1; a new 6.0 MG prestressed concrete Cascade Reservoir 2; expansion of the existing Cascade and 141st Avenue Pump Stations; water treatment facilities at the Cascade, 141st Avenue sites, 223rd and Stark and one additional site; and improvements to the 141st Avenue Reservoir; transmission main improvements; site piping upgrades; and other miscellaneous infrastructure improvements required to achieve supply independence.

Regulatory Environment and Compliance

The District is generally governed by U.S. Environmental Protection Agency (“EPA”) Safe Drinking Water Act, as amended, and the Oregon Water Quality Act Statute (ORS 448.331). The Oregon Health Authority (OHA) Drinking Water Services has been granted primacy by the EPA.

To ensure the District’s drinking water meets State and federal drinking water standards, the District is required to collect an average of 75 samples per month (900 samples per year) for testing by a State-certified laboratory. In 2020 OHA designated the District as an “Outstanding Performer” after conducting a system survey and finding no significant deficiencies. The District currently complies with all state and federal water quality standards, providing detailed information on our annual Consumer Confidence Report in multiple languages.

Water rights for the District’s groundwater uses are authorized under water right certificate #83629 and permit G-8719 through the Oregon Water Resources Department (OWRD). The District holds adequate water rights (63.5cfs or 44.6mgd) which support the expansion of its available groundwater supply to meet long-term build-out needs for the District. Certificate 83629 and permit G-8719 contain conditions that require on-going reporting to OWRD.

The District and City of Gresham Cascade maintain a Well Field Protection Program. Cascade Well Field Protection Area (CWFPFA) reflects a 30-year delineation zone that encompasses portions of the cities of Gresham, Fairview, Troutdale, and Wood Village. The program established ordinances, requirements and prohibits activities within the CWFPFA that

would be a threat of contamination to the well field. The City of Gresham conducts the program under adopted ordinances and has the authority to implement and enforce the requirements.

The District currently complies with all state and federal water quality standards.

Customers

There are currently 13,640 accounts billed monthly. The following tables describe the number of accounts by customer and the District's largest customers by revenue.

TABLE 5
NUMBER OF BILLED CONNECTIONS BY CUSTOMER CLASS
(For Fiscal Year Ending June 30)

User Type	2016	2017	2018	2019	2020
Single Family Residential	11,623	11,694	11,720	11,728	11,772
Multi-Family Residential	899	910	924	924	930
Commercial	572	579	574	577	576
Industrial	0	0	6	6	6
Fire Meter	237	244	256	259	267
Non-Profit	91	92	88	89	89
Total	13,422	13,519	13,568	13,583	13,640

Source: The District.

TABLE 6
LARGEST CUSTOMERS BY REVENUE
(FISCAL YEAR 2020)

Customer	Billed Water	% of District Total
Microchip Technology Inc.	\$1,170,150.60	13.20%
Boeing of Portland	188,633.55	2.13
City of Gresham	50,584.95	0.57
Mobile Estates	33,529.05	0.38
Ludon Investments, Inc.	30,437.25	0.34
Waverly Gardens	39,286.05	0.44
Rockwood Station	38,686.80	0.44
GC Stark Street LLC	26,980.20	0.30
Trailblazer Foods	23,661.90	0.27
Avalon Apartments	24,491.85	0.28
Subtotal	\$1,626,442.20	18.34%
All Other Customers	7,239,428.21	81.66
Total	\$8,865,870.41	100.00%

Source: The District.

Rates and Charges

Water Rates. The District's current rates by meter size are as follows. The District does expect to increase rates following issuance of the 2021 Bonds.

TABLE 7
WATER SYSTEM HISTORICAL AND APPROVED
CONSUMPTION AND METER CHARGE RATES

Meter Size	Fiscal Year 2017 Rates	Fiscal Year 2018 Rates	Fiscal Year 2019 Rates	Fiscal Year 2020 Rates	Fiscal Year 2021 Rates
Consumption Rate per CCF	\$ 2.30	\$ 2.39	\$ 2.45	\$ 2.55	\$ 2.84
Fixed Bi-Monthly Charge by Meter Size					
5/8"	\$ 15.45	\$ 16.07	\$ 17.76	\$ 19.62	\$ 22.56
3/4"	23.18	24.11	26.64	29.45	33.86
1"	38.63	40.18	44.40	49.05	56.42
1 1/2"	77.22	80.31	88.74	98.05	112.77
2"	123.56	128.50	141.99	156.90	180.44
3"	270.29	281.10	310.62	343.25	394.73
4"	463.36	481.89	532.49	588.40	676.66
6"	965.30	1,003.91	1,109.32	1,225.80	1,409.67
8"	1,390.02	1,445.62	1,597.41	1,765.15	2,029.91
10"	2,239.46	2,329.04	2,573.59	2,843.85	3,270.39

Source: The District.

TABLE 8
HISTORICAL WATER CONSUMPTION BY CUSTOMER CLASS
(in CCF)

Customer Class	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Single Family	959,394	903,515	948,355	920,668	898,424
Multi-Family	772,041	768,919	800,755	768,143	761,139
Commercial	804,668	773,151	807,855	306,434	281,261
Industrial ⁽¹⁾	-	-	-	537,734	509,967
Fire Meter	289	368	3,455	6,501	226
Non-Profit	47,705	40,012	51,768	52,015	44,414
Total	2,584,097	2,485,965	2,612,188	2,591,495	2,495,431

⁽¹⁾ The Industrial customer class was created in Fiscal Year 2019.

Source: The District.

System Development Charges. The tables below show current system development charges and historical revenues from system development charges.

TABLE 9
CURRENT SYSTEM DEVELOPMENT CHARGES

Meter Size	Maximum Gallons per Minute	ERU ⁽¹⁾ Equivalent	Total SDC Charge
5/8"	20	1.0	\$ 3,660
3/4"	30	1.5	5,490
1"	50	2.5	9,151
1.5"	100	5.0	18,301
2"	160	8.0	29,282
3"	350	17.5	64,055
4"	600	30.0	109,808
6"	1,250	62.5	228,767
8"	1,800	90.0	329,425
10"	3,900	145.0	530,740

⁽¹⁾ Each equivalent residential unit ("ERU") represents the water capacity needs of one 5/8-inch meter. The standard residential single-family meter in the District is 5/8-inch.

Source: The District.

TABLE 10
HISTORICAL WATER SYSTEM DEVELOPMENT CHARGES REVENUES
(For Fiscal Year Ending June 30)

	2016	2017	2018	2019	2020
SDC Reimbursement Fees	\$57,847	\$97,600	\$137,042	\$107,432	\$305,019
SDC Improvement Fees	9,183	15,520	22,529	16,512	50,284
Total	\$67,030	\$113,120	\$159,571	\$123,944	\$355,303

Source: The District.

Comparative Monthly Water Bill. Comparative monthly water rates for single family residences are shown for Fiscal Year 2020.

TABLE 11
TYPICAL SINGLE-FAMILY RESIDENCE MONTHLY WATER BILL COMPARISON

Utility Name	8 CCF	16 CCF	24 CCF	32 CCF
Troutdale	\$26.55	\$53.09	\$79.63	\$106.18
Raleigh	28.27	45.07	61.87	78.67
Oak Lodge	27.13	36.49	45.85	55.21
The District	30.21	50.61	71.01	91.41
Sandy	30.69	53.89	77.09	100.29
Tualatin	33.23	57.79	82.35	106.91
Sunrise	32.00	46.00	60.00	74.00
Wood Village	41.89	57.09	72.29	87.49
Gladstone	33.09	43.09	53.09	63.09
Hillsboro	36.02	55.46	74.90	94.34
Fairview	36.01	52.97	69.93	86.89
Milwaukee	40.21	71.73	103.25	134.77
Wilsonville	47.97	75.49	103.01	130.53
Beaverton	44.56	73.12	101.68	130.24
Gresham	46.71	68.87	91.03	113.19
Newberg	50.91	83.39	115.87	154.47
Lake Oswego	50.96	74.24	97.52	120.80
Sherwood	54.77	88.85	122.93	157.01
Portland	57.88	99.88	141.88	183.88
TVWD	59.76	103.12	146.48	189.84
West Slope	60.93	104.21	147.49	190.77
Tigard	59.76	90.16	120.56	150.96

Source: The District.

Billing and Collections

The District is divided into eight zones. Each zone is billed bi-monthly for water service. The meters for each of the District's eight zones are read on a bi-monthly basis with a different zone being read each week. Bills are calculated and mailed on the 7th, 14th, 21st, and 28th day of each month, completing the cycle every two months. On the 36th day after the mailing of the bill, late charges are assessed for an unpaid bill and the customer is sent a late notice. After the 48th day following the mailing of the bill, a door hanger is hung on delinquent accounts informing them that water service may be terminated if payment is not received. After the 50th day of the bill being mailed, water service is terminated on delinquent accounts and an extra fee is added. Any unpaid accounts that are at least five months old may be sent to a collection agency.

In response to the outbreak of the COVID-19 virus, the District determined to forego for a limited period of time certain collection enforcement measures. On October 1, 2020, the District resumed its normal water bill payment collection process, which includes placing door hangers on delinquent customers' doors, charging additional fees and discontinuing service for non-payment. See "The DISTRICT—Impacts of the COVID-19 Pandemic" below for more information related to this action.

TABLE 12
STATEMENT OF REVENUES AND COLLECTIONS
(For Fiscal Year Ending June 30)

	2016	2017	2018	2019	2020	2021⁽¹⁾
Water Sales				\$		
	\$ 7,558,483	\$ 7,750,088	\$ 8,272,343	8,628,331	\$ 8,865,870	\$ 9,766,421
Backflow	27,052	27,433	29,267	31,269	33,939	35,895
Set up	27,775	26,000	23,805	25,094	23,378	25,418
Late fees	187,313	183,050	192,067	208,337	257,897	202,198
Total Revenue				\$		
	\$ 7,800,623	\$ 7,986,571	\$ 8,517,482	8,893,031	\$ 9,181,084	\$ 10,029,932
Revenues in Collections	8,387	5,241	9,868	18,955	15,326	18,679
% of Revenues in Collections	0.11%	0.07%	0.12%	0.21%	0.17%	0.19%

⁽¹⁾ Estimated from March 1, 2021

Source: The District.

FINANCIAL INFORMATION

Financial Reporting and Accounting Policies

The District's basic financial statements were prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The District's fiscal year is July 1 through June 30.

Additional information on the District's accounting methods is available in the District's audited financial statements. A copy of the District's audited financial report for Fiscal Year 2020 is attached hereto as Appendix B.

Auditing

Each Oregon municipal corporation must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555. Municipalities having annual expenditures of less than \$500,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing municipal corporations.

The District's audit for Fiscal Year 2020 was performed by Pauly Rogers & Co., P.C. (the "Auditor"). The audit report for Fiscal Year 2020 indicates the financial statements, in all material respects, fairly present the District's financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information and the respective changes in financial position and the cash flows, where applicable, in conformance with accounting principles generally accepted in the United States of America. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of its report on Fiscal Year 2020.

Future financial statements may be obtained from the Electronic Municipal Market Access (“EMMA”) system, a centralized repository operated by the Municipal Securities Rulemaking Board (“MSRB”), located at: www.emma.msrb.org.

Summaries of the District’s Net Assets and Revenues, Expenses and Changes in Net Assets follow:

TABLE 13
STATEMENT OF NET ASSETS
(For Fiscal Year Ending June 30)

	2016	2017	2018	2019	2020
Assets:					
Current assets	\$7,749,543	\$8,856,808	\$11,440,267	\$11,427,351	\$10,578,784
Restricted assets	349,906	467,657	536,889	578,544	854,008
Capital assets, net	38,690,306	38,248,289	37,586,238	39,144,479	42,144,421
Total Assets	\$46,789,755	\$47,572,754	\$49,563,394	\$51,150,374	\$53,577,213
Liabilities:					
Current liabilities	\$7,517,468	\$8,359,859	\$7,868,103	\$8,090,191	\$8,439,013
Long-term liabilities	416,510	365,254	268,355	290,093	256,330
Total Liabilities	\$7,933,976	\$8,725,113	\$8,136,458	\$8,380,284	\$8,695,343
Net Assets:					
Invested in capital assets	\$33,133,812	\$32,950,014	\$32,551,182	\$34,382,642	\$37,670,804
Restricted	349,906	467,657	536,889	578,544	854,008
Unrestricted	5,597,207	6,653,449	9,100,723	8,867,559	7,327,589
Total Net Assets	\$39,080,925	\$40,071,120	\$42,188,794	\$43,828,745	\$45,852,401

Note: The Net Assets presents information on all the District’s assets and liabilities with the difference between the two reported as net assets.

