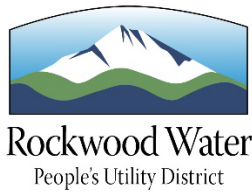


**BUDGET PROCESS SCHEDULE
FOR THE FISCAL YEAR 2026/2027**

<i>Date</i>	<i>Action Item</i>
Wednesday, January 28 Regular Board Meeting	Establish budget calendar.
Tuesday, March 3	Application deadline for Budget Committee applicants.
Wednesday, March 18 Regular Board Meeting	<ul style="list-style-type: none"> • Review Financial Plan Update • Board appoints applicants to fill vacancies on the Budget Committee. It is recommended Budget Committee applicants be present for the appointment process.
First week of April	Publication of first notice of Budget Committee meeting - <i>Gresham Outlook and Oregonian</i> .
Second week of April	Publication of second notice of Budget Committee meeting - <i>Gresham Outlook and Oregonian</i> .
Week of Monday, April 13	Budget process materials delivered to Budget Committee members.
Wednesday, April 22 After Regular Board Meeting	First Budget Committee Meeting - 6:00 p.m.
Wednesday, April 29	Second Budget Committee Meeting - 6:00 p.m. (if necessary).
Last week of May	Publish date of June Budget Hearing and Form LB1 in the <i>Gresham Outlook and Oregonian</i> .
Wednesday, June 17 Regular Board Meeting	Hold public hearing and adopt Budget at Regular Board meeting. Pass resolution for adopting budget and making appropriations.



19601 NE Halsey Street
Portland, OR 97230-7430
503-665-4179 - Phone
503-667-5108 - Fax
www.rwpud.org

**BUDGET COMMITTEE MEETING
ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT**

April 22, 2026

**Following Regular Board Meeting
District Boardroom**

Zoom Video Conference

<https://us02web.zoom.us/j/83831384698?pwd=kabaiHnsiqjOzdByT5v32GpVlpOxZ9.1>

Webinar ID: 838 3138 4698

Passcode: 641109

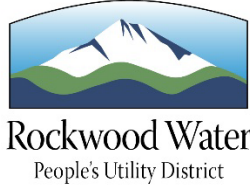
PRELIMINARY AGENDA

1. Call to Order by President of the Board
2. Approval of Agenda - Action
3. Elect Budget Committee Officers - Action
4. President of the Board Defers to Budget Committee Chair
5. Budget Committee Chair Defers to Budget Officer, GM Hudson
6. Budget Officer Delivers Budget Message - GM Hudson
7. Public Comment
8. Overview of Budget Packet Contents - Budget Officer, GM Hudson
9. Discussion and Approval of Budget Items
10. Approve and Recommend to the Board of Directors the Proposed Budget - Action
11. Schedule Next Meeting (If Necessary) - Wednesday, April 29, 2026, 6:00 p.m.
12. Adjournment



Rockwood Water
People's Utility District

FY 2026 / 2027
Budget Message



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

To: Budget Committee
Rockwood Water People's Utility District

From: Jeremy Hudson
General Manager/Budget Officer

Date: April 15, 2026

Re: **Fiscal Year (FY) 2026/2027 Budget Message and Document Transmittal**

BUDGET MESSAGE

I am pleased to present the FY 2026/2027 Budget message and proposal. The District, in partnership with the City of Gresham, has made significant progress in the construction of the Cascade Groundwater Development Projects. Rockwood and Gresham have transitioned to 100% groundwater and will transition our disinfection process to free chlorine beginning next month. This is in advance of the June 2026 Portland Wholesale contract expiration date. District staff continue to take deliberate steps to control costs of operating and capital expenses, and are tracking potential impacts that construction costs, tariffs, inflation and future capital improvement work may have on budget and rates. Based on current conditions, the District can reduce the budget projections and rate recommendations established in 2025.

In FY 2025/2026, the District made significant progress in design and construction of the Cascade Groundwater Alliance water supply facilities, in partnership with the City of Gresham. Construction has progressed on the Capital projects and all mission critical projects are completed or on schedule. This includes Package 4, the 25 + Million Gallon per Day (MGD) Cascade Water Treatment Plant (WTP) and Pump Station, Package 3, the 4.5 MGD 141st Ave Water Treatment Plant, Reservoir Replacement Pump Station improvements and Package 2A, the Glendoveer Transmission Main. The District continues compliance with its WIFIA loan and Revenue Bond requirements and issued a second WIFIA loan for \$28M at the end of CY 2025. This will fund the remaining portion of the projects.

In FY 2025/2026, the District substantially completed construction on the District-only Packages 2A and 3, which include a transmission line that provides a backup water source from the main Bella Vista Pressure zone into the Glendoveer pressure zone, and 141st Avenue improvements, including a pumping and treatment system for Cascade Well 8. These projects will be fully online this FY. Final punch list items and record drawings will carry over into FY 2026/2027. The District will also substantially complete construction on Package 4 of the project which

includes the 25 MGD pumping and treatment facility for the Cascade site. This project is split 50/50 between the District and the City of Gresham. Gresham, in partnership with Rockwood, completed construction on the Package 2B transmission main to transport water from the Cascade WTP at the District headquarters to the Bella Vista and Grant Butte reservoirs. The City of Gresham is also managing Packages 5 and 6 that include the development of Wells 6A and 6B on NE 223rd Avenue and SE Stark Street, and the wellhouse for Cascade Well 9 at Kirk Park. The Kirk Park project was completed this FY. Wells 6A and 6B at 223rd and Stark are drilled and site improvements are 70% designed. Construction is expected to begin in the Winter of 2027, with completion in the Summer of 2028. The capacity of Cascade Well 6A and 6B is needed for backup or redundant capacity, however sufficient capacity will be available prior to the completion of these wells to supply the District and Gresham with water in 2026, so Portland wholesale water is no longer needed after July 1, 2026.

The budget packet includes the FY 2026/2027 Financial Rate Model, which by following, allows the District to remain financially stable and provide the greatest value to the ratepayers. The District is currently in excellent financial health and has established rate adjustments and a budget that allows the funding of substantial capital projects that the Board has committed to. The transition from a wholesale purchase agreement with Portland to an independent groundwater supply requires major investment and it is critical that we continue to plan and budget with sufficient contingency to maintain a stable economic future for the District.

In addition to the capital projects from the Cascade Groundwater Alliance Groundwater Development program, the budget and rate model include increased funding into Fund 501, Groundwater Operations Fund, which is contributed by the District and the City of Gresham for operation of the new Groundwater facilities. Also include in the budget is the Automated Metering Infrastructure (AMI) program approved by the Board in 2023. This consists of a 5-year program to replace all District meters with new meters that transmit water use data automatically. Rockwood staff have installed 40% of our AMI meters and will finish ahead of schedule and under budget in FY 2028/2029.

In the previous years the District implemented the following rate adjustments:

- 4.5% In July of 2025
- 5.0% in July of 2024
- 6.0% in July of 2023
- 4.1% in July of 2022
- 10.5% in July 2021
- 11.5% in July 2020

Staff have made substantial efforts to reduce and prioritize upcoming purchases and capital projects to smooth the future rate adjustments required to complete the CGA projects and maintain day-to-day Operations of the District. The proposed rate adjustment for the District in FY 2026/2027 is **4.00%**, **the impact to the average customer using 6 ccf or 4500 gallons of water per month is an additional \$1.49 per month.** It is recommended that the base bimonthly fee and the variable per ccf rate be adjusted by 4.00% to maintain the desired goal of fixed revenues at 30% of total revenue.

BUDGET INTRODUCTION

Included in this binder is information that will support the FY 2026/2027 Budget for the District. It includes the following documents:

- **FY 2026/2027 Budget Message**
- **Auditor’s Communication to Governing Body on the FY 2024/2025 Audit**
- **Calendar Year 2025 Statistics and Highlights**
 - **Conservation**
 - **Customer Service Year to Year Comparison**
 - **Calendar Year 2025 Field Services**
- **2026 Financial Plan Update**
- **FY 2026/2027 Budget Detail and Narrative**
- **5 Year Line-Item Budget**
- **FY 2026/2027 Capital Improvement Plan**
- **FY 2026/2027 Groundwater Development Capital Improvement Plan**
- **Projected FY 2026/2027 Fees and Charges**
- **2026 Strategic Plan**
- **Supplemental Information**
 - **2026 District Organization Chart**
 - **Monthly Regional Bill Comparison**
 - **Wage Scales for All District Employees for FY 2026/2027**

FUND STRUCTURE

101 General Fund	Most operations occur in the General Fund.
201 System Development Fund-Reimbursement	This consists of SDCs paid by new customers, which can be spent on ordinary water system capital projects.
202 System Development Fund-Improvement	This consists of SDCs paid by new customers, which can be spent only on projects that expand the capacity of the water system.
301 Debt Reserve Fund	Currently not used.
401 Debt Service Fund	Debt service payments are made from this fund.
501 Groundwater Production Fund	This fund handles the Gresham-District groundwater partnership.
601 Groundwater Construction Fund	This fund handles the consulting, engineering, and construction of projects identified within the Cascade Groundwater Alliance Groundwater Development Master Plan.

A budget is developed for each fund depicting how resources will be collected and expended during the FY. This budget is provided for the Budget Committee and the public's review and comment.



Rockwood Water
People's Utility District

**Auditor's
Communication
FY 2026/2027**

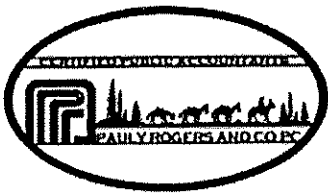
**ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON**

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2025



12700 SW 72nd Ave.
Tigard, OR 97223



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632
www.paulyrogersandcocpas.com

January 28, 2026

To the Board of Directors
Rockwood Water People's Utility District
Multnomah County, Oregon

We have audited the basic financial statements of the business-type activities, and each major fund of Rockwood Water People's Utility District (PUD) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- Federal, State and other agency rules and regulations related to expenditures of federal awards

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered the system of internal control over basic financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the system of internal control over financial reporting. We also considered the system of internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's Compliance Supplement applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

Our Responsibility under U.S. Generally Accepted Auditing Standards (Continued)

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the PUD and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the PUD or to acts by management or employees acting on behalf of the PUD. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a "clean" opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management letter – No separate management letter was issued.
4. Federal Awards - We found no issues of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, tests of the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2025, except that GASB statement No. 101 *Compensated Absences* was implemented. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Significant Audit Findings (Continued)

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates in the basic financial statements are the estimates of the District's portion of the statewide Net Pension Liability (or Asset) and Other Post Employment Benefits, Management's estimate of Accounts Receivable, Capital Asset Depreciation, and the fair value of investments, which are based on actuarial assumptions, estimated collectability of receivables, useful lives of assets, and active market values or significant observable inputs, respectively. We have evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole. We have evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the basic financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period basic financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the basic financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Significant Audit Findings (Continued)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information

We were engaged to report on the supplementary information, which accompany the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the listing of Board Members, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters -- Future Accounting and Auditing Issues

GASB 103 Financial Reporting Model Improvements

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting period thereafter. Earlier application is encouraged. The requirements for Management's Discussion and Analysis (MD&A) will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflow and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budget comparison information be presented as required supplementary information (RSI) will improve comparability, and the inclusion of the specified variances and the explanation of significant variances will provide more useful information for making decisions and assessing accountability.

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Management's Discussion and Analysis

This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provided an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between current and prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

Unusual or Infrequent Items

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

Other Matters – Future Accounting and Auditing Issues (Continued)

GASB 103 Financial Reporting Model Improvements (Continued)

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide good and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party of fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary funds current or future pricing policies, and (3) all other transfers.

Major Component Unit Information

This Statement requires governments be present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

Budgetary Comparison Information

This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

GASB 104 – Disclosure of Capital Assets

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures requires by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Agreements, should be disclosed separately by major class of underlying asset in the capital asset note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

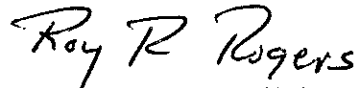
This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt which the capital assets held for sale are pledged as collateral for each major class of asset.

Best Practices – Not Significant Deficiencies

1. Segregation of Duties

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected. We noted that the Senior Accountant and Office Supervisor have the ability to input information into the accounting system and have access to the check stock, check printer, and signature stamp. This could allow for the issuance of an unauthorized check which may not be detected within a reasonable time period. We recommend that the Board continually monitor the financial activities to mitigate this risk and consider obtaining additional fidelity (employee honesty) insurance coverage to compensate for this risk.

This information is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

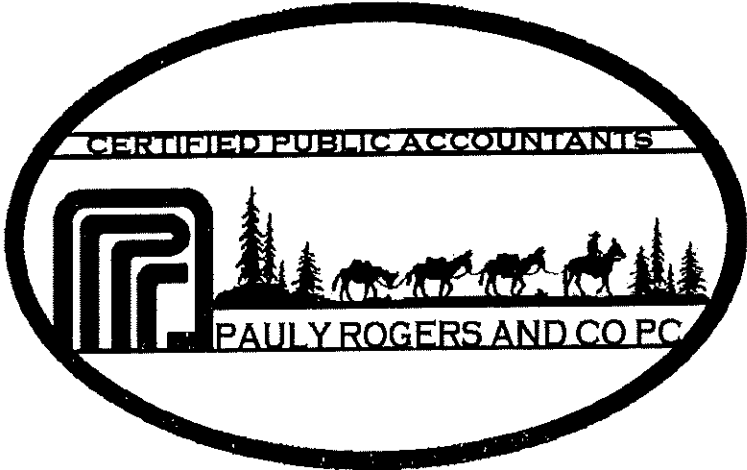


ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025



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Tigard, OR 97223

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

2024-2025

FINANCIAL REPORT

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

BOARD OF DIRECTORS

TERM EXPIRES

Cori Johnson, President

December 31, 2028

Tom Lewis, Vice President

December 31, 2028

Nicholas Engels, Secretary

January 3, 2026

Colby Riley, Treasurer

December 31, 2026

Larry Dixon, Director

December 31, 2026

All board members will receive mail at the address below

REGISTERED AGENT

Jeremy Hudson (Registered Agent)
19601 NE Halsey
Portland, Oregon 97230

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

BOARD OF DIRECTORS

TERM EXPIRES

Cori Johnson, President

December 31, 2028

Tom Lewis, Vice President

December 31, 2028

Nicholas Engels, Secretary

January 3, 2026

Colby Riley, Treasurer

December 31, 2026

Larry Dixon, Director

December 31, 2026

All board members will receive mail at the address below

REGISTERED AGENT

Jeremy Hudson (Registered Agent)
19601 NE Halsey
Portland, Oregon 97230

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

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INDEPENDENT AUDITORS' REPORT

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PAULY, ROGERS AND Co., P.C.
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(503) 620-2632
www.paulyrogersandcocpas.com

January 28, 2026

To the Board of Directors
Rockwood Water People's Utility District
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying basic financial statements, the business-type activities and major fund of Rockwood Water People's Utility District (the PUD) as of and for the years ended June 30, 2025 and 2024 and the related notes to the basic financial statements, as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and major fund, of the PUD as of June 30, 2025 and 2024 and the respective changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of the PUD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the PUD's ability to continue as a going concern for twelve months beyond the basic financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Basic Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements.
- Obtain an understanding of the PUD's system of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PUD's system of internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the PUD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

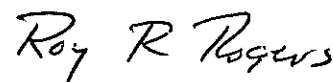
Management is responsible for the other information included in the annual report. The other information includes the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our reports dated January 28, 2026, on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 28, 2026, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.


ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Rockwood Water People's Utility District, (PUD), we offer readers of our financial statements this narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2025.

Financial Highlights

- Our assets exceeded our liabilities at the close of the fiscal year by \$88,065,508. Of this amount, \$14,278,344 (unrestricted net assets) may be used to meet our ongoing obligations of providing retail water service.
- Restricted assets used to finance future system additions to meet future development were \$1,216,828.
- Capital assets were \$142,215,733 net of depreciation.
- Total current liabilities had a decrease from the prior year due to substantial reduction in accounts payable. The PUD's long-term liability is \$68,661,913 for the revenue bonds as well as the WIFIA loan.
- Total Net Position increased by \$13,824,140 primarily due in part to Financing Proceeds from City of Gresham reimbursing for their portion of the Groundwater development and in small part to higher water sales revenues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the PUD's basic financial statements. These statements consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows along with the Notes to Basic Financial Statements. Complimenting these statements and notes is other Supplementary Information, which provides additional details about the PUD's operation.

The Statement of Net Position presents information on all of the PUD's assets, liabilities, and net position. Over time, changes in assets, liabilities, and net position may serve as a useful indicator of whether the PUD's financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information related to increases and decreases in net total position. These statements are prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses recorded at the time liabilities are incurred.

The Statement of Cash Flows is an analysis of the change in the PUD's cash balance during the fiscal year. It is divided into two components: cash provided from restricted and unrestricted funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis

The financial operations of the PUD are primarily related to the supply and distribution of water in and around the cities of Gresham, Portland and Fairview.

Revenues from the sale of water increased \$727,800 from last fiscal year. Other operating revenues increased \$226,679 from the prior year due to increased revenue from Groundwater charges and Service Installations. The District continues the expansion of the groundwater development project, however the reimbursement revenues from the project partner, City of Gresham, are now recorded as Non-Operating Revenue in a Groundwater Development Fund.

Operating expenses increased \$273,348 year to year, due to modest increases in personnel services, materials and services, and Depreciation and Amortization.

Non-operating revenue increased \$6,127,112 and expenses increased \$1,230,674, for a net non-operating income increase of \$4,896,438.

In accordance with the multi-year financial plan and rate model we plan to adjust rates in 2026.

Below is summarized information from the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position for fiscal years 2024 and 2025 ending on June 30.

Statement of Net Position

	June 30,		\$ Change
	2025	2024	
Current and other assets	\$ 23,788,591	\$ 26,262,157	\$ (2,473,566)
Capital assets	142,215,733	91,797,555	50,418,178
Total assets	166,004,324	118,059,712	47,944,612
Deferred outflows	1,689,316	1,460,062	229,254
Total assets and deferred outflows	167,693,640	119,519,774	48,173,866
Current and other liabilities	6,906,169	10,014,156	(3,107,987)
Net pension liability	3,429,612	3,367,247	62,365
Long term debt	68,661,913	31,451,783	37,210,130
Total liabilities	78,997,694	44,833,186	34,164,508
Deferred inflows	630,438	445,220	185,218
Total liabilities and deferred inflows	79,628,132	45,278,406	34,349,726
Net Position			
Net investment in capital assets	72,506,805	59,259,482	13,247,323
Restricted for system development projects	1,216,828	1,043,827	173,001
Restricted for OPEB related items	63,531	67,113	(3,582)
Unrestricted	14,278,344	13,870,946	407,398
Total net position	<u>\$ 88,065,508</u>	<u>\$ 74,241,368</u>	<u>\$ 13,824,140</u>
Total liabilities, deferred inflows, and net position	167,693,640	119,519,774	48,173,866

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

	June 30,		\$ Change
	2025	2024	
Operating revenues	\$ 15,297,352	\$ 14,342,873	\$ 954,479
Operating expenses:			
Depreciation and amortization	1,472,879	1,358,559	114,320
Other	10,155,821	9,996,793	159,028
Total operating expenses	11,628,700	11,355,352	273,348
Operating income	3,668,652	2,987,521	681,131
Nonoperating income (expense)	9,820,683	4,924,245	4,896,438
Capital contributions	334,805	168,336	166,469
Change in net position	\$ 13,824,140	\$ 8,080,102	\$ 5,744,038

Capital Asset and Debt Analysis

The capital assets increased by \$50,418,178 during the year due to significant capital outlay projects. The District continues to invest in the expansion of the Groundwater system. Capital Investment will continue until 2027. Long-term debt increased by \$37,210,130. All scheduled debt payments and interest were made in the current fiscal year.

Economic Factors

The communities we serve continue to see some customer growth primarily in the form of infill and multi-family housing, and the general economy of our service area seems stable. We expect some growth, and the system capacity developed by the groundwater development program will meet near term demands and replace wholesale water purchase needs.

REQUEST FOR INFORMATION

The District's financial statements are designed to present users with a general overview of the District's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to General Manager at 19601 NE Halsey Street, Portland, Oregon 97230.

Jeremy Hudson
General Manager

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BASIC FINANCIAL STATEMENTS

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

STATEMENTS OF NET POSITION

As of June 30, 2025 and 2024

	June 30,	
	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 19,065,962	\$ 22,070,410
Restricted cash and cash equivalents	1,216,828	1,043,827
Receivables:		
Water service	2,506,383	2,230,401
Other	45,441	46,343
Allowance for doubtful accounts	(50,000)	(40,000)
Prepaid Insurance	68,461	58,926
Inventory	871,985	785,137
OPEB RHIA Asset	63,531	67,113
TOTAL CURRENT ASSETS	23,788,591	26,262,157
CAPITAL ASSETS		
Not being depreciated	107,350,110	56,169,589
Being depreciated, net of accumulated depreciation	34,828,417	35,537,734
Subscription Asset, net of amortization	37,206	90,232
TOTAL CAPITAL ASSETS	142,215,733	91,797,555
TOTAL ASSETS	166,004,324	118,059,712
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferrals - PERS	1,682,701	1,459,872
OPEB Related Deferrals - PERS RHIA	6,615	190
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	167,693,640	119,519,774
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	4,969,453	8,054,041
Construction retainage payable	546,901	546,901
Customer deposits	52,221	40,575
Accrued payroll liabilities	-	35,220
Accrued compensated absences	290,579	251,129
Current liabilities payable from restricted assets:		
Current portion of long-term debt	1,047,015	1,017,015
Current portion of SBITA liability	-	69,275
TOTAL CURRENT LIABILITIES	6,906,169	10,014,156
NON-CURRENT LIABILITES		
Net Pension Liability - PERS	3,429,612	3,367,247
Long-Term Debt, net of current portion	68,661,913	31,451,783
TOTAL LIABILITIES	78,997,694	44,833,186
DEFERRED INFLOWS OF RESOURCES		
Pension Related Deferrals - PERS	626,283	433,347
OPEB Related Deferrals - PERS RHIA	4,155	11,873
TOTAL LIABILITIES AND DEFERRED OUTFLOWS OF RESOURCES	79,628,132	45,278,406
NET POSITION		
NET POSITION:		
Net investment in capital assets	72,506,805	59,259,482
Restricted for System Development Projects	1,216,828	1,043,827
Restricted for OPEB RHIA Asset	63,531	67,113
Unrestricted	14,278,344	13,870,946
TOTAL NET POSITION	\$ 88,065,508	\$ 74,241,368

See accompanying notes to basic financial statements

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
Multnomah County, Oregon

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2025 and 2024

	Years Ended June 30,	
	2025	2024
OPERATING REVENUES:		
Water sales	\$ 13,830,350	\$ 13,102,550
Groundwater charges	500,000	275,000
Service installations	273,143	171,401
Subdivision project income	31,627	18,580
Other service income	158,282	147,959
Service charges	277,972	262,109
Backflow charges	44,300	41,315
Set up fees	25,198	13,916
Miscellaneous income	156,480	310,043
TOTAL OPERATING REVENUES	15,297,352	14,342,873
OPERATING EXPENSES:		
Personnel services	3,991,172	3,903,781
Materials and services	6,164,649	6,093,012
Depreciation and amortization	1,472,879	1,358,559
TOTAL OPERATING EXPENSES	11,628,700	11,355,352
OPERATING INCOME	3,668,652	2,987,521
NONOPERATING INCOME (EXPENSE):		
Interest income	1,122,001	1,249,808
Interest expense	(1,506,291)	(678,887)
Bond Issuance Costs	(428,654)	(25,384)
Financing proceeds - reimbursement income	10,633,627	4,378,708
TOTAL NONOPERATING INCOME (EXPENSE)	9,820,683	4,924,245
CAPITAL CONTRIBUTIONS:		
System development charges	334,805	168,336
CHANGE IN NET POSITION	13,824,140	8,080,102
NET POSITION, beginning of year	74,241,368	66,161,266
NET POSITION, end of year	\$ 88,065,508	\$ 74,241,368

See accompanying notes to basic financial statements

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	Years Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Received from customers	\$ 14,887,438	\$ 14,041,660
Paid to suppliers for goods and supplies	(9,344,783)	(699,394)
Paid to employees	(3,965,031)	(3,840,996)
Miscellaneous income	156,480	310,043
NET CASH FROM OPERATING ACTIVITIES	1,734,104	9,811,313
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contributions - system development charges	334,805	168,336
Interest paid	(1,506,291)	(678,887)
Bond payments	(855,000)	(825,000)
Bond premium	(162,015)	(162,015)
Bond proceeds - WIFIA	16,925,394	13,494,541
Bond proceeds - Revenue Bond	19,495,000	-
Bond proceeds - Revenue Bond Premium	1,836,751	-
Financing proceeds - reimbursement income	10,633,627	4,378,708
Bond issuance cost	(428,654)	(25,384)
Purchase of capital assets (Net)	(51,891,894)	(24,052,214)
Subscription Liability	(69,275)	(105,289)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(5,687,552)	(7,807,204)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Earnings on investments	1,122,001	1,249,808
NET CASH FROM INVESTING ACTIVITIES	1,122,001	1,249,808
NET INCREASE (DECREASE) IN CASH	(2,831,447)	3,253,917
CASH AND CASH EQUIVALENTS, beginning of year	23,114,237	19,860,320
CASH AND CASH EQUIVALENTS, end of year	\$ 20,282,790	\$ 23,114,237
CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING:		
Current	\$ 19,065,962	\$ 22,070,410
Restricted	1,216,828	1,043,827
TOTAL CASH AND CASH EQUIVALENTS	\$ 20,282,790	\$ 23,114,237
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Operating income	\$ 3,668,652	\$ 2,987,521
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization expense	1,472,879	1,358,559
Loss on disposal of assets	837	-
Changes in assets and liabilities:		
Proportionate Share of Net Pension Liability, Deferred Inflows and Outflows	32,472	56,714
OPEB Related RHIA Asset, Deferred Inflows and Outflows	(10,561)	(17,890)
Accounts receivable, net	(265,080)	19,552
Inventory	(86,848)	(249,035)
Accounts payable	(3,084,588)	5,652,444
Customer deposits	11,646	(10,722)
Accrued payroll liabilities	(35,220)	21,445
Prepays	(9,535)	(9,791)
Accrued compensated absences	39,450	2,516
NET CASH FROM OPERATING ACTIVITIES	\$ 1,734,104	\$ 9,811,313

See accompanying notes to basic financial statements

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

1. REPORTING ENTITY

Rockwood Water People's Utility District (the PUD), established in June 1990, and is a municipal corporation governed by an elected board. The PUD was organized under provisions of Oregon Revised Statutes Chapter 261 for the purpose of providing water service to residents and other users located in East Multnomah County, with approximate boundaries being Sandy Boulevard on the North, Division Street on the South, and 133rd Avenue on the West and 242nd Avenue on the East.

The PUD is the primary, special purpose government responsible for providing water service within its boundaries. As a result, all significant activities have been included in these financial statements. The basic financial statements represent those of a stand-alone government, as there are no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

For financial reporting purposes, operations are accounted on a flow of economic resources measurement focus. This measurement focus provides that all assets and liabilities associated with operations are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (income) and decreases (expenses) in the net position.