Source: The District: audited financial statements

TABLE 14
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(For Fiscal Year Ending June 30)

	2016	2017	2018	2019	2020
Operating Revenues:					
Water sales	\$7,558,483	\$7,750,088	\$8,272,343	\$8,628,331	\$8,865,870
Ground water charges	160,000	175,920	160,000	181,387	180,000
Service installations	108,882	101,312	112,763	141,820	343,614
Subdivision project	21,596	11,817	26,030	44,776	61,394
Other service income	136,892	119,187	151,203	164,548	133,948
Service charges	187,313	183,050	192,067	208,337	257,897
Backflow charges	27,052	27,433	29,267	31,269	33,939
Set up fees	27,775	26,000	23,805	31,269	23,378
Miscellaneous	80,955	89,428	109,059	89,175	486,851
Total Operating Revenue	\$8,308,948	\$8,484,235	\$9,076,537	\$9,514,737	\$10,386,891
Operating Expenses:					
Personal services	\$3,103,108	\$2,418,388	\$2,569,240	\$2,795,847	\$3,238,418
Materials and services	3,565,727	3,899,640	3,858,377	4,097,629	4,327,313
Depreciation	1,069,985	1,139,216	1,169,193	1,162,134	1,187,273
Total Operating Expense	\$7,738,820	\$7,457,244	\$7,606,810	\$8,055,610	\$8,753,004
Operating Income	\$570,128	\$1,026,991	\$1,469,727	\$1,459,127	\$1,633,887
Nonoperating Income (Expense):					
Interest income	\$31,624	\$61,963	\$140,596	\$252,023	\$207,523
Interest expense	(217,825)	(211,879)	(203,188)	(195,143)	(185,007)
Gain on sale of capital assets	0	0	550,968	0	11,950
Total Nonoperating Income	\$(186,201)	\$(149,916)	\$488,376	\$56,880	\$34,466
Capital Contributions:					
System Development Charge	\$67,030	\$113,120	\$159,571	\$123,944	\$355,303
Change in Net Assets	\$450,957	\$990,195	\$2,117,674	\$1,639,951	\$2,023,656
Net Assets – beginning of year	\$38,629,968	\$39,080,925	\$40,071,120	\$42,188,794	\$43,828,745
Net Assets – end of year	<u>\$39,080,925</u>	<u>\$40,071,120</u>	<u>\$42,188,794</u>	<u>\$43,828,745</u>	<u>\$45,852,401</u>

Note: The Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the District's net assets changed during a given Fiscal Year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future periods, such as uncollected taxes and earned, but unused, vacation leave.

Source: The District.

A summary of the District's General Fund Revenues, Expenses and Changes in Fund Balance follows:

TABLE 15
STATEMENT OF GENERAL FUND REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
(For Fiscal Year Ending June 30)

	2016	2017	2018	2019	2020
Revenues:					
Water Sales	\$7,558,483	\$7,750,088	\$8,272,343	\$8,628,331	\$8,865,870
Utility Taxes	400,013	401,045	429,671	450,289	470,512
Service Charges and Fees	509,510	468,799	535,135	615,844	854,170
Other income ⁽¹⁾	104,945	139,146	225,294	316,621	660,028
Total Revenues	8,572,951	8,759,078	9,462,443	10,011,085	10,850,580
Expenditures:					
Personal Services	2,248,105	2,349,225	2,520,959	2,730,454	3,074,387
Water Purchases	2,472,176	2,697,387	2,713,064	2,785,902	3,167,838
Other Materials and Service	1,300,442	1,463,065	1,519,476	1,594,533	1,611,640
Capital outlay	1,141,491	559,554	277,276	2,441,816	3,848,077
Total Expenditures	7,162,214	7,069,231	7,030,775	9,552,705	11,701,942
Excess (deficiency) of revenues over expenditures	1,410,737	1,689,847	2,431,668	458,380	(851,362)
Other Financing Sources (Uses):					
Sale of fixed assets	0	0	590,878	0	23,312
Transfers to other funds	(625,113)	(623,925)	(631,450)	(655,513)	(648,925)
Transfers from other funds	132,000	47,920	145,000	145,000	165,000
Total Other Financing Sources (Uses)	(493,113)	(576,005)	104,428	(499,513)	(460,613)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	917,624	1,113,842	2,536,096	(41,133)	(1,311,975)
Fund Balance – beginning of year	5,586,013	6,503,637	7,617,479	10,153,575	10,112,442
Fund Balance – end of year	<u>\$6,503,637</u>	<u>\$7,617,479</u>	<u>\$10,153,575</u>	<u>\$10,112,442</u>	<u>\$8,800,467</u>

⁽¹⁾ Other Income includes rental income, interest income, scrap metal sales, and miscellaneous income as reported in the District's audited financial statements.

Source: The District.

Historical Debt Service Coverage Calculations

The following table shows the calculation of Net Revenue available for debt service and maximum annual debt service coverage for the System for the past four years.

TABLE 16
HISTORICAL NET REVENUES AVAILABLE FOR DEBT SERVICE

	2017	2018	2019	2020
Gross Revenues:				
Water sales	\$7,750,088	\$8,272,343	\$8,628,331	\$8,865,870
Other operating income	1,008,990	1,190,100	1,382,754	1,984,710
Total Gross Revenues	\$8,759,078	\$9,462,443	\$10,011,085	\$10,850,580
Operating Expenses:				
Personnel services	\$2,349,225	\$2,520,959	\$2,730,454	\$3,074,387
Materials and supplies	1,411,298	1,093,140	1,134,325	1,141,769
Water purchases	2,697,837	2,713,064	2,785,902	3,167,838
Utility taxes	399,929	426,336	460,208	469,871
Total Operating Expenses	\$6,858,289	\$6,753,499	\$7,110,889	\$7,853,865
Net Revenue Available for Debt Service Coverage	\$1,900,789	\$2,708,944	\$2,900,196	\$2,996,715
Debt Service on Outstanding Obligations	\$463,925	\$461,450	\$463,125	\$468,925
Actual Debt Service Coverage	4.10	5.87	6.26	6.39
Revenues Available for Other Purposes	\$1,436,864	\$2,247,494	\$2,437,071	\$2,527,790

Source: The District: audited financial statements.

Budgeted and Projected Debt Service Coverage Calculations

[SUBJECT TO UPDATE BASED ON INPUT FROM SDAO AND UNDERWRITER REGARDING SCOPE OF FUTURE DEBT SERVICE PROJECTIONS]

The following table shows the projected Net Revenue available for debt service and maximum annual debt service coverage for the System based on the adopted budget for Fiscal Year 2021 and the budgeted Net Revenue available for debt service and maximum annual debt service coverage for Fiscal Year 2022.

**TABLE 17
BUDGETED AND ESTIMATED NET REVENUES AVAILABLE FOR DEBT SERVICE⁽¹⁾**

	Fiscal Year 2021 (Projected)	Fiscal Year 2022 (Budgeted)
Gross Revenues:		
Water sales	\$10,330,913	\$10,834,000
Other operating income	2,713,094	2,436,290
Total Gross Revenues	\$13,044,007	\$13,270,290
Operating Expenses:		
Personnel services	\$3,332,276	\$3,495,423
Materials and supplies	1,867,990	1,518,537
Water purchases	3,114,305	3,000,000
Utility taxes	562,400	618,600
Total Operating Expenses	\$8,876,971	\$8,632,560
Net Revenue Available for Debt Service Coverage	\$ 4,167,036	\$4,637,730
Debt Service on Outstanding Obligations	\$ 463,000	\$ 466,300
Actual Debt Service Coverage	9.00	9.07
Revenues Available for Other Purposes	\$3,704,036	\$3,763,872

⁽¹⁾ [Includes the Bonds.]

Source: The District.

THE DISTRICT

General Description

The District was incorporated in 1925 for the purpose of providing water service to east Multnomah County. To avoid annexation from surrounding cities residents of the District voted to form a People's Utility District under ORS Chapter 261. On June 2, 1990 Rockwood Water People's Utility District was formed. The approximate boundaries of the District are Sandy Boulevard to the north, Division Street to the south, 133rd Street to the west and 242nd Street to the east.

District Government

The District operates under ORS Chapter 261 as a People's Utility District. It is governed by a five-member Board representing each of its five subdistricts within its boundaries. Board members are elected by citizens of their subdistrict for staggered, four-year terms of office. The Board officers are elected annually by the Board. The Board members are volunteer residents of the District who exercise the legislative powers of the District and determine matters of policy. The Board hires the General Manager. A Board-appointed Budget Committee works in conjunction with the Board in adopting a budget each fiscal year.

TABLE 18
BOARD OF DIRECTORS

Name	Position	Term Expires
Tom Lewis	President	December 31, 2024
Kathy Zimmerman	Vice President	December 31, 2024
Larry Dixon	Treasurer	December 31, 2022
Colby Riley	Secretary	December 31, 2022
Steve Okazaki	Director	December 31, 2024

Source: The District.

Board of Directors

Tom Lewis, President, Subdistrict #1. Mr. Lewis has served on the Board since 2008. He is a licensed general contractor and has extensive experience in residential weatherization services, mechanical systems, HVAC design, and commercial construction. Mr. Lewis is very active in the community volunteering for Daybreak Homeless Program Human Solutions, Centennial Community Association, Habitat for Humanity, the Red Cross, and the Veterans of Foreign Wars. Prior to his appointment to the Board, Mr. Lewis served on the District's Budget Committee.

Colby Riley, Secretary, Subdistrict #2. Mr. Riley has served on the Board since 2017. He is a graduate of Le Cordon Bleu Culinary Institute and is currently studying forensics reconstruction. Mr. Riley is a United States Navy veteran.

Kathy Zimmerman, Vice President, Subdistrict #3. Ms. Zimmerman has served on the Board since 2017. She became a licensed counselor in Oregon/Washington in 2008 after a 31-year career in banking.

Steve Okazaki, Director, Subdistrict #4. Mr. Okazaki has served on the Board since 2008. He is a retired Vice President and Business Banker with HomeStreet Bank.

Larry Dixon, Treasurer, Subdistrict #5. Mr. Dixon has served on the Board since 1991. He has been a self-employed, small business owner in the local area since 1970. Mr. Dixon is a United States Army veteran.

Employees and Bargaining Units

As of January 1, 2021, the District had 25 full-time employees and [0] part-time employees. There is one bargaining unit representing employees as listed in the following table.

TABLE 19
BARGAINING UNITS

Bargaining Unit	Number of Employees	Contract Expires
Local 350-8, AFSCME Council 75, AFL-CIO	17	June 30, 2022

Impacts of the COVID-19 Pandemic

The financial and operating condition of the District may be materially affected by a national or localized outbreak of an infectious disease, such as the outbreak of COVID-19, a respiratory illness caused by a novel strain of coronavirus, or other highly contagious or epidemic disease (an “Outbreak”). The current spread of COVID-19 has altered the behavior of businesses and people in a manner that may have negative effects on global and local economies. Additionally, stock markets in the U.S. and globally have seen significant recent volatility attributed to concerns about COVID-19. There can be no assurances that an Outbreak, including the current spread of COVID-19 in Oregon, nationally and globally, will not materially affect the District, State and national economies and, accordingly, materially adversely affect the financial condition of the District.

The amount of Gross Revenues actually received by the District may be impacted by a variety of factors. Among other things, the amount of Gross Revenues is subject to fluctuation based on the activities that generate Gross Revenues and such activities may be adversely affected by an Outbreak. There can be no guarantee that Gross Revenues collected in the future will be consistent with historical collection trends.

To slow the spread of COVID-19 in the State, Governor Kate Brown has enacted a number of executive orders that have instituted social distancing guidelines and stay-at-home orders for various periods of time, with certain exceptions for essential infrastructure and essential governmental functions. These guidelines and orders have included avoiding discretionary travel, working or engaging in school from home, cancelling numerous events, avoiding social groups and limiting the operations of restaurants, bars, gyms/fitness facilities and other gathering establishments. The District cannot predict the scope or duration of these preventative measures, which continue to be in effect, subject to modifications and updates as conditions of the outbreak warrant, including phased reopening periods followed by returns to stay-at-home restrictions.

The United States Food and Drug Administration has issued emergency use authorizations for COVID-19 vaccines developed by three manufacturers. The State has established eligibility criteria for distribution of the vaccine and continues to evaluate and update the criteria as conditions warrant. The rate of vaccination of the State’s population continues to increase, however, it will likely fluctuate in the future as new population groups become eligible for vaccination. Although currently COVID-19 cases, hospitalizations and deaths are trending downward in the State , there can be no assurance that these trends will not change or rise to a

level of public health risk that would necessitate the reinstatement of orders limiting, restricting or closing business operations, including access to indoor, public gathering places.

Numerous legal challenges are pending in state and federal courts alleging that the Governor's executive orders exceed her statutory authority and are in violation of various constitutional rights, including freedom of religion and assembly. Plaintiffs generally seek injunctive relief and, in some cases, monetary damages. The District cannot predict the number of actions that may be filed or the timing and resolution of such suits.

The District has operated continuously throughout the ongoing COVID-19 pandemic by following guidance for personal safety from the Oregon Health Authority (OHA), Oregon Safety and Health Administration (OSHA) and the Center for Disease Control (CDC). The District implemented a continuity of operations plan (COOP) designed to maintain its core functions during the pandemic. In March 2020, the District closed its doors to in-person public access, and currently remains closed to in-person visitors. The District delayed its collection process, such as door hangers and turn offs, between March and October 2020. The District developed an outstanding debt repayment policy to provide accounts with outstanding balances options for repayment, including payment plans for customers unable to pay their bills because of the effects of the COVID-19 pandemic. As a result of average or above average water sales in Fiscal Year 2021, the revenue projections for the District in Fiscal Year 2021 are expected to be on budget, and the District has not experienced substantial negative financial impact as a result of the COVID-19 pandemic.

Investments

ORS 294.035 authorizes Oregon municipalities to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed and approved by the Oregon Short Term Fund Board. ORS 294.052 authorizes Oregon municipalities to invest proceeds of bonds or certificates of participation and amounts held in a fund or account for such bonds or certificates of participation under investment agreements if the agreements: (i) produce a guaranteed rate of return; (ii) are fully collateralized by direct obligations of, or obligations guaranteed by, the United States; and (iii) require that the collateral be held by the municipality, an agent of the municipality or a third-party safekeeping agent. The District has adopted a written investment policy, which has been reviewed and approved by the Oregon Short Term Fund Board, allowing for longer term investments.