The accrual basis of accounting is utilized for financial reporting. Under the accrual basis of accounting, income is recorded when earned and expenses are recorded at the time liabilities are incurred.

Operating and Non-operating Revenues and Expenses

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations, primarily relating to water sales, service charges and system development charges.

Operating expenses include the cost of personnel, materials and services. All revenues and expenses not meeting these definitions are reported as non-operating income and expenses. Non-exchange transactions, in which the PUD receives value without giving equal value in exchange, include contributions from individuals or organizations.

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of one year or less from the date of acquisition.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Assets with restricted use are segregated on the Statement of Net Position. Increases in restricted assets result from: transfers of unrestricted funds, earnings on restricted assets and certain system development charges. These assets are restricted for system development charges and debt service. When expenses occur that would apply to either restricted or unrestricted resources, it is the PUD's policy to first utilize the restricted resources.

Receivables

Water service receivables are for residential, commercial and industrial sales. Concentrations of credit risk with respect to receivables are limited due to the large number of customers comprising the customer base. Credit losses have been within management's expectations. Billings to customers are prepared on a cycle basis due to the large volume of customers serviced. Unbilled revenue relating to the cycle billing is based on a ratio of weeks metered to sales recorded subsequent to year end. Management has elected to write off all unpaid balances sent to collections.

Receivables are shown net of an allowance for doubtful accounts. The allowance is judgmentally determined by management based on a collectability analysis.

Inventory

Inventory of materials is valued at the lower of average cost or market and is charged to operations as used.

Capital Assets

Capital assets are stated at cost, which includes material, labor, indirect costs, overhead, and contracted services. Capital assets are defined as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Contributed capital assets are recorded at their fair value at date of transfer. Maintenance, repairs and routine replacements are expensed as incurred. Replacements which improve or extend the lives of the assets are capitalized. Upon the sale or disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in operations.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

	<u>Years</u>
Water systems	50
Buildings	40
Building improvements	10-15
Office, shop, and meter equipment	5-10
Automotive equipment	6

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

The PUD recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, one type of leave qualifies for liability recognition for compensated absences – the PUD's Paid Time Off (PTO) program qualifies for recognition. PTO was adopted in May 2008 and implemented July 1, 2008, replacing separate vacation and sick leave programs. PTO vests as earned, and employees accrue leave based on years of service, subject to maximum accrual limits of 320 hours for employees with one to five years of service, 400 hours for employees with five to ten years of service, and 480 hours for employees with more than ten years of service. PTO is not paid out annually and is therefore accrued. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Retirement Plans

Substantially all of the PUD's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Budget

Under ORS 294.316, people's utility districts organized under ORS Chapter 261, which have no ad valorem tax support, are not required to separately prepare and adopt a budget. However, a budget has been prepared and adopted for operational accountability and control purposes on a fund accounting basis.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. At June 30, 2025 and 2024, there were deferred outflows representing PERS pension and OPEB RHIA related deferrals reported in the Statements of Net Position.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2025 and 2024, there were deferred inflows representing PERS pension and OPEB RHIA related deferrals reported in the Statements of Net Position.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access.

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs).

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Subscription Assets

Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription Liabilities

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

3. CASH AND INVESTMENTS

A common cash, investment pool, and other investments are maintained for all funds. The cash and cash equivalents are as follows:

	2025	2024
Cash on hand	\$ 700	\$ 700
Demand deposits	3,104,706	1,304,795
Local Government Investment Pool	15,127,383	21,808,742
Other Investments	2,050,001	-
Total Cash	\$ 20,282,790	\$ 23,114,237
<u>Financial Statement Presentation</u>		
Unrestricted	\$ 19,065,962	\$ 22,070,410
Restricted	1,216,828	1,043,827
Total Cash	\$ 20,282,790	\$ 23,114,237

Deposits with Financial Institutions

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. As of June 30, 2025 and 2024, \$250,000 and \$250,000 of the total bank balance of \$3,801,773 and \$834,761, was insured by FDIC. The remainder is covered by the collateral held in a multiple financial institution collateral pool administered by the State of Oregon Treasurer.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a counterparty, the PUD will not be able to recover the value of its deposits that are in the possession of an outside party. At June 30, 2025 and 2024, there was no exposure to custodial credit risk.

**ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

3. CASH AND INVESTMENTS (CONTINUED)

Investments

Statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the state treasurer's investment pool

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2025. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2025 and 2024, the fair value of the position in the LGIP is 100.49% and 100.39% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found at:

As of June 30, 2025, the PUD had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
Local Government Investment Pool (LGIP)	\$ 15,127,383	\$ 15,127,383	\$ -	\$ -
Other Investments	2,050,001	1	2,050,000	-
Total	\$ 17,177,384	\$ 15,127,384	\$ 2,050,000	\$ -

As of June 30, 2024, the PUD had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
Local Government Investment Pool (LGIP)	\$ 21,808,742	\$ 21,808,742	\$ -	\$ -
Total	\$ 21,808,742	\$ 21,808,742	\$ -	\$ -

Interest Rate Risk - Investments

Oregon Revised Statutes require investments not to exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. Cash not expected to be used within thirty days is invested in the Local Government Investment Pool which manages investment rate risk. There are no investments that have a maturity date beyond 3 months.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Credit Risk- Investments

The State of Oregon Treasurer's LGIP is not rated.

4. ACCOUNTS RECEIVABLE – WATER SERVICE

The water service receivables of \$2,506,383 and \$2,230,401 at June 30, 2025 and 2024 respectively, include estimates of approximately \$1,300,000 and \$1,260,000, respectively, of water sales that have been earned but not yet billed as of those dates. Of these amounts, none are considered over 90 days past due for the year ended June 30, 2025. Allowance for doubtful accounts at June 30, 2025 and 2024 were \$50,000 and \$40,000 respectively.

5. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2025, are summarized below:

	Balance July 1, 2024	Adjustments	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated:					
Land and improvements	\$ 3,337,515	\$ -	\$ -	\$ -	\$ 3,337,515
Construction in progress	52,832,074	-	51,180,521	-	104,012,595
Total capital assets not being depreciated	56,169,589	-	51,180,521	-	107,350,110
Capital assets being depreciated:					
Buildings/improvements	2,344,235	-	36,593	-	2,380,828
Water system	60,045,263	-	258,813	-	60,304,076
Automotive equipment	1,462,438	-	415,967	(96,126)	1,782,279
Shop equipment	126,252	-	-	-	126,252
Office equipment	649,547	-	-	(9,366)	640,181
Meter equipment	225,005	-	-	(656)	224,349
Total capital assets being depreciated	64,852,740	-	711,373	(106,148)	65,457,965
Accumulated Depreciation:					
Buildings/improvements	(1,422,724)	-	(38,042)	-	(1,460,766)
Water system	(26,526,929)	-	(1,168,242)	-	(27,695,171)
Automotive equipment	(700,446)	-	(130,202)	95,289	(735,359)
Shop equipment	(116,562)	-	(4,517)	-	(121,079)
Office equipment	(472,044)	-	(60,651)	9,366	(523,329)
Meter equipment	(76,301)	-	(18,199)	656	(93,844)
Total accumulated depreciation	(29,315,006)	-	(1,419,853)	105,311	(30,629,548)
Total capital assets being depreciated, net	35,537,734				34,828,417
Total capital assets, net	\$ 91,707,323				\$ 142,178,527

Deletions of capital assets for fiscal year 2024–2025 primarily relate to the disposal of several automotive, office equipment, and meter equipment assets.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (CONTINUED)

Changes in capital assets for the year ended June 30, 2024, are summarized below:

	Balance July 1, 2023	Adjustments	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated:					
Land and improvements	\$ 3,337,515	\$ -	\$ -	\$ -	\$ 3,337,515
Construction in progress	30,159,181	(1,195,107)	23,868,000	-	52,832,074
Total capital assets not being depreciated	33,496,696	(1,195,107)	23,868,000	-	56,169,589
Capital assets being depreciated:					
Buildings/improvements	2,280,441	-	63,794	-	2,344,235
Water system	58,850,156	1,195,107	-	-	60,045,263
Automotive equipment	1,366,991	-	95,447	-	1,462,438
Shop equipment	118,255	-	7,997	-	126,252
Office equipment	632,571	-	16,976	-	649,547
Meter equipment	225,005	-	-	-	225,005
Total capital assets being depreciated	63,473,419	1,195,107	184,214	-	64,852,740
Accumulated Depreciation:					
Buildings/improvements	(1,378,047)	-	(44,677)	-	(1,422,724)
Water system	(25,493,588)	-	(1,033,341)	-	(26,526,929)
Automotive equipment	(593,247)	-	(107,199)	-	(700,446)
Shop equipment	(112,667)	-	(3,895)	-	(116,562)
Office equipment	(407,791)	-	(64,253)	-	(472,044)
Meter equipment	(60,175)	-	(16,126)	-	(76,301)
Total accumulated depreciation	(28,045,515)	-	(1,269,491)	-	(29,315,006)
Total capital assets being depreciated, net	35,427,904				35,537,734
Total capital assets, net	\$ 68,924,600				\$ 91,707,323

During the year ended June 30, 2024, the PUD placed into service water system improvements previously reported as construction in progress.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS

Water Revenue Obligations, Series 2021 were issued in the amount of \$18,590,000 at a rate of 3.00%-4.00%, and with a premium of \$3,240,302.

Water Revenue Obligations, Series 2024 were issued in the amount of \$19,495,000 at a rate of 3.00%-4.00%, and with a premium of \$1,836,751.

A Water Infrastructure Finance and Innovation (WIFIA) loan dated March 21, 2022, was secured in the amount of \$30,419,935 at a rate of 2.59%. Loan proceeds or draws against the loan are expected to occur in line with the project schedule and include \$10,000,000 in FY2024, \$10,000,000 in FY2025, and \$8,419,935 in FY2026. Interest only payments will occur the first five years and then principal payments are scheduled to begin in FY2028. The final payment on the loan is scheduled for June 15, 2047. Planned draws were not received as scheduled but are expected to be received in the subsequent year.

Changes in long-term debt for the year ended June 30, 2025, was as follows:

	Balance 7/1/2024	Issued	Matured and Redeemed	Balance 6/30/2025	Due Within One Year
Bonds Payable					
2021 Revenue Bond	\$ 16,220,000	\$ -	\$ 855,000	\$ 15,365,000	\$ 885,000
2024 Revenue Bond	-	19,495,000	-	19,495,000	-
Loans Payable					
2022 WIFIA Loan	13,494,541	16,925,394	-	30,419,935	-
Total Bonds	29,714,541	36,420,394	855,000	65,279,935	885,000
Premium Related to Bond					
2021 Bond Premium	2,754,257	-	162,015	2,592,242	162,015
2024 Bond Premium	-	1,836,751	-	1,836,751	-
Total	\$ 32,468,798	\$ 38,257,145	\$ 1,017,015	\$ 69,708,928	\$ 1,047,015

Amounts due on the long-term obligations are as follows:

Year Ending June 30,	Bonds Payable		Loan Payable		Total	
	Principal	Interest (3.00 - 4.00%)	Principal	Interest (2.59%)	Principal	Interest
2026	\$ 885,000	\$ 1,481,250	\$ -	\$ 787,876	\$ 885,000	\$ 2,269,126
2027	1,470,000	1,445,850	-	787,876	1,470,000	2,233,726
2028	1,535,000	1,381,600	400,000	787,876	1,935,000	2,169,476
2029	1,605,000	1,314,450	525,000	777,516	2,130,000	2,091,966
2030	1,675,000	1,244,200	650,000	763,918	2,325,000	2,008,118
2031-2035	8,405,000	5,098,650	5,525,000	3,489,372	13,930,000	8,588,022
2036-2040	9,470,000	3,308,450	7,500,000	2,644,382	16,970,000	5,952,832
2041-2045	7,025,000	1,450,100	10,853,118	1,527,818	17,878,118	2,977,918
2046-2047	2,790,000	168,400	4,966,817	193,782	7,756,817	362,182
Total	\$ 34,860,000	\$ 16,892,950	\$ 30,419,935	\$ 11,760,416	\$ 65,279,935	\$ 28,653,366

The 2022 WIFIA Loan Agreement requires net revenues in each fiscal year to equal 1.25 times the annual debt service due in that fiscal year on outstanding obligations, net revenue excluding system development charges must be 1.15 times annual debt service, and net revenue must be 1.00 times annual debt service for subordinate obligations as well as any amounts owed to a Credit Provider for surety premium payments. For the years ended June 30, 2025 and 2024, the PUD was in compliance with this requirement.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS (CONTINUED)

The calculations for the years ended June 30, 2025 and 2024, was as follows:

	2025	2024
Principal Payments \$	855,000	\$ 825,000
Interest Payments	1,668,306	925,550
Total Payments	2,523,306	1,750,550
Rate	1.25	1.25
Requirement	\$ 3,154,133	\$ 2,188,188
Net Revenues	\$ 5,928,727	\$ 5,427,552

For purposes of the calculation above, net revenues are defined as follows: operating revenues, plus interest income, minus operating expenses (excluding depreciation and amortization).

Changes in long-term debt for the year ended June 30, 2024, was as follows:

	Balance 7/1/2023	Issued	Matured and Redeemed	Balance 6/30/2024	Due Within One Year
Bonds Payable					
2021 Revenue Bonds	\$ 17,045,000	\$ -	\$ 825,000	\$ 16,220,000	\$ 855,000
Loans Payable					
2022 WIFIA Loan	-	13,494,541	-	13,494,541	-
Total Bonds	17,045,000	13,494,541	825,000	29,714,541	855,000
Premium Related to Bond					
Bond Premium	2,916,272	-	162,015	2,754,257	162,015
Total	\$ 19,961,272	\$ 13,494,541	\$ 987,015	\$ 32,468,798	\$ 1,017,015

Year Ending June 30,	Bonds Payable		Loan Payable	
	Principal	Interest (3.00 - 4.00%)	Principal	Interest (2.59%)
2025	\$ 855,000	\$ 581,750	\$ -	\$ 569,800
2026	885,000	547,550	-	787,876
2027	925,000	512,150	-	787,876
2028	960,000	475,150	400,000	787,876
2029	1,000,000	436,750	525,000	777,516
2030-2034	4,890,000	1,565,750	4,825,000	3,614,338
2035-2039	4,645,000	735,300	7,250,000	2,832,158
2040-2044	2,060,000	93,150	10,063,354	1,788,458
2045-2047	-	-	7,356,581	384,318
Total	\$ 16,220,000	\$ 4,947,550	\$ 30,419,935	\$ 12,330,216

7. ACCRUED COMPENSATED ABSENCES

Accrued Compensated Absences amount to \$290,579 and \$251,129 at June 30, 2025 and 2024, respectively.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

8. CUSTOMER DEPOSITS

Customer Deposits amount to \$52,221 and \$40,575 at June 30, 2025 and 2024, respectively. Customer Deposits are required of a user or former user if water service was terminated for violation of PUD policy or after the PUD has issued three termination notices in any twelve month period. These deposits normally are refunded after customers close their account. Customers who have established an excellent payment history of no late notices during a twelve month period receive a credit applied to their account.

9. OTHER INFORMATION

Major Customer

Sales to one customer accounted for approximately 15.17% and 16.18% of operating revenue for the years ended June 30, 2025, and 2024, respectively.

Major Supplier

In 2006 a contract was entered into with the City of Portland for the purchase of water through the year 2026. For the years ended June 30, 2025 and 2024, the cost of water purchased under this contract with the City of Portland was \$3,925,886 and \$3,768,277, respectively.

Commitments

At June 30, 2025 and 2024, there were material construction contract commitments related to the PUD's Groundwater Development Project which approximated \$15.5 million and \$70 million.

Risk Management

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

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

10. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report (ACFR) which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

If the link is expired, please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. Under House Bill (HB) 2283, passed during the 2023 legislative session and effective January 1, 2024, if a member has established retirement eligibility under the police and fire classification, they retain that eligibility even if they perform service thereafter as other than police and fire. Under HB 4045, passed during the 2024 legislative session and effective January 1, 2025, normal retirement age for police and fire members will be lowered to age 55 or age 53 with 25 years of retirement credit.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

iii. **Disability Benefits.** Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2025 were \$541,657, excluding amounts to fund employer specific liabilities. In addition, approximately \$146,263 in employee contributions were paid or picked up by the PUD in 2024-2025.

Pension Asset or Liability – At June 30, 2025, the PUD reported a net pension liability of \$3,429,612 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2022. The PUD's proportion of the net pension liability was based on a projection of the PUD's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2024 and 2023, the PUD's proportion was .015 percent and .018 percent, respectively. Pension expense for the year ended June 30, 2025 was \$32,472.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rates in effect for the year ended June 30, 2025, were:

- (1) Tier 1/Tier 2 – 23.13%
- (2) OPSRP general services – 26.6%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 203,173	\$ 8,185
Changes in assumptions	344,814	442
Net difference between projected and actual earnings on pension plan investments	217,876	-
Net changes in proportionate share	239,690	493,617
Differences between PUD contributions and proportionate share of contributions	135,491	124,039
Subtotal - Amortized Deferrals (below)	1,141,044	626,283
PUD contributions subsequent to measuring date	541,657	-
Deferred outflow (inflow) of resources	<u>\$ 1,682,701</u>	<u>\$ 626,283</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

Subtotal amounts related to pension as deferred outflows of resources \$1,141,044, and deferred inflows of resources, (\$626,283), net to \$514,761 and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2026	\$ (17,697)
2027	314,281
2028	144,909
2029	68,084
2030	5,184
Thereafter	-
Total	<u>\$ 514,761</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Actuarial Valuations –

The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

**ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Valuations (Continued)

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p><u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	9.0%	16.5%	12.5%
Private Equity	17.5%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2024 PERS ACFR; p. 116)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund of Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2024 PERS ACFR; p. 88)

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2024, and 2023 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the PUD's proportionate share of the net pension liability to changes in the discount rate – the following presents the PUD's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the PUD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
PUD's proportionate share of the net pension liability	\$ 5,410,074	\$ 3,429,612	\$ 1,770,879

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the PUD are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

OPSRP Individual Account Program (OPSRP IAP) (Continued)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the PUD pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The PUD did not make any optional contributions to member IAP accounts for the year ended June 30, 2025.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFIT PLANS - RHIA

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the PUD contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the PUD currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2024. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The PUD's contributions to RHIA are included with PERS and equaled the required contributions for the year.

At June 30, 2025, the PUD reported a net OPEB asset of \$63,531 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the PUD's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2024, and 2023, the PUD's proportion was 0.016 percent and 0.018 percent, respectively. OPEB income for the year ended June 30, 2024, was \$10,561.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFIT PLANS – RHIA (CONTINUED)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (7,553)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(2,974)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	\$ (10,527)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ -	\$ 1,243
Changes of assumptions	-	804
Net difference between project and actual earnings on pension plan investments	1,794	-
Net changes in proportionate share	4,821	2,108
Differences between employer contributions and employer's proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	6,615	4,155
Contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	\$ 6,615	\$ 4,155

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2026.

Subtotal amounts related to OPEB as deferred outflows of resources, \$6,615, and deferred inflows of resources, (\$4,155), net to \$2,460 and will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2026	\$ (1,327)
2027	2,610
2028	970
2029	207
2030	-
Thereafter	-
Total	\$ 2,460

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 75 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFIT PLANS – RHIA (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%
Mortality	<p><u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2024 and June 30, 2023 was 6.90 percent, for both years. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

11. OTHER POST EMPLOYMENT BENEFIT PLANS – RHIA (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2024 PERS ACFR; p. 88)

Sensitivity of the PUD's proportionate share of the net OPEB asset to changes in the discount rate – The following presents the PUD's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the PUD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90)</u>
Proportionate share of the net OPEB asset	\$ 58,811	\$ 63,531	\$ 67,596

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

12. RENTAL REVENUE

Residential property located at 335 NE 141st Ave in Portland was leased month-to-month during 2023 and has been vacant while a property manager makes repairs to get the property to retable status. The PUD estimates it could rent the property when it becomes habitable again for about \$16,000 per year but there is no current lease agreement for the property in place.

Total rental revenue received from all properties total \$0 and \$3,912 for the year ended June 30, 2025 and 2024.

13. DEFERRED COMPENSATION PLAN – 403B PLAN

Plan Description:

The PUD offers its employees a deferred compensation plan, permitting them to defer a portion of their salary into future years. It is administered by independent plan administrators through administrative service agreements for the sole benefit of the employees involved. The PUD's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs the investing function. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. No asset or liability is recorded on the Statement of Net Position since all monies are for the exclusive benefit of the employees.

Funding Policy:

The PUD does not match employee contributions. The PUD made no contributions for the years ended June 30, 2025 and 2024.

14. DEFERRED COMPENSATION PLAN – 457 PLAN

Plan Description:

The PUD offers certain employees a deferred compensation plan under Internal Revenue Code Section 457. Participation in the plan is limited to eligible employees who elect to defer a portion of their salary. As of June 30, 2025 and 2024, 30 employees and 30 employees participate in the plan. The plan is administered by an independent plan administrator through an administrative service agreement for the sole benefit of the employees involved. The PUD's administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator, who performs the investing function. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. No asset or liability is recorded on the Statement of Net Position since all monies are for the exclusive benefit of the employees.

Funding Policy:

The PUD does not contribute to the 457 plan. All contributions are voluntary salary deferrals made by participating employees through payroll deduction.

15. INTERFUND TRANSFERS

The composition of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 3,123,306	\$ 435,000
System Development	300,000	-
Debt Service	-	2,523,306
Groundwater Production	65,000	600,000
Groundwater Construction	70,000	-
Total Funds	<u>\$ 3,558,306</u>	<u>\$ 3,558,306</u>

Operating transfers between funds were made to fund the various programs and activities.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

16. SUBSCRIPTION PAYABLE AND ASSET

The financial statements follow GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of June 30, 2025, The PUD had two active subscriptions. The subscription has payments that range from \$7,048 to \$69,675 and interest rates that range from 0.5773% to 1.7103%. As of June 30, 2025, the PUD has no subscription liabilities. The combined value of the right to use assets, as of June 30, 2025, of \$248,139 with accumulated amortization of \$210,933 is included within the Subscription Class activities table found below.

	Changes in Subscription Right-to-use Asset			Balance as of June 30, 2025
	Balance as of July 1, 2024	Additions	Reductions	
Subscription Assets				
Software				
Civil 3D Government	\$ 7,048	\$ -	\$ (7,048)	\$ -
Tyler Software	248,139	-	-	248,139
Total Software Subscription Assets	255,187	-	(7,048)	248,139
Total Subscription Assets	255,187	-	(7,048)	248,139
Subscription Accumulated Amortization				
Software				
Civil 3D Government	(6,755)	(293)	7,048	-
Tyler Software	(158,200)	(52,733)	-	(210,933)
Total Software Subscription Accumulated Amortization	(164,955)	(53,026)	7,048	(210,933)
Total Governmental Subscription Assets, Net	\$ 90,232	\$ 53,026	\$ -	\$ 37,206

	Changes in SBITA Liability			Balance as of June 30, 2025
	Balance as of July 1, 2024	Additions	Reductions	
Subscription Liability				
Software				
Tyler Software	\$ 69,275	\$ -	\$ (69,275)	\$ -
Total Software Subscription Liability	69,275	-	(69,275)	-
Total Subscription Liability	\$ 69,275	\$ -	\$ (69,275)	\$ -

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

16. SUBSCRIPTION PAYABLE AND ASSET (CONTINUED)

As of June 30, 2024, The PUD had four active subscriptions. The subscriptions have payments that range from \$0 to \$69,000 and interest rates that range from 0.2177% to 2.3633%. As of June 30, 2024, the total combined value of the subscription liability is \$69,275. The combined value of the right to use asset, as of June 30, 2024, of \$255,187 with accumulated amortization of \$164,955 is included within the Subscription Class activities table found below.

Changes in Subscription Right-to-use Asset				
	Balance as of July 1, 2023	Additions	Reductions	Balance as of June 30, 2024
Subscription Assets				
Software				
Civil 3D Government	\$ 7,048	\$ -	\$ -	\$ 7,048
WP Engine Software	599	-	(599)	-
MaaS360 Mobile Device Management	98,218	-	(98,218)	-
Tyler Software	248,139	-	-	248,139
Total Software Subscription Assets	<u>354,004</u>	<u>-</u>	<u>(98,817)</u>	<u>255,187</u>
Total Subscription Assets	<u>354,004</u>	<u>-</u>	<u>(98,817)</u>	<u>255,187</u>
Subscription Accumulated Amortization				
Software				
Civil 3D Government	(3,230)	(3,525)	-	(6,755)
WP Engine Software	(530)	(69)	599	-
MaaS360 Mobile Device Management	(65,478)	(32,740)	98,218	-
Tyler Software	(105,466)	(52,734)	-	(158,200)
Total Software Subscription Accumulated Amortization	<u>(174,704)</u>	<u>(89,068)</u>	<u>98,817</u>	<u>(164,955)</u>
Total Subscription Accumulated Amortization	<u>(174,704)</u>	<u>(89,068)</u>	<u>98,817</u>	<u>(164,955)</u>
Total Governmental Subscription Assets, Net	<u>\$ 179,300</u>	<u>\$ (89,068)</u>	<u>\$ -</u>	<u>\$ 90,232</u>

Changes in SBITA Liability				
	Balance as of July 1, 2023	Additions	Reductions	Balance as of June 30, 2024
Subscription Liability				
Software				
Civil 3D Government	\$ 3,578	\$ -	\$ (3,578)	\$ -
MaaS360 Mobile Device Management	32,833	-	(32,833)	-
Tyler Software	138,153	-	(68,878)	69,275
Total Software Subscription Liability	<u>174,564</u>	<u>-</u>	<u>(105,289)</u>	<u>69,275</u>
Total Subscription Liability	<u>\$ 174,564</u>	<u>\$ -</u>	<u>\$ (105,289)</u>	<u>\$ 69,275</u>

17. DEFICIT FUND BALANCE

At June 30, 2025, the Groundwater Construction Fund had a deficit fund balance of \$2,789,981 primarily due to timing of loan reimbursements from on-going construction efforts funded by the WIFIA loan program. The PUD expects this to be made up when loan proceeds are received in subsequent periods.