Municipalities are also authorized to invest in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" (ORS 293.726) and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. A listing of investments held by the Oregon Short-Term Fund is available on the Oregon State Treasury website under "Other OSTF Reports OSTF Detailed Monthly Reports" at: www.ost.state.or.us/aboutjboards/OSTF/About.htm.

Pension Plan

General. The District participates in a retirement pension benefit program under the State of Oregon Public Employees Retirement System (“PERS” or the “System”). After six full months of employment, all District employees are required to participate in PERS.

T1/T2 Pension Programs. Employees hired before August 29, 2003 participate in the “Tier 1” and “Tier 2” pension programs (the “T1/T2 Pension Programs”). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Effective January 1, 2004, T1/ T2 Pension Program employee (participant) contributions fund individual retirement accounts under the separate defined contribution program known as the Individual Account Program (the “IAP”). Participant contributions may be paid by the employee or the employer, depending on the individual contract negotiated between the two. See “Employer Contribution Rates” herein.

OPSRP. Employees hired on or after August 29, 2003 participate in the Oregon Public Service Retirement Plan (“OPSRP”) unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a hybrid defined contribution/defined benefit pension plan with two components. Employer contributions fund the defined benefit program and employee contributions fund individual retirement accounts under the separate defined contribution program.

Actuarial Valuation. Oregon statutes require an actuarial valuation of the System at least once every two years; however, valuations are currently performed annually as of December 31. The Oregon Public Employees Retirement System Board (the “PERB”) uses the actuarial valuation as of December 31 of odd numbered years to establish the contribution rates that employers will pay to fund the T1/T2 Pension Programs, OPSRP and the PERS-sponsored Retirement Health Insurance Account program (“RHIA”) described herein. Valuations as of December 31 of even-numbered years (such as 2016 and 2018) are used for advisory purposes only. Actuarial valuations are performed for the entire System (the “System Valuation”), and for each participating employer in the SLGRP (defined herein), including the District (the “District Valuation”). Valuations are released nine to eleven months after the valuation date. PERS’ current actuary is Milliman, Inc. (“Milliman”).

Valuation Date	Release Date	Rates Effective
December 31, 2017	September 2018	July 1, 2019 – June 30, 2021
December 31, 2018	December 2019	Advisory only
December 31, 2019	October 2020	July 1, 2021 – June 30, 2023

The 2019 System Valuation. On September 23, 2020, Milliman released the December 31, 2019 System Valuation (the “2019 System Valuation”). The 2019 System Valuation indicated that the System-wide funded status increased from approximately 69 percent at December 31, 2018 to 72percent as of December 31, 2019, without taking into account offsets for deposits made by individual employers. The System-wide unfunded actuarial liability (“UAL”)

decreased from approximately \$27 billion as of December 31, 2018 to approximately \$24.6 billion as of December 31, 2019. Milliman’s most recent valuation for the District (the “2019 District Valuation”), released in October 2020, reflects the District’s share of PERS’ assets and liabilities as of December 31, 2019, based upon the 2019 System Valuation.

The 2019 System Valuation and the 2019 District Valuation were adjusted to take into account actuarial assumption and method changes including the potential effect of Chapter 355 Oregon Laws 2019 (“Senate Bill 1049”) adopted by the Oregon Legislative Assembly during the 2019 legislative session. See “—2019 PERS Changes” below.

The System valuation as of December 31, 2017, presented to the PERS Board in August 2018 (the “2017 System Valuation”) serves as the basis for the District’s employer contribution rates for the 2019-2021 biennium. The System valuation as of December 31, 2018 (the “2018 System Valuation”) provided advisory system wide average employer contribution rates for the 2021-2023 biennium. The 2019 System Valuation serves as the basis for the District’s employer contribution rates for the 2021-2023 biennium. See “—District Contribution Rates” below.

Actuarial Assumptions. The table below summarizes the adopted methods and assumptions used as the basis for the 2017 System Valuation, and the valuation for the District as of December 31, 2017 (the “2017 District Valuation”) upon which employer contribution rates for the 2019-2021 Biennium are based. The table also shows certain adopted methods and assumptions, including certain changes to the assumptions reflected in the 2019 System Valuation and the 2019 District Valuation upon which employer contribution rates for the 2021-2023 Biennium are based.

TABLE 20
ACTUARIAL ASSUMPTIONS AND METHODS

Assumption/ Method	2017 Valuation (2019-2021 Contribution Rates)	2019 Valuation (2021-2023 Contribution Rates)
Actuarial Cost Method	Entry-Age Normal	Unchanged
T1/T2 Programs UAL Amortization Method	Level Percentage of Payroll over 20 years (fixed)	Level Percentage of Payroll over 22 years. Senate Bill 1049 requires a one-time re-amortization over a closed 22-year period at the December 31, 2019 rate setting actuarial valuation, which will set contribution rates for the 2021-2023 Biennium
OPSRP UAL Amortization Method	Level Percentage of Payroll over 16 years (fixed)	Unchanged
Asset Valuation Method	Market Value ⁽¹⁾	Unchanged
Investment Rate of Return	7.20%	
Payroll Growth Rate	3.50%	Unchanged
Inflation Level	2.50%	Unchanged
Contribution Rate Stabilization Method	Employer contribution rate may increase or decrease by 3% of payroll or by 20% of the previous rate; whichever is greater, when an employer's funded status is between 80% and 120%. At a funded status of 60% or less, or 140% or more, the limitation doubles to 6% of payroll or 40% of the previous rate, whichever is greater. At a funded status between 60% and 70% or 130% and 140%, the limitation increases on a graded scale between 3%-6% of payroll or 20%-40% of the previous rate, whichever is greater (the "Rate Collar").	Unchanged

⁽¹⁾ Market value of assets reduced by value of assets in statutory reserves (contingency, capital preservation and rate guarantee reserves).

System Funded Status & UAL. The table below includes the UAL and funded status for the System and the pool in which the District participates from the five most recent actuarial valuations.

TABLE 21
UNFUNDED ACTUARIAL LIABILITY AND FUNDED STATUS OF THE SYSTEM ⁽¹⁾
(\$ in millions)

<u>Valuation Date</u>	<u>UAL</u>	<u>Funded Status</u>
12/31/15 ⁽²⁾	21,830.8	71.3
12/31/16 ⁽³⁾	25,300.1	68.8
12/31/17	22,291.2	73.5
12/31/2018 ⁽⁴⁾	26,981.7	68.8
12/31/2019 ⁽⁴⁾	24,603.5	72.0

⁽¹⁾ Does not take into account offsets for deposits made by individual employers from pension bond proceeds or cash on hand in side accounts.

⁽²⁾ Increase in UAL and decline in funded status largely attributable to investment returns of two percent during 2015, substantially less than the 7.5 percent assumed rate of earnings for that period.

⁽³⁾ Increase in UAL and decline in funded status largely attributable to decrease in assumed rate of earnings from 7.50% to 7.20%; the decrease was adopted by the PERS Board on July 28, 2017.

⁽⁴⁾ Adjusted to take into account actuarial assumption and method changes including the potential effect of Senate Bill 1049.

Source: System Valuations and PERS.

The funded status of PERS and of the District as reported by Milliman will change over time depending on a variety of factors, including the market performance of the securities in which the Oregon Public Employees Retirement Fund (“OPERF”) is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members, methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS, and other actions taken by the PERB.

2019 PERS Changes. During the 2019 legislative session, the Legislative Assembly enacted Senate Bill 1049. The bill makes changes to PERS that are intended to reduce employer contributions and the unfunded actuarial liability of the system.

Senate Bill 1049 makes certain modifications to the amortization of the UAL and benefits provided to employees retiring after December 31, 2019. Such modifications include: a one-time re-amortization of the UAL associated with Tier 1 and Tier 2 benefits that is measured as of December 31, 2019 and extending that amortization to 22 years; redirecting a portion of the 6 percent contributions currently made to the IAP to an “Employee Pension Stability Account” (“EPSA”) within the PERS fund when an employee’s salary exceeds \$2,500 per month (indexed annually); removing all current hourly limitations on retirees who work for a PERS employer after retirement, while mandating that such employer shall continue to make pension contributions at the previous employer rate; and capping the annual salary used in the calculation of certain retirement packages for all tiers to \$195,000 (indexed annually). Senate Bill 1049 includes certain sunset provisions for some of these modifications. According to the Legislative Fiscal Office, the re-amortization of the T1/T2 UAL from 20 years to 22 years is expected, under current actuarial assumptions, to extend the retirement of the UAL to the 2041-43 biennium.

Employer Assets, Liabilities, and Unfunded Actuarial Liabilities. An employer’s UAL is the excess of the actuarially determined present value of the employer’s benefit obligations to employees over the existing actuarially determined assets available to pay those benefits.

District UAL. The District’s net unfunded pension UAL is the total of the District Allocated T1/T2 UAL and the District Allocated OPSRP UAL. The District’s net unfunded pension UAL as reported in the valuation for the District as of December 31, 2018 (the “2018 District Valuation”) and the 2019 District Valuation is shown in the table below.

OPSRP’s assets and liabilities are pooled on a program-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The District’s allocated share of OPSRP’s assets and liabilities is based on the District’s proportionate share of OPSRP’s pooled payroll (the “District Allocated OPSRP UAL”). Changes in the District’s relative growth in payroll will cause the District Allocated OPSRP UAL to shift.

The District has not issued pension obligation bonds and has not established a side account with PERS.

TABLE 22
DISTRICT NET UNFUNDED PENSION UAL

	<u>2018 Valuation</u>	<u>2019 Valuation</u>
T1/T2 UAL	\$ 3,234,753	\$3,294,651
Allocated pooled OPSRP UAL	316,506	334,171
Side account	<u>0</u>	<u>0</u>
Net unfunded pension actuarial accrued liability	\$ 3,551,259	\$ 3,628,822

Source: 2018 District Valuation and 2019 District Valuation.

Employer Contribution Rates. Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available from the OPERF, including anticipated investment performance of the fund. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations, litigation, decisions by the PERB and changes in benefits resulting from legislative modifications. Pursuant to ORS 238.225, all participating employers are required to make their contribution to PERS based on the employer contribution rates set by the PERB. Employees are required to contribute 6 percent of their annual salary to the IAP, although when an employee’s salary exceeds \$2,500 per month (indexed annually) a certain portion of that is being redirected to an EPSA within the PERS fund pursuant to SB 1049. Employers are allowed to pay the employee contribution in addition to the required employer’s contribution. See “District Contributions” below.

Contribution Rate Collar. The PERB uses a rate collar to limit increases in employer contribution rates from biennium to biennium (the “Rate Collar”). The Rate Collar limits increases (or decreases) in employer contribution rates before rate reductions from side accounts are deducted, and does not cover charges associated with RHIA and Retiree Health Insurance Premium Account (“RHIPA”). Under normal conditions, the Rate Collar is the greater of 3 percent of payroll (the “3 percent parameter”) or 20 percent of the current base rate (the “20

percent parameter”). If the funded status of an employer or the pool in which the employer participates is below 70 percent (or above 130 percent), the Rate Collar increases by 0.3 percent of payroll if under the 3 percent parameter, or 2 percent of payroll if under the 20 percent parameter, for every percentage point under the 70 percent (or above 130 percent) funded level (the “Collar Ramp”) until it reaches 6 percent of payroll, or 40 percent of the current rate base at the 60 percent (or above 140 percent) funded level (the “Double Rate Collar”). Previous PERB policy had the “Collar Ramp” coming into effect at a funded status below 80 percent (or above 120 percent), and the Double Rate Collar coming into effect at a funded status below 70 percent (or above 130 percent). According to the 2017 System Valuation, the SLGRP had a funded ratio of 73% without taking into account offsets for deposits made by individual employers from bond proceeds or cash on hand in side accounts. Rates for the 2019-2021 biennium will be limited by the Rate Collar.

The PERS Board has been considering potential changes to the Rate Collar. Changes under consideration may include converting the application of the collar to a fixed percentage of payroll, and/or eliminating the double collar provision. The PERS Board is not expected to make a decision on any such modifications until the summer of 2021.

District Contribution Rates. The District’s current employer contribution rates for the 2019-2021 biennium and advisory contribution rates for the 2021-2023 biennium from the 2018 District Valuation are provided in the following table.

TABLE 23
DISTRICT PENSION CONTRIBUTION RATES

	2019-2021 Biennium			2021-2023 Biennium		
	T1/T2	OPSRP General	OPSRP P&F	T1/T2	OPSRP General	OPSRP P&F
Normal cost rate	14.23%	8.40%	13.30%	14.49%	8.64%	13.00%
T1/T2 UAL Rate	6.91	6.91	6.91	10.87	10.87	10.87
OPSRP UAL Rate	1.45	1.45	1.45	1.69	1.69	1.69
Side account relief	0.00	0.00	0.00	0.00	0.00	0.00
Member redirect offset ⁽²⁾	N/A	N/A	N/A	(2.45)	(0.70)	(0.70)
Retiree Healthcare rate (RHIA)	0.06	0.00	0.00	0.05	0.00	0.00
Total net contribution rate	22.65%	16.76%	21.39%	24.65%	20.50%	24.86%

⁽¹⁾ Redirected member contributions under Senate Bill 1049 are anticipated to offset employer contribution rates. See “—2019 PERS Changes.”