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REQUIRED SUPPLEMENTARY INFORMATION

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.015 %	\$ 3,429,612	\$ 2,387,225	143.7 %	79.3 %
2024	0.018	3,367,247	2,306,291	146.0	81.7
2023	0.016	2,526,293	2,040,051	123.8	84.5
2022	0.019	2,233,773	2,047,309	109.1	87.6
2021	0.017	3,612,174	1,980,503	182.4	75.8
2020	0.016	2,742,196	1,817,367	150.9	80.2
2019	0.017	2,533,708	1,701,145	148.9	82.1
2018	0.016	2,090,480	1,599,587	130.7	83.1
2017	0.015	2,319,842	1,404,322	165.2	80.5
2016	0.020	1,132,051	1,159,286	97.7	91.9

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ 541,657	\$ 541,657	\$ -	\$ 2,542,658	21.3 %
2024	522,977	522,977	-	2,387,225	21.9
2023	481,513	481,513	-	2,306,291	20.9
2022	420,921	420,921	-	2,040,051	20.6
2021	353,053	353,053	-	2,047,309	17.2
2020	358,830	358,830	-	1,980,503	18.1
2019	265,091	265,091	-	1,817,367	14.6
2018	234,636	234,636	-	1,701,145	13.8
2017	186,333	186,333	-	1,599,587	11.6
2016	164,102	164,102	-	1,404,322	11.7

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2025

RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset (NOA)	(b) Employer's proportionate share of the net OPEB asset (NOA)	(c) Employer's covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset
2025	0.0157 %	\$ 63,531	\$ 2,387,225	2.661 %	220.6 %
2024	0.0183	67,113	2,306,291	2.910	201.6
2023	0.0131	46,571	2,040,051	2.283	194.6
2022	0.0125	42,783	2,047,309	2.090	183.9
2021	0.0084	17,139	1,980,503	1.737	150.1
2020	0.0157	30,354	1,817,367	1.670	144.5
2019	0.0141	15,760	1,701,145	0.926	124.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ N/A	\$ N/A	\$ N/A	\$ 2,542,658	N/A %
2024	N/A	N/A	N/A	2,387,225	N/A
2023	N/A	N/A	N/A	2,306,291	N/A
2022	N/A	N/A	N/A	2,040,051	N/A
2021	N/A	N/A	N/A	2,047,309	N/A
2020	N/A	N/A	N/A	1,980,503	N/A
2019	N/A	N/A	N/A	1,817,367	N/A

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

All statutorily required contributions were made and are included within PERS contributions (see p. 29).

SUPPLEMENTARY INFORMATION

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

Description of Budgetary Funds

General Fund

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The fund's principal sources of revenue are water sales and related charges and transfers from other funds.

System Development Fund - Reimbursement

This fund accounts for the resources designated for water distribution system extensions and improvements. The principal revenue source is system development charges.

System Development Fund - Improvement

This fund accounts for the resources designated for water distribution system extensions and improvements that expand the capacity of the water system. The principal revenue source is system development charges.

Debt Service Fund

This fund accounts for the payment of principal and interest of the revenue bonds. The principal revenue source is transfers from the Debt Reserve Fund.

Groundwater Production Fund

This fund accounts for costs associated with producing and pumping groundwater. The principal sources of revenue are groundwater fees and transfers from the General Fund and from the City of Gresham equally.

Groundwater Construction Fund

This fund accounts for construction costs for the groundwater system. The principal financing source is bond proceeds.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING
SOURCES (USES) AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)**

YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Water sales	\$ 12,700,657	\$ 12,700,657	\$ 13,830,350	\$ 1,129,693
Gresham utility tax	476,253	476,253	502,005	25,752
Portland utility tax	218,043	218,043	212,914	(5,129)
Fairview utility tax	15,608	15,608	15,891	283
Service installations	250,000	250,000	273,143	23,143
Subdivision project income	50,000	50,000	31,627	(18,373)
Other service income	150,000	150,000	158,282	8,282
Late Fees	290,000	290,000	277,972	(12,028)
Backflow charges	40,000	40,000	44,300	4,300
Set-up fees	20,000	20,000	25,198	5,198
Interest income	200,000	200,000	983,805	783,805
Scrap metal sales	7,500	7,500	18,822	11,322
Miscellaneous income	40,000	40,000	120,907	80,907
Other government agencies	18,500	18,500	16,750	(1,750)
Fixed Asset Disposition	500,000	500,000	-	(500,000)
TOTAL REVENUES	14,976,561	14,976,561	16,511,966	1,535,405
EXPENDITURES:				
Personnel services:				
Salaries/wages	2,698,600	2,698,600	2,427,748	270,852
Overtime	96,000	96,000	14,083	81,917
Other	37,300	37,300	86,696	(49,396)
Employee bonus	1,000	1,000	-	1,000
Payroll taxes/benefits	1,687,500	1,687,500	1,533,496	154,004
Total Personnel services	4,520,400	4,520,400 (1)	4,062,023	458,377
Materials and services:				
Water purchases	3,925,195	3,925,195	3,925,886	(691)
Professional services	325,175	325,175	230,005	95,170
Utilities	86,480	86,480	88,949	(2,469)
Postage and office supplies	87,850	87,850	95,060	(7,210)
Conservation and customer relations	50,350	50,350	29,985	20,365
Elections/legal advertising	3,000	3,000	1,811	1,189
Insurance	139,000	139,000	139,814	(814)
Safety gear and equipment	20,000	20,000	20,956	(956)
Training and education	46,000	46,000	42,622	3,378
Dues/licenses/subscriptions	103,000	103,000	106,308	(3,308)
Office Equipment	17,500	17,500	1,808	15,692
Maintenance - other	108,000	108,000	122,124	(14,124)
Utility operating supplies	465,000	465,000	415,445	49,555
Maintenance - water system	60,000	60,000	38,306	21,694
Water testing/EPA requirements	63,500	63,500	58,700	4,800
Telemetry	15,200	15,200	7,742	7,458
Board meeting fees/Director's expense	28,000	28,000	21,309	6,691
Manager's expense	10,000	10,000	16,633	(6,633)
General office expense	181,500	181,500	399,030	(217,530)
Bad Debt Expense	40,000	40,000	63,191	(23,191)

(Continued on page 33)

(1) Control Level

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING
SOURCES (USES) AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)**

YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (Continued):				
Material and services (Continued):				
Gresham utility tax	480,833	480,833	502,005	(21,172)
Portland utility tax	220,140	220,140	212,914	7,226
Fairview utility tax	15,757	15,757	15,890	(133)
Customer assistance	60,000	60,000	37,835	22,165
Taxes and assessments	7,000	7,000	6,416	584
Total materials and services	<u>6,558,480</u>	<u>6,558,480</u>	(1) <u>6,600,744</u>	<u>(42,264)</u>
Capital outlay:				
Water system	1,025,000	1,025,000	1,011,786	13,214
Meters	122,000	122,000	117,645	4,355
Equipment	505,000	505,000	430,358	74,642
Buildings	80,000	80,000	36,835	43,165
Land	500,000	500,000	-	500,000
Total capital outlay	<u>2,232,000</u>	<u>2,232,000</u>	(1) <u>1,596,624</u>	<u>635,376</u>
Operating contingencies	<u>1,830,000</u>	<u>1,630,000</u>	(1) <u>-</u>	<u>1,630,000</u>
TOTAL EXPENDITURES	<u>15,140,880</u>	<u>14,940,880</u>	<u>12,259,391</u>	<u>2,681,489</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(164,319)</u>	<u>35,681</u>	<u>4,252,575</u>	<u>4,216,894</u>
OTHER FINANCING SOURCES (USES):				
Sale of fixed assets	500,000	500,000	-	(500,000)
Transfers to other funds	(2,515,188)	(2,515,188)	(1) (3,123,306)	(608,118)
Transfers from other funds	435,000	435,000	435,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,580,188)</u>	<u>(1,580,188)</u>	<u>(2,688,306)</u>	<u>(1,108,118)</u>
NET CHANGE IN FUND BALANCE	<u>(1,744,507)</u>	<u>(1,544,507)</u>	<u>1,564,269</u>	<u>3,108,776</u>
BEGINNING FUND BALANCE	<u>17,166,693</u>	<u>17,166,693</u>	<u>17,612,759</u>	<u>446,066</u>
ENDING FUND BALANCE	<u>\$ 15,422,186</u>	<u>\$ 15,622,186</u>	<u>\$ 19,177,028</u>	<u>\$ 3,554,842</u>

(1) Control Level

(Continued from page 32)

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
 Multnomah County, Oregon

SYSTEM DEVELOPMENT FUND - REIMBURSEMENT

**SCHEDULE OF REVENUES, OTHER FINANCING SOURCES (USES)
 AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

YEAR ENDED JUNE 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
System development charges	\$ 250,000	\$ 257,800	\$ 7,800
Interest earned	<u>10,000</u>	<u>114,824</u>	<u>104,824</u>
TOTAL REVENUES	<u>260,000</u>	<u>372,624</u>	<u>112,624</u>
OTHER FINANCING SOURCES (USES):			
Transfers to other funds	<u>(300,000) (1)</u>	<u>(300,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(40,000)	72,624	112,624
BEGINNING FUND BALANCE	<u>658,315</u>	<u>628,616</u>	<u>(29,699)</u>
ENDING FUND BALANCE	<u><u>\$ 618,315</u></u>	<u><u>\$ 701,240</u></u>	<u><u>\$ 82,925</u></u>

(1) Control Level

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

SYSTEM DEVELOPMENT FUND - IMPROVEMENT

**SCHEDULE OF REVENUES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

YEAR ENDED JUNE 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
System development charges	\$ 80,000	\$ 77,005	\$ (2,995)
Interest earned	1,200	23,372	22,172
TOTAL REVENUES	<u>81,200</u>	<u>100,377</u>	<u>19,177</u>
NET CHANGE IN FUND BALANCE	81,200	100,377	19,177
BEGINNING FUND BALANCE	<u>418,370</u>	<u>415,211</u>	<u>(3,159)</u>
ENDING FUND BALANCE	<u>\$ 499,570</u>	<u>\$ 515,588</u>	<u>\$ 16,018</u>

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
 Multnomah County, Oregon

DEBT SERVICE FUND

**SCHEDULE OF EXPENDITURES, OTHER FINANCING
 SOURCES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)**

YEAR ENDED JUNE 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES:			
Bond principal	\$ 1,436,350	\$ 855,000	\$ 581,350
Interest	<u>678,838</u>	<u>1,668,306</u>	<u>(989,468)</u>
TOTAL EXPENDITURES	<u>2,115,188</u> (1)	<u>2,523,306</u>	<u>(408,118)</u>
OTHER FINANCING SOURCES:			
Transfer from other funds	<u>2,115,188</u>	<u>2,523,306</u>	<u>(408,118)</u>
NET CHANGE IN FUND BALANCE	-	-	-
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(1) Control Level

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
 Multnomah County, Oregon

GROUNDWATER PRODUCTION

**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING
 SOURCES (USES) AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)**

YEAR ENDED JUNE 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Groundwater Fees	\$ 500,000	\$ 500,000	\$ -
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	500,000	500,000	-
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Equipment Maintenance	348,500	150,312	198,188
Operating Supplies	43,000	41,985	1,015
Wellhead Protection	70,000	70,000	-
Water Testing	9,000	8,298	702
Reservoir Maintenance	5,000	6,061	(1,061)
Pumping	400,000	301,339	98,661
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	875,500 (1)	577,995	297,505
	<hr/>	<hr/>	<hr/>
REVENUES OVER (UNDER) EXPENDITURES	(375,500)	(77,995)	297,505
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):			
Transfer to other funds	(65,000) (1)	(65,000)	-
Transfer from other funds	400,000	600,000	200,000
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	335,000	535,000	200,000
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	(40,500)	457,005	497,505
	<hr/>	<hr/>	<hr/>
BEGINNING FUND BALANCE	44,728	95,605	50,877
	<hr/>	<hr/>	<hr/>
ENDING FUND BALANCE	\$ 4,228	\$ 552,610	\$ 548,382
	<hr/>	<hr/>	<hr/>

(1) Control Level

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

GROUNDWATER CONSTRUCTION

**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING
SOURCES (USES) AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)**

YEAR ENDED JUNE 30, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Loan Proceeds	\$ 34,656,000	\$ 16,925,394	\$ (17,730,606)
Bond Proceeds	14,339,811	21,262,370	6,922,559
TOTAL REVENUES	<u>48,995,811</u>	<u>38,187,764</u>	<u>(10,808,047)</u>
EXPENDITURES:			
Contract Services	240,000	359,273	(119,273)
Engineering Services	13,735,386	4,911,408	8,823,978
Total materials and services	<u>13,975,386</u>	<u>5,270,681</u>	<u>8,704,705</u>
Capital outlay:			
Groundwater Construction	<u>49,390,740</u>	<u>45,036,807</u>	<u>4,353,933</u>
Total capital outlay	<u>49,390,740</u>	<u>45,036,807</u>	<u>4,353,933</u>
TOTAL EXPENDITURES	<u>63,366,126 (1)</u>	<u>50,307,488</u>	<u>13,058,638</u>
REVENUES OVER (UNDER) EXPENDITURES	(14,370,315)	(12,119,724)	2,250,591
OTHER FINANCING SOURCES (USES):			
Transfer to other funds	(140,000) (1)	(70,000)	70,000
Financing Proceeds - Reimbursement Income	<u>15,000,000</u>	<u>10,633,627</u>	<u>(4,366,373)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>14,860,000</u>	<u>10,563,627</u>	<u>(4,296,373)</u>
NET CHANGE IN FUND BALANCE	489,685	(1,556,097)	(2,045,782)
BEGINNING FUND BALANCE	<u>9,651,239</u>	<u>(1,233,884)</u>	<u>(10,885,123)</u>
ENDING FUND BALANCE	<u>\$ 10,140,924</u>	<u>\$ (2,789,981)</u>	<u>\$ (12,930,905)</u>

(1) Control Level

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

**RECONCILIATION OF BUDGETARY REVENUES
AND EXPENDITURES TO CHANGE IN NET POSITION**

YEAR ENDED JUNE 30, 2025

	<u>Revenues</u>	<u>Expenditures</u>	<u>Net change in Fund Balance</u>
General Fund	\$ 16,946,966	\$ 15,382,697	\$ 1,564,269
System Development Fund - Reimbursement	372,624	300,000	72,624
System Development Fund - Improvement	100,377	-	100,377
Debt Service Fund	2,523,306	2,523,306	-
Groundwater Protection	1,100,000	642,995	457,005
Groundwater Construction Fund	48,821,391	50,377,488	<u>(1,556,097)</u>
			638,178
ADD (DEDUCT) ITEMS TO RECONCILE TO AN ENTITY-WIDE REPORTING BASIS:			
Capital outlay expenditures capitalized			51,891,894
Depreciation and Amortization			(1,472,879)
Disposal of and adjustments to capital assets			(837)
Principal payments on revenue bonds			855,000
Premium on new bond issuance			(1,836,751)
Bond and Loan Issuance			(36,420,394)
Amortization of Debt Premium			162,015
Change in Accrued compensated absences			(39,450)
GASB 68 Pension Revenue (Expense) (Applied to Personnel Services Expense)			(32,472)
GASB 75 RHIA OPEB Revenue (Expense) (Applied to Personnel Services Expense)			10,561
GASB 96 SBITA (Expense) (Applied to Personnel Services Expense)			<u>69,275</u>
Change in net position			<u>\$ 13,824,140</u>

YEAR ENDED JUNE 30, 2024

	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues over (under) expenditures</u>
General Fund	\$ 19,724,437	\$ 13,416,410	\$ 6,308,027
System Development Fund - Reimbursement	230,302	300,000	(69,698)
System Development Fund - Improvement	58,040	-	58,040
Debt Reserve Fund	338,777	3,727,344	(3,388,567)
Debt Service Fund	1,665,902	1,665,902	-
Groundwater Protection	550,000	350,125	199,875
Groundwater Construction	17,873,249	23,150,902	<u>(5,277,653)</u>
			(2,169,976)
ADD (DEDUCT) ITEMS TO RECONCILE TO AN ENTITY-WIDE REPORTING BASIS:			
Capital outlay expenditures capitalized			24,052,214
Depreciation			(1,358,559)
Principal payments on revenue bonds			825,000
Loan Issuance			(13,494,541)
Amortization of Debt Premium			162,015
Accrued compensated absences			(2,516)
GASB 68 Pension Revenue (Expense)			(56,714)
GASB 75 RHIA Pension Expense (Applied to Personnel Services Expense)			17,890
GASB 96 SBITA (Expense) (Applied to Personnel Services Expense)			<u>105,289</u>
Change in net position			<u>\$ 8,080,102</u>

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

**RECONCILIATION OF BUDGETARY FUND
BALANCES TO NET POSITION**

June 30, 2025

ENDING FUND BALANCES - BUDGETARY BASIS:	
General Fund	\$ 19,177,028
System Development Fund - Reimbursement	701,240
System Development Fund - Improvement	515,588
Groundwater Protection	552,610
Groundwater Construction	<u>(2,789,981)</u>
Total fund balance - budgetary basis	18,156,485
ADD (DEDUCT) ITEMS TO RECONCILE TO GAAP NET POSITION	
Bonds payable	(65,279,935)
Bond premium	(4,428,993)
Net capital assets	142,178,527
Proportionate Share of Net Pension Liability - PERS	(3,429,612)
Proportionate Share of Net Pension Liability (Asset) - RHIA	63,531
Deferred Outflows - PERS	1,682,701
Deferred Inflows - PERS	(626,283)
Deferred Outflows - RHIA	6,615
Deferred Inflows - RHIA	(4,155)
Accrued compensated absences	(290,579)
SBITA Asset, Net	<u>37,206</u>
Net Position	<u>\$ 88,065,508</u>

June 30, 2024

ENDING FUND BALANCES - BUDGETARY BASIS:	
General Fund	\$ 17,612,759
System Development Fund - Reimbursement	628,616
System Development Fund - Improvement	415,211
Groundwater Protection	95,605
Groundwater Construction	<u>(1,233,884)</u>
Total fund balance - budgetary basis	17,518,307
ADD (DEDUCT) ITEMS TO RECONCILE TO GAAP NET POSITION	
Bonds payable	(29,714,541)
Bond premium	(2,754,257)
Net capital assets	91,707,323
Proportionate Share of Net Pension Liability - PERS	(3,367,247)
Proportionate Share of Net Pension Liability (Asset) - RHIA	67,113
Deferred Outflows - PERS	1,459,872
Deferred Inflows - PERS	(433,347)
Deferred Outflows - RHIA	190
Deferred Inflows - RHIA	(11,873)
Accrued compensated absences	(251,129)
SBITA Asset, Net	90,232
SBITA Liability	<u>(69,275)</u>
Net Position	<u>\$ 74,241,368</u>

ROCKWOOD WATER PEOPLES UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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PAULY, ROGERS AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632
www.paulyrogersandcogas.com

January 28, 2026

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Rockwood Water People's Utility District (PUD) as of and for the year ended June 30, 2025, and have issued our report thereon dated January 28, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

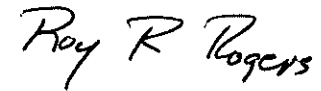
- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Insurance and fidelity bonds in force or required by law.
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- Programs funded from outside sources.

In connection with our testing nothing came to our attention that caused us to believe the PUD was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors, management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, prominent "R" and "R".

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

GRANT COMPLIANCE REVIEW

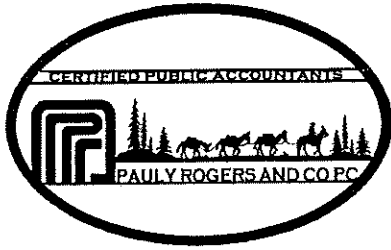
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Rockwood Water PUD
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2025

Federal Grantor/ Pass-Through Grantor Program Title or Cluster Title	Pass Through Organization	Federal AL Number	Agency or Pass-Through Number	Period Covered	Expenditures of Federal Awards
Water Infrastructure Finance and Innovation Act					
WIFIA Loan - Award Number N20168OR	Environmental Protection Agency	66.958	068	7/1/21-6/30/22	\$ 6,250,549
WIFIA Loan - Award Number N20168OR	Environmental Protection Agency	66.958	068	7/1/22-6/30/23	\$ 15,675,026
WIFIA Loan - Award Number N20168OR	Environmental Protection Agency	66.958	068	7/1/23 - 6/30/24	<u>8,494,360</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE					<u><u>\$ 30,419,935</u></u>

(1) Expenditures and proceeds from the WIFIA loan are recorded in the groundwater construction fund

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PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632
www.paulyrogersandcocpas.com

January 28, 2026

To the Board of Directors
Rockwood Water People's Utility District
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rockwood Water People's Utility District (the PUD), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the PUD's basic financial statements and have issued our report thereon dated January 28, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the PUD's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PUD's internal control. Accordingly, we do not express an opinion on the effectiveness of the PUD's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

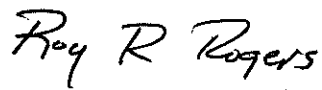
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PUD's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632
www.paulyrogersandcocpas.com

January 28, 2026

To the Board of Directors
Rockwood Water People's Utility District
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rockwood Water People's Utility District's (the PUD's) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the PUD's major federal programs for the year ended June 30, 2025. The PUD's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the PUD complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the PUD and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the PUD's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the PUD's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the PUD's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the PUD's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the PUD's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the PUD's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the PUD's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

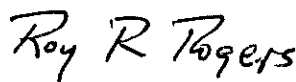
Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

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ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(s) identified that are not considered to be material weaknesses?

yes none reported

Noncompliance material to financial statements noted?

yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance?

yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

yes no

Significant deficiency(s) identified that are not considered to be material weaknesses?

yes none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?

yes no

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

66.958

WIFIA Loan

Dollar threshold used to distinguish between type A and B programs

\$750,000

Auditee qualified as low-risk auditee?

yes no

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. **BASIS OF PRESENTATION**

The schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

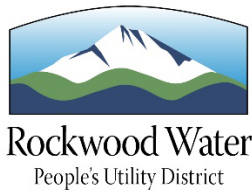
2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with U.S. Environmental Protection Agency, and thus is not allowed to use the de minimis rate.



Rockwood Water
People's Utility District

CY 2025 Stats & Highlights



19601 NE Halsey Street
Portland, OR 97230-7430
503-665-4179 - Phone
503-667-5108 - Fax
www.rwpud.org

MEMORANDUM

To: Budget Committee
Rockwood Water People's Utility District

From: Jeremy Hudson, General Manager/Budget Officer

Date: April 15, 2026

Re: Calendar Year 2025 District Highlights

The following reports include year-to-year comparisons of the District activities in Customer Services, Field Operations and Water Conservation between January and December 2025. In 2025, these key performance indicators (KPI's) that are linked to the District Strategic Plan continue measuring strong performance.

The Water Conservation and Public Outreach program demonstrated an increase in the number of conservation kits, toilet rebates that were given out. School programs remain unavailable, as the region is working on finding a new program provider through the Regional Water Providers Consortium. The District continues to increase its presence at community events.

Customer service year to year shows a decrease in late notices for 2025, and flat slight increase in turn offs. The use of the bill assistance program has increased significantly, due to the District implementation of this program. This has been a positive benefit to customers who are struggling to pay bills. Meter reading estimates have substantially decreased this year with an increase in AMI meter installations, and a mild winter that maintained access to meters. Electronic billings and on-line payments have both slightly increased, which reflects a positive movement to more automatic payments. Late notices decreased, which could be related to the auto-text reminder, through our software payment system. Phone calls were down 15%.

Field Operations trends show an increase in leak repairs, with a reduction in emergency repairs and emergency calls. The increase in leak repairs is related to a mild winter and the District contracted with a leak detection business to identify leaks in neighborhoods with steel pipes. Increasing leak repairs and reducing the emergency calls/repairs is better use of District time and resources. The increase in meter upgrades and meter boxes is related to meter installations with the AMI project. New water services are down this year compared to last year. It is important to note that staff are completing this work in addition to the increased demands due to the CGA Groundwater construction project. Staff have been very busy this last year. All District staff are performing an extraordinary volume of high-quality work at this time and it is important to recognize this high level of service to the District.

Conservation

Data is from January 1 through December 31 for each year.					
	2022	2023	2024	2025	Year / Year Comparison
Outdoor Conservation Kits	77	226	245	185	-24.5%
Indoor Conservation Kits	38	72	82	87	6.1%
Toilet Rebates	19	16	22	23	4.5%
Festivals and Events	2	1	3	5	66.7%
Emergency Water Storage Bags	0	75	150	200	33.3%

Customer Service Year to Year Comparison

Data is from 1/1 to 12/31 of each year.

	2022	2023	2024	2025	Change
Meter Reads	82,045	78,708	86,520	84,445	-2.40%
Estimates	5,866	6,379	2,343	361	-84.59%
Bills	85,767	87,489	90,078	88,912	-1.29%
Late Notices	16,223	14,794	17,397	15,735	-9.55%
Door Hangers	5,834	5,060	5,806	5,856	0.86%
Turn Offs	1,011	932	1,062	1,076	1.32%
Final Reads	820	1,118	1,095	1,092	-0.27%
New Accts	765	1,060	1,042	1,040	-0.19%
Bill Assistance	168	71	168	313	86.31%
Collection Agency	190	197	212	225	6.13%
Leak Adjustments	238	300	437	224	-48.74%
Phone Calls	30,875	27,186	29,910	25,444	-14.93%
Walk Ins	7,175	7,455	5,540	8,873	60.16%
Work Orders	475	467	597	412	-30.99%
Misreads	35	4	3	-	-100.00%
Found Ons	0	2	15	8	-46.67%
Meters Pulled	0	0	1	4	300.00%

Due to the new system, staffing issues, and weather, we had more estimated reads this past year.

Due to software issues, weather, and staff issues, we had to estimate reads.

Due to the January ice storm, we had to estimate reads.

	2022	2023	2024	2025	Change
E-bills	1,903	2,433	3,014	3,097	2.75%
On Line Payments	39,875	38,299	40,926	42,336	3.45%

Calendar Year 2025 Field Services

Data is from January 1, 2025 to December 31, 2025

Activity	2023	2024	2025	Change from Prior Year
Leak Repairs	12	25	38	52.00%
Emergency Repairs	14	17	15	-11.76%
Emergency Calls	30	70	39	-44.29%
Hydrant Repairs	24	21	14	-33.33%
Blow Off Repairs	14	5	6	20.00%
NR and Meter Ugrades	135	1,351	3,670	171.65%
Meter Boxes Replaced	87	233	449	92.70%
Water Services Installed	12	69	25	-63.77%
Fire Services Installed	4	8	4	-50.00%
Hydrants Installed	5	8	9	12.50%
Utility Locates	3,423	3,548	2,910	-17.98%
System Sampling	950	950	950	0.00%
	4,710	6,305	8,129	28.93%



Rockwood Water
People's Utility District

2026 Financial Plan Update

Technical Memorandum DRAFT

Date: 4/15/2026
Client: Rockwood Water People's Utility District
Project: 2026 Financial Plan Update
To: Jeremy Hudson, *General Manager – RWPUD*
From: Josiah Close, *Utility Rates Project Manager – HDR*
Jack Adams, *Financial Analyst - HDR*

Introduction

HDR Engineering Inc. (HDR) has been assisting Rockwood Water People's Utility District (District) for several years providing technical and financial assistance through the annual update to the District's financial plan. The annual financial plan update helps to inform the District's Board of Directors (Board) of anticipated future rate impacts, based on current projections and information.

For the District's 2026 financial plan update (2026 Update), the District retained HDR to perform a review and update of the water financial rate model which is used to establish the District's revenue requirement and ultimately, identifying the proposed water rate increase for the next fiscal year (FY 2027). Capital costs and financing has been the major driver over that last several years as the District transitions the primary source of supply from Portland Water Bureau to local groundwater. Through a joint venture with the City of Gresham and the approach outlined in the 2020 Groundwater Development Master Plan (GDMP), the District will be able to rely entirely on local groundwater for its sources of water. The GDMP identifies the necessary capital improvements including reservoirs, pump stations, transmission lines, and treatment facilities - among others - in order to implement utilization of groundwater for the District and the City of Gresham source of water supply.