Source: 2017 District Valuation and 2019 District Valuation, PERS.

Employer contribution rates consist of a normal cost rate, offset by any UAL Side Account and a rate to amortize the UAL of the System, and the District is responsible for its allocable portion of these costs. The District cannot predict whether or to what extent its specific contribution rates or UAL will increase in future biennia.

District Contributions. The District’s historical and projected annual contributions to PERS are provided in the following table.

TABLE 24
DISTRICT PENSION CONTRIBUTIONS

Fiscal Year	District Contribution ⁽¹⁾
2016	\$240,902.00
2017	274,593.00
2018	324,190.00
2019	368,994.00
2020	476,363.00

⁽¹⁾ The District contribution includes all pension costs paid the District including the 6 percent employee contribution.

Source: District Audited Financial Statements, 2016-2020.

GASB 67 and GASB 68. GASB Statements No. 67 and No. 68 modify the accounting and financial reporting of pensions by state and local governments and pension plans. Statement No. 67 (“GASB 67”), Financial Reporting for Pension Plans, addresses financial reporting for state and local government pension plans. Statement No. 68 (“GASB 68”), Accounting and Financial Reporting for Pensions, establishes accounting and financial reporting requirements for governments that provide their employees with pensions. The System is subject to GASB 67; each participating employer, including the District is subject to GASB 68. GASB 68 was incorporated in the District’s financial statements beginning in Fiscal Year 2015. PERS contracted with Milliman to provide information for local governments to use in their financial statements..

Other Postemployment Benefits

Retirement Health Insurance Account. PERS retirees who receive benefits through the Tier 1 and Tier 2 plans and are enrolled in certain PERS administered health insurance programs, may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the RHIA plan. The RHIA program’s assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. Participating governments are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.50% of annual covered payroll for Tier 1 and Tier 2 employees and 0.43% for OPSRP employees. The PERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. As of December 31, 2019, this program had a UAL (surplus) of approximately \$(240.3) million. The District’s allocated share of the RHIA program’s assets and liabilities is based on the District’s proportionate share of the program’s pooled payroll. According to the 2019 District Valuation, the District’s allocated share of the RHIA program’s surplus was \$(43,342).

The District does not pay health insurance for retired employees.

Risk Management

The District is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Commercial insurance is purchased by the District to minimize its exposure to these risks. Settled claims have not exceeded the commercial coverage for any of the past three fiscal years.

DEMOGRAPHIC INFORMATION

General

The District's boundaries include a portion of the City of Portland and certain unincorporated areas, all within the County.

The County is one of the six counties that comprise the Portland-Vancouver-Hillsboro Primary Metropolitan Statistical Area (the "PMSA").

Population

The following table shows the historical population for the State, the County and the City of Portland.

**TABLE 25
POPULATION**

Calendar Year	City of Portland	Multnomah County	State of Oregon
2016	627,395	790,670	4,076,350
2017	639,100	803,000	4,141,100
2018	648,740	813,300	4,195,300
2019	657,100	821,730	4,236,400
2020	664,675	829,560	4,268,055

Source: Center for Population Research and Census, Portland State University, as of July 1, 2020.

Economic Overview

The economy of the PMSA is broad and widely diversified. The PMSA includes the State's largest employers, including Intel, Providence Health & Services, Oregon Health & Science University, Fred Meyer, Kaiser Permanente, Legacy Health and Nike.

Employment. The major employers in the PMSA are as follows:

**TABLE 26
LARGEST EMPLOYERS IN THE PORTLAND METRO AREA**

Employer	Product or Service	2020 Estimated Employment
Intel	Semiconductor integrated circuits	21,394
Providence Health & Services	Health care and health insurance	19,326
Oregon Health & Science University	Health care and health insurance	17,441
Legacy Health	Health care	12,896

Kaiser Permanente	Health care	12,074
Nike Inc.	Athletic apparel, design and manufacturing	12,000
Fred Meyer	Grocery and retail variety chain	8,163
City of Portland	Government	7,409
Portland Public Schools	Education	7,005
Beaverton School District	Education	5,646
Multnomah County	Government	5,070
Vancouver Public Schools	Education	4,609
PeaceHealth	Health care	4,482
Walmart	Grocery and retail variety chain	4,425
Wells Fargo	Bank	3,900
U.S. Bank	Bank	3,820
U.S. Postal Service	Government	3,818
U.S. Department of Veterans Affairs	Government	3,698
Portland Community College	Education	3,628
TriMet	Public transportation agency	3,304

Source: "Largest Metro-Area Employers" – *Portland Business Journal* as of June 2020.

Historical labor force and employment levels for the County and the State are shown below:

TABLE 27
CIVILIAN LABOR FORCE AND EMPLOYMENT SUMMARY
 (Not Seasonally Adjusted)

TABLE 28
CIVILIAN LABOR FORCE AND EMPLOYMENT SUMMARY
 (Not Seasonally Adjusted)

	2015	2016	2017	2018	2019
City of Portland:					
Civilian Labor Force	352,545	364,347	373,512	373,770	376,028
Employment	335,846	349,353	360,137	360,506	363,911
Unemployment	16,699	14,994	13,375	13,264	12,117
Unemployment Rate	4.7%	4.1%	3.6%	3.5%	3.2%
Multnomah County					
Civilian Labor Force	429,636	443,744	453,416	452,492	455,189
Employment	408,570	425,011	436,974	436,194	440,311
Unemployment	21,066	18,733	16,442	16,298	14,878
Unemployment Rate	4.9%	4.2%	3.6%	3.6%	3.3%
State of Oregon					
Civilian Labor Force	1,979,475	2,042,929	2,080,801	2,087,262	2,106,948
Employment	1,871,286	1,946,233	1,996,375	2,003,573	2,029,051
Unemployment	108,189	96,696	84,426	83,689	77,897
Unemployment Rate	5.5%	4.7%	4.1%	4.0%	3.7%

Source: Bureau of Labor Statistics; March 2021.

Income. Historical personal income and per capita income levels for the County and the State are shown below:

TABLE 29
TOTAL PERSONAL AND PER CAPITA INCOME

Calendar Year	Multnomah County		State of Oregon	
	Personal Income	Per Capita Income	Personal Income	Per Capita Income
2015	40,248,776	50,947	\$ 181,367,038	\$ 45,163
2016	41,900,565	52,166	190,534,203	46,586
2017	44,595,249	55,200	202,051,500	48,762
2018	47,505,650	58,716	215,365,405	51,500
2019	49,399,774	60,773	224,346,429	53,191

Source: Bureau of Economic Analysis; November 2020.

Building Permits. Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits in the PMSA are listed below:

TABLE 30
BUILDING PERMIT STATISTICS OF THE PMSA

Fiscal Year	New Single Family		New Multi-Family	
	Number of Permits	Value of Permits (000s)	Number of Permits	Value of Permits (000s)
2015	7,102	\$ 1,887,703	6,865	\$ 825,331
2016	7,397	2,111,307	7,332	870,079
2017	6,211	1,862,798	9,772	1,259,625
2018	6,869	1,958,974	7,311	947,970
2019	7,688	2,240,127	9,414	1,133,072

[Orrick to check in May for final 2020 data].

Source: U.S. Census Bureau.

Transportation. The Portland area is a major transportation hub of the Pacific Northwest. Located at the confluence of the Columbia and Willamette rivers, Portland is approximately 110 river miles from the Pacific Ocean at Astoria. Major north-south (I-5) and east-west (I-84) highways connect the area with other major metropolitan areas of the western states. BNSF Railway Company (Burlington Northern Santa Fe) and Union Pacific railroads provide rail freight service to the area and Amtrak provides rail passenger service. Interstate bus transportation is available through Greyhound and local bus service is provided by the Tri-County Metropolitan Transportation District (Tri-Met). Commercial air transportation is available at Portland International Airport, operated by the Port of Portland.

Education. Institutions of higher learning in the area include independent institutions such as Reed College, Lewis and Clark College, Pacific University, and church-affiliated institutions such as the University of Portland and Warner Pacific College. Portland State University, which is part of the Oregon University System of Higher Education, and the Oregon Health and Science University are also located in Multnomah County. Portland Community College, Mt. Hood Community College, and Clackamas Community College are part of the State's community college system.

THE INITIATIVE PROCESS

The State Constitution, Article IV, Section 1, reserves to the people of the State (1) the initiative power to amend the State constitution or to enact State legislation by placing measures on the statewide general election ballot for consideration by the voters and (2) the referendum power to approve or reject at an election any act passed by the Legislative Assembly that does not become effective earlier than ninety (90) days after the end of the legislative session.

State-wide Initiatives. State law permits any person to file a proposed initiative with the Oregon Secretary of State's office without payment of fees or other burdensome requirements. To place a proposed initiative on a general election ballot, the proponents must submit to the Secretary of State initiative petitions signed by a number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a Governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. The District cannot estimate the effect of any of the statewide initiative measures that may qualify for the 2021 general election.

Referendum Petitions. Within 90 days after the end of a legislative session, any person may file a petition seeking to have any act passed by the Legislative Assembly that does not become effective earlier than 90 days after the end of the legislative session referred to the voters for their approval or rejection at the next general election, or at a special election provided for by the Legislative Assembly. A referendum on part of an act does not prevent the remainder of the act from becoming effective as provided in the act.

Historical Initiative Petitions. Historically, a larger number of initiative measures have qualified for the ballot than have been approved by the electors. According to the Elections Division of the Secretary of State, the total number of initiative petitions that qualified for the ballot and the numbers that passed in recent general elections are as follows:

**TABLE 31
STATEWIDE INITIATIVE PETITIONS THAT QUALIFIED
AND PASSED (2010-2020)**

Year of General Election	Number of Initiatives that Qualified	Number of Initiatives that Passed
2010	4	2
2012	7	2
2014	4	2
2016	4	3
2018	4	1
2020	2	2

Source: Elections Division, Oregon Secretary of State.

CERTAIN RISK FACTORS

In addition to factors set forth elsewhere in this Official Statement, this section describes certain factors and considerations that purchasers of the 2021 Bonds should carefully consider in connection with an investment in the 2021 Bonds. The following is not meant to present an exhaustive list of the risks and considerations associated with the purchase of any Bonds (and other considerations that may be relevant to particular investors) and does not necessarily reflect the relative importance of the various factors. Prospective investors are advised to consider the following factors, along with all other information contained or incorporated by reference in this Official Statement, in evaluating whether to purchase the 2021 Bonds.

Gross Revenues

Gross Revenues are dependent upon the demand for water sales, which can be affected by population factors, changes in climate, weather, the local and regional economy, and customer reactions to rate adjustments. There can be no assurance that water service demand will be consistent with the levels contemplated in this Official Statement. A decrease in the demand for water could require an increase in rates or charges in order to comply with the rate covenants contained in the Bond Declaration. The District's ability to meet its rate covenant is dependent upon its capacity to increase rates without driving down demand.

Expenses

There can be no assurance that expenses of the District will be consistent with the levels contemplated in this Official Statement. Changes in technology, more stringent drinking water regulations, construction cost increases related to the capital improvements for the existing System, increases in the cost of operation or other expenses could require substantial increases in rates or charges in order to comply with the rate covenant in the Bond Declaration.

Water Supply

There are a variety of factors that can adversely affect the supply of water available to the System and the District including, without limitation, drought conditions. If water supply decreases significantly, System sales would likely decline and Net Revenues may be adversely affected. See “THE WATER SYSTEM.”

Cybersecurity

The District, like other public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the District’s information technology systems to misappropriate assets or information or to cause operational disruption and damage. To reduce and mitigate the risk of business operations impact and/or damage from cybersecurity incidents, the District has invested in multiple forms of cybersecurity and operational safeguards.

Natural Disasters

The District is located in an area of seismic activity along the Pacific coast. The scientific consensus is that the Pacific Northwest region is subject to periodic great earthquakes along the Cascadia Subduction Zone, a large fault that runs offshore from Northern California to British Columbia. Historically, the Pacific Northwest has experienced 8.7 to 9.1 magnitude earthquakes every 300 to 400 years, and such seismic event has not occurred since at least 1700. Such an earthquake would cause widespread damage to structures and infrastructure in western Oregon, and total damage in coastal areas inundated by a possible accompanying tsunami. The District cannot predict how such seismic activity could impact its revenue sources, including water fees and charges. This kind of regional disaster could result in a significant, and perhaps permanent, loss of population and business as well as significant damage to both property and infrastructure, including the System. Other natural or man-made disasters, such as flood, fire, toxic dumping or acts of terrorism, could also adversely affect the District’s revenues including the collection and receipt of water revenue. See “THE WATER SYSTEM.”

The 2021 Bonds Not Subject to Acceleration

The 2021 Bonds are not subject to acceleration. See APPENDIX A-1—”MASTER WATER REVENUE BOND DECLARATION—DEFAULTS AND REMEDIES.”

Secondary Market for the 2021 Bonds

There can be no guarantee that there will be a secondary market for the 2021 Bonds or, if a secondary market exists, that any 2021 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

LITIGATION

There is no litigation pending or to the best knowledge of the District threatened questioning the validity of the 2021 Bonds or the Bond Declaration or the power and authority of the District to issue the 2021 Bonds and delivery the Bond Declaration.