The 2026 Update - as summarized in this Technical Memorandum (Memo) - includes the revenue requirement analysis which consists of operating and maintenance, capital, and financial policy related expenses for FY 2026 through FY 2046. Once the revenue requirement has been established, a rate transition plan can be developed that funds the District provided operations and maintenance (O&M) expenses, prudently funds the capital improvement needs, and meets key financial metrics (e.g., target ending reserve balances, debt service coverage ratios). The rate transition plan details are then presented to the District's Board which then provides feedback to District staff to be incorporated into the budget for the next fiscal year, in this particular case the budget for FY 2027.

As part of the revenue requirement analysis conducted for the District, a capital funding plan was developed to summarize the District's identified funding sources for the planned capital

improvements. Given the size and scope of the District’s planned capital improvement projects related to the GDMP, the capital funding plan was a significant component and driver of the results for the 2026 Update. The capital funding plan utilizes a mix of funding sources such as rate revenues, grants, available reserves, long-term borrowing, and system development charges to fully fund capital projects. For long-term borrowing, the District has utilized revenue bonds as well as the Water Infrastructure Finance and Innovation Act (WIFIA) as funding sources for the capital funding plan.

Assumptions

HDR collaborated with District staff to develop, review, and refine the assumptions used as inputs in the 2026 Update. These assumptions are identified in general terms in Table 1.

Table 1 Key Financial Plan Assumptions	
<ul style="list-style-type: none"> • Operations and Maintenance (O&M) • Capital Improvement Plan (CIP) • Rate and Non-Operating Revenues • Long-Term Debt 	<ul style="list-style-type: none"> • Taxes • SDC Revenues • Reserve Funds • Escalation Factors

The assumptions identified above in Table 1 had been reviewed and revised for the 2026 Update with information from historical trends and knowledge of future impacts, for example, the Portland Water Bureau rate schedule. The results presented in the Memo are based on recent O&M expense assumptions which were reviewed and updated with District staff. The goal in developing the revenue requirement is to generate sufficient rate revenue to fund the District’s expenses – both capital and O&M - maintain prudent reserve fund balances and achieve strong debt service coverage (DSC) ratios over the projected time period. The model also aims to provide the overall funding level in a smoothed revenue transition plan while still meeting the financial parameters established by the Board. The model, as developed, is one of many tools available for the District to prudently and sufficiently fund the operating and capital needs of the water utility. 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 change, the results provided in this Memo would also change.

Revenue Requirement Analysis

The overall financial planning strategy for the District’s water utility is based on a “cash-flow” approach, also known as the “cash basis” approach or methodology. The cash basis approach 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 water utility’s expenses. Table 2, below, provides a summary of the cash basis approach used to develop the water revenue requirement for the District’s 2026 Update.

Table 2
Overview of the “Cash Basis” Approach

+	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

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 for the 2026 Update.

Rate Revenue

The District receives revenue for the water utility from two primary sources: water (user) rates and miscellaneous, or non-operating 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, interest income, and other miscellaneous revenue sources.

The first step in developing the revenue requirement was to develop a projection of water rate revenues. The District’s FY 2026 year end estimated rate revenue figure of \$14.0 million was used as the starting point for the projection of rate revenues. Future customer growth within the District is expected to be flat or 0.0%, annually, during the financial planning period. This conservative level of assumed growth due to the fact that development– primarily in the form of infill or redevelopment within the District’s current service area – is difficult to project at this time and may be minimal. The 2026 Update assumes that the only increase in water rate revenues will be due to proposed water rate adjustments. Based on the assumed level of growth, it is projected that the District will receive approximately \$14.0 million in FY 2046, absent the proposed rate adjustments.

Miscellaneous Revenue

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

Non-Operating Revenue

Non-operating 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, fixed asset disposition, and utility tax offsets. Total non-operating revenues are anticipated to be approximately \$2.2 million in FY 2026. Incorporating the assumptions on the changes in non-operating revenues, the District is projected to receive \$3.2 million in FY 2046.

System Development Charges

In FY 2026, the District has projected that approximately \$331,000 - including the reimbursement and improvement components - in revenues from the water SDC will be collected. Currently, it is assumed that the District will have 59 and 45 connections in FY 2026 and FY 2027, respectively. Future SDC collections are projected to remain at a constant level of 45 connections per year through FY 2046. 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.

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 projected year end FY 2026 budget and proposed FY 2027 budget were used as the starting point for the revenue requirement analysis. Starting with the proposed FY 2027 budget, O&M costs were then projected based on annual inflationary factors 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.

Expense Category	Escalation Percentage	Notes
General	3.5%	
PERS-Related Costs	23.8%	<i>Based on 20-year PERS projections. The Contribution rate is a % of Wages/Salaries</i>
Materials & Services	3.5%	
Purchased Water	Budgeted	<i>Purchased Water ends in FY 2027</i>
Insurance	5.0%	
Ground Water Production	5.0%	

Based on the District's budgets, known future changes, and the cost escalation assumptions described in Table 3, the total annual O&M is expected to increase from approximately \$12.1 million in FY 2026 to \$20.0 million by FY 2046. There are two components changing that impact

the total O&M expenses, the purchased water costs to the Portland Water Bureau (Bureau) and groundwater production O&M. Full purchased water costs end in FY 2026 with limited expenses anticipated into FY 2027 and the groundwater production O&M started in FY 2026 at \$550,000 increasing to \$1.8 million in FY 2027. This amount increases annually at 5.0% per year and reaches \$4.5 million in FY 2046.

Capital Improvement Plan

The capital improvement plan (CIP) consists of the major additions to the District's water utility infrastructure that is oftentimes infrequent 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 in recent years has been the capital projects related to implementing the GDMP which will transition the District's source of supply from the Portland Water Bureau to 100% groundwater. For the GDMP projects, the District will complete the last remaining capital projects over the next few years (FY 2026 – FY 2028). It is important to note that the capital costs have increased as compared to the original estimate from 2020 which is very common for estimates that were made before the unprecedented inflation from COVID-19 impacts as well as other factors. In discussion with the District, it does appear that the inflation impacts experienced by the District have returned to more historical, or normal, levels. Capital costs have been increased by 3.2% annually starting in FY 2027 to recognize and incorporate the cost increases due to current inflationary pressures.

A summary of the District's current CIP over the 20-year review period is shown below in Table 4. The District's current CIP is based on the 2025 Water System Master Plan. A long-term approach to capital planning will 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 4 include the effects of estimated cost escalation, as mentioned above. From FY 2026 through FY 2046, the District's CIP includes \$110.0 million (inflated) in total capital improvement projects which includes those related to the GDMP, advanced metering infrastructure (AMI), well improvement projects, as well as other capital projects on the District's water system.

Table 4
Summary of the District's Capital Improvement Plan (\$000s)

Year	Total Capital Costs	Funding Assumptions				
		General Fund Reserves	Equipment Replacement Reserve	601 Reserves (WIFIA, Grants, Contributions)	Long-Term Debt Issuance	Rate Funded Capital
FY 2026	\$20,996	\$0	\$0	\$19,610	\$0	\$1,386
FY 2027	12,415	0	0	10,230	0	2,185
FY 2028	12,273	0	0	9,573	0	2,950
FY 2029	3,300	200	0	0	0	3,100
FY 2030	3,175	0	0	0	0	3,175
FY 2031	3,250	0	0	0	0	3,250
FY 2032	4,044	2,719	0	0	0	1,325
FY 2033	4,174	2,524	0	0	0	1,650
FY 2034	8,747	7,097	0	0	0	1,650
FY 2035	1,675	0	0	0	0	1,675
FY 2036	1,775	0	0	0	0	1,775
FY 2037	1,875	0	0	0	0	1,875
FY 2038	2,642	0	292	0	0	2,350
FY 2039	2,966	0	301	0	0	2,665
FY 2040	3,191	0	311	0	0	2,880
FY 2041	3,316	0	321	0	0	2,995
FY 2042	3,856	0	331	0	0	3,525
FY 2043	3,892	0	342	0	0	3,550
FY 2044	4,003	0	353	0	0	3,650
FY 2045	4,064	0	364	0	0	3,700
FY 2046	4,126	0	376	0	0	3,750

As can be seen in Table 4, the level of capital projects for the District may vary from year to year and the remaining GDMP projects totaling \$39.4 million are included in FY 2026 through FY 2028 as the District moves to finalize the transition from Portland Water Bureau water purchases to groundwater. Another significant capital program is the AMI-related projects that will continue to be implemented in FY 2026 through FY 2029 and total \$3.4 million. The 2026 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 while at the same time continue to be good stewards of the District customers' 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 improvement - such as the GDMP program of capital projects - by issuing

long-term debt and there are two primary reasons for this. First, the financial resources required for these types of projects typically exceed the utility's available resources from the normal level of capital investment in the water 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. This burden sharing allows the utility to align the cost of improvements more closely with those customers benefiting from the improvements.

Currently, the District has four outstanding long-term debt issues and one anticipated: the 2021 revenue bond, 2022 WIFIA Loan, 2024 revenue bond, and the 2025 WIFIA loan. The 2021 revenue bond is a refunding of the 2011 Revenue Bond and provided the initial funding for the GDMP-related system expansion. It is important to note that the 2022 WIFIA loan is only the interest portion for the first few years. Starting in FY 2028 full principal and interest payments will be made annually thereafter. The 2024 revenue bond was issued to provide additional funding for the GDMP package of capital projects as the District must match funding for a certain percentage of the total project costs as required by the WIFIA program. The WIFIA loan payments will have capitalized interest until FY 2032 which is when full debt service costs, both principal and interest, will be realized as outlined by the District's financial advisor. The District's total annual debt service payment is \$3.2 million in FY 2026 and increases to around \$6.4 million in FY 2034 before the 2021 revenue bond is retired in FY 2041 and annual debt service payments level out at approximately \$6.0 million per year.

The District will continue to complete substantial water system improvements with the GDMP through FY 2028 as well as the AMI program through FY 2029. It is assumed that the District will have additional WIFIA loan withdrawals in FY 2026 through FY 2028.

The District Board and staff continue to prioritize maintaining a pay-as-you-go i.e., cash funding approach in order to minimize the need of additional 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 impacts. Table 5, below, shows the existing and future annual debt service for the District's water utility.

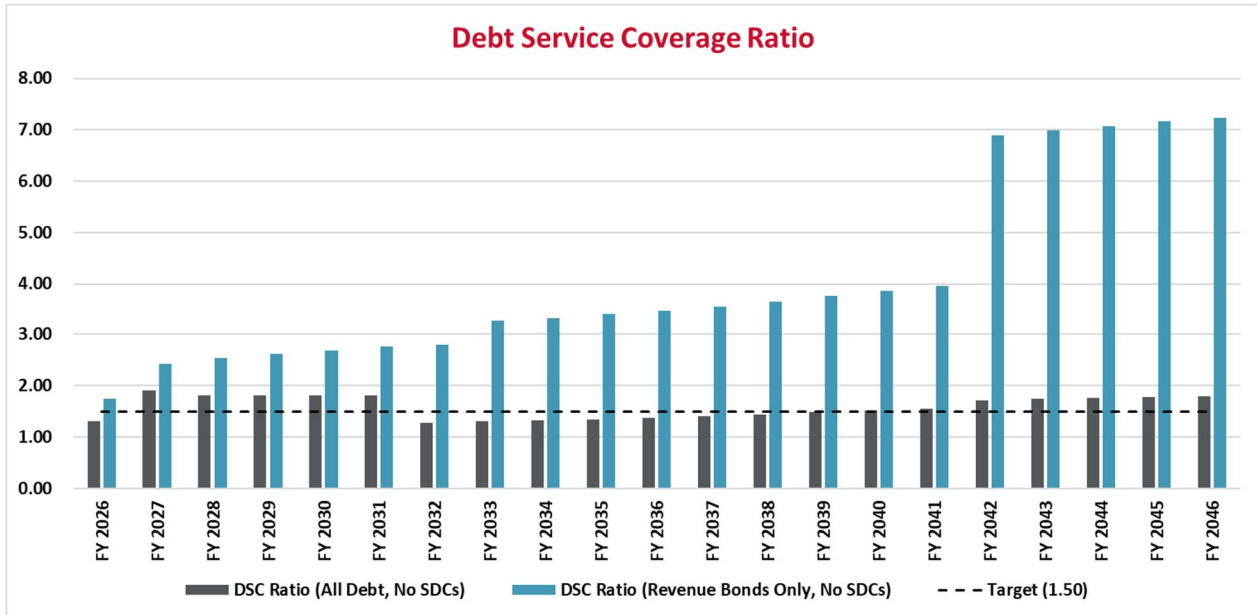
Table 5
Summary of the District’s Existing Debt Service Payments (\$000s)

Year	2021 Rev Bond	2022 WIFIA	2024 Rev Bond	2025 WIFIA	Total
FY 2026	\$1,433	\$788	\$934	\$0	\$3,154
FY 2027	1,437	788	1,479	0	3,704
FY 2028	1,435	1,188	1,481	0	4,104
FY 2029	1,437	1,303	1,483	0	4,222
FY 2030	1,437	1,414	1,482	0	4,333
FY 2031	1,435	1,522	1,481	0	4,438
FY 2032	1,432	1,627	1,482	1,897	6,438
FY 2033	1,077	1,904	1,482	1,897	6,360
FY 2034	1,075	1,973	1,481	1,897	6,425
FY 2035	1,076	1,989	1,482	1,897	6,444
FY 2036	1,075	2,004	1,482	1,897	6,457
FY 2037	1,078	2,018	1,479	1,897	6,472
FY 2038	1,075	2,030	1,480	1,897	6,482
FY 2039	1,076	2,041	1,478	1,897	6,492
FY 2040	1,077	2,051	1,479	1,897	6,504
FY 2041	1,076	2,060	1,477	1,897	6,510
FY 2042	0	2,580	1,478	1,897	5,956
FY 2043	0	2,580	1,482	1,897	5,959
FY 2044	0	2,580	1,482	1,897	5,959
FY 2045	0	2,580	1,479	1,897	5,956
FY 2046	0	2,580	1,482	1,897	5,959

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 District has advisory services through another consultant who often works with HDR and the District in projecting debt service costs and impacts.

An important metric for the District to evaluate and maintain is the debt service coverage ratio (DSC). The DSC ratio shows the ability of a utility to pay back outstanding debt issuances after O&M expenses have been paid for. Typically, a utility will target at least 1.30 as a DSC ratio calculation which means that the agency is able to cover the debt and has 30% of the debt service remaining to go towards other needs of the utility such as capital investment or reserve fund enhancement. For the District, the target DSC ratio is stronger at 1.50. The graphic below in Figure 1 shows the District’s water utility calculated DSC ratio after the proposed rate adjustments.

Figure 1



As can be seen in the Figure 1, the District is maintaining a prudent debt service coverage ratio over the 20 year period. As the District’s annual debt service increases substantially, the DSC ratio target minimum is maintained in most of the years at a strong level of around 1.50 for all debt. The period of transition when the full WIFIA loan debt comes on as well as the other revenue bonds is when the total debt DSC falls below the District’s 1.50 target in some years but is still strong at above 1.20. As noted, two DSC ratio tests were performed one on all debt and one on the revenue bonds only. That is because the WIFIA related debt does not have a required minimum where revenue bonds will often have a minimum DSC ratio within the covenants which again, are lower than the District’s target of 1.50. It is important to note that the timing of debt service for future issuances is not known at this time and the 2026 Update attempted to present a conservative estimate for prudent financial planning purposes.

Revenue Requirement Summary

After the total expense components, as discussed above, have been determined, a comparison to the existing water rate revenues of the District can be made. The results are shown as a balance or deficiency of funds. Shown in Table 6 below is a summary of the District’s water utility revenue requirement for the preliminary FY 2027 budget and projected through FY 2046.

Table 6
Revenue Requirement Summary (\$000s)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036
Revenue										
Rate Revenues	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991
Non-Operating Rev	<u>2,832</u>	<u>2,278</u>	<u>2,320</u>	<u>2,367</u>	<u>2,415</u>	<u>2,424</u>	<u>2,436</u>	<u>2,382</u>	<u>2,438</u>	<u>2,497</u>
Total Revenues	\$16,823	\$16,269	\$16,311	\$16,358	\$16,406	\$16,415	\$16,428	\$16,374	\$16,429	\$16,488
Expenses										
O & M	\$10,319	\$10,010	\$10,400	\$10,807	\$11,230	\$11,711	\$12,129	\$12,605	\$13,100	\$13,616
Net Debt Service	3,676	4,077	4,194	4,305	4,410	6,410	6,332	6,397	6,416	6,430
Rate Funded Capital	2,185	2,950	3,100	3,175	3,250	1,325	1,650	1,650	1,675	1,775
Reserve Funding	<u>1,203</u>	<u>374</u>	<u>363</u>	<u>368</u>	<u>384</u>	<u>426</u>	<u>385</u>	<u>422</u>	<u>593</u>	<u>700</u>
Total Expenses	\$17,383	\$17,410	\$18,058	\$18,656	\$19,274	\$19,873	\$20,496	\$21,074	\$21,784	\$22,520
Bal/(Def.) of Funds	(\$560)	(\$1,142)	(\$1,747)	(\$2,377)	(\$3,031)	(\$3,712)	(\$4,420)	(\$5,065)	(\$5,355)	(\$6,032)
As a % of Rate Rev.	4.0%	8.2%	12.5%	16.4%	20.5%	24.7%	29.1%	33.6%	38.3%	43.1%
Proposed Rate Adj.	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Add'l Revenue from Adj.	\$560	\$1,142	\$1,747	\$2,298	\$2,868	\$3,458	\$4,069	\$4,701	\$5,355	\$6,032
	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046
Revenue										
Rate Revenues	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991	\$13,991
Non-Operating Rev	<u>2,558</u>	<u>2,617</u>	<u>2,676</u>	<u>2,738</u>	<u>2,802</u>	<u>2,870</u>	<u>2,941</u>	<u>3,014</u>	<u>3,090</u>	<u>3,169</u>
Total Revenues	\$16,549	\$16,608	\$16,668	\$16,729	\$16,793	\$16,861	\$16,932	\$17,005	\$17,082	\$17,161
Expenses										
O & M	\$14,194	\$14,712	\$15,251	\$15,854	\$16,482	\$17,176	\$17,816	\$18,524	\$19,260	\$20,027
Net Debt Service	6,444	6,454	6,465	6,476	6,483	5,928	5,931	5,931	5,929	5,931
Rate Funded Capital	1,875	2,350	2,665	2,880	2,995	3,525	3,550	3,650	3,700	3,750
Reserve Funding	<u>770</u>	<u>551</u>	<u>496</u>	<u>505</u>	<u>624</u>	<u>735</u>	<u>873</u>	<u>896</u>	<u>968</u>	<u>1,030</u>
Total Expenses	\$23,282	\$24,066	\$24,877	\$25,715	\$26,583	\$27,364	\$28,171	\$29,001	\$29,857	\$30,739
Bal/(Def.) of Funds	(\$6,733)	(\$7,458)	(\$8,209)	(\$8,986)	(\$9,790)	(\$10,504)	(\$11,239)	(\$11,995)	(\$12,775)	(\$13,578)
As a % of Rate Rev.	48.1%	53.3%	58.7%	64.2%	70.0%	75.1%	80.3%	85.7%	91.3%	97.0%
Proposed Rate Adj.	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Add'l Revenue from Adj.	\$6,733	\$7,458	\$8,209	\$8,986	\$9,790	\$10,504	\$11,239	\$11,995	\$12,775	\$13,578

Table 6 provides the results of the revenue requirement developed for the District's water utility over the review period. As can be seen, the deficiency – absent the proposed rate adjustments – ranges from \$560,000 in FY 2027 to \$13.6 million by FY 2046. The proposed rate adjustments provide additional revenue to fund the costs of operating and maintaining the existing water infrastructure as well as the capital improvements necessary to maintain service to the District's customers. A key cost in the revenue requirement is the long-term debt service related to funding capital projects, maintaining a strong debt service coverage ratio, and maintain financial metrics such as healthy reserve fund balances to maintain the District's financial health.

Reserve Funds

Reserves funds play a critical role in the prudent financial management of the District's water utility and healthy reserve levels provide many benefits. These benefits may become much more apparent when embarking on a significant capital improvement program like the District is completing over the next few years. Having healthy reserve balances in this capital intensive environment will provide the District with an additional buffer should 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.

The District has a number of different reserves which service different purposes and include:

- General Fund
- Groundwater Construction Fund (601)
- Reimbursement SDC Account (201)
- Improvement SDC Account (202)
- Groundwater Production Fund (501)
- Equipment Replacement Reserve

Please note that the District does not currently have an equipment replacement reserve, but for modeling purposes and as part of the 2026 Update it was identified that there is a need to fund this reserve for equipment maintenance and replacement. Not every reserve has a target minimum, however, the District's Financial Management Policy targets 365 days of O&M expenses as the minimum for the General Fund of the water utility. Based on the analysis and assumptions contained in the Memo, overall, the District will meet this minimum target reserve level. Shown in Figure 2 below is a summary of the General Fund and Figure 3 shows the total reserve levels over the review period.

Figure 2

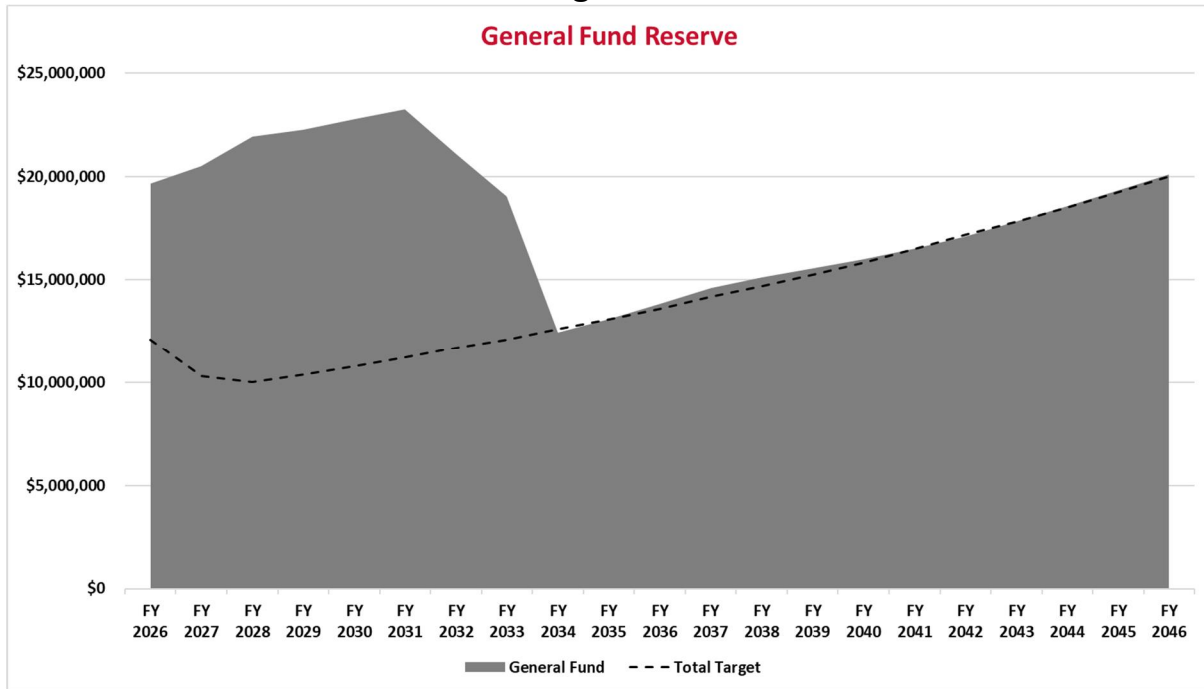
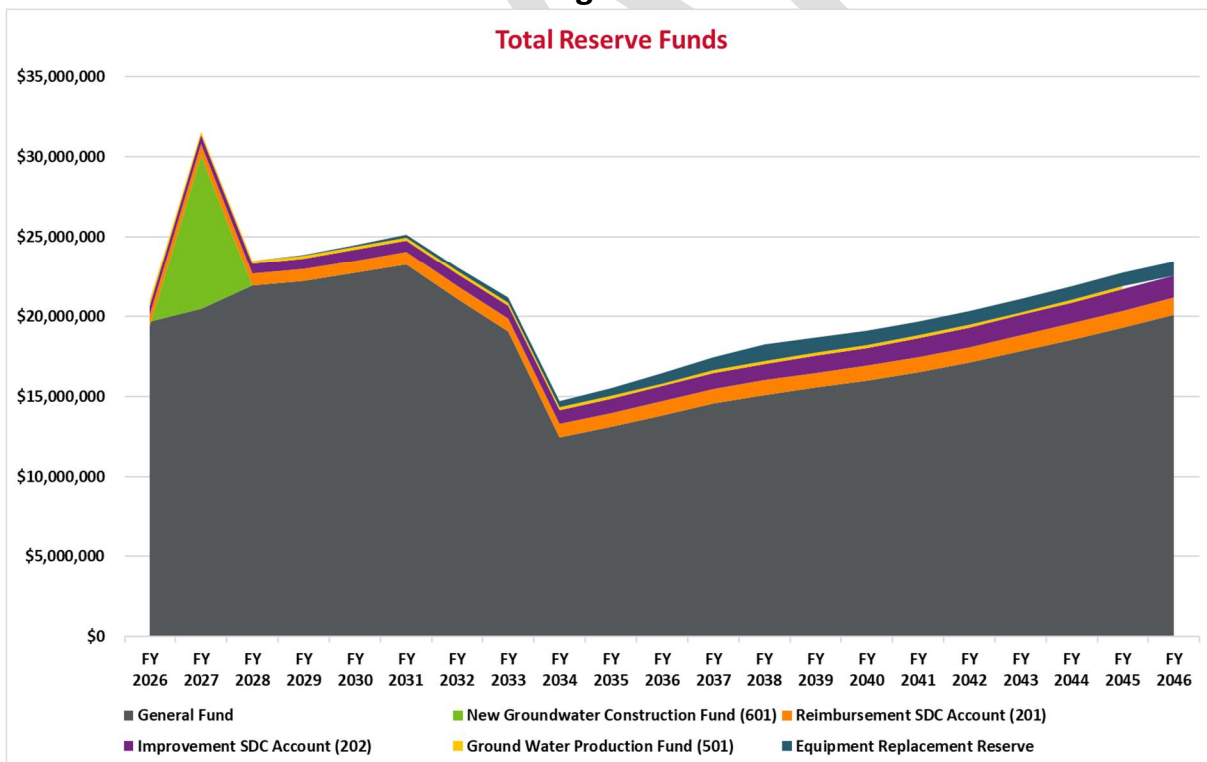


Figure 3



Utilities may establish multiple reserve funds with target minimum policies that serve a variety of different purposes. 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 possible 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 have a separate reserve for all of the purposes outlined above, the general fund aims to accomplish all these reserve needs and uses. Over the review period, the general fund appears to be healthy and sufficient given the assumptions of the 2026 Update.