LEGALITY

The validity of the 2021 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Portland, Oregon, Bond Counsel for the District (“Bond Counsel”). A complete copy of the proposed form of Bond Counsel Opinion is contained in Appendix C of this Official Statement. Bond Counsel undertakes no responsibility for the accuracy, completeness, or fairness of this Official Statement. Orrick, Herrington & Sutcliffe LLP, Portland Oregon is also serving as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by [____], the Underwriter’s Counsel.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of Oregon personal income taxation. Bond Counsel is of the further opinion that interest on the 2021 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C hereto.

To the extent the issue price of any maturity of the 2021 Bonds is less than the amount to be paid at maturity of such 2021 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2021 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2021 Bonds which is excluded from gross income for federal income tax purposes and State of Oregon personal income taxes. For this purpose, the issue price of a particular maturity of the 2021 Bonds is the first price at which a substantial amount of such maturity of the 2021 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2021 Bonds accrues daily over the term to maturity of such 2021 Bonds on the basis of a constant interest rate compounded

semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2021 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2021 Bonds. Beneficial Owners of the 2021 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2021 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2021 Bonds in the original offering to the public at the first price at which a substantial amount of such 2021 Bonds is sold to the public.

The 2021 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2021 Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2021 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2021 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2021 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2021 Bonds may adversely affect the value of, or the tax status of interest on, the 2021 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2021 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of Oregon personal income taxation, the ownership or disposition of, or the accrual or receipt of interest on, the 2021 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2021 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or

marketability of, the 2021 Bonds. Prospective purchasers of the 2021 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2021 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2021 Bonds ends with the issuance of the 2021 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the 2021 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2021 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2021 Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

RATING

S&P Global Ratings has assigned its underlying rating of "[]" to the 2021 Bonds. The rating reflects only the views of the rating agency and an explanation of the significance of the rating may be obtained from the rating agency. There is no assurance that the rating will be retained for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating will be likely to have an adverse effect on the market price of the 2021 Bonds.

MUNICIPAL ADVISOR

SDAO Advisory Services LLC has served as municipal advisor to the District relative to the preparation of the 2021 Bonds for sale, timing of the sale and other factors relating to the 2021 Bonds. The municipal advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement or other information provided relative to the 2021 Bonds. SDAO Advisory Services LLC makes no guaranty, warranty or other representation on any matter related to the information contained in the Official Statement. The municipal advisor is an independent financial advisory firm and is not engaged in the business of underwriting, marketing, trading or distributing municipal securities. The financial advisor's compensation is contingent on the sale and delivery of the 2021 Bonds.

UNDERWRITING

Under a bond purchase agreement entered into between the District and [_____] (the “Underwriter”), the 2021 Bonds are being purchased at a price of \$[_____] (consisting of the aggregate principal amount of the 2021 Bonds plus original issue [premium/discount] of \$[_____] , less Underwriter’s discount of \$[_____]). The bond purchase agreement relating to the 2021 Bonds provides that the Underwriter will purchase all of the 2021 Bonds if any are purchased. The 2021 Bonds may be offered and sold by the Underwriter to certain dealers and others at prices lower than such public offering price, and such public offering price may be changed, from time to time, by the Underwriter.

CONTINUING DISCLOSURE

Pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12) (the “Rule”), the District, as the “obligated person” within the meaning of the Rule, has agreed to execute and deliver a Continuing Disclosure Certificate substantially in the form attached hereto as Appendix D for the benefit of the holders of the 2021 Bonds.

MISCELLANEOUS

All quotations from and summaries and explanations of provisions of law herein do not purport to be complete and reference is made to said laws for full and complete statements of their provisions.

This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or holders of any of the 2021 Bonds. Any statements made in this Official Statement involving matters of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District, since the date hereof.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

By: _____
Kari J. Duncan, General Manager

APPENDIX A-1
MASTER WATER REVENUE BOND DECLARATION

APPENDIX A-2
FORM OF FIRST SUPPLEMENTAL BOND DECLARATION

APPENDIX B
COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

APPENDIX C
FORM OF LEGAL OPINION

APPENDIX D
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2021 Bonds. The 2021 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each series of the 2021 Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2021 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2021 Bonds, except in the event that use of the book-entry system for the 2021 Bonds is discontinued.

To facilitate subsequent transfers, all 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents relating to the 2021 Bonds. For example, Beneficial Owners of 2021 Bonds may wish to ascertain that the nominee holding the 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Certificate Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2021 Bonds within a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments represented by the 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2021 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

To the extent permitted by law, the District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The above information concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof. Neither the District nor the Paying Agent will have any responsibility or obligation to Participants or the persons for whom they act as nominees or Beneficial Owners with respect to DTC's record keeping, payments by DTC or Participants, notices to be delivered by DTC, or any other action taken by DTC as Registered Owner of the 2021 Bonds.

So long as Cede & Co. is the registered owner of the 2021 Bonds, as nominee for DTC, references herein to the holders or registered owners of the 2021 Bonds (other than under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2021 Bonds. When reference is made to any action, which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given the District or the Paying Agent shall send them to DTC only.

For every transfer and exchange of the 2021 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

RESOLUTION NO. RWPUD 20/21-003

A RESOLUTION OF THE ROCKWOOD WATER PEOPLE’S UTILITY DISTRICT, AUTHORIZING THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF WATER REVENUE BONDS, IN ONE OR MORE SERIES, FROM TIME TO TIME, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$24,000,000, FOR THE PURPOSES OF FINANCING AND REFINANCING ALL OR A PORTION OF THE COSTS OF ADDITIONS, REPLACEMENTS, EXPANSIONS OR IMPROVEMENTS TO THE DISTRICT’S WATER SYSTEM INFRASTRUCTURE AND PAYING COSTS OF ISSUANCE RELATED THERETO; AUTHORIZING THE AUTHORIZED REPRESENTATIVE TO NEGOTIATE AND ESTABLISH A MASTER WATER REVENUE BOND DECLARATION; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS OF THE DISTRICT RELATED TO THE DISTRICT’S WATER SYSTEM; AUTHORIZING THE PLEDGE OF NET REVENUES OF THE DISTRICT’S WATER SYSTEM; AUTHORIZING THE EXECUTION AND DELIVERY OF FINANCING, LEGAL AND DISCLOSURE DOCUMENTS; DESIGNATING AUTHORIZED REPRESENTATIVES AND DELEGATING AUTHORITY; AND RELATED MATTERS.

WHEREAS, the Rockwood Water People’s Utility District, in Multnomah County, Oregon (the “District”), an incorporated people’s utility district created under the provisions of Oregon Revised Statutes (“ORS”) Chapter 261, is authorized pursuant to the laws of the State of Oregon, including the applicable provisions of ORS chapter 287A as it may be amended from time to time (the “Act”), to issue revenue bonds to finance capital improvements, including the Project (as defined below), that the Board of Directors of the District (the “Board”) determines are needed; and

WHEREAS, on August 23, 2011, the District entered into a Tax-Exempt Financing Agreement, dated as of August 1, 2011, between the District and U.S. Bank National Association, as escrow agent, for the purpose of issuing the District’s Water Revenue Obligations, Series 2011 (the “2011 Obligations”) to finance certain additions, replacements, expansions, renewals and improvements to the District’s water system (the “System”); and

WHEREAS, the District has determined that it is in the best interest of the District to authorize the issuance, sale, execution and delivery of water revenue bonds, in one or more series, from time to time, to be designated Water Revenue Bonds, Series 2021 (the “2021 Bonds”) in the aggregate principal amount not to exceed \$24,000,000 to (i) finance or refinance the costs of additions, replacements, expansions or improvements to the System (the “Project”), (ii) refinance the 2011 Obligations as revenue bonds, if beneficial to the District, and (iii) pay costs of issuance of the 2021 Bonds, including without limitation, the funding of any required reserves and payment of costs in connection with obtaining a Credit Enhancement Device (as defined in ORS chapter 287A) for the 2021 Bonds, if beneficial to the District; and

WHEREAS, pursuant to Resolution No. RWPUD 20/21-001, adopted on January 27, 2021, the District authorized the issuance from time to time, of one or more series of Water Revenue Bonds under the Act (the “Water Revenue Bonds”) for purposes including: (i) financing or refinancing the costs of additions, replacements, expansions or improvements to the System in an aggregate principal amount not to exceed \$70,000,000, (ii) refinancing the 2011 Obligations as revenue bonds, if beneficial to the District, in an aggregate principal amount not to exceed \$5,000,000, and (iii) paying costs of issuance of in connection with the issuance from time to time of any series of Water Revenue Bonds, including without limitation, the funding of any required reserves and payment of costs in connection with obtaining a Credit Enhancement Device (as defined in ORS chapter 287A) for the Water Revenue Bonds, if beneficial to the District; and

WHEREAS, pursuant to ORS 287A.150(4), the District published a Notice of Intent to Issue Revenue Bonds (the “Notice”) in *The Oregonian*, a newspaper of general circulation within the boundaries of the District, in the same manner as are other public notices of the District; and

WHEREAS, the Notice contained, among other required information, the District’s intent to pledge its net revenues of the System as the expected source of revenue for repayment of the Water Revenue Bonds in accordance with the provisions of ORS 287A.310; and

WHEREAS, the 60-day period following the publication of the Notice has passed without receipt of any valid petition for an election referring the question of issuing the Water Revenue Bonds to a vote; and

WHEREAS, in connection with the issuance of the 2021 Bonds, the District determined that it is in the best interest of the District to authorize the execution of a master water revenue bond declaration (the “Master Declaration”) and a first series declaration with respect to the 2021 Bonds (the “First Series Declaration” together with the Master Declaration as amended and supplemented from time to time, the “Bond Declaration”) to ensure that the District enjoys the benefit of current market conditions and covenants with respect to the 2021 Bonds and future water revenue bonds or other obligations issued by the District pursuant to the terms of the Bond Declaration; and

WHEREAS, the District adopts this Resolution to authorize the issuance, sale, execution and delivery of the 2021 Bonds and the execution of the Bond Declaration and, in connection therewith, to authorize each of the President of the Board, Secretary of the Board, General Manager of the District, or their duly authorized designee (each an “Authorized Representative”) to negotiate, execute and deliver all agreements, certificates and closing documents consistent with the purposes of this Resolution and to specify and determine the matters and things relative to the issuance of such 2021 Bonds and the establishment of the Bond Declaration;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT OF BEAVERTON, OREGON:

Section 1. 2021 Bonds Authorized. The District hereby authorizes the issuance, sale, execution and delivery of the 2021 Bonds, in one or more series, in an aggregate principal amount not to exceed \$24,000,000 to (i) finance or refinance the Project, (ii) refund, if necessary, certain outstanding obligations of the District related to the System and (iii) to pay the costs incident to

the authorization, sale, issuance and delivery of the 2021 Bonds, including without limitation the cost of any bond ratings or Credit Enhancement Device, if beneficial to the District as determined by the Authorized Representative. The 2021 Bonds may be signed with the manual or facsimile signature of an Authorized Representative and shall be manually authenticated by the Bond Registrar (defined below). The true interest cost of the 2021 Bonds shall not exceed four percent (4.00%) per annum. The terms and conditions for the sale, issuance, execution, delivery and administration of the 2021 Bonds shall be established consistent with the authorization of this Resolution.

Section 2. Security. The 2021 Bonds shall not be a general obligation of the District, nor a charge on its tax revenues. As security for the payment of the 2021 Bonds, the District pledges the Net Revenues (defined below) of the District's water system to the punctual payment of principal and interest on the 2021 Bonds. The District may issue the 2021 Bonds authorized by this Resolution with a senior lien on net revenues of the System or with a subordinate lien on the net revenues of the System. Pursuant to ORS 287A.310, or any successor provision in law, the pledge of the Net Revenues (defined below) made by the District under this Resolution shall be valid and binding upon the execution and delivery of the 2021 Bonds. The owners of the 2021 Bonds will not have a lien on or security interest in the Project or any other property financed with the proceeds of the 2021 Bonds. "Net Revenues" means the gross revenues of the System less payment of operating expenses, as may be further defined in the Master Declaration.

Section 3. Designation of Authorized Representative; Bond Declaration and Rate Covenant; Bond Documents.

(a) The District authorizes and directs the Authorized Representative, without further approval of the Board, to evaluate, negotiate, enter into, execute, deliver and otherwise implement on behalf of the District, the terms and conditions for the issuance, sale, execution and delivery and administration of the 2021 Bonds, as may in the judgment of such Authorized Representative be in the best interests of the District and in a manner consistent with and in furtherance of this Resolution.

(b) The Authorized Representative is directed to negotiate and establish in the Bond Declaration the terms of the sale, issuance, security for and administration of the 2021 Bonds and any additional water revenue bonds secured by the Net Revenues on the same lien as the 2021 Bonds (collectively, the "Parity Bonds"). The Authorized Representative is authorized to include in the Master Declaration, without limitation, a rate covenant pursuant to which (i) the District will charge rates and fees in connection with the operation of the System that will be adequate to generate in each fiscal year Net Revenues that will be between 1.1 and 1.5 times the required annual debt service payments due on all Parity Bonds outstanding under the Master Declaration, and (ii) the District will increase the rates and fees imposed in connection with the System and/or reduce expenses to a level so that Net Revenues are projected to meet the required level if the Net Revenues fail to meet the levels required by the rate covenant for the Parity Bonds. A form of the Bond Declaration is presented to the Board together with this Resolution. The Board authorizes and delegates authority to the Authorized Representative to modify the form of Bond Declaration as may be necessary, desirable or appropriate in the opinion of the Authorized Representative in connection with the 2021 Bonds or to carry out the purposes of this Resolution.