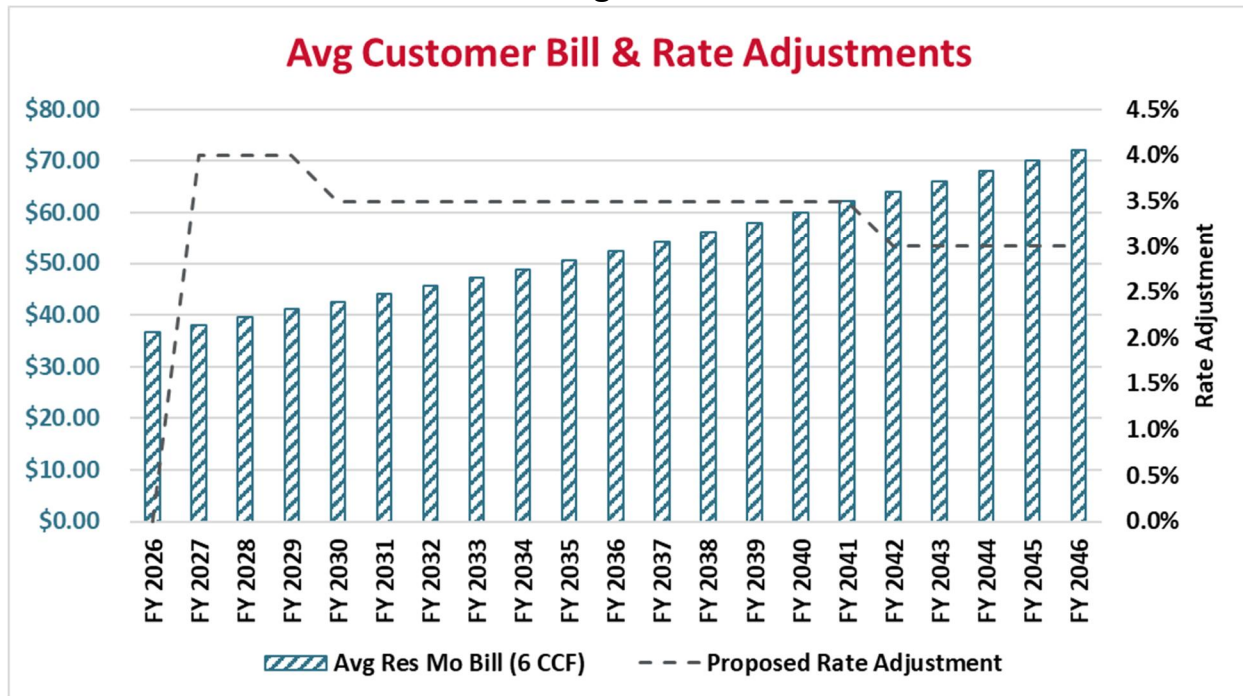
Summary of the Results of the 2026 Financial Plan Update

The revenue requirement analysis that was developed as part of the 2026 Update and detailed above has calculated the necessary rate revenue adjustments given the assumptions and information provided by the District. These rate revenue adjustments have been developed to fund the District’s O&M and capital requirements – including the GDMP related projects – over the review period (FY 2026 – FY 2046). As part of the analysis, careful attention was given to maintaining adequate funding of 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 migration from purchased water from Portland Water Bureau water to the District’s owned groundwater supply. This transition - over the long-term –should provide significant financial savings as well as flexibility to the District’s customers. Additionally, the District will have local control over policy decisions and addressing issues that the District’s customers will be impacted by. These goals were also targeted with the purpose of maintaining key financial planning metrics such as adequate reserve levels and strong debt service coverage.

The financial model developed as part of the 2026 Update for the District aims to produce level (smoothed) rate adjustments over the review period, as can be seen in Table 6 (Revenue Requirement Summary), 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 \$38.06 per month (FY 2027), to \$72.12 over the next 20 years. Figure 4 below shows the annual rate adjustments and the average bill impact to customers over the review period. 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.

Figure 4



Rate Design

Currently, the District has a single rate structure for all customers. The customers are charged a fixed meter charge on a bi-monthly basis that varies based on the size of the service meter. Customers are also charged a uniform volumetric rate for water consumption on a dollar per CCF basis. Recently, the District has placed a greater importance on the revenue stability of the District’s revenue stream while maintaining cost-based rates through the fixed and 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 approach is the fact that, in the 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 a rate structure that best meets 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.

Conclusion of the Financial Planning Analysis

This concludes the 2026 Update to the District’s financial planning model. The model results shown have been predicated on numerous assumptions used in the analysis. The results of the model are dynamic in nature and can shift and move if one assumption is adjusted. For this reason, the financial model is best described as a long-range financial planning model for the District and the actual results for the end of the review period may vary from what the District realizes in the future. However, based on the assumptions and results of this analysis, HDR is of the opinion that the District could meet its near-term water utility financial targets with rate revenue adjustments averaging approximately 3.5% annually 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 – namely, the GDMP projects and AMI implementation – 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 flexibility to overcome obstacles that might arise in the future and while minimizing the rate impacts on its customers.

Rockwood Water PUD
Water Rate Study
Revenue Requirement Summary
Exhibit 1

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046
Revenue																					
Rate Revenues	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143
Non-Operating Revenues	2,245,754	2,831,814	2,277,517	2,319,937	2,366,570	2,414,618	2,423,741	2,436,459	2,382,458	2,438,253	2,497,089	2,558,009	2,616,964	2,676,475	2,737,558	2,801,935	2,869,551	2,940,875	3,014,241	3,090,466	3,169,488
Add'l Revenue from Adj.	0	559,646	1,141,677	1,746,990	2,297,825	2,867,939	3,458,007	4,068,727	4,700,822	5,355,041	6,032,157	6,732,973	7,458,317	8,209,048	8,986,055	9,790,257	10,503,699	11,238,544	11,995,435	12,775,032	13,578,017
Total Revenues	\$16,236,897	\$17,382,603	\$17,410,337	\$18,058,070	\$18,655,538	\$19,273,700	\$19,872,891	\$20,496,329	\$21,074,423	\$21,784,437	\$22,520,390	\$23,282,125	\$24,066,425	\$24,876,666	\$25,714,756	\$26,583,335	\$27,364,393	\$28,170,562	\$29,000,818	\$29,856,641	\$30,738,648
Expenses																					
Total Personnel Services	\$4,395,065	\$4,738,370	\$4,589,054	\$4,759,751	\$4,936,927	\$5,120,832	\$5,311,730	\$5,509,893	\$5,715,604	\$5,929,159	\$6,150,863	\$6,381,036	\$6,620,009	\$6,868,129	\$7,125,754	\$7,393,257	\$7,671,029	\$7,959,472	\$8,259,009	\$8,570,078	\$8,893,134
Total Materials and Services	6,385,074	2,975,439	2,697,726	2,794,178	2,894,108	2,997,642	3,146,311	3,217,501	3,332,707	3,452,075	3,575,756	3,745,309	3,838,147	3,934,392	4,075,570	4,221,864	4,414,861	4,532,003	4,694,847	4,863,602	5,038,485
Total Other Expenses	790,928	804,743	832,909	862,061	892,233	923,461	955,782	989,235	1,023,858	1,059,693	1,096,782	1,135,169	1,174,900	1,216,022	1,258,583	1,302,633	1,348,225	1,395,413	1,444,253	1,494,801	1,547,119
Transfer to Ground Water Production Fund	550,000	1,800,000	1,890,000	1,984,500	2,083,725	2,187,911	2,297,307	2,412,172	2,532,781	2,659,420	2,792,391	2,932,010	3,078,611	3,232,541	3,394,168	3,563,877	3,742,071	3,929,174	4,125,633	4,331,915	4,548,510
Total O&M Additions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total O&M Expenses	\$12,121,067	\$10,318,552	\$10,009,689	\$10,400,490	\$10,806,992	\$11,229,846	\$11,711,130	\$12,128,801	\$12,604,950	\$13,100,346	\$13,615,792	\$14,193,525	\$14,711,668	\$15,251,084	\$15,854,075	\$16,481,631	\$17,176,185	\$17,816,063	\$18,523,742	\$19,260,396	\$20,027,249
Net Debt Service	\$3,117,711	\$3,675,952	\$4,076,702	\$4,194,192	\$4,305,345	\$4,410,160	\$6,410,464	\$6,332,354	\$6,397,124	\$6,416,354	\$6,429,639	\$6,443,879	\$6,453,924	\$6,464,674	\$6,475,979	\$6,482,589	\$5,927,803	\$5,931,053	\$5,931,303	\$5,928,553	\$5,930,953
Rate Funded Capital	\$1,385,500	\$2,185,000	\$2,950,000	\$3,100,000	\$3,175,000	\$3,250,000	\$1,325,000	\$1,650,000	\$1,650,000	\$1,675,000	\$1,775,000	\$1,875,000	\$2,350,000	\$2,665,000	\$2,880,000	\$2,995,000	\$3,525,000	\$3,550,000	\$3,650,000	\$3,700,000	\$3,750,000
Reserve Funding	(\$387,380)	\$1,203,100	\$373,946	\$363,388	\$368,201	\$383,694	\$426,297	\$385,174	\$422,350	\$592,738	\$699,959	\$769,721	\$550,833	\$495,909	\$504,702	\$624,115	\$735,405	\$873,446	\$895,774	\$967,692	\$1,030,446
Total Revenue Requirement	\$16,236,897	\$17,382,603	\$17,410,337	\$18,058,070	\$18,655,538	\$19,273,700	\$19,872,891	\$20,496,329	\$21,074,423	\$21,784,437	\$22,520,390	\$23,282,125	\$24,066,425	\$24,876,666	\$25,714,756	\$26,583,335	\$27,364,393	\$28,170,562	\$29,000,818	\$29,856,641	\$30,738,648
Proposed Rate Adjustment	0.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Total Bal/(Def.) of Funds	\$0	(\$0)	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$21,017,475	\$31,572,243	\$23,487,518	\$23,848,981	\$24,406,260	\$24,969,843	\$22,847,363	\$20,870,173	\$14,347,441	\$15,043,436	\$15,837,526	\$16,662,265	\$17,244,016	\$17,746,757	\$18,234,219	\$18,817,034	\$19,487,096	\$20,271,168	\$21,053,552	\$21,883,854	\$22,752,924

Rockwood Water PUD
 Water Rate Study
 Exhibit 2
 Escalation Factors

	<i>Yr End Est.</i>	<i>Budget</i>	<i>Projected</i>																		
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046
Revenues																					
Customer Growth			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Misc Revenues			0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Expenses																					
General	Budgeted	Proposed	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
PERS	Budgeted	Proposed	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%	23.8%
Materials & Services	Budgeted	Proposed	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Insurance	Budgeted	Proposed	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Flat	Budgeted	Proposed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CIP Inflation	Budgeted	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
Ground Water Production	Budgeted	Proposed	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Purchased Water	Budgeted	Proposed	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest		1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
New Debt Service																					
<i>Low Interest Loans</i>																					
Term in Years	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Rate	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
<i>Revenue Bond</i>																					
Term in Years	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

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	Yr End Est.		Budget		Projected																Notes	
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045		FY 2046
Revenues																						
Rate Revenues	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	As Customer Growth
Total Rate Revenues	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	\$13,991,143	
Non-Operating Revenues																						
Backflow Charges	\$44,613	\$45,000	\$45,113	\$45,225	\$45,338	\$45,452	\$45,565	\$45,679	\$45,793	\$45,908	\$46,023	\$46,138	\$46,253	\$46,369	\$46,485	\$46,601	\$46,717	\$46,834	\$46,951	\$47,069	\$47,186	As Misc Revenues
Set-up Fees	28,959	30,000	30,075	30,150	30,226	30,301	30,377	30,453	30,529	30,605	30,682	30,758	30,835	30,912	30,990	31,067	31,145	31,223	31,301	31,379	31,458	As Misc Revenues
Late Fees	278,868	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	As Customer Growth
Svc. Installs.	300,000	250,000	250,625	251,252	251,880	252,509	253,141	253,774	254,408	255,044	255,682	256,321	256,962	257,604	258,248	258,894	259,541	260,190	260,840	261,492	262,146	As Misc Revenues
Subdiv. Projects	20,000	50,000	50,125	50,250	50,376	50,502	50,628	50,755	50,882	51,009	51,136	51,264	51,392	51,521	51,650	51,779	51,908	52,038	52,168	52,298	52,429	As Misc Revenues
Gresham Utility Tax	556,808	595,510	616,353	637,925	660,253	683,361	707,279	732,034	757,655	784,173	811,619	840,026	869,427	899,856	931,351	963,949	997,687	1,032,606	1,068,747	1,106,153	1,144,869	
Portland Utility Tax	227,268	193,138	199,898	206,894	214,136	221,630	229,387	237,416	245,725	254,326	263,227	272,440	281,976	291,845	302,059	312,631	323,574	334,899	346,620	358,752	371,308	
Fairview Utility Tax	6,852	16,095	16,658	17,241	17,845	18,469	19,116	19,785	20,477	21,194	21,936	22,704	23,498	24,321	25,172	26,053	26,965	27,909	28,885	29,896	30,943	
Other Svc. Income	165,854	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	As Customer Growth
Interest	500,000	400,000	329,149	333,771	341,319	348,950	316,277	285,771	187,069	196,635	207,659	219,130	226,943	233,556	239,927	247,714	256,795	267,571	278,308	289,748	301,755	Calculated
Rental Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	As Misc Revenues
Scrap metal sales	7,500	20,000	20,050	20,100	20,150	20,201	20,251	20,302	20,353	20,404	20,455	20,506	20,557	20,608	20,660	20,711	20,763	20,815	20,867	20,919	20,972	As Misc Revenues
Other Misc. Income	75,532	40,000	40,100	40,200	40,301	40,402	40,503	40,604	40,705	40,807	40,909	41,011	41,114	41,217	41,320	41,423	41,527	41,630	41,734	41,839	41,943	As Misc Revenues
Other Govt. Agencies	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	As Customer Growth
Fixed Asset Disposition	15,000	520,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Credit Card Fees	0	208,571	215,871	223,427	231,247	239,341	247,717	256,388	265,361	274,649	284,261	294,211	304,508	315,166	326,197	337,613	349,430	361,660	374,318	387,419	400,979	As Materials & Services
Total Non-Operating Revenues	\$2,245,754	\$2,831,814	\$2,277,517	\$2,319,937	\$2,366,570	\$2,414,618	\$2,423,741	\$2,436,459	\$2,382,458	\$2,438,253	\$2,497,089	\$2,558,009	\$2,616,964	\$2,676,475	\$2,737,558	\$2,801,935	\$2,869,551	\$2,940,875	\$3,014,241	\$3,090,466	\$3,169,488	
Total Revenues	\$16,236,897	\$16,822,958	\$16,268,660	\$16,311,080	\$16,357,713	\$16,405,761	\$16,414,885	\$16,427,602	\$16,373,601	\$16,429,396	\$16,488,232	\$16,549,152	\$16,608,108	\$16,667,618	\$16,728,701	\$16,793,078	\$16,860,694	\$16,932,018	\$17,005,384	\$17,081,609	\$17,160,631	
Expenses																						
Personnel Services																						
Wages/Salaries	\$2,690,000	\$2,678,950	\$2,772,713	\$2,869,758	\$2,970,200	\$3,074,157	\$3,181,752	\$3,293,114	\$3,408,373	\$3,527,666	\$3,651,134	\$3,778,924	\$3,911,186	\$4,048,077	\$4,189,760	\$4,336,402	\$4,488,176	\$4,645,262	\$4,807,846	\$4,976,121	\$5,150,285	As General
PTO Payout	14,668	17,600	18,216	18,854	19,513	20,196	20,903	21,635	22,392	23,176	23,987	24,827	25,695	26,595	27,526	28,489	29,486	30,518	31,586	32,692	33,836	As General
Office OT	300	1,000	1,035	1,071	1,109	1,148	1,188	1,229	1,272	1,317	1,363	1,411	1,460	1,511	1,564	1,619	1,675	1,734	1,795	1,857	1,923	As General
Field OT	15,000	15,000	15,525	16,068	16,631	17,213	17,815	18,439	19,084	19,752	20,443	21,159	21,900	22,666	23,459	24,280	25,130	26,010	26,920	27,862	28,838	As General
On Call Duty	75,000	98,000	101,430	104,980	108,654	112,457	116,393	120,467	124,683	129,047	133,564	138,239	143,077	148,085	153,268	158,632	164,184	169,931	175,878	182,034	188,405	As General
Water Certs.	16,000	16,000	16,560	17,140	17,739	18,360	19,003	19,668	20,356	21,069	21,806	22,570	23,360	24,177	25,023	25,899	26,806	27,744	28,715	29,720	30,760	As General
Emp. Bonus	2,796	3,120	3,229	3,342	3,459	3,580	3,706	3,835	3,970	4,108	4,252	4,401	4,555	4,715	4,880	5,050	5,227	5,410	5,599	5,795	5,998	As General
Mkt. Based Wage Adj.	0	25,000	25,875	26,781	27,718	28,688	29,692	30,731	31,807	32,920	34,072	35,265	36,499	37,777	39,099	40,467	41,884	43,350	44,867	46,437	48,063	As General
Social Security	163,000	177,000	183,195	189,607	196,243	203,112	210,220	217,578	225,193	233,075	241,233	249,676	258,415	267,459	276,820	286,509	296,537	306,916	317,658	328,776	340,283	As General
Medicare	38,000	42,000	43,470	44,991	46,566	48,196	49,883	51,629	53,436	55,306	57,242	59,245	61,319	63,465	65,686	67,985	70,365	72,827	75,376	78,015	80,745	As General
Unemp. Ins.	2,500	2,700	2,795	2,892	2,994	3,098	3,207	3,319	3,435	3,555	3,680	3,809	3,942	4,080	4,223	4,370	4,523	4,682	4,846	5,015	5,191	As General
Tri Met	18,000	23,500	24,323	25,174	26,055	26,967	27,911	28,888	29,899	30,945	32,028	33,149	34,309	35,510	36,753	38,039	39,371	40,749	42,175	43,651	45,179	As General
Wk. Comp	25,500	35,000	36,225	37,493	38,805	40,163	41,569	43,024	44,530	46,088	47,701	49,371	51,099	52,887	54,738	56,654	58,637	60,690	62,814	65,012	67,288	As General
PERS	715,000	952,000	660,561	683,681	707,610	732,376	758,009	784,540	811,999	840,419	869,833	900,277	931,787	964,400	998,154	1,033,089	1,069,247	1,106,671	1,145,404	1,185,493	1,226,986	As PERS
Emp. Insurance	609,451	640,000	672,000	705,600	740,880	777,924	816,820	857,661	900,544	945,571	992,850	1,042,493	1,094,617	1,149,348	1,206,815	1,267,156	1,330,514	1,397,040	1,466,892	1,540,236	1,617,248	As Insurance
Oregon Paid Leave Law	9,850	11,500	11,903	12,319	12,750	13,197	13,658	14,136	14,631	15,143	15,673	16,222	16,790	17,377	17,985	18,615	19,267	19,941	20,639	21,361	22,109	As General
Total Personnel Services	\$4,395,065	\$4,738,370	\$4,589,054	\$4,759,751	\$4,936,927	\$5,120,832	\$5,311,730	\$5,509,893	\$5,715,604	\$5,929,159	\$6,150,863	\$6,381,036	\$6,620,009	\$6,868,129	\$7,125,754	\$7,393,257	\$7,671,029	\$7,959,472	\$8,259,009	\$8,570,078	\$8,893,134	

	Yr End Est.	Budget	Projected																	Notes		
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044		FY 2045	FY 2046
Materials and Services																						
Water Purchase from Portland	\$3,925,195	\$330,810	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Purchased Water
Contract Services	106,741	246,275	213,495	220,967	228,701	236,705	286,390	255,014	263,939	273,177	282,738	334,034	304,325	273,577	283,152	293,062	344,719	315,384	326,423	337,848	349,672	As Materials & Services
Technical & Consulting	27,000	30,000	31,050	32,137	33,262	34,426	35,631	36,878	38,168	39,504	40,887	42,318	43,799	45,332	46,919	48,561	50,260	52,020	53,840	55,725	57,675	As Materials & Services
Auditing	24,500	30,500	31,568	32,672	33,816	34,999	36,224	37,492	38,805	40,163	41,568	43,023	44,529	46,088	47,701	49,370	51,098	52,887	54,738	56,653	58,636	As Materials & Services
Legal Services	25,000	100,000	103,500	107,123	110,872	114,752	118,769	122,926	127,228	131,681	136,290	141,060	145,997	151,107	156,396	161,869	167,535	173,399	179,468	185,749	192,250	As Materials & Services
Telephone/Cell Phone	37,938	45,700	47,300	48,955	50,668	52,442	54,277	56,177	58,143	60,178	62,284	64,464	66,721	69,056	71,473	73,974	76,563	79,243	82,017	84,887	87,858	As Materials & Services
Sewer/Storm	30,166	82,000	84,870	87,840	90,915	94,097	97,390	100,799	104,327	107,978	111,758	115,669	119,718	123,908	128,244	132,733	137,379	142,187	147,163	152,314	157,645	As Materials & Services
Heating/Electricity	22,366	26,000	26,910	27,852	28,827	29,836	30,880	31,961	33,079	34,237	35,435	36,676	37,959	39,288	40,663	42,086	43,559	45,084	46,662	48,295	49,985	As Materials & Services
Engineering Supplies	1,500	6,500	6,728	6,963	7,207	7,459	7,720	7,990	8,270	8,559	8,859	9,169	9,490	9,822	10,166	10,522	10,890	11,271	11,665	12,074	12,496	As Materials & Services
Office Supplies	43,839	58,000	60,030	62,131	64,306	66,556	68,886	71,297	73,792	76,375	79,048	81,815	84,678	87,642	90,709	93,884	97,170	100,571	104,091	107,734	111,505	As Materials & Services
Postage	53,758	56,450	58,426	60,471	62,587	64,778	67,045	69,391	71,820	74,334	76,936	79,628	82,415	85,300	88,285	91,375	94,573	97,884	101,309	104,855	108,525	As Materials & Services
Conservation	23,200	49,500	51,233	53,026	54,882	56,802	58,790	60,848	62,978	65,182	67,463	69,825	72,269	74,798	77,416	80,125	82,930	85,832	88,836	91,946	95,164	As Materials & Services
Elections/Legal Advertising	4,000	4,000	4,140	4,285	4,435	4,590	4,751	4,917	5,089	5,267	5,452	5,642	5,840	6,044	6,256	6,475	6,701	6,936	7,179	7,430	7,690	As Materials & Services
Insurance General	139,000	129,000	135,450	142,223	149,334	156,800	164,640	172,872	181,516	190,592	200,121	210,127	220,634	231,665	243,249	255,411	268,182	281,591	295,670	310,454	325,977	As Insurance
Safety Gear and Equipment	20,000	25,000	25,875	26,781	27,718	28,688	29,692	30,731	31,807	32,920	34,072	35,265	36,499	37,777	39,099	40,467	41,884	43,350	44,867	46,437	48,063	As Materials & Services
Training and Education	42,800	50,000	51,750	53,561	55,436	57,376	59,384	61,463	63,614	65,840	68,145	70,530	72,998	75,553	78,198	80,935	83,767	86,699	89,734	92,874	96,125	As Materials & Services
Dues, License and Subscriptions	103,000	102,874	106,475	110,201	114,058	118,050	122,182	126,458	130,884	135,465	140,207	145,114	150,193	155,450	160,890	166,522	172,350	178,382	184,625	191,087	197,775	As Materials & Services
Office Equipment	60	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093	8,377	8,670	8,973	9,287	9,613	As Materials & Services
Computer/Office Equipment Maint.	0	31,000	32,085	33,208	34,370	35,573	36,818	38,107	39,441	40,821	42,250	43,729	45,259	46,843	48,483	50,180	51,936	53,754	55,635	57,582	59,598	As Materials & Services
Building & Grounds Maintenance	116,978	83,380	86,298	89,319	92,445	95,680	99,029	102,495	106,083	109,796	113,638	117,616	121,732	125,993	130,403	134,967	139,691	144,580	149,640	154,877	160,298	As Materials & Services
Shop Equipment Maint.	10,000	10,000	10,350	10,712	11,087	11,475	11,877	12,293	12,723	13,168	13,629	14,106	14,600	15,111	15,640	16,187	16,753	17,340	17,947	18,575	19,225	As Materials & Services
Vehicle Maintenance	35,000	40,000	41,400	42,849	44,349	45,901	47,507	49,170	50,891	52,672	54,516	56,424	58,399	60,443	62,558	64,748	67,014	69,359	71,787	74,300	76,900	As Materials & Services
Tires	10,000	15,000	15,525	16,068	16,631	17,213	17,815	18,439	19,084	19,752	20,443	21,159	21,900	22,666	23,459	24,280	25,130	26,010	26,920	27,862	28,838	As Materials & Services
Gas, Lubricants, Disposal	45,000	54,000	55,890	57,846	59,871	61,966	64,135	66,380	68,703	71,108	73,596	76,172	78,838	81,598	84,454	87,410	90,469	93,635	96,912	100,304	103,815	As Materials & Services
Small Tools and Equipment	20,000	30,000	31,050	32,137	33,262	34,426	35,631	36,878	38,168	39,504	40,887	42,318	43,799	45,332	46,919	48,561	50,260	52,020	53,840	55,725	57,675	As Materials & Services
Utility Operating Supply	300,000	300,000	310,500	321,368	332,615	344,257	356,306	368,777	381,684	395,043	408,869	423,180	437,991	453,321	469,187	485,608	502,605	520,196	538,403	557,247	576,750	As Materials & Services
Water Sampling and Testing	57,000	78,000	80,730	83,556	86,480	89,507	92,640	95,882	99,233	102,711	106,306	110,027	113,878	117,863	121,989	126,258	130,677	135,251	139,985	144,884	149,955	As Materials & Services
Water Quality and Notices	10,000	10,000	10,350	10,712	11,087	11,475	11,877	12,293	12,723	13,168	13,629	14,106	14,600	15,111	15,640	16,187	16,753	17,340	17,947	18,575	19,225	As Materials & Services
Reservoir Maintenance	21,000	10,000	10,350	10,712	11,087	11,475	11,877	12,293	12,723	13,168	13,629	14,106	14,600	15,111	15,640	16,187	16,753	17,340	17,947	18,575	19,225	As Materials & Services
Meter Maintenance	10,000	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093	8,377	8,670	8,973	9,287	9,613	As Materials & Services
Hydrant Maintenance	5,000	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093	8,377	8,670	8,973	9,287	9,613	As Materials & Services
Telemetry	15,200	26,000	26,910	27,852	28,827	29,836	30,880	31,961	33,079	34,237	35,435	36,676	37,959	39,288	40,663	42,086	43,559	45,084	46,662	48,295	49,985	As Materials & Services
Pumping	154,670	306,000	316,710	327,795	339,268	351,142	363,432	376,152	389,317	402,944	417,047	431,643	446,751	462,387	478,571	495,321	512,657	530,600	549,171	568,392	588,285	As Materials & Services
Board Meeting Fees	4,000	10,000	10,350	10,712	11,087	11,475	11,877	12,293	12,723	13,168	13,629	14,106	14,600	15,111	15,640	16,187	16,753	17,340	17,947	18,575	19,225	As Materials & Services
Director's Expense	20,000	26,000	26,910	27,852	28,827	29,836	30,880	31,961	33,079	34,237	35,435	36,676	37,959	39,288	40,663	42,086	43,559	45,084	46,662	48,295	49,985	As Materials & Services
Manager's Expense	11,000	11,000	11,385	11,783	12,196	12,623	13,065	13,522	13,995	14,485	14,992	15,517	16,060	16,622	17,204	17,806	18,429	19,074	19,741	20,432	21,148	As Materials & Services
General Office	810,163	437,450	452,761	468,607	485,009	501,984	519,553	537,738	556,559	576,038	596,199	617,066	638,664	661,017	684,153	708,098	732,881	758,532	785,081	812,559	840,998	As Materials & Services
Cash Over/Short	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	As Materials & Services
Bad Debt Expense	40,000	50,000	51,750	53,561	55,436	57,376	59,384	61,463	63,614	65,840	68,145	70,530	72,998	75,553	78,198	80,935	83,767	86,699	89,734	92,874	96,125	As Materials & Services
Customer Assistance	53,500	60,000	62,100	64,274	66,523	68,851	71,261	73,755	76,337	79,009	81,774	84,636	87,598	90,664	93,837	97,122	100,521	104,039	107,681	111,449	115,350	As Materials & Services
Taxes and Assessments	6,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	As Materials & Services
Total Materials and Services	\$6,385,074	\$2,975,439	\$2,697,726	\$2,794,178	\$2,894,108	\$2,997,642	\$3,146,311	\$3,217,501	\$3,332,707	\$3,452,075	\$3,575,756	\$3,745,309	\$3,838,147	\$3,934,392	\$4,075,570	\$4,221,864	\$4,414,861	\$4,532,003	\$4,694,847	\$4,863,602	\$5,038,485	
Other Expenses																						
Gresham Utility Tax	\$556,808	\$595,510	\$616,353	\$637,925	\$660,253	\$683,361	\$707,279	\$732,034	\$757,655	\$784,173	\$811,619	\$840,026										

	Yr End Est.	Budget	Projected																		Notes	
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045		FY 2046
Debt Service																						
2021 Rev Bond (Refi)	\$1,432,550	\$1,437,150	\$1,435,150	\$1,436,750	\$1,436,750	\$1,435,150	\$1,431,950	\$1,077,150	\$1,074,750	\$1,076,150	\$1,074,900	\$1,077,900	\$1,075,000	\$1,076,350	\$1,076,800	\$1,076,350	\$0	\$0	\$0	\$0	\$0	Exhibit 5
2022 WIFIA	787,876	787,876	1,187,876	1,302,516	1,413,919	1,522,084	1,627,011	1,903,701	1,972,621	1,988,951	2,003,986	2,017,726	2,030,171	2,041,321	2,051,176	2,059,736	2,580,300	2,580,300	2,580,300	2,580,300	2,580,300	Exhibit 5
New SRF Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Calc @ 3.3% for 20 Yrs
2024 Revenue Bond	933,700	1,478,700	1,481,450	1,482,700	1,482,450	1,480,700	1,482,450	1,482,450	1,480,700	1,482,200	1,481,700	1,479,200	1,479,700	1,477,950	1,478,950	1,477,450	1,478,450	1,481,700	1,481,950	1,479,200	1,481,600	Exhibit 5
2025 WIFIA	0	0	0	0	0	0	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	1,896,827	Exhibit 5
New Revenue Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Exhibit 5
Total Debt Service	\$3,154,126	\$3,703,726	\$4,104,476	\$4,221,966	\$4,333,119	\$4,437,934	\$6,438,238	\$6,360,128	\$6,424,898	\$6,444,128	\$6,457,413	\$6,471,653	\$6,481,698	\$6,492,448	\$6,503,753	\$6,510,363	\$5,955,577	\$5,958,827	\$5,959,077	\$5,956,327	\$5,958,727	
Less: Improvement SDC Revenues	\$36,415	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	\$27,774	50% of improvement SDC
Net Debt Service	\$3,117,711	\$3,675,952	\$4,076,702	\$4,194,192	\$4,305,345	\$4,410,160	\$6,410,464	\$6,332,354	\$6,397,124	\$6,416,354	\$6,429,639	\$6,443,879	\$6,453,924	\$6,464,674	\$6,475,979	\$6,482,589	\$5,927,803	\$5,931,053	\$5,931,303	\$5,928,553	\$5,930,953	
Rate Funded Capital	\$1,385,500	\$2,185,000	\$2,950,000	\$3,100,000	\$3,175,000	\$3,250,000	\$1,325,000	\$1,650,000	\$1,650,000	\$1,675,000	\$1,775,000	\$1,875,000	\$2,350,000	\$2,665,000	\$2,880,000	\$2,995,000	\$3,525,000	\$3,550,000	\$3,650,000	\$3,700,000	\$3,750,000	\$1,303,690 FY 2023 Dep. Exp.
Reserve Funding																						
To / (From) General Fund	(\$387,380)	\$332,020	\$323,946	\$313,388	\$308,201	\$313,694	\$346,297	\$295,174	\$322,350	\$442,738	\$539,959	\$569,721	\$325,833	\$245,909	\$229,702	\$324,115	\$410,405	\$523,446	\$520,774	\$567,692	\$605,446	
To / (From) Fund 601	0	871,080	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
To / (From) Rate Stabilization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
To / (From) Equipment Replacement Fund	0	0	50,000	50,000	60,000	70,000	80,000	90,000	100,000	150,000	160,000	200,000	225,000	250,000	275,000	300,000	325,000	350,000	375,000	400,000	425,000	
Total Reserve Funding	(\$387,380)	\$1,203,100	\$373,946	\$363,388	\$368,201	\$383,694	\$426,297	\$385,174	\$422,350	\$592,738	\$699,959	\$769,721	\$550,833	\$495,909	\$504,702	\$624,115	\$735,405	\$873,446	\$895,774	\$967,692	\$1,030,446	
Total Revenue Requirement	\$16,236,897	\$17,382,603	\$17,410,337	\$18,058,070	\$18,655,538	\$19,273,700	\$19,872,891	\$20,496,329	\$21,074,423	\$21,784,437	\$22,520,390	\$23,282,125	\$24,066,425	\$24,876,666	\$25,714,756	\$26,583,335	\$27,364,393	\$28,170,562	\$29,000,818	\$29,856,641	\$30,738,648	
Bal/(Def.) of Funds	\$0	(\$559,646)	(\$1,141,677)	(\$1,746,990)	(\$2,297,825)	(\$2,867,939)	(\$3,458,007)	(\$4,068,727)	(\$4,700,822)	(\$5,355,041)	(\$6,032,157)	(\$6,732,973)	(\$7,458,317)	(\$8,209,048)	(\$8,986,055)	(\$9,790,257)	(\$10,503,699)	(\$11,238,544)	(\$11,995,435)	(\$12,775,032)	(\$13,578,017)	
Rate Adj. as a % of Rate Rev.	0.0%	4.0%	8.2%	12.5%	16.4%	20.5%	24.7%	29.1%	33.6%	38.3%	43.1%	48.1%	53.3%	58.7%	64.2%	70.0%	75.1%	80.3%	85.7%	91.3%	97.0%	
Proposed Rate Adjustment	0.0%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%	3.0%	
Effective Months	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	
Add'l Revenue from Adj.	\$0	\$559,646	\$1,141,677	\$1,746,990	\$2,297,825	\$2,867,939	\$3,458,007	\$4,068,727	\$4,700,822	\$5,355,041	\$6,032,157	\$6,732,973	\$7,458,317	\$8,209,048	\$8,986,055	\$9,790,257	\$10,503,699	\$11,238,544	\$11,995,435	\$12,775,032	\$13,578,017	
Total Bal/(Def.) of Funds	\$0	(\$0)	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Additional Rate Increase Needed	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Avg Res Mo Bill (6 CCF)	\$36.60																					
After Proposed Rate Adjustment	\$36.60	\$38.06	\$39.59	\$41.17	\$42.61	\$44.10	\$45.65	\$47.24	\$48.90	\$50.61	\$52.38	\$54.21	\$56.11	\$58.07	\$60.11	\$62.21	\$64.08	\$66.00	\$67.98	\$70.02	\$72.12	
Annual \$ Change		1.46	1.52	1.58	1.44	1.49	1.54	1.60	1.65	1.71	1.77	1.83	1.90	1.96	2.03	2.10	1.87	1.92	1.98	2.04	2.10	
Cumulative Change		1.46	2.99	4.57	6.01	7.50	9.05	10.64	12.30	14.01	15.78	17.61	19.51	21.47	23.51	25.61	27.48	29.40	31.38	33.42	35.52	
DSC Ratio (All Debt, No SDCs)																						
Before Rate Adjustment	1.30	1.76	1.52	1.40	1.28	1.17	0.73	0.68	0.59	0.52	0.44	0.36	0.29	0.22	0.13	0.05	N/A	N/A	N/A	N/A	N/A	
After Rate Adjustment	1.30	1.91	1.80	1.81	1.81	1.81	1.27	1.32	1.32	1.35	1.38	1.40	1.44	1.48	1.52	1.55	1.71	1.74	1.76	1.78	1.80	
DSC Ratio (Revenue Bonds Only, No SDCs)																						
Before Rate Adjustment	1.74	2.23	2.15	2.02	1.90	1.78	1.61	1.68	1.47	1.30	1.12	0.92	0.74	0.55	0.34	0.12	N/A	N/A	N/A	N/A	N/A	
After Rate Adjustment	1.74	2.42	2.54	2.62	2.69	2.76	2.80	3.27	3.31	3.39	3.48	3.55	3.66	3.77	3.86	3.96	6.89	6.99	7.07	7.16	7.23	
DSC Ratio (All Debt, w/SDCs)																						
Before Rate Adjustment	1.41	1.82	1.59	1.46	1.34	1.22	0.77	0.72	0.63	0.56	0.48	0.40	0.33	0.26	0.17	0.09	N/A	N/A	N/A	N/A	N/A	
After Rate Adjustment	1.41	1.98	1.86	1.87	1.87	1.87	1.31	1.36	1.36	1.39	1.42	1.44	1.48	1.52	1.55	1.59	1.75	1.78	1.80	1.82	1.84	
DSC Ratio (Revenue Bonds Only, w/SDCs)																						
Before Rate Adjustment	1.88	2.32	2.23	2.11	1.99	1.86	1.70	1.78	1.57	1.40	1.22	1.02	0.84	0.65	0.44	0.22	N/A	N/A	N/A	N/A	N/A	
After Rate Adjustment	1.88	2.51	2.62	2.71	2.78	2.85	2.89	3.37	3.41	3.49	3.58	3.65	3.76	3.87	3.96	4.05	7.06	7.16	7.24	7.33	7.40	

	Yr End Est.	Budget	Projected																		Notes	
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045		FY 2046
Reserve Funds																						
Beginning Balance	\$18,643,211	\$25,027,464	\$31,572,243	\$23,487,518	\$23,848,981	\$24,406,260	\$24,969,843	\$22,847,363	\$20,870,173	\$14,347,441	\$15,043,436	\$15,837,526	\$16,662,265	\$17,244,016	\$17,746,757	\$18,234,219	\$18,817,034	\$19,487,096	\$20,271,168	\$21,053,552	\$21,883,854	
General Fund																						
Beginning Balance	\$17,612,759	\$19,680,379	\$20,507,399	\$21,943,245	\$22,251,429	\$22,754,630	\$23,263,324	\$21,085,133	\$19,051,395	\$12,471,267	\$13,109,005	\$13,843,964	\$14,608,685	\$15,129,519	\$15,570,428	\$15,995,130	\$16,514,245	\$17,119,650	\$17,838,096	\$18,553,870	\$19,316,562	
Plus: Additions	0	332,020	1,240,846	313,388	308,201	313,694	346,297	295,174	322,350	442,738	539,959	569,721	325,833	245,909	229,702	324,115	410,405	523,446	520,774	567,692	605,446	
Plus: Transfer from Reimbursement SDC	255,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	195,000	
Plus: Transfer From Slug Fund	2,050,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: Transfer from 501	150,000	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: Transfer from 601	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Uses of Funds	(387,380)	0	0	(200,204)	0	0	(2,719,489)	(2,523,912)	(7,097,478)	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$19,680,379	\$20,507,399	\$21,943,245	\$22,251,429	\$22,754,630	\$23,263,324	\$21,085,133	\$19,051,395	\$12,471,267	\$13,109,005	\$13,843,964	\$14,608,685	\$15,129,519	\$15,570,428	\$15,995,130	\$16,514,245	\$17,119,650	\$17,838,096	\$18,553,870	\$19,316,562	\$20,117,008	
Target: 1 Year of O&M days of O&M	\$12,121,067 593	\$10,318,552 725	\$10,009,689 800	\$10,400,490 781	\$10,806,992 769	\$11,229,846 756	\$11,711,130 657	\$12,128,801 573	\$12,604,950 361	\$13,100,346 365	\$13,615,792 371	\$14,193,525 376	\$14,711,668 375	\$15,251,084 373	\$15,854,075 368	\$16,481,631 366	\$17,176,185 364	\$17,816,063 365	\$18,523,742 366	\$19,260,396 366	\$20,027,249 367	
New Groundwater Construction Fund (601)																						
Beginning Balance	(\$2,789,981)	\$3,840,019	\$9,573,062	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Plus: To Reserves	0	871,080	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: WIFIA Proceeds	16,000,000	12,106,964	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: Rev Bond Proceeds	4,997,011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: BIL Grant	1,500,000	3,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: City of Gresham	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: Transfer From 501	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Transfer to General Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Contracting Services	(375,000)	(15,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Uses of Funds	(19,610,000)	(10,230,000)	(9,573,062)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	(\$277,970)	\$9,573,062	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Reimbursement SDC Account (201)																						
Beginning Balance	\$701,240	\$704,458	\$719,911	\$735,595	\$751,515	\$767,673	\$784,074	\$800,721	\$817,617	\$834,767	\$852,174	\$869,843	\$887,776	\$905,978	\$924,454	\$943,206	\$962,240	\$981,559	\$1,001,168	\$1,021,072	\$1,041,273	
Plus: SDCs	258,218	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	
Plus: Interest	0	13,506	13,738	13,974	14,212	14,455	14,701	14,950	15,204	15,461	15,722	15,987	16,256	16,529	16,806	17,088	17,373	17,663	17,957	18,256	18,559	
Less: Uses of Funds	(255,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	(195,000)	
Ending Balance	\$704,458	\$719,911	\$735,595	\$751,515	\$767,673	\$784,074	\$800,721	\$817,617	\$834,767	\$852,174	\$869,843	\$887,776	\$905,978	\$924,454	\$943,206	\$962,240	\$981,559	\$1,001,168	\$1,021,072	\$1,041,273	\$1,061,778	
Improvement SDC Account (202)																						
Beginning Balance	\$515,588	\$552,003	\$588,266	\$625,073	\$662,432	\$700,351	\$738,839	\$777,904	\$817,556	\$857,802	\$898,652	\$940,114	\$982,199	\$1,024,914	\$1,068,271	\$1,112,278	\$1,156,945	\$1,202,281	\$1,248,298	\$1,295,006	\$1,342,414	
Plus: SDCs	72,831	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	55,549	
Plus: Interest	0	8,488	9,032	9,584	10,145	10,714	11,291	11,877	12,472	13,075	13,688	14,310	14,941	15,582	16,232	16,892	17,562	18,243	18,933	19,633	20,345	
Less: Uses of Funds	(36,415)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	(27,774)	
Ending Balance	\$552,003	\$588,266	\$625,073	\$662,432	\$700,351	\$738,839	\$777,904	\$817,556	\$857,802	\$898,652	\$940,114	\$982,199	\$1,024,914	\$1,068,271	\$1,112,278	\$1,156,945	\$1,202,281	\$1,248,298	\$1,295,006	\$1,342,414	\$1,390,533	
Slug Fund Reserve (301)																						
Beginning Balance	\$2,050,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer To General Fund	(2,050,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Uses of Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ground Water Production Fund (501)																						
Beginning Balance	\$553,605	\$250,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	
Plus: Additions - City of Gresham	650,000	1,800,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: Transfer from General Fund	550,000	1,800,000	1,890,000	1,984,500	2,083,725	2,187,911	2,297,307	2,412,172	2,532,781	2,659,420	2,792,391	2,932,010	3,078,611	3,232,541	3,394,168	3,563,877	3,742,071	3,929,174	4,125,633	4,331,915	4,548,510	
Less: Uses of Funds	0	0	(1,890,000)	(1,984,500)	(2,083,725)	(2,187,911)	(2,297,307)	(2,412,172)	(2,532,781)	(2,659,420)	(2,792,391)	(2,932,010)	(3,078,611)	(3,232,541)	(3,394,168)	(3,563,877)	(3,742,071)	(3,929,174)	(4,125,633)	(4,331,915)	(4,548,510)	
Equip Maint	(100,000)	(159,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Oper Supplies	(50,000)	(486,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sewer/Storm Water	0	(250,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Insurance	0	(110,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Wellhead Prot.	(70,000)	(70,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Testing	(15,000)	(22,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Res. Maint.	(10,000)	(20,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pumping	(500,000)	(2,250,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transfer to General Fund (101)	(150,000)	(300,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transfer to 601	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contingency	(500,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$358,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	\$183,605	
Equipment Replacement Reserve																						
Beginning Balance	\$0	\$0	\$0	\$50,000	\$100,000	\$160,000	\$230,000	\$310,000	\$400,000	\$500,000	\$6											

Rockwood Water PUD
Water Rate Study
Exhibit 4
Capital Improvement Plan

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046	Total	
Water CIP																							
Water System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Services	65,000	65,000	69,227	71,442	73,728	76,087	78,522	81,035	83,628	86,304	89,066	91,916	94,857	97,893	101,025	104,258	107,594	111,037	114,590	118,257	122,041	1,902,506	
Meter Upgrades	1,000	1,000	1,065	1,099	1,134	1,171	1,208	1,247	1,287	1,328	1,370	1,414	1,459	1,506	1,554	1,604	1,655	1,708	1,763	1,819	1,878	29,269	
Field Equipment	11,500	107,000	10,000	10,991	11,343	11,706	12,080	12,467	12,866	13,278	13,702	14,141	14,593	15,060	15,542	16,040	16,553	17,083	17,629	18,193	18,776	390,543	
Shop Equipment	8,000	10,000	10,650	10,991	11,343	11,706	12,080	12,467	12,866	13,278	13,702	14,141	14,593	15,060	15,542	16,040	16,553	17,083	17,629	18,193	18,776	290,693	
Automotive Equipment	170,000	270,000	215,000	160,000	181,484	187,292	193,285	199,470	205,853	212,440	219,239	226,254	233,494	240,966	248,677	256,635	264,847	273,322	282,068	291,095	300,410	4,831,832	
Computer/Office Equipment	30,000	39,500	42,068	43,415	44,804	46,238	47,717	49,244	50,820	52,446	54,125	55,857	57,644	59,489	61,392	63,357	65,384	67,476	69,636	71,864	74,164	1,146,638	
Buildings	75,000	47,500	66,564	68,694	70,892	73,161	75,502	77,918	80,411	82,985	85,640	88,381	91,209	94,127	97,139	100,248	103,456	106,766	110,183	113,709	117,348	1,826,833	
Land	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500,000	
ST10	0	0	0	0	0	0	3,624,094	3,740,065	3,859,747	0	0	0	0	0	0	0	0	0	0	0	0	11,223,906	
BonAI PS	0	0	618,526	0	0	0	0	0	0	265,551	0	0	0	0	0	0	0	0	0	0	0	884,076	
Well	0	0	0	0	0	0	0	0	4,440,000	0	0	0	0	0	0	0	0	0	0	0	0	4,440,000	
ST1	0	0	0	0	2,541,884	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,541,884	
ST2	0	0	0	0	0	1,988,475	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,988,475	
ST3	0	0	0	2,733,572	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,733,572	
AMI Zone 3/4	1,025,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,025,000	
AMI Zone 5/6	0	1,145,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,145,000	
AMI Zone 6/7	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000,000	
AMI Zone 7/8	0	0	0	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000	
Average Annual Master Plan Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	\$1,385,500	\$2,185,000	\$2,033,100	\$3,300,204	\$2,936,612	\$2,395,834	\$4,044,489	\$4,173,912	\$8,747,478	\$727,609	\$476,844	\$492,103	\$507,850	\$524,101	\$540,873	\$558,181	\$576,042	\$594,476	\$613,499	\$633,131	\$653,391	\$38,100,228	
GDMP																							
Package 1	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	
Package 2a	605,000	340,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	945,000	
Package 2b	155,000	40,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	195,000	
Package 3	10,650,000	700,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,350,000	
Package 4	6,200,000	1,650,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,850,000	
Package 5	1,200,000	7,500,000	9,573,062	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,273,062	
Package 6	600,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	600,000	
Future Asset Renewal	0	0	0	0	0	0	0	0	0	0	0	0	291,868	301,208	310,846	320,793	331,059	341,653	352,586	363,868	375,512	2,989,393	
Total	\$19,610,000	\$10,230,000	\$9,573,062	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$291,868	\$301,208	\$310,846	\$320,793	\$331,059	\$341,653	\$352,586	\$363,868	\$375,512	\$42,402,455	
Future Capital Projects	\$0	\$0	\$0	\$0	\$238,388	\$854,166	\$0	\$0	\$0	\$947,391	\$1,298,156	\$1,382,897	\$1,842,150	\$2,140,899	\$2,339,127	\$2,436,819	\$2,948,958	\$2,955,524	\$3,036,501	\$3,066,869	\$3,096,609	\$28,584,455	
To Operating Reserves	\$0	\$0	\$916,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$916,900	
Total Capital Improvement Projects	\$20,995,500	\$12,415,000	\$12,523,062	\$3,300,204	\$3,175,000	\$3,250,000	\$4,044,489	\$4,173,912	\$8,747,478	\$1,675,000	\$1,775,000	\$1,875,000	\$2,641,868	\$2,966,208	\$3,190,846	\$3,315,793	\$3,856,059	\$3,891,653	\$4,002,586	\$4,063,868	\$4,125,512	\$110,004,038	
Less: Outside Funding Sources																							
General Fund	\$0	\$0	\$0	\$200,204	\$0	\$0	\$2,719,489	\$2,523,912	\$7,097,478	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,541,083	
Equipment Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	291,868	301,208	310,846	320,793	331,059	341,653	352,586	363,868	375,512	2,989,393	
Initial Bond/WIFIA Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Combo of Bond 2 & WIFIA 2	19,610,000	10,230,000	9,573,062	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,413,062	
Rate Funding of 601	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grant Funding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
New SRF Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
New Revenue Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Outside Funding Sources	\$19,610,000	\$10,230,000	\$9,573,062	\$200,204	\$0	\$0	\$2,719,489	\$2,523,912	\$7,097,478	\$0	\$0	\$0	\$291,868	\$301,208	\$310,846	\$320,793	\$331,059	\$341,653	\$352,586	\$363,868	\$375,512	\$54,943,538	
Rate Funded Capital	\$1,385,500	\$2,185,000	\$2,950,000	\$3,100,000	\$3,175,000	\$3,250,000	\$1,325,000	\$1,650,000	\$1,650,000	\$1,675,000	\$1,775,000	\$1,875,000	\$2,350,000	\$2,665,000	\$2,880,000	\$2,995,000	\$3,525,000	\$3,550,000	\$3,650,000	\$3,700,000	\$3,750,000	\$55,060,500	

Rockwood Water PUD
 Water Rate Study
 SDC Revenue Projection

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046
Total SDC Revenue	\$331,049	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495	\$252,495
SDC Fee per 3/4" Meter	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611	\$5,611
	59	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Fee Allocation																					
Improvement Fee	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Reimbursement Fee	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%
SDC Revenue by Fee																					
Improvement Fee	\$72,831	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549	\$55,549
Reimbursement Fee	258,218	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946	196,946

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Rockwood Water PUD
 Water Rate Study
 Exhibit 5
 Existing Debt Service

Year	2021 Rev Bond	2024 Revenue			Total
	(Refi)	2022 WIFIA	2025 WIFIA	Bond	
FY 2026	\$1,432,550	\$787,876	\$0	\$933,700	\$3,154,126
FY 2027	1,437,150	787,876	0	1,478,700	3,703,726
FY 2028	1,435,150	1,187,876	0	1,481,450	4,104,476
FY 2029	1,436,750	1,302,516	0	1,482,700	4,221,966
FY 2030	1,436,750	1,413,919	0	1,482,450	4,333,119
FY 2031	1,435,150	1,522,084	0	1,480,700	4,437,934
FY 2032	1,431,950	1,627,011	1,896,827	1,482,450	6,438,238
FY 2033	1,077,150	1,903,701	1,896,827	1,482,450	6,360,128
FY 2034	1,074,750	1,972,621	1,896,827	1,480,700	6,424,898
FY 2035	1,076,150	1,988,951	1,896,827	1,482,200	6,444,128
FY 2036	1,074,900	2,003,986	1,896,827	1,481,700	6,457,413
FY 2037	1,077,900	2,017,726	1,896,827	1,479,200	6,471,653
FY 2038	1,075,000	2,030,171	1,896,827	1,479,700	6,481,698
FY 2039	1,076,350	2,041,321	1,896,827	1,477,950	6,492,448
FY 2040	1,076,800	2,051,176	1,896,827	1,478,950	6,503,753
FY 2041	1,076,350	2,059,736	1,896,827	1,477,450	6,510,363
FY 2042	0	2,580,300	1,896,827	1,478,450	5,955,577
FY 2043	0	2,580,300	1,896,827	1,481,700	5,958,827
FY 2044	0	2,580,300	1,896,827	1,481,950	5,959,077
FY 2045	0	2,580,300	1,896,827	1,479,200	5,956,327
FY 2046	0	2,580,300	1,896,827	1,481,600	5,958,727



Rockwood Water
People's Utility District

FY 2026 / 2027
Budget Detail

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

ANNUAL BUDGET FISCAL YEAR (FY) 2025/2026

The Rockwood Water People's Utility District budget is divided into six funds:

FUND 101 - GENERAL FUND

FUND 201 - SYSTEM DEVELOPMENT FUND-REIMBURSEMENT

FUND 202 - SYSTEM DEVELOPMENT FUND-IMPROVEMENT

FUND 301 - DEBT RESERVE FUND (CURRENTLY NOT USED)

FUND 401 - DEBT SERVICE FUND

FUND 501 - GROUNDWATER PRODUCTION FUND

FUND 601 - GROUNDWATER CONSTRUCTION FUND

The day-to-day operations of the District are handled through Fund 101, General Fund. The primary income for the District is through the sale of water. This income funds the purchase of water for resale, customer service, business functions and the maintenance, repair, and replacement of the water system. Expenditures in the General Fund are divided into three main categories: Personal Services, Materials and Services, and Capital Outlay.

Funds 201 and 202 are the District's System Development Charge (SDC) Funds. SDCs help pay for renewal, replacement, and expansion of the water system. SDCs are charged to developers for their new connections to the District's water system or for existing customers who want to increase their use by installing a larger service connection. The Reimbursement Fund 201 collects that portion of the SDC which reimburses the District for infrastructure already built and can be spent on regular system capital improvement projects. The Improvement Fund 202 collects that portion of the charge that contributes to future projects of the District and can only be spent on projects that increase the capacity of the water system.

Fund 401 is used to pay debt that has been taken on by the District. The Debt Reserve Fund 301 has historically provided funding for the Debt Service Fund 401. In Fiscal Year (FY) 2023/2024, the District's Bond Counsel and Arbitrage advisor recommended that the District no longer maintain an account exclusively for Debt reserve due to the accumulation of positive arbitrage. This fund will remain in the budget but will no longer be used, and Fund 401 will be directly funded by the General Fund 101.