(c) The Authorized Representative is further authorized and directed on behalf of the District to negotiate, review, execute and deliver all other documents, agreements, supplemental actions and certificates (collectively, the “Bond Documents”), in connection with the offering, sale, administration, execution and delivery of the 2021 Bonds pursuant to the authorization of this Resolution.

Section 4. Tax-Exempt Status. The District covenants to use the proceeds of the 2021 Bonds, and the facilities financed or refinanced with the 2021 Bonds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), so that the interest on the Bonds will not be includable in gross income of the Owners for federal income tax purposes. The District specifically covenants:

(a) to comply with the “arbitrage” provisions of Section 148 of the Code, and to pay any rebates to the United States on the gross proceeds of the 2021 Bonds;

(b) to yield restrict and pay any rebates due to the United States on any unexpended proceeds of the 2021 Bonds;

(c) to operate the facilities financed with the proceeds of the 2021 Bonds so that the 2021 Bonds are not “private activity bonds” under Section 141 of the Code; and

(d) to comply with all reporting requirements.

The Authorized Representative may enter into covenants on behalf of the District to protect the tax-exempt status of the 2021 Bonds.

Section 5. Establishment of Responsibilities and Terms of Bonds. The Authorized Representative is hereby authorized and directed, on behalf of the District without further approval of the Board to take or direct to be taken all such further actions as may be necessary, desirable or appropriate in the opinion of the Authorized Representative in connection with the 2021 Bonds or to carry out the purposes of this Resolution, including but not limited to:

(a) establish the maturity dates for the 2021 Bonds, and establish the principal amounts, optional or mandatory redemption provisions, interest rates or method for determining a variable or adjustable interest rate, premiums and discounts, if any, denominations, costs, fees and expenses relating thereto, if any, and all other terms and conditions for the 2021 Bonds;

(b) establish the method of sale of the 2021 Bonds, and if the 2021 Bonds are sold on a negotiated basis, negotiate, execute and deliver a bond purchase contract in the form approved by the Authorized Representative and such other agreements, certificates or sale documents as are necessary in connection therewith, or if the 2021 Bonds are sold in a public competitive sale, approve the final form of and cause an Official Notice of Obligation Sale (the “Notice of Sale”) for a competitive sale, substantially in the form approved by the Authorized Representative to be published electronically and award the successful bid or reject the bids for the 2021 Bonds;

(c) determine the form and content of the preliminary and final bond disclosure documents (collectively, the “Official Statement”);

(d) negotiate the terms and conditions for the issuance, sale, execution and delivery and administration of the 2021 Bonds, the Bond Declaration and the Bond Documents necessary or desirable to obtain good financing terms for the 2021 Bonds, Parity Bonds and subordinate obligations, including covenants for the benefit of bond owners or the provider of a Credit Enhancement Device, including but not limited to, covenants regarding issuance of additional Parity Bonds and subordinate obligations, rate covenants (consistent with the parameters of Section 4(b) herein) and bond debt service reserves;

(e) establish and fund a bond debt service reserve, if necessary or desirable, for the 2021 Bonds;

(f) negotiate and establish the terms of and execute and deliver an undertaking to provide ongoing disclosure (the “Continuing Disclosure Certificate”) for the benefit of owners of the 2021 Bonds that satisfies the requirements of Section (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12;

(g) execute and deliver the 2021 Bonds, the Bond Declaration, the Purchase Contract, the Bond Documents, the Continuing Disclosure Certificate and any other documents and certificates and opinions required in connection with the offering, sale, execution and delivery of the 2021 Bonds;

(h) obtain ratings on the 2021 Bonds if determined by the Authorized Representative to be in the best interest of the District and expend proceeds of the 2021 Bonds to pay costs for obtaining such ratings;

(i) solicit proposals for services and select a paying agent and registrar (the “Bond Registrar”) for the 2021 Bonds;

(j) approve the form of the 2021 Bonds and take actions necessary to qualify the 2021 Bonds for the book-entry system of the Depository Trust Company (“DTC”), and provide for the authentication, registration, payment, exchange and transfer of the 2021 Bonds;

(k) negotiate and obtain any consents or amendments, if necessary, from the State of Oregon and any of its agencies that have outstanding loans to the District (“State Loans”) that are secured by any revenues of the System, to comply with the provisions of any such State Loans, so that the 2021 Bonds may be issued with a lien on the Net Revenues of the System that is at least equal to the lien that secures any State Loan;

(l) enter into covenants regarding the use of the proceeds of the 2021 Bonds and the Project financed with the proceeds of the 2021 Bonds to maintain the tax-exempt status of the 2021 Bonds;

(m) evaluate any proposals from providers of Credit Enhancement Devices for the 2021 Bonds and, subject to a determination by the Authorized Representative that such Credit Enhancement Device is beneficial to the District and the 2021 Bonds, obtain a Credit Enhancement Device for the 2021 Bonds and execute and deliver agreements related to such Credit Enhancement Device and/or include representations, agreements and covenants in the Supplemental Declaration for the 2021 Bonds or the Bond Documents with respect to such Credit Enhancement Device; and

(n) execute and deliver a certificate specifying the actions taken pursuant to this Resolution and take such other actions and execute and deliver such other certificates, documents or agreements in connection with the 2021 Bonds that the Authorized Representative determines are desirable in connection with the 2021 Bonds and in accordance with this Resolution.

Section 6. Procedure for Sale of the 2021 Bonds. Pursuant to Sections 1 and 6 hereof, the Authorized Representative shall establish the method of sale of the 2021 Bonds. If the 2021 Bonds are sold pursuant to a public competitive sale, the Authorized Representative shall cause the Notice of Sale, or a summary thereof, to be published electronically on the Internet prior to the sale date stated in the Notice of Sale. For a competitive sale, bids to purchase the 2021 Bonds shall be received and reviewed on the date specified by the Authorized Representative in the Notice of Sale or upon such later date determined by the Authorized Representative if the sale is postponed based on market or other conditions. The Authorized Representative is authorized, on behalf of the District, to accept or reject the bids for the 2021 Bonds. The Authorized Representative may postpone the sale of the 2021 Bonds to a later date, cancel the sale based upon market conditions or, alternatively, enter into a negotiated sale of the 2021 Bonds pursuant to terms determined and approved by the Authorized Representative and as authorized by this Resolution.

Section 7. Defeasance. The District may defease the 2021 Bonds pursuant to the terms of the Bond Declaration and the Bond Documents, as applicable.

Section 8. Designations. Orrick, Herrington & Sutcliffe LLP, is designated as bond counsel to the District for the issuance of the 2021 Bonds and matters related to the negotiation, execution and delivery of the District's loan from the Environmental Protection Agency under the Water Infrastructure Financing and Innovation Act (the "WIFIA Loan"). SDAO Advisory Services LLC, is designated as municipal advisor to the District for the issuance of the 2021 Bonds and matters related to the WIFIA Loan. Other designations with respect to the 2021 Bonds will be made pursuant to Section 6.

Section 9. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the 2021 Bonds by those who shall own the 2021 Bonds from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the District with the Owners and shall be deemed to be and shall constitute a contract between the District and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the 2021 Bonds, including without limitation the District's covenants and pledges contained in Section 2 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the District shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such 2021 Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

Section 10. Effectiveness. This Resolution shall take effect immediately upon its adoption by the Board.

Adopted by the Board of Directors this 28th day of April 2021.

By: _____
President, Board of Directors
Rockwood Water People's Utility District

ATTEST:

By: _____
Secretary, Board of Directors
Rockwood Water People's Utility District

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

RESOLUTION NO. RWPUD 20/21-004

**RESOLUTION TO AUTHORIZE GENERAL MANAGER TO
ENTER INTO A CONTRACT FOR THE
GROUNDWATER DEVELOPMENT PROJECT PACKAGE NO. 1 - CASCADE
RESERVOIR IMPROVEMENTS AND WELL NO. 7**

THIS MATTER came before the Board of Directors of the Rockwood Water People's Utility District (District) at its regular meeting on April 28, 2021, to authorize the General Manager of the District to sign a contract with the successful bidder for the Groundwater Development Project Package No. 1 - Cascade Reservoir Improvements and Well No. 7 (GWD Project Package No. 1); and

WHEREAS, ORS 279C.300 requires public improvement contracts awarded must be based on competitive bidding; and

WHEREAS, the District has completed the competitive bidding process and has identified a contractor who is the lowest, most responsible bid; and

WHEREAS, the District wishes to enter into a contract with the successful bidder to complete GWD Project Package No. 1; and.

WHEREAS, the Board wishes to authorize the General Manager to sign the necessary documents to begin and complete construction of the GWD Project Package No. 1, and the Board being fully advised:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT THAT:

Section 1. The Board of Directors authorizes the General Manager to enter into a contract with the successful bidder and sign the appropriate documents to begin and complete Groundwater Development Project Package No. 1 - Cascade Reservoir Improvements and Well No. 7.

ADOPTED this 28th day of April 2021.

ROCKWOOD WATER PEOPLES' UTILITY DISTRICT

By: _____
President of the Board

By: _____
Secretary of the Board

Technical Memorandum

Date: 4/19/2021

Project: Rockwood Water People's Utility District - 2021 Financial Plan Update

To: Kari Duncan, *General Manager – RWPUD*

From: Josiah Close, *Senior Financial Analyst – HDR*
Shawn Koorn, *Associate Vice President – HDR*

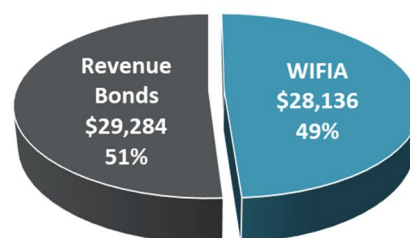
Subject: 2021 Financial Plan Summary

Introduction

HDR Engineering Inc. (HDR) has been providing technical and financial assistance to Rockwood Water People's Utility District's (District) annually, for almost ten years. These services have been through the development of annual financial plan updates to assist the District in developing water rate projections and to inform the Board of any anticipated future rate impacts, based on current projections and information. For the District's 2021 financial plan update (2021 Update), the District again retained HDR Engineering Inc. (HDR) to perform a review and update of the water financial rate model which is used to establish the District's revenue requirement. After the revenue requirement has been established, a rate transition plan can be developed that adequately funds the District's operations and maintenance (O&M) expenses and capital improvement needs as well as meet financial metrics (e.g., target ending reserve balances, etc.) that are targeted through the projected rate adjustments. This information is then relayed to the District's Board which then provides feedback that is incorporated into the budget for the next fiscal year, in this case FY 2022.

The financial plan forecast as summarized in this memo includes fiscal year (FY) 2021 through FY 2040, and projects the revenue requirement (operating and maintenance, capital, and financial policy related expenses) over this projected time period. As part of the revenue requirement analysis, a capital funding plan was developed to determine the funding sources for the planned capital improvements utilizing a mix of rate revenues, available reserves, long-term borrowing, and system development charges. Another important note with regards to the GDMP and capital funding, is the revised assumption which will now utilize approximately \$28.1 million in Water Infrastructure Finance and Innovation Act (WIFIA) funding. The WIFIA program provides a low interest funding source for up to 49% of applicable project

GDMP Capital Funding Sources (\$000s)



costs. Additionally, the favorable terms for agencies include the ability to delay debt service payments up to 5 years after the project is substantially complete.

A critical component in the development of the District's 2021 Update was the departure of the District from purchasing water from the Portland Water Bureau (Bureau) after FY 2026. This will change the annual O&M expenses of the District as purchased water costs will be eliminated, however, the tradeoff is the increase in capital improvement projects needed to transition the District to groundwater as its sole water source. In addition, the District will incur annual O&M expenses related to maintaining and operating the groundwater system.

The GDMP identifies the specific capital improvements needed for the system in order to provide water service from the groundwater sources. HDR and the District's staff have worked together to make general assumptions of future O&M costs which will be refined as more data is available.

Assumptions

HDR worked with District staff to develop, review, and refine the assumptions used as inputs in the 2021 Update. These assumptions are identified in general terms in Table 1.

Table 1
Key Financial Plan Assumptions

- | | |
|------------------------------------|----------------------|
| • Operations and Maintenance (O&M) | • Taxes |
| • Capital Improvement Plan (CIP) | • SDC Revenues |
| • Rate and Non-Rate Revenues | • Reserve Funds |
| • Long-Term Debt | • Escalation Factors |

After the assumptions identified above in Table 1 had been reviewed and updated into the financial planning model, the District and HDR then calibrated the model. The model is designed to develop an optimal solution in meeting the District's revenue requirement needs over the review period by utilizing the specific inputs mentioned above. Consideration is also given to the health of critical financial parameters in the model, such as reserve fund balances, debt service coverage ratios, etc., while at the same time smoothing rate impacts over the review period. For the 2021 Update, the analysis and modeling was impacted by the planned long-term debt which is necessary for the District to issue in order to fund the GDMP projects.

The results presented in this memorandum are based on the latest assumptions which were reviewed and updated with District staff. This final result is projected to generate sufficient rate revenue to meet the District's revenue requirement, maintain prudent reserve fund balances, and achieve target debt service coverage (DSC) ratios over the projected time period. The model also aims to provide the overall funding level in the smoothest transition possible while still meeting the financial parameters. The model, as developed, is seen as one of many tools available for the District to prudently and sufficiently fund the operating and capital needs of the

District. The projections from the model will aid the District in making long-term decisions as impacts can be modeled and reviewed with the Board. It is important to note that - regardless of whether the District is able to control them or not - should the assumption inputs used change, the given results in this Technical Memo would also change. The best example of this is the WIFIA funding terms. Negotiations between the District and WIFIA representatives will be ongoing through the next 6 – 12 months and the final terms of the loan will not be concrete until that process is complete. Ideally, this information will be available in final form in time for the District's 2022 financial plan update.