The Debt Service Fund 401 provides the mechanism for the repayment of financed debt. This includes the 2021 and 2024 Bonds, and the 2022 and 2025 Federal Water Infrastructure Finance and Innovation Act (WIFIA) Loans which fund the construction of the Cascade Groundwater Development Projects. The bonded debt will be repaid in 2047 and the second WIFIA loan will be repaid in 2058.

The Groundwater Production Fund 501 was established to manage operational costs in the production of groundwater for domestic drinking water purposes. The fund provides an accounting of costs associated with producing and pumping groundwater; costs are

split between the District and the City of Gresham. Because the groundwater system is a partnership with the City of Gresham, the fund allows for transparency in how revenue and costs of operation are managed for both partners.

The Groundwater Construction Fund 601 was created in 2020 to receive and track all revenue received by the District from the issuance of revenue bonds or other financial instruments, governmental transfers through partnership with the City of Gresham, and interest received from investments. The fund provides transparency in how such revenue is spent related to the development of groundwater. The District is in the middle of a significant groundwater development project in order to avoid significant future wholesale water purchase costs from the City of Portland. With Portland's construction of the Bull Run Water Treatment Plant, costs will be shared by Portland and any wholesale customers continuing to purchase water from Portland. Wholesale water costs are expected to increase substantially by 2030 if the District remains on the wholesale purchase contract. Through the development of an independent water supply system, the District is anticipating mitigating these increases and controlling costs directly to our customers into the future.

CHANGES TO THE FY 2026/2027 BUDGET

The District and the City of Gresham are well into the construction of the projects defined in the 2020 Groundwater Development Master Plan (GDMP) and have completed and placed the key facilities online. Based on the 2020 GDMP, the 2023 Budget update to incorporate inflation and supply chain disruptions, and current construction and design projections, Rockwood's share of the cost of the groundwater development facilities is \$94 million. The partnership with the City of Gresham for water supply, outlined by Intergovernmental Agreement and named the Cascade Groundwater Alliance (CGA), provides the District and the City of Gresham greater resiliency and a way to share costs for the groundwater supply system construction and operation. In FY 2025/2026, the District substantially completed construction of Package 2A, the Glendoveer transmission line, Package 3, the Well 8 Treatment, Pumping and Reservoir Facilities located at 141st Ave, and Package 4 the Cascade Water Treatment Plant, Pump Station and Equipment Storage Facility located at the District Headquarters. These Packages will be closed out in the upcoming FY 2026/2027.

Design and Construction of the CGA projects allows the District to supply treated groundwater to all customers prior to the end of the Portland Wholesale Water Purchase Contract in June 2026. The District has notified Portland that it is developing groundwater as its primary source and will not continue to purchase wholesale water after June of 2026, with the exception of a potential emergency intertie.

The District staff maintain both the Technology and Vehicle/Equipment Replacement Plans for projecting expenditures. The multi-year plans were approved by the Board in FY 2017/2018 to allow for better planning, fiscal control, and orderly replacements.

The recommended budget and rate adjustment is targeted to maintain the debt service coverage for the District Bonds and Loans required to finance the Cascade Groundwater Alliance Projects, and to keep up with the rate of inflation. The

This one-time account set-up fee is charged to new customers in the District. This budget is 50% larger than the past year.

3-20-2300 Late Fees \$290,000

Service charges include late charges, door hanger charges, service off charges, dishonored check charges, etc. This budget is the same as the past year.

3-40-4100 Service Installations \$250,000

Projected installations of new meters in the District. This includes all types and sizes of new service connections. This budget is the same as the past year.

3-40-4200 Sub-Division Project Income \$50,000

The revenue in this budget line is primarily from developers for main extensions and fire hydrants. It cannot be predicted with accuracy. This budget is the same as the past year.

3-40-4300 Other Service Income \$155,000

Most of this revenue is generated by selling meter reads to the cities of Gresham, Portland, and Fairview. Some income is generated from repairs performed by our crews for other entities (e.g., Interlachen), rental of equipment (such as hydrant meters), and other miscellaneous income not directly related to service installations. This budget is 3.3% larger than the past year.

3-50-5100 Interest Income \$400,000

Annual anticipated earnings on our cash reserve account in the Oregon State Investment Pool and other small investments. The budget is decreased by \$100,000 due to expected lower interest rates and income for this coming year as we keep less funds in this account as the groundwater projects are completed.

3-50-5200 Rental Income \$0

This budget line is rental income received. Due to the groundwater construction activities, the previously rented Residential property next to the 141st reservoir and pump station has not be rented in FY 2025/2026 during construction.

3-60-6100 Scrap Metal Income \$20,000

To be a more sustainable organization, the District sells recyclable scrap metals throughout the year. This budget increased \$12,500 due to recycling brass meters with the AMI installations.

3-60-6600 Other Miscellaneous Income \$40,000

5-20-5410 Conservation \$49,500

This line funds our Toilet Rebate programs (\$3,000), Children's Clean Water Festival (\$22,000); School Programs (\$11,000); conservation devices/brochures/supplies (\$6,500); emergency preparedness (\$5,000); school grants (\$1,250); and District events, donations, and meetings (\$750). Budget decreased slightly.

5-20-5420 Elections & Legal Advertising \$4,000

This budget will cover a variety of ads: bids, proposal solicitations, personnel recruitments, Board meetings, budget hearings, lead/copper outreach and newspaper ads. Budget remains the same.

5-20-5430 General Insurance \$129,000

This covers all insurance related to District liability and property and does not include employee health benefits or shared groundwater facilities.

5-20-5440 Safety Gear & Equipment \$25,000

Safety equipment and supplies required by OSHA including such things as gloves, eye protection, respiratory masks, ear protection, first aid supplies, foot protection, hard hats, shoring and safety vests. Budget increased 25%.

5-20-5450 Training & Education \$50,000

This budget line includes attending the AWWA conference, AWWA/PNWS conference, SDAO conference, OGFOA conference, OSHA safety conferences, OPUDA conference, Tyler (billing system) and Neptune (AMI system) training and Short School for field personnel, miscellaneous seminars for computer training, customer service training, etc. Budget increased \$4,000.

5-20-5460 Dues, Licenses & Subscriptions \$102,874

Includes membership dues to Regional Water Providers Consortium, OHA, SDAO, Metro Data, OPUDA, OGFOA, LGPI, GA, Water ISAC, AWWA and PNWS subsection dues. In addition, subscriptions to the *Daily Journal of Commerce*, the *Gresham Outlook*, and the *Oregonian*. It also includes computer program licenses. Budget has decreased by \$2,351.

5-20-5470 Office Equipment \$5,000

This line will pay for office equipment replacements costing less than \$5,000 each. Budget increased to replace a cabinet in the safe.

5-20-5510 Computer/Office Equipment Maintenance \$31,000

Maintenance and replacement of equipment including copier, postage meter and computers. Budget for computers was moved from account # 5-40-6140 to this account in FY 2024/2025. Budget was decreased by \$2,000 from the previous year.

5-20-5520 Building & Grounds Maintenance \$83,380

Includes grounds maintenance, tree removal, building and window cleaning, area rugs, carpet and rug cleaning, cleaning supplies, paper products, and miscellaneous inspections and repairs. Budget has increased \$1,500.

5-20-5530 Shop Equipment Maintenance \$10,000

Includes repairs and maintenance of non-office shop and building equipment. Budget remains unchanged.

5-20-5540 Vehicle Maintenance \$40,000

General maintenance and repairs to our vehicles, including heavy equipment, such as backhoes and dump trucks. Budget increased \$5,000.

5-20-5550 Tires \$10,000

Budget increased \$5,000 due to recent increase in tire costs.

5-20-5560 Gasoline & Lubricants \$54,000

Anticipated cost to fuel equipment and vehicles. Budget increased 20% due to recent increases.

5-20-5570 Small Tools & Equipment \$30,000

This line will pay for equipment items costing less than \$5,000 each. Budget increased \$10,000 for purchase of specific needed tools.

5-20-5610 Utility Operating Supplies \$300,000

Parts, pipe and materials for system repair and maintenance. Budget remains the same.

5-20-5620 Water Sampling and Testing \$78,000

Expense of water testing and samples as mandated by State and Federal regulations. Increase of \$21,000 in budget due to groundwater transition monitoring.

5-20-5625 Water Quality and Notices \$10,000

This line item covers the lead/copper brochure and any water quality notices needed to be delivered to customers. Budget remains the same.

5-20-5630 Reservoir and Pumpstation Maintenance \$10,000

This includes basic repairs of pumps and valves or any other unanticipated expense. Planned HVAC update at Bella Vista Pumpstation is included in this budget. Budget remains the same.

5-20-5640 Meter Maintenance \$5,000

Replacement of existing meters and related equipment due to age, declining reliability, and breakage; large meter asset management. Budget remains the same.

5-20-5650 Fire Hydrant Maintenance \$5,000

Allowance for unexpected repairs. Budget remains the same.

5-20-5660 Telemetry \$26,000

Communication expenses and other repairs throughout the telemetry system. Budget increased \$10,000 to update existing equipment and programming after wholesale water isn't needed.

5-20-5670 Pumping \$306,000

This is an electrical expense for pumping at all sites except groundwater activity which is tracked separately. Budget increased 308% mostly due to increased capacity and pumping at 141st.

5-20-5710 Board Meeting Fees \$10,000

Allows for regular Board meetings, consortium meetings and special meetings.. Budget increased \$6,000.

5-20-5720 Directors' Expense \$26,000

Miscellaneous expenses directly related to the Board of Directors, including attendance at conferences such as AWWA and SDAO, or consulting fees for Board activities. Budget increased \$2,000.

5-20-5730 Manager's Expense \$11,000

Allowance for General Manager's expenditures relating directly to conducting District business and staff meeting expenses. Managers training and travel was moved to this account in FY 2024/2025 to increase transparency. Budget remains the same.

5-20-5740 General Office \$437,450

This line code funds annual bond administration fee (\$500), bank card and credit card fees, Veri-check, AMEX, and pool fees. Budget has increased substantially by \$93,850 to reflect actual expenses for credit card fees and electronic payment fees.

5-20-5760 Bad Debt Collection Expense \$50,000

This budgeted amount is adjusted at year-end based on current and historical financial information. Budget increased 25%.

5-20-5770 Gresham Utility Tax \$517,544

This tax is charged by the City of Gresham.

5-20-5780 Portland Utility Tax \$236,947

This tax is charged by the City of Portland.

5-20-5790 Fairview Utility Tax \$16,960

This tax is charged by the City of Fairview.

5-20-5800 Customer Assistance \$60,000

The District staff took over implementation for the customer assistance program from a third party vendor in FY 2024/2025. This has resulted in an increase in the number of customers the District is able to provide aid to, as it removed the \$14 per customer service fee and District staff can more quickly respond to the aid applications. Budget remains the same.

5-20-5820 Taxes & Assessments \$0

This was for Multnomah County Drainage District #1 property taxes for District properties along Sandy Boulevard, which was sold in 2025. No longer needed.

CAPITAL EXPENDITURES AND TRANSFERS

5-40-6010 Water System \$1,145,000

This line item covers the following capital improvement projects:

	<u>Projects</u>	
AMI Project		\$1,000,000
Specialty surveys and engineering		\$ 60,000
Abandon PWB Connections		\$ 35,000
Bella Vista RTU		\$ 50,000

5-40-6020 New Meters \$65,000

Meters for new service installations. Budget is unchanged.

5-40-6030 Meter Upgrades \$1,000

Upgrade all meters as schedule and time dictates. Budget unchanged.

5-40-6110 Meter/Field Equipment \$107,000

This is for the replacement of equipment, including \$50,000 for the second and last Bella Vista booster pump VFD replacement.

5-40-6120 Shop Equipment \$10,000

This will fund unidentified items of equipment. Budget increased 25%.

5-40-6130 Automotive/Equipment \$270,000

The 10 Year Vehicle and Equipment Replacement Plan has established a replacement schedule for new and aging vehicles and rolling stock in the District. The plan anticipates vehicle and equipment upgrades maximizing the longevity of use and trade-in value. Budget includes the replacement of a meter reader vehicle, small pickup and flatbed pickup. Budget has increased by \$30,000 from the previous year.

5-40-6140 Computer and Office Equipment \$29,500

Used for computer and office equipment that fall under capital purchases. Budget includes replacement server and firewall equipment, as well as office furniture and cabinets. Budget has increased by \$2,500.

5-40-6210 Buildings \$47,500

This budget includes \$5,000 for routine building upgrades, \$10,000 for security system upgrades, overhead door spring replacement, shop electric upgrades and boardroom and conference room chairs. Budget decreased 34%.

5-40-6220 Land \$500,000

Budget considers land purchase for production wells. Budget remains unchanged.

5-60-7110 Transfer to Other Funds \$5,545,276

This budgets funds for transfer. Includes budget for the Debt Service Fund 401 (\$3,454,126) for payments on the 2022 and 2024 Revenue Bonds, and interest payment on the 2022 and 2025 WIFIA loans. Also includes transfer to the Groundwater Production Fund 501 (\$1,800,000) Debt service costs have increased as the District takes on planned debt to pay for the groundwater construction project. Groundwater production costs have increased due to higher water production and demand and increasing costs for electricity.

5-70-7210 Contingency \$1,870,000

This represents at least two months (60 days) operating expenses (Personnel and Materials & Services) in keeping with the policy established in the Financial Plan. Budget has increased by \$40,000 to maintain 60 days operating expense.

5-90-8010 Ending Fund Balance \$21,645,832

The ending fund balance is projected by adding the beginning fund balance to anticipated revenues and subtracting anticipated expenditures for the upcoming fiscal year. The Ending Fund Balance plus Contingency provides approximately 579 days of operation (Personnel and Materials & Services). Balance reflects an increase this year, however the Rate Model projects draw down of the Ending Fund Balance in future years as Debt Service payment obligations increase.

**SYSTEM DEVELOPMENT FUND-REIMBURSEMENT
Fund 201**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$789,205
3-40-4500	System Development Fees	\$250,000

In FY 2020/2021 the District conducted a system development charge (SDC) analysis that resulted in an increase of the SDC rates. The District budgets and accounts for Reimbursement and Improvement SDCs separately. Reimbursement SDCs will be used for normal capital replacement.

3-50-5100	Interest Income	\$10,000
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Anticipated earnings on investments.

EXPENSE ACCOUNTS

5-60-7110	Transfer to Other Fund	\$300,000
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Money transferred to the General Fund for reimbursement towards applicable capital replacement projects identified in Capital Line code 5-40-6010.

5-90-8010	Ending Fund Balance	\$749,205
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**SYSTEM DEVELOPMENT FUND-IMPROVEMENT
Fund 202**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$616,981
3-40-4500	System Development Fees	\$80,000
3-50-5100	Interest Income	\$1,200

Anticipated earnings on investments.

EXPENSE ACCOUNTS

5-60-7110	Transfer to Other Fund	\$0
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Improvement SDCs will be transferred when the identified projects are scheduled to be built.

5-90-8010	Ending Fund Balance	\$698,181
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**DEBT RESERVE FUND
Fund 301**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$0
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In FY 2023/2024, the Board passed a resolution to transfer the Debt Reserve into the General Fund due to the accumulation of positive arbitrage. Funds will go directly from General Fund (101) to the Debt Service Fund (401) starting FY 2024/2025.

3-50-5100	Interest Income	\$0
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3-90-9200	Transfer from Other Funds	\$0
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This figure represents an amount necessary to provide for an adequate reserve balance. At least one year's payment on bonded debt must be held here.

EXPENSE ACCOUNTS

5-60-7110	Transfer to Debt Service Fund	\$0
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5-90-8010	Ending Fund Balance	\$0
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**DEBT SERVICE FUND
Fund 401**

INCOME ACCOUNTS

3-90-9200	Transfer from Other Fund	\$3,745,276
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This is a transfer from the Debt Reserve Fund to make principal and interest payments.

EXPENSE ACCOUNTS

5-50-7050	Payments on Financing	\$2,957,400
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5-50-7070	Interest on Financing	\$787,876
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Interest and Principal payments on the 2021 and 2024 Revenue Bonds, and interest payments on the 2022 and 2025 WIFIA loans. Expenses in this fund will increase in future years as the WIFIA loan principal payments will be included starting in 2028.

This line will cover the cost of all supplies, including salt for on-site chlorine generation for the treatment facility and sample reagents. Significant increase related to salt deliveries.

5-20-5220 Sewer/Storm Water \$250,000

This is a new account code for the Groundwater Operation budget. Backwash water that cleans the new Manganese Filters in the CGA water treatment plants will be disposed of through the sewer system. This budget amount was calculated based on projected disposal volumes and current sewer rates.

5-20-5430 Insurance \$110,000

Insurance for all groundwater facilities shared between Gresham and Rockwood will be covered in this account. Increase of \$60,000 to add the newly completed projects.

5-20-5615 Wellhead Protection \$100,000

This line will pay for a portion of the Wellhead Protection Program administered by the City of Gresham. The Well Field Protection Area was expanded with the delineation of the future Cascade 7, 8, and 9 wells, which will increase business surveillance activities. Budget has increased by \$30,000.

5-20-5620 Testing \$22,000

Pays for all testing of the treated water leaving the facility. Increased by \$7,000.

5-20-5630 Reservoir Maintenance \$20,000

This funds routine annual maintenance of the Cascade Reservoirs. Increased by \$10,000.

5-20-5670 Pumping \$2,250,000

This pays for all groundwater pumping costs. Budget has increased by \$1,750,000 with the switch to 100% groundwater.

5-60-7110 Transfer to General Fund \$300,000

This line offsets personnel operating costs and a true-up of contributions to the fund for groundwater operation and use. Budget has increased by \$150,000 as more staff time is spent performing Groundwater Operations. This allows the District to share staffing costs for Groundwater Operation with the City of Gresham. No new FTE's will be added

to perform Groundwater Operations, but existing staff time will be re-allocated to this duty.

5-90-8010	Ending Fund Balance	\$153,605
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Rockwood Water
People's Utility District

5 Year Line Item Budget

Rockwood Water PUD
Fiscal Year 2026/27 Multi Year Line Code Comparisons
Proposed Budget - April 2026

			FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY24/25	FY25/26	FY25/26	FY 26/27	% Change	
			Actual	Actual	Actual	Actual	Actual	Budget	End of Year Projection	Proposed	25/26 Budget vs 26/27 Prop	
ACCOUNT DESCRIPTION												
FUND 101 - GENERAL FUND												
INCOME ACCOUNTS									Audited			
3	1	101	Beginning Fund Balance	\$8,800,467	\$8,379,197	\$9,242,178	\$11,304,732	\$17,612,759	\$18,607,415	\$19,177,028	\$20,670,274	11.1%
3	10	1100	Water Sales	10,422,569	11,321,016	12,612,997	13,102,550	13,830,350	14,052,529	13,991,143	13,991,143	-0.4%
3	20	2100	Backflow Charges	36,985	39,252	39,281	41,315	44,300	40,000	44,613	45,000	12.5%
		2200	Set-up Fees	25,870	26,661	15,170	13,916	25,198	20,000	28,959	30,000	50.0%
		2300	Late Fees	240,458	306,971	267,885	262,109	277,972	290,000	278,868	290,000	0.0%
3	40	4100	Service Installations	283,038	180,648	187,484	171,401	273,143	250,000	300,000	250,000	0.0%
		4200	Sub-Divison Projects	10,927	6,160	22,746	18,580	31,627	50,000	20,000	50,000	0.0%
		4300	Other Service income	144,755	148,250	136,476	147,959	158,282	150,000	165,854	155,000	3.3%
3	50	5100	Interest Income	54,242	127,428	500,331	1,098,400	983,805	500,000	500,000	400,000	-20.0%
		5200	Rental Income	74,921	69,926	13,884	3,912	-	-	-	-	0.0%
3	60	6100	Scrap Metal Sales	11,968	30,896	8,801	10,630	18,822	7,500	7,500	20,000	166.7%
		6200	Construction Plan Sales	-	-	0	0	-	-	-	-	
		6600	Other Misc. Income	46,134	58,234	30,105	58,089	60,112	40,000	75,532	40,000	0.0%
		6800	Gresham Utility Tax	362,127	410,047	447,081	475,714	502,005	497,685	556,808	517,544	4.0%
		6900	Portland Utility Tax	161,451	197,128	183,862	198,355	212,914	227,855	227,268	236,947	4.0%
		7000	Fairview Utility Tax	11,191	12,699	13,858	14,588	15,891	16,310	16,901	16,960	4.0%
3	90	9200	Interfund Transfers	498,328	365,000	365,000	3,924,969	435,000	435,000	435,000	600,000	37.9%
		9300	Fixed Asset Disposition	31,150	125	0	0	-	-	15,000	520,000	#DIV/0!
		9500	Other Government Agencies	906,544	263,453	124,260	181,950	16,750	18,500	18,500	18,500	0.0%
Revenue			22,123,125	21,943,091	24,211,397	31,029,170	34,498,926	35,202,794	35,858,973	37,851,368	7.5%	
EXPENSE ACCOUNTS												
5	10	4450	Salaries/Wages	1,956,608	2,002,967	2,124,086	2,269,387	2,416,492	2,550,041	2,690,000	2,678,950	5.1%
		4450	PTO Payout			0	10,385	11,256	16,100	14,668	17,600	9.3%
		4500	Office Overtime			168	0	0	1,000	300	1,000	0.0%
		4550	Field Overtime	15,857	16,779	19,059	18,878	14,083	20,000	15,000	15,000	-25.0%
		4600	On Call Pay	55,793	52,912	61,805	68,261	70,967	90,000	75,000	98,000	8.9%
		4610	Water Certifications	15,018	13,917	15,270	15,571	15,729	16,000	16,000	16,000	0.0%
		4620	Employee Bonus	0	0	0	0	0	2,800	2,796	3,120	11.4%
		4630	Market Based Wage Adjustment	0	0	0	0	0	76,501	0	25,000	-67.3%
		4800	Social Security	120,193	127,875	149,919	144,252	153,462	167,000	163,000	177,000	6.0%
		4810	Medicare	28,845	29,930	31,508	33,867	36,041	40,000	38,000	42,000	5.0%
		4820	Unemployment Insurance	2,183	1,950	3,547	2,289	2,085	2,700	2,500	2,700	0.0%
		4830	Tri-Met Payroll Tax	15,498	15,160	18,276	19,366	20,779	22,000	18,000	23,500	6.8%

	4840 Workers Compensation	15,539	16,168	20,229	26,785	29,574	32,000	25,500	35,000	9.4%
	4900 P.E.R.S	484,867	561,266	644,360	670,407	693,857	850,000	715,000	952,000	12.0%
	4920 Employee Insurance Expense	491,772	489,703	524,464	583,012	597,713	609,500	609,451	640,000	5.0%
	4930 Oregon Paid Leave Law			-2,533	-18	-15	10,800	9,850	11,500	6.5%
	* Personnel Services	3,202,172	3,328,627	3,610,158	3,862,441	4,062,023	4,506,442	4,395,065	4,738,370	5.1%
5	20 5010 Water Purchase from Portland	3,113,709	2,908,551	3,083,977	3,768,277	3,925,886	4,062,216	3,925,195	330,810	-91.9%
	5110 Contract Services	71,612	166,390	101,044	135,207	162,186	172,900	106,741	246,275	42.4%
	5120 Technical & Consulting	21,884	3,563	25,000	14,730	31,555	30,000	27,000	30,000	0.0%
	5130 Auditing	17,820	19,375	12,225	23,875	25,950	24,500	24,500	30,500	24.5%
	5140 Legal Services	78,152	16,874	11,742	27,283	10,314	100,000	25,000	100,000	0.0%
	5210 Telephone/Cell Phone	35,595	38,133	38,251	38,478	40,987	48,400	37,938	45,700	-5.6%
	5220 Sewer/Storm	9,384	10,783	13,400	15,891	20,396	16,000	30,166	82,000	412.5%
	5230 Heating/Electricity	21,895	21,695	27,331	25,907	27,566	29,000	22,366	26,000	-10.3%
	5310 Engineering Supplies	600	335	971	903	73	6,500	1,500	6,500	0.0%
	5320 Office Supplies	26,403	37,114	41,806	37,163	48,167	42,000	43,839	58,000	38.1%
	5330 Postage	40,005	42,330	45,146	54,602	46,820	54,900	53,758	56,450	2.8%
	5410 Conservation	26,941	14,225	29,507	29,965	29,985	50,350	23,200	49,500	-1.7%
	5420 Elections/Legal Advertising	3,087	2,608	3,996	4,900	1,811	4,000	4,000	4,000	0.0%
	5430 Insurance General	80,287	93,525	104,020	121,292	139,814	156,000	139,000	129,000	-17.3%
	5440 Safety Gear and Equipment	22,920	22,197	22,695	23,603	20,956	20,000	20,000	25,000	25.0%
	5450 Training and Education	6,745	27,498	44,308	42,764	42,622	46,000	42,800	50,000	8.7%
	5460 Dues, License and Subscriptions	111,634	85,003	94,758	100,969	106,308	105,225	103,000	102,874	-2.2%
	5470 Office Equipment	1,047	1,007	0	899	1,808	2,000	60	5,000	150.0%
	5510 Computer/Office Equipment	980	2,510	7,203	7,162	9,789	33,000	-	31,000	-6.1%
	5520 Building & Grounds Maint.	96,140	72,474	59,481	87,933	102,919	81,880	116,978	83,380	1.8%
	5530 Shop Equipment Maint.	9,054	5,650	3,196	5,784	9,416	10,000	10,000	10,000	0.0%
	5540 Vehicle Maintenance	30,229	40,692	17,793	46,206	44,402	35,000	35,000	40,000	14.3%
	5550 Tires	6,554	7,835	10,999	5,412	10,559	10,000	10,000	15,000	50.0%
	5560 Gas, Lubricants, Disposal	24,997	38,159	36,334	41,875	42,625	45,000	45,000	54,000	20.0%
	5570 Small Tools and Equipment	8,956	11,862	9,536	12,850	19,954	20,000	20,000	30,000	50.0%
	5610 Utility Operating Supply	252,090	221,100	237,008	350,523	273,938	300,000	300,000	300,000	0.0%
	5620 Water Sampling and Testing	26,956	23,770	64,120	47,326	48,392	57,000	57,000	78,000	36.8%
	5625 Water Quality and Notices	6,393	0	0	10,022	10,308	10,000	10,000	10,000	0.0%
	5630 Reservoir Maintenance	4,710	12,365	61	45,656	7,980	30,000	21,000	10,000	-66.7%
	5640 Meter Maintenance	10,020	13,853	38,410	20,807	9,402	5,000	10,000	5,000	0.0%
	5650 Hydrant Maintenance	3,883	3,278	3,239	447	970	5,000	5,000	5,000	0.0%
	5660 Telemetry	21,921	20,923	11,505	6,682	7,742	15,900	15,200	26,000	63.5%
	5670 Pumping	44,003	45,503	52,207	56,958	43,921	75,000	154,670	306,000	308.0%
	5710 Board Meeting Fees	3,750	3,463	3,101	3,450	3,750	4,000	4,000	10,000	150.0%
	5720 Director's Expense	3,130	10,068	8,775	12,867	17,559	24,000	20,000	26,000	8.3%
	5730 Manager's Expense	761	1,266	4,966	6,494	16,633	11,000	11,000	11,000	0.0%