Overview of the Revenue Requirement

The overall financial planning strategy for the District's water utility is based on a "cash-flow" approach, also known as the "cash basis" methodology. The cash basis methodology is a generally accepted methodology, as outlined in the American Water Works Association (AWWA) M1 Manual Principles of Water Rates, Fees, and Charges. This approach compares revenues to expenses on an annual basis so that, over the planning period, revenue will be equal to the utility's expenses over the long-term. Table 2, below, provides a summary of the cash basis methodology used to develop the water revenue requirement for the District's 2021 Update.

Table 2
Overview of the "Cash Basis" Methodology

+	Operations and Maintenance Expenses
+	Taxes / Transfer Payments
+	Rate Funded Capital Projects
+	Debt Service Payments (P + I)
=	Total Revenue Requirement
-	Miscellaneous Revenues
=	Net Total Revenue Requirement

The first component that was developed for the revenue requirement was the projection of O&M expense. To develop the O&M projection, HDR utilized the District's adopted FY 2021 and proposed FY 2022 budgets. In addition, the District's current capital improvement plan including the projects related to the Groundwater Development Master Plan (GDMP) were used to develop the analysis. It is important to note that the GDMP was previously included in the financial models in a more draft form, given the unknowns in prior year analyses. As the GDMP has been further refined over the last year, those costs have been included in the 2021 Update. It is important to note that the GDMP project listing has increased in total from the 2020 figure of \$46.5 million to the 2021 estimate of \$57.4 million. While any increase in capital costs is not ideal, it is not uncommon as capital projects are refined and the engineering estimates become more focused.

Water Revenue Requirements Analysis

The primary financial inputs in the 2021 Update were the District's accounting and billing records, capital plan, and current budgets. Provided below is a detailed discussion of the steps and key assumptions contained within the development of the District's water utility revenue requirement analysis.

Water Rate Revenues

The District receives revenue for the water utility from two primary sources: water (user) rates and miscellaneous or non-rate revenue. Water rate revenues are based on the current water rate structure and collected on a bi-monthly basis. Miscellaneous or other revenue includes items such as licenses, permits, late fees, and other miscellaneous revenues.

The first step in developing the revenue requirement was to develop a projection of water rate revenues. The FY 2021 budgeted rate revenue figure of \$10.3 million was used as the starting place for the projection of rate revenues. Over the financial planning period, customer growth is expected to be flat or 0.0%, annually. That is, it is assumed that the only increase in water rate revenues will be due to proposed water rate adjustments.

Forecast of Non-Rate Revenue

The District also collects a variety of other revenues that can offset the overall rate revenue needed. The other revenue sources include non-rate revenue, system development charges, and interest revenue.

Non-Rate Revenue

For planning purposes, non-rate revenue includes backflow charges, set-up fees, late fees, scrap metal income, service installations, other service income, rental income, miscellaneous income, other government income, general fund interest earnings, and utility tax offsets. Together, these line items amount to approximately \$933,000 in FY 2021. The District also has a cost sharing agreement with Gresham for shared infrastructure construction and the revenue for FY 2021 is assumed to be \$738,000. In future years, there is no assumed revenues as no projects are anticipated, at this time, that will include a cost share. The District also budgets for revenues related to fixed asset deposition proceeds. This is another line item that is important yet difficult to project and is budgeted at \$20,000 in FY 2021 and FY 2022. The District assumes this source of revenue will continue but at a reduced level and is projected at \$10,000 from FY 2023 and on. Total non-rate revenues are projected to be \$2.3 million in FY 2021. That amount is projected to be \$2.1 million in FY 2040.

System Development Charges

In FY 2021, it is projected that the District will collect approximately \$172,000 from water SDCs. This is an increase from FY 2020 due to the updating of the SDCs based on the analysis HDR performed in 2020. The increase was primarily due to the capital projects related to the incorporation of the GDMP capital projects and the fact that future District customers should pay their fair share for improvements that are being paid by current water customers. For the

duration of the forecast, the District assumed that future SDC collections would continue to remain flat and consistent at that level and that the SDC cost does not increase over time. This conservative assumption is important as the overreliance on growth related fees for rate setting purposes may result in the need for additional rate adjustments, or deferral of growth related capital projects, in the future should growth not occur at the projected levels.

Interest Revenue

Interest earnings on the District's reserve funds were calculated based on interest rates of 0.75% in FY 2021 and FY 2022 and the current reserve levels. Interest rates are anticipated to increase slightly and for modeling purposes, it was increased to 1.0% in FY 2023. The model then forecasts that the assumed interest rate would remain at 1.0% annually, thereafter. Total interest earnings for all reserve accounts range from \$71,000 in FY 2021 to \$98,000 in FY 2040. It is important to note that the revenues from the general fund is included in the non-rate revenue total.

Operations and Maintenance Expenses

The first expense component of the revenue requirement is the operations and maintenance (O&M) expense. O&M expenses are those related to running the day-to-day operations of the District's water utility. O&M expenses include labor, benefits, insurance, purchased water, utilities, etc. The District's FY 2021 and proposed FY 2022 budgets were used as the starting point for the revenue requirement analysis. Starting with the FY 2022 information, O&M costs were projected to escalate at annual inflationary rates which are specific to each line item based on known changes or assumed general inflationary rates. Details of individual O&M cost escalation factors are shown in Table 3.

Table 3 O&M Cost Escalation Factors			
Expense Category	Escalation Percentage	Notes	
Personal Services	3.0%		
PERS-Related Costs	10.0%	<i>Bi-annually, starting in FY 2024</i>	
Materials & Services	4.0%		
Purchased Water	Based on PWB	<i>Approx. 33.0% increase from FY 2021 – FY 2026; ends in FY 2026</i>	
All others	4.0%		

Based on the District's FY 2021 and proposed FY 2022 budget assumptions, the cost escalation assumptions described in Table 3, and other additions in forecasted costs identified by the District, total annual O&M is expected to increase from \$8.2 million in FY 2021 and is projected to increase to approximately \$17.6 million by FY 2040. Two major components that impact the total O&M expenses during this period are the purchased water costs to the Bureau and groundwater production O&M. Full purchased water costs end in FY 2026 and 50% is assumed in FY 2027. Thereafter, it is not anticipated at this time that the District will require to purchase any water from the Bureau. The groundwater production O&M is anticipated to start in FY 2027 at just under \$3.0 million.

In the District's case, O&M costs also include utility taxes assessed by the Cities of Gresham, Portland, and Fairview. These taxes are based, in part, on the District's rate revenue. These taxes are also offset by pass-thru charges that the District assesses on its customers in Gresham, Portland, and Fairview. The annual O&M cost projection is included in Table 4.

Table 4
Projection of O&M Expenses (\$000s)

Year	O&M	Year	O&M
FY 2021	\$8,208	FY 2031	\$11,710
FY 2022	8,659	FY 2032	12,271
FY 2023	9,313	FY 2033	12,770
FY 2024	9,940	FY 2034	13,392
FY 2025	10,215	FY 2035	13,949
FY 2026	10,667	FY 2036	14,642
FY 2027	11,885	FY 2037	15,263
FY 2028	10,348	FY 2038	16,036
FY 2029	10,754	FY 2039	16,733
FY 2030	11,260	FY 2040	17,599

Capital Improvement Plan

The capital improvement plan (CIP) consists of the major additions to the utility infrastructure that is oftentimes infrequently and can occur at irregular intervals. Capital improvement projects are designed to fulfill a number of different needs, but typically there are four main types:

1. Renewal and replacement of the existing system to maintain service levels
2. Compliance with new state and/or federal regulations
3. Enhancement of the level and reliability of the service provided
4. Meet ongoing demands of system growth and economic development

A major component of the District's capital improvement plan is the GDMP. This major project is comprised of a number of smaller projects or packages which the District will complete over the next five years (FY 2021 – FY 2025). At the completion of the GDMP projects, the District will transition the drinking water source from the Portland Water Bureau to 100% groundwater. It is assumed that the GDMP includes the capital improvements needed for this transition and outlines the scope, cost, and timing of the projects. It is important to note that the capital projects from the GDMP have been further refined over the last year. As such, there have been changes from the prior 2020 financial plan update and have impacted the analysis as well as the projected long-term rate impacts.

A summary of the District's current CIP over the 20-year review period is shown in Table 5, below. This long-term approach to capital planning will further help the District plan for future years and place the water utility in position to adequately fund renewal and replacements while minimizing

rate impacts. All amounts shown in Table 5 include the effects of assumed cost escalation.¹ In total over the next 20 years (FY 2021 – FY 2040), the District’s CIP includes \$110.7 million in capital projects which includes those related to the GDMP.

Table 5 Summary of the District’s Capital Improvement Plan (\$000s)			
Year	Cost	Year	Cost
FY 2021	\$5,437	FY 2031	\$2,723
FY 2022	18,439	FY 2032	3,095
FY 2023	19,365	FY 2033	2,962
FY 2024	17,287	FY 2034	3,051
FY 2025	7,294	FY 2035	3,142
FY 2026	3,529	FY 2036	3,237
FY 2027	853	FY 2037	3,334
FY 2028	1,078	FY 2038	3,434
FY 2029	1,998	FY 2039	3,537
FY 2030	3,310	FY 2040	3,643

As can be seen in Table 5, the level of capital projects for the District vary greatly from year to year and the impact of the GDMP projects can be seen in FY 2021 through FY 2025 as the District moves to transition from Portland Water Bureau water purchases to groundwater by FY 2027. The model that is developed for the 2021 Update is designed to smooth the impacts from any one year as well as start planning to fund years with larger expenditures earlier thereby minimizing rate impacts to customers and maintaining a smooth rate transition. This creates a more predictable bill for customers and aides District management in making informed decisions at the same time so as to continue to be good stewards of the District customers’ funds and resources.

Debt Service Costs

The next component of the District’s water revenue requirement is long-term debt service. Debt service relates to the District’s annual debt repayment obligations, both principal and interest, incurred when capital projects are financed with long-term borrowing. Utilities frequently finance major capital improvements – such as the GDMP program of projects – by issuing long-term debt for two primary reasons. First, the financial resources required for these types of projects typically exceed the utility’s available resources from the normal operation of its system. Second, spreading the debt service costs for the project over the repayment period effectively spreads the financial burden of financing large improvements to both existing and future users of the system, which can enhance intergenerational equity. This burden sharing allows the utility to more closely align the cost of improvements with those customers benefiting from the improvements.

¹ The District provided capital improvement plan costs using a FY 2021 cost-basis. The assumed escalation rate for future cost increase by an annual escalation rate of 3.0%.

Existing Debt Service

Currently, the District has one outstanding long-term debt issue, the Water Revenue Obligation Series 2011. The District's debt service payments average \$465,000 annually, with the final repayment scheduled in FY 2032. However, as part of the revenue bond issuance for 2021, the 2011 revenue bond will be refunded. Shown in Table 6 is a summary of the existing debt service payments for the water utility.

Table 6 Summary of the District's Existing Debt Service Payments (\$000s)			
Year	Payment	Year	Payment
FY 2021	\$469	FY 2031	\$0
FY 2022	0	FY 2032	0
FY 2023	0	FY 2033	0
FY 2024	0	FY 2034	0
FY 2025	0	FY 2035	0
FY 2026	0	FY 2036	0
FY 2027	0	FY 2037	0
FY 2028	0	FY 2038	0
FY 2029	0	FY 2039	0
FY 2030	0	FY 2040	0

As can be seen, the District's current outstanding debt issue is retired in FY 2021 the refunding of the issuance in the FY 2021 revenue bond.

Future Debt Service

With the District completing significant water system improvements in the next five years due to the GDMP and based on the different analyses developed by the District and HDR, it is assumed that the District will issue additional long-term debt. With the advent of the GDMP and the accompanying list of capital projects a capital funding strategy was developed. This strategy identified WIFIA funding for 49% of the total project costs related to the GDMP. The remainder of the funding for capital will be through rates, existing reserves, and revenue bonds. The District is anticipated to issue a revenue bond in 2021.

Although the District and HDR agree that it is always best to fund as much capital from cash as prudent, long-term debt issuance can have benefits for the District's customers as well. For example, rate levels do not have to raise as high or as quickly as with cash financing. Additionally, the rates are able to be more stable in the long term and not have such peaks and valleys as with cash financing at the level the GDMP capital projects would require. Lastly, the benefits from the GDMP projects – which have useful life over 30 years – will match more closely to the costs of the annual debt service payments and, therefore, the customers that see the future benefit will contribute to that benefit through future water rates (which include the debt service). Additionally, with the very favorable terms of the WIFIA program, the District can help to mitigate the impacts to rates over the long term.

The District Board and staff, have long prioritized maintaining a pay-as-you-go approach in order to minimize the need of long-term debt issuance. It is because of this long standing approach that the District now has the financial flexibility to incur long-term debt and still remain fiscally sound while also limiting rate levels. After the assumed long-term debt issuances related to the GDMP capital projects, the financial model does not anticipate the need for additional long-term debt issuances and the District will operate on the historical cash funding approach for capital improvement projects. Table 7 below shows the projected annual debt service projected for the issuances related to the GDMP capital projects.

Table 7 Summary of the District's Future Debt Service Payments (\$000s)			
Year	Payment	Year	Payment
FY 2021	\$0	FY 2031	\$4,111
FY 2022	1,688	FY 2032	3,659
FY 2023	1,689	FY 2033	3,660
FY 2024	2,479	FY 2034	3,660
FY 2025	2,483	FY 2035	3,660
FY 2026	2,469	FY 2036	3,658
FY 2027	2,478	FY 2037	3,657
FY 2028	4,114	FY 2038	3,658
FY 2029	4,114	FY 2039	3,658
FY 2030	4,116	FY 2040	3,657

It should be noted that as part of this planning process HDR is not acting as the District's municipal advisor related to debt financing terms. The future debt service payments were estimated based on terms that the District has discussed with its financial advisors. The District is anticipated to negotiate the terms of the WIFIA loan over the next 6 to 12 months. As such, the debt service can only be estimated based on prior WIFIA terms. Ideally, these terms will be more concrete for the 2022 financial plan update and the rate transition plan can then be adjusted to reflect the term.

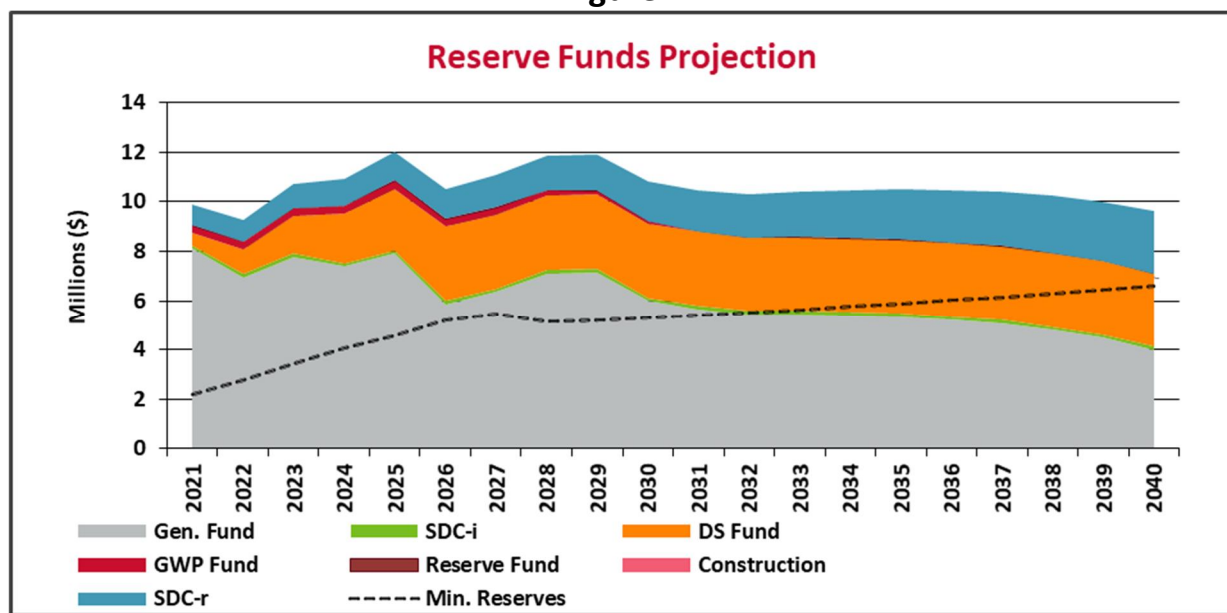
Reserve Funds

Reserves are a critical component to prudent financial management of the utility and healthy reserve levels provide many benefits. This can especially be true when a utility like the District is embarking on a significant capital improvement program like the one planned over the next few years which includes the GDMP projects. Having healthy reserve balances in this capital intensive environment will provide the District with an additional buffer should some capital costs come in higher than anticipated or some interruption of revenues occur. Another benefit is that adequate reserve levels can provide the District with necessary funding during an emergency capital need or in times of a natural disaster. These scenarios show how adequate reserve levels would help in minimizing the impacts to rates in the short-term. In the longer term, they can help provide a

slow and steady approach to rate revenue adjustments which is beneficial to the District's customers.

Historically, the District has used a target of 75 days of O&M expenses as the target minimum for the General Fund of the water utility. Based on the analysis and assumptions contained in this memo, the District will continue meet this minimum target reserve level for the duration of the projection period. Shown in Figure 1 below is a summary of the reserve levels over the review period.

Figure 1



Utilities may also establish additional reserve funds with target minimum policies. These can include – but are not limited to – a capital fund, a rate stabilization fund, and an emergency fund. A capital fund is typically established to maintain funds for future capital improvement projects. These can be for a specific project, or general capital improvements that will need funding greater than what annual rates can provide. In this way, the capital reserve can ‘store’ funds from one year to save for a large capital improvement project in future years. Next, a rate stabilization fund allows the utility to save surplus revenues in years where water sales are above projections in order to be used at a future time when, perhaps, rate revenues are less than anticipated. The rate stabilization funds can then be used to “fill the gap” and make the District whole, eliminating, or reducing, the need for current or possibly future rate adjustments. Finally, an emergency fund, as the name suggests, is a fund that is set aside to aid in funding a major infrastructure emergency. This could be a major main break, pump failure, or storage failure. These funds can then be used in the short-term to meet financial obligations in an emergency situation. Although the District does not currently have a set minimum for these reserves, over the review period, a healthy level of reserves is maintained to serve in the capacity outlined above.

Summary of the Results of the Water Financial Plan Update

The revenue requirement analysis that was developed as part of the 2021 financial plan update and detailed above has calculated the necessary rate revenue adjustments. These rate revenue adjustments have been developed to fund the District's O&M and capital requirements – including the GDMP related projects – over the long-term review period (FY 2021 – FY 2040). As part of the analysis, careful attention was given to maintaining adequate funding the water utility's O&M expenses as well as sufficiently funding capital improvement projects. As was mentioned previously, the District aims to couple this prudent financial planning with minimizing long-term rate impacts to its customers while providing a high level of service. An example of this is the transition from Portland Water Bureau water to groundwater which, over the long-term, will likely result in significant savings to the District's customers. These goals were also targeted with the goal of maintaining key financial planning metrics such as adequate reserve levels and strong debt service coverage.

A summary of the annual water rate revenue adjustments and example customer bill impacts for this scenario are shown in Table 8. The table is presented in this way to show the long-term impacts of the District's CIP and revenue requirements.

Table 8 Summary of the District's Revenue Requirement Analysis					
Year	Rate Adjustment	Avg. Customer Monthly Bill *	Year	Rate Adjustment	Avg. Customer Monthly Bill *
FY 2021	0.00%	\$28.32	FY 2031	4.05%	\$44.86
FY 2022	10.50%	\$31.29	FY 2032	4.05%	\$46.68
FY 2023	4.11%	\$32.58	FY 2033	3.58%	\$48.35
FY 2024	4.11%	\$33.92	FY 2034	3.58%	\$50.09
FY 2025	4.11%	\$35.31	FY 2035	3.58%	\$51.88
FY 2026	4.11%	\$36.76	FY 2036	3.58%	\$53.74
FY 2027	4.11%	\$38.27	FY 2037	3.58%	\$55.67
FY 2028	4.05%	\$39.82	FY 2038	3.58%	\$57.66
FY 2029	4.05%	\$41.43	FY 2039	3.58%	\$59.73
FY 2030	4.05%	\$43.11	FY 2040	3.58%	\$61.87

* Average monthly bill assumes a 5/8" service meter and 6 CCF of consumption

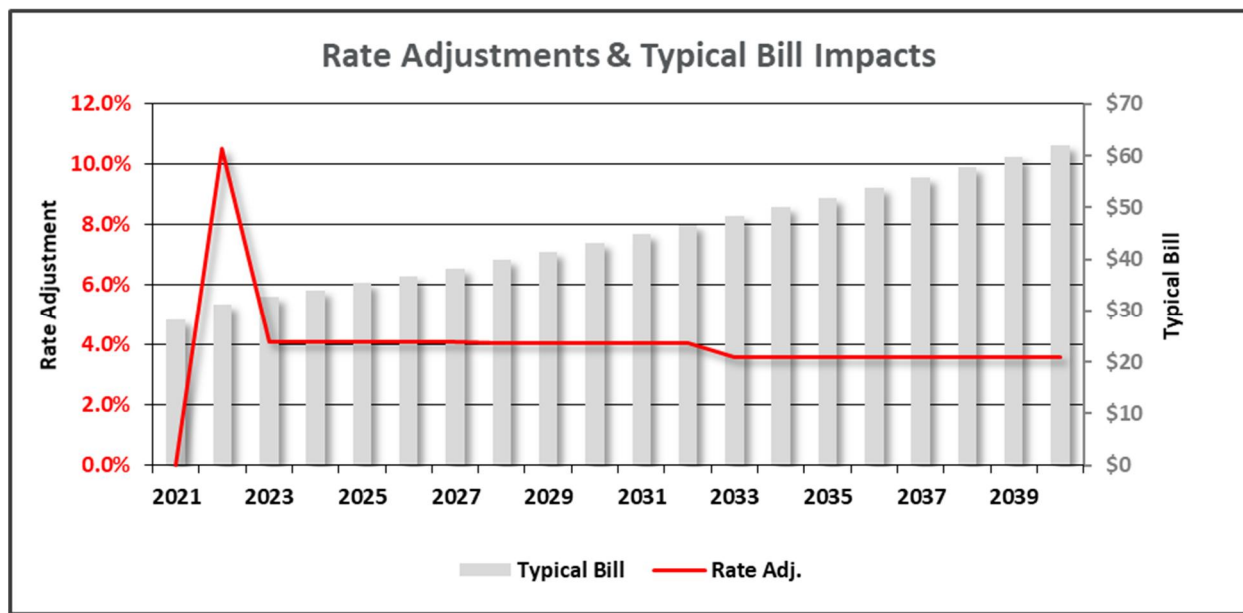
The financial model developed for the District aims to produce level rate adjustments over the review period, as can be seen in Table 8, above. The average monthly bill for a residential customer with a 5/8" meter and consuming 6 hundred cubic feet (CCF) of water would be increased from \$28.32 per month, currently, to \$61.87 over the next 20 years, or averaging about 5.9%, annually, based on the current analysis assumptions.

Rate Design

Recently, the District has placed a greater importance on the revenue stability of the District's revenue stream while maintaining cost-based and equitable rates through the fixed / variable

components of the rate structure. This is due in part to recent trends in customer water consumption characteristics (i.e., the decline in per capita use over the last few decades). The other factor that can play into this thought process is the fact that, in short term, the fixed costs of a utility are generally 80% - 90% of the total costs. It is important to note that, when considering various rate designs, there are always tradeoffs, and no one rate design can meet all rate design goals and objectives. As a result, each rate structure will have advantages and disadvantages and it is a balancing of these which will help develop rates that best meet the District's goals and objectives. For example, a high level of revenues from the variable charge may incentivize additional conservation, the drawback is that the water utility is left vulnerable to swings in revenues due to how customers are using water.

The rate impacts from the projected rate adjustments are summarized below. The rate transition plan that was developed is then used to calculate the average customer bill impact (for a 5/8" meter with 6 CCF / month of water usage). It is important to note that the projection of bill impacts does not take into account any adjustments to the fixed / variable revenue generation of the rates and simply calculates the impact of an 'across the board' rate adjustment implementation.



Conclusion of the Financial Planning Analysis

This concludes the 2021 Update to the District's financial planning model. There are many assumptions in an analysis like this which the model has predicated in the results shown. Given this, the results of the model are dynamic in nature and can easily shift and move if one assumption is adjusted. For this reason, the financial model is best described as a planning model for the District and the actual results for the end of the review period may vary from what the District sees in the future. However, based on the assumptions and results of this analysis, HDR determined that the District could meet its near-term water utility financial targets with rate

revenue adjustments of approximately 5.9%, annualized over the next 20 years. The results of the analysis enable the District to maintain prudent financial management of the utility by providing adequate funding of O&M. Additionally, the rate revenues generated should provide sufficient levels of rate funding for capital projects – especially the GDMP – as well as meeting debt service coverage ratios and target reserve levels that are in accordance with Board policy. When combined, these attributes give the District both a stable financial footing going forward as well as enough flexibility to overcome any obstacles that might arise and all while minimizing the rate impacts to its customers.

April 12, 2021

Rockwood Water District
Kari Duncan
19601 NE Halsey
Portland, OR 97230

Re: Five-Year Non-Renewal Notice for the Regional Water Sales Agreement

Ms. Kari Duncan,

The current Regional Water Sales Agreement became effective on July 1, 2006. Pursuant to Section 3.B. of the 20-Year Regional Water Sales Agreement, a written non-renewal notice can be issued anytime during the five-year period prior to the end of the agreement. If the notice is issued, the agreement will terminate on the next June 30 at least five years but not more than six years from the date of the notice. This letter serves as the five-year non-renewal notice required to terminate the agreement on June 30, 2026.

A Memorandum of Understanding is in place between the City of Portland and many of its wholesale customers to work collaboratively to develop a new water sales agreement. Portland is interested and committed to continuing to serve as a regional water supplier. Our shared values to ensure ample water supply is available through regional interconnectivity and source diversification will be beneficial for the entire region.

We look forward to our partnership in our continued effort to developing a new agreement.

Thank you,

A handwritten signature in cursive script that reads "Gabriel Solmer".

Gabriel Solmer
Water Bureau Director

CC: Cecelia Huynh, Finance Director