5740	General Office	63,211	80,709	144,023	194,439	399,030	343,600	810,163	437,450	27.3%
5750	Cash Over/Short	-	24	15	0	-	-	-	-	
5760	Bad Debt Expense	25,232	30,500	52,497	31,213	63,191	40,000	40,000	50,000	25.0%
5770	Gresham Utility Tax	382,342	409,502	445,110	475,714	502,005	502,470	556,808	517,544	3.0%
5780	Portland Utility Tax	160,961	196,795	238,703	142,893	212,914	230,046	227,268	236,947	3.0%
5790	Fairview Utility Tax	11,162	12,699	13,859	14,588	15,890	16,466	6,852	16,960	3.0%
5800	Customer Assistance	23,199	25,018	12,653	13,246	37,835	60,000	53,500	60,000	0.0%
5820	Taxes and Assessments	6,045	6,933	8,748	6,646	6,416	5,950	6,500	-	-100.0%
	Material and Services	4,916,400	4,808,157	5,183,720	6,113,899	6,600,743	6,940,303	7,176,001	3,746,890	-46.0%
5 40	6010 Water System	2,530,254	872,411	768,093	1,208,175	1,011,786	1,125,000	1,025,000	1,145,000	1.8%
	6020 New Services	115,968	63,094	75,221	64,386	82,221	65,000	65,000	65,000	0.0%
	6030 Meter Upgrades	44,805	41,565	16,234	27,565	-	1,000	1,000	1,000	0.0%
	6110 Field Equipment	16,681	9,787	1,441	8,983	35,424	111,000	11,500	107,000	-3.6%
	6120 Shop Equipment	2,499	0	2,476	10,772	215	8,000	8,000	10,000	25.0%
	6130 Automotive/Equipment	237,177	199,994	226,748	97,437	426,798	240,000	170,000	270,000	12.5%
	6140 Computer/Office Equipment	73,729	111,210	26,677	16,977	3,345	37,000	30,000	29,500	-20.3%
	6210 Buildings	-	48,778	59,368	65,475	36,835	72,000	75,000	47,500	-34.0%
	6220 Land	21,243	-	0	0	-	500,000	-	500,000	0.0%
	* Capital Outlay	3,042,354	1,346,839	1,176,258	1,499,770	1,596,624	2,159,000	1,385,500	2,175,000	0.7%
	Transfers to Other Funds									
5 60	7110 *401 Debt Service	2,403,000	3,017,291	2,999,125	1,665,902	3,123,306	2,520,426	3,154,126	3,745,276	48.6%
	*501 Groundwater Production	180,000	200,000	220,000	275,000	-	550,000	550,000	1,800,000	227.3%
	*601 Groundwater Construction					0	0	0	0	
	*Rate Stabilization	0				0	0	0	0	
	* Transfers	2,583,000	3,217,291	3,219,125	1,940,902	3,123,306	3,070,426	3,704,126	5,545,276	80.6%
5 70	7210 Contingency	-	-	150,000	0	-	1,870,000	200,000	1,870,000	0.0%
	* Contingency			150,000	0	-	1,870,000	200,000	1,870,000	0.0%
5 90	8010 Unapprop. Ending Fund Balance	8,379,198	9,242,177	10,872,136	17,612,157	19,116,229	16,656,623	18,998,281	19,775,832	18.7%
	* Ending Fund Balance	8,379,198	9,242,177	11,022,136	17,612,157	19,116,229	18,526,623	19,198,281	21,645,832	16.8%

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Total Personnel Service	3,202,172	3,328,627	3,610,158	3,862,441	4,062,023	4,506,442	4,395,065	4,738,370	5.1%
Total Material and Services	4,916,400	4,808,157	5,183,720	6,113,899	6,600,743	6,940,303	7,176,001	3,746,890	-46.0%
Total Capital Outlay	3,042,354	1,346,839	1,176,258	1,499,770	1,596,624	2,159,000	1,385,500	2,175,000	0.7%
Total All other Uses	2,583,000	3,217,291	3,219,125	1,940,902	3,123,306	3,070,426	3,704,126	5,545,276	80.6%
Contingency	0	0	150,000	0	0	1,870,000	200,000	1,870,000	0.0%
Unapp. Ending Fund Balance	8,379,198	9,242,177	11,022,136	17,612,157	19,116,229	16,656,623	18,998,281	19,775,832	18.7%
	22,123,125	21,943,091	24,361,397	31,029,170	34,498,926	35,202,794	35,858,973	37,851,368	7.5%
Ending Balance w/ Contingency	8,379,198	9,242,177	11,022,136	17,612,157	19,116,229	18,526,623	19,198,281	21,645,832	16.8%

**FUND 201 - SYSTEM DEVELOPMENT FUND - REIMBURSEMENT
INCOME ACCOUNTS**

3 1 101 Beginning Fund Balance	\$735,763	\$853,220	\$759,355	\$698,314	\$628,616	\$628,616	\$701,240	\$789,205	25.5%
3 40 4500 System Development Fees	407,672	197,305	187,227	129,622	257,800	250,000	275,000	250,000	0.0%
3 50 5100 Interest Income	9,785	8,830	51,732	100,680	114,824	10,000	112,965	10,000	0.0%
Revenue	1,153,220	1,059,355	998,315	928,616	1,001,240	888,616	1,089,205	1,049,205	18.1%

EXPENSE ACCOUNTS

5 60 7110 Transfers to Other Funds	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	0.0%
5 90 8010 Ending Fund Balance	853,220	759,355	698,315	628,616	701,240	588,616	789,205	749,205	27.3%

**FUND 202 - SYSTEM DEVELOPMENT FUND - IMPROVEMENT
INCOME ACCOUNTS**

3 1 101 Beginning Fund Balance	\$118,246	\$231,275	\$291,716	\$357,171	\$415,211	\$415,211	\$515,588	\$616,981	48.6%
3 40 4500 System Development Fees	111,703	58,936	55,925	38,714	77,005	80,000	80,000	80,000	0.0%
3 50 5100 Interest Income	1,326	1,505	9,530	19,326	23,372	1,200	21,393	1,200	0.0%
Revenue	231,275	291,716	357,170	415,211	515,588	496,411	616,981	698,181	40.6%

EXPENSE ACCOUNTS

5 60 7110 Transfers to Other Funds	0	0	0	0	0	0	0	0	
5 90 8010 Ending Fund Balance	231,275	291,716	357,170	415,211	515,588	496,411	616,981	698,181	40.6%

**FUND 301 - DEBT RESERVE FUND
INCOME ACCOUNTS**

3	1	101	Beginning Fund Balance	\$549,330	\$553,753	\$1,959,518	\$3,388,567	\$0	\$0	\$0	\$0
3	50	5100	Interest Income	4,423	3,110	16,274	31,402	-	-	-	-
3	90	9200	Transfers from Other Funds	463,000	2,817,291	2,849,125	307,375	-	-	-	-
Revenue				1,016,753	3,374,154	4,824,917	3,727,344	0	0	0	0

EXPENSE ACCOUNTS

5	60	7110	Transfer to Other Funds	463,000	1,414,636	1,436,350	3,727,344	-	-	-	-
5	90	8010	Ending Fund Balance	553,753	1,959,518	3,388,567	0	-	-	-	-

**FUND 401 - DEBT SERVICE FUND
INCOME ACCOUNTS**

3	1	101	Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3	90	9200	Transfer from Fund 101	463,000	1,414,636	1,436,350	1,665,902	2,523,306	2,115,188	2,115,188	3,745,276	77.1%
Revenue				463,000	1,414,636	1,436,350	1,665,902	2,523,306	2,115,188	2,115,188	3,745,276	77.1%

EXPENSE ACCOUNTS

5	50	7050	Payments on Financing	285,000	755,000	790,000	825,000	855,000	1,436,350	1,436,350	2,957,400	105.9%
5	50	7070	Interest on Financing	178,000	659,636	646,350	840,902	1,668,306	678,838	678,838	787,876	16.1%
5	90	8010	Ending Fund Balance	-	-	0	0	-	-	-	-	

FUND 501 - GROUNDWATER PRODUCTION FUND

INCOME ACCOUNTS

3	1	101	Beginning Fund Balance	\$282,849	\$74,796	\$36,735	-\$104,270	\$95,605	\$553,605	\$552,610	\$250,605	-54.7%
3	50	5100	Interest Income	969	-	0	-	-	-	-	-	#DIV/0!
3	90	9200	Interfund Transfer - Fund 100	180,000	200,000	220,000	275,000	600,000	550,000	550,000	1,800,000	227.3%
3	90	9400	City of Gresham	165,602	200,000	200,000	275,000	500,000	650,000	650,000	1,800,000	176.9%
			Revenue	629,420	474,796	456,735	445,730	1,195,605	1,753,605	1,752,610	3,850,605	119.6%

EXPENSE ACCOUNTS

5	20	5530	Equipment Maintenance	16,539	6,523	19,825	33,400	150,312	100,000	100,000	159,000	59.0%
		5610	Operating Supplies	29,561	40,121	37,870	41,578	41,985	50,000	50,000	486,000	872.0%
		5220	Sewer/Storm Water					-	250,000	-	250,000	0.0%
		5430	Insurance						50,000		110,000	120.0%
		5615	Wellhead Protection	70,000	70,000	70,000	70,000	70,000	100,000	70,000	100,000	0.0%
		5620	Testing	1,863	1,979	5,147	5,661	8,298	15,000	15,000	22,000	46.7%
		5630	Reservoir Maintenance	-	503	6,345	5,850	6,061	10,000	10,000	20,000	100.0%
		5670	Pumping	238,333	253,935	356,818	128,636	301,339	500,000	500,000	2,250,000	350.0%
5	60	7110	Transfer to General Fund 101	198,328	65,000	65,000	65,000	65,000	150,000	150,000	300,000	100.0%
			Expense	554,624	438,061	561,005	350,125	642,995	1,225,000	895,000	3,697,000	201.8%
5	90	8010	Ending Fund Balance	74,796	36,735	(104,270)	95,605	552,610	528,605	857,610	153,605	-70.9%

FUND 601 - GROUNDWATER CONSTRUCTION FUND

INCOME ACCOUNTS

3	1	101	Beginning Fund Balance	\$0	\$18,491,356	\$9,675,013	\$4,043,769	-\$1,233,884	\$188,058	-\$2,789,981	\$3,690,019	1862.2%
3	90	9600	Bond Proceeds	18,531,702	-	-	-	21,262,370	-	-	-	#DIV/0!
3	90	9650	WIFIA Loan Proceeds	-	-	-	13,494,541	16,925,394	18,000,000	16,000,000	12,106,964	-32.7%
			BIL Funding Grant				-	-	-	1,350,000	3,150,000	
3	50	5100	Interest Income	-	-	-	-	-	-	-	-	
3	90	9200	Interfund Transfer - Fund 100	1,940,000	-	-	0	-	-	-	-	
3	90	9400	City of Gresham	-	4,777,380	3,998,061	4,378,708	10,633,626	5,458,306	15,000,000	1,650,000	-69.8%
			Revenue	20,471,702	23,268,736	13,673,074	21,917,018	47,587,506	23,646,364	29,560,019	20,596,983	-12.9%

EXPENSE ACCOUNTS

5	20	5110	Contracting Services	-	285952	11,500	25384	359,273	15,000	375,000	15,000	0.0%
		5120	Groundwater Eng and PM	1,980,346	1439243	4,991,014	14193178	4,911,408	1,200,000	5,715,000	3,100,000	158.3%
5	40	6035	Groundwater Construction	-	11,868,528	4,626,791	8,792,340	45,036,807	21,483,550	19,780,000	8,800,000	-59.0%
		6220	Land	-	-	-	140,000	-	-	-	-	
5	60	7110	Transfer to Other Funds	-	-	-	-	70,000	-	-	-	#DIV/0!
			Expense	1,980,346	13,593,723	9,629,305	23,150,902	50,377,487	22,698,550	25,870,000	11,915,000	-47.5%
5	90	8010	Ending Fund Balance	18,491,356	9,675,013	4,043,769	(1,233,884)	(2,789,981)	947,814	3,690,019	8,681,983	816.0%



Rockwood Water
People's Utility District

FY 2026 / 2027
CIP Plan

The Current Fiscal Year (FY) 2025/2026 Capital Improvement Projects (CIP)

Advanced Metering Infrastructure (AMI) – The District issued a competitive request for proposals for an AMI system in Fiscal Year (FY) 2023/2024 and selected a system out of six proposals. The AMI installation started in FY 2023/2024 and continue in this current FY with a budget of \$1,000,000. During FY 2025/2026 over 3,000 AMI meters in Zone 4 were installed and incorporated into the District billing system and are remotely read.

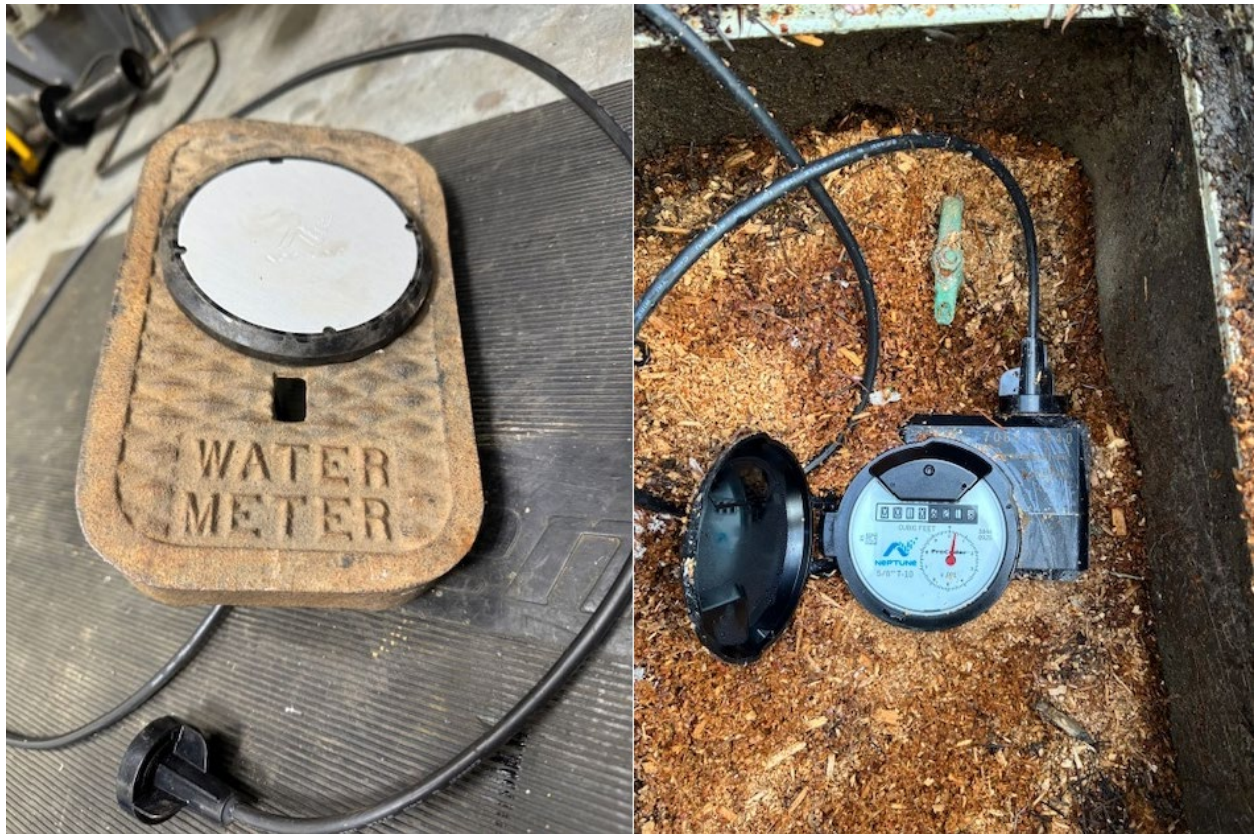


Photo: AMI meter installation

The Upcoming Fiscal Year (FY) 2025/2026 Capital Improvement Projects

Specialty Surveys and Engineering Consulting – This item covers any unknown survey and engineering related consulting work needed throughout the year.

Advanced Metering Infrastructure (AMI) –The AMI installation began in FY 2023/2024, and will continue in this current FY with a budget of \$1,000,000 per year through FY 2027/2028 and \$200,000 for the final year in FY 2028/2029. It is anticipated that meters in Zones 3 and 5 will be installed during FY 2026/2027.



Rockwood Water
People's Utility District

FY 2026 / 2027
Groundwater
Development CIP



Rockwood Water
People's Utility District

19601 NE Halsey Street
Portland, OR 97230-7430
503-665-4179 - Phone
503-667-5108 - Fax
www.rwpud.org

The Upcoming Fiscal Year (FY) 2026/2027 Groundwater Development Improvement Projects

The Groundwater Development Master Plan (GDMP) for the District and City of Gresham identified 9 packages to be completed by 2026 to make the transition to an independent water system. The description of packages that will be active this coming fiscal year (FY) are below.

Package No. 3, 141st Avenue Site Improvements – Designs began in FY 2022/2023 and were completed in April 2024. This project is for improvements of the existing 141st PS and Reservoir site, which includes a groundwater well pump for Cascade Well 8, seismic retrofitting the existing reservoir and a 4.4 MGD water treatment facility. Construction began in July of 2024 and is scheduled to be substantially complete and fully in use by the May of 2026. Remaining site improvements and record drawings will be finished up in the coming FY. This is a District-only project. The total estimated cost for Package 3 is \$21,034,692 and the planned expenditure in FY 2026/2027 is \$700,000.

View From Reservoir



Package No. 4 –Construction began in March 2024 for a 28-32 MGD water treatment facility, pump station replacement and a new equipment building, located at the District office location. Construction is substantially complete and like Package 3, final site improvements and record drawings will continue into FY 2026/2027. This is a shared project with the City of Gresham that the District is managing. The total estimated cost for Package 4 is \$50,495,734 shared approximately 50:50 with Gresham and the expenditure planned for the District in FY 2026/2027 is \$1,150,000.

Water Treatment Plant



Manganese Filters in Water Treatment Plant

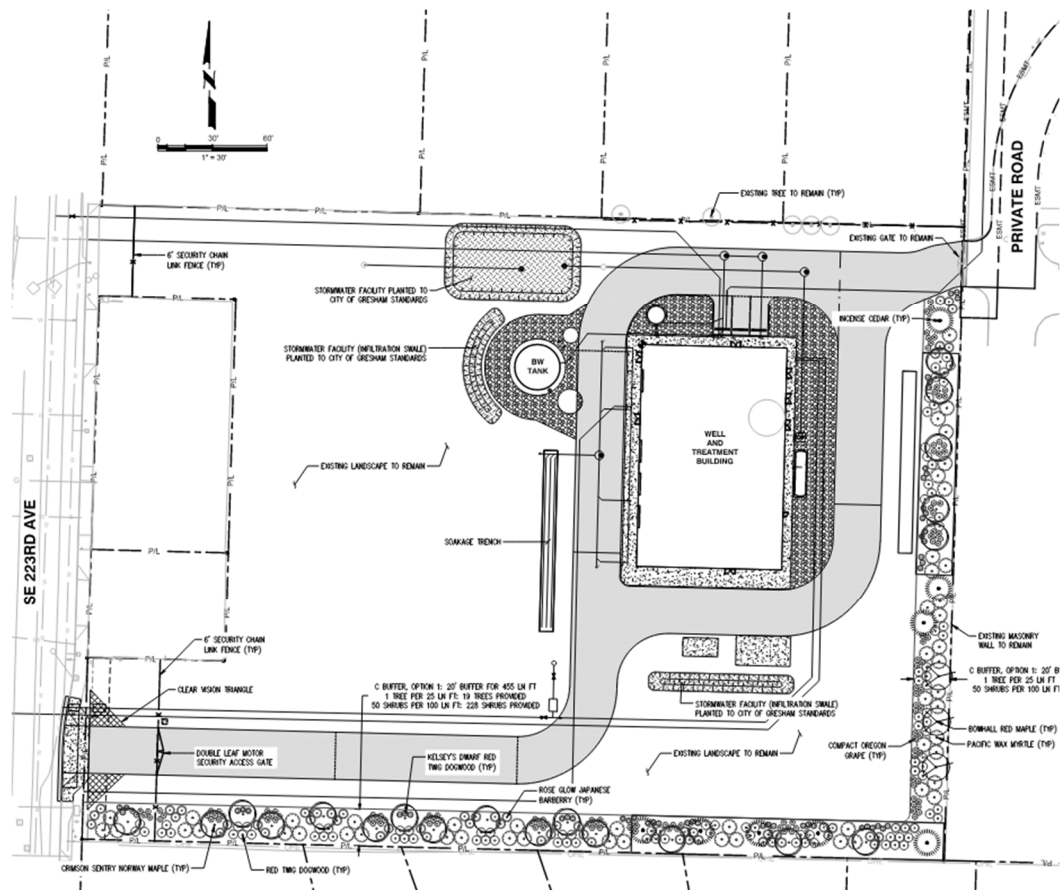


Booster Pumps in Pump Station



Package No. 5, Cascade Wells No. 6A & 6B – Two wells are located at SE 223rd Avenue and SE Stark Street. In FY 2024/2025 design for future well pumps, a water treatment plant, onsite piping and a transmission main began. Further water quality testing concluded additional chlorine and associated equipment will be needed for these wells, requiring redesign on the improvements. Designs will continue through calendar year 2026, construction is planned to start in Q2 of 2027 and will take just over a year. The production for both wells is estimated to be 4 MGD. This is a shared project that the City of Gresham will manage. The City of Gresham also plans to treat water from a nearby Gresham-only well at this site, increasing the water treatment plant buildout capacity to 10 MGD. Total estimated cost for this project is currently estimated at \$20,714,268 split 50:50, with the exception of the additional treatment needed for the Gresham-only well. The planned cost for the District in FY 2026/2027 is \$7,500,000.

60% Design Site Plan





Rockwood Water
People's Utility District

**FY 2026 / 2027
Projected Fees
and Charges**

CURRENT WATER RATES
Effective July 1, 2026

METER CHARGE (bi-monthly by meter size):	
Size in Inches	Charge
5/8	\$32.61 \$33.92
3/4	\$48.94 \$50.90
1	\$81.54 \$84.80
1 1/2	\$163.00 \$169.52
2	\$260.81 \$271.24
3	\$570.54 \$593.36
4	\$978.04 \$1,017.16
6	\$2,037.52 \$2,119.02
8	\$2,934.01 \$3,051.37
10	\$4,726.98 \$4,916.06
Fire meters charged 5/8 inch meter size rate.	
Partial billing periods are prorated.	
Two (or three) separate buildings on the same meter (2-user or 3-user) shall be charged twice (or three times) the meter charge.	

WATER CHARGE:	
Rate per 100 cf (one hundred cubic feet):	\$3.66 \$3.80
Users outside the District pay a fifty percent (50%) surcharge for water.	

CHARGES AND FEES
EFFECTIVE JULY 1, 2026

Late Notice	\$10.00
48-Hour Door Hanger	\$20.00
Turn Meter Off for Nonpayment	\$30.40
Turn Meter on weekdays (4:30 p.m. - 5:00 p.m.)	\$15.00
Pull Meter/Reinstall	\$72.27 \$75.16
Move in/Found on Meter	\$36.14 \$37.59
Broken Curb Stop	\$144.47 \$150.25
Dishonored Payment	\$36.14 \$37.59
Cut off at Main	Time and Materials
Broken Lock	\$33.35 \$34.68
Inspection (turn off/on)	\$36.14 \$37.59
Repeat Service Calls	\$36.14 \$37.59
Nonemergency turn on outside of normal working hours	\$130.05 \$135.25
Backflow Fee	\$1.55 \$1.61/month
Meter Testing Fee* (at customer site) 1.5" and Over	\$272.15 \$283.04
Meter Testing Fee* (at Meter Shop) 5/8"	\$355.66 \$369.89
3/4"	\$396.20 \$412.05
1"	\$460.05 \$478.45
	*If meter is not reading accurately per AWWA standards, no fee is charged.
Set-up Fee – New Account	\$54.34 \$56.51
Late Payment Charge	Bills issued to vendors by District which remain unpaid for over 30 days may be subject to a Late Payment Charge of 1.5% and compounded monthly on the unpaid balance.
Contract Backflow Test	At Cost
Hydrant Use Permit	1 month – \$34.65 \$36.04 2 - 6 months – \$69.29 \$72.06 7 - 12 months – \$138.61 \$144.15
Credit Card Use	Credit cards may be used by District customers to pay for all District related transactions. Credit card transactions will be subject to a 4% surcharge fee.
Fines for Unpermitted Hydrant Use	First Offense - 175.00* Second Offense - 350.00 Third Offense - 600.00 *This may be waived if arrangements are made with the District within 24 hours of notice of violation.

Additional labor, material and equipment charges may be assessed for special circumstances (i.e., meters in vault, safety and security issues, counting coins, etc.)

DEPOSITS

The minimum amount of deposit is fifty dollars (\$50). A greater deposit is required on accounts where the usage is known to be higher than a single family dwelling, such as an apartment complex or industrial user. A greater deposit may also be required if there is a high usage history of six months or longer.

The deposit shall be calculated as follows: Three to six (3 - 6) bimonthly bills are averaged, and that amount is multiplied by 1.75. The amount is rounded to the nearest five dollars (\$5). The basis for this calculation is that by the time an account has been terminated for non-payment, one (1) entire billing period and three-quarters (3/4) of the next billing period have passed without payment.

PRIVILEGE TAX

PRIVILEGE TAX		
City of Portland	Effective 8/15/94	5.2635%
City of Fairview	Effective 7/1/00	5%
City of Gresham	Effective 7/1/03	5%

HYDRANT METER RENTAL CHARGES

~~\$13.65~~ **\$14.20** for the first day.
~~\$7.00~~ **\$7.28** per day thereafter - up to two (2) weeks.
~~\$3.50~~ **\$3.64** per day thereafter - up to one (1) month.
 (Seven [7]-day week computation),
 plus current volumetric charge as adjusted by the Board.

For Contractors' uses in excess of thirty (30) days: ~~\$13.65~~ **\$14.20** for the first day, ~~\$7.00~~ **\$7.28** per day for the next fourteen (14) days, weekends excluded, ~~\$3.50~~ **\$3.64** for the balance of the month, weekends excluded, thence ~~\$3.50~~ **\$3.64** per day for as many months as they retain it, weekends excluded; plus current volumetric charge as adjusted by the Board.

For religious, fraternal and charitable organizations using a meter for a legitimate fund-raising activity, the applicable fee shall be exactly one half (1/2) of the fee for the usual, customary residential use.

Hydrant Meter Permit Fees:
~~\$33.16~~ **\$34.49**: Up to 1 Month
~~\$66.31~~ **\$68.96**: 2 – 6 Months
~~\$132.64~~ **\$137.95**: 7-12 Months

APPROVED BACKFLOW PREVENTION DEVICE

Rental rate:

Two-inch (2") double check valve:	
First three (3) days or part thereof	\$31.30 \$32.55
Each additional day or part thereof	\$10.45 \$10.87

Two-inch (2") combination meter and backflow device:	
First three (3) days or part thereof	\$46.95 \$48.83
Each additional day or part thereof	\$15.65 \$16.28

Deposit (refundable):

Meter	\$327.30 \$340.39
Backflow	\$163.70 \$170.25
Combination Device	\$456.75 \$475.02



Rockwood Water
People's Utility District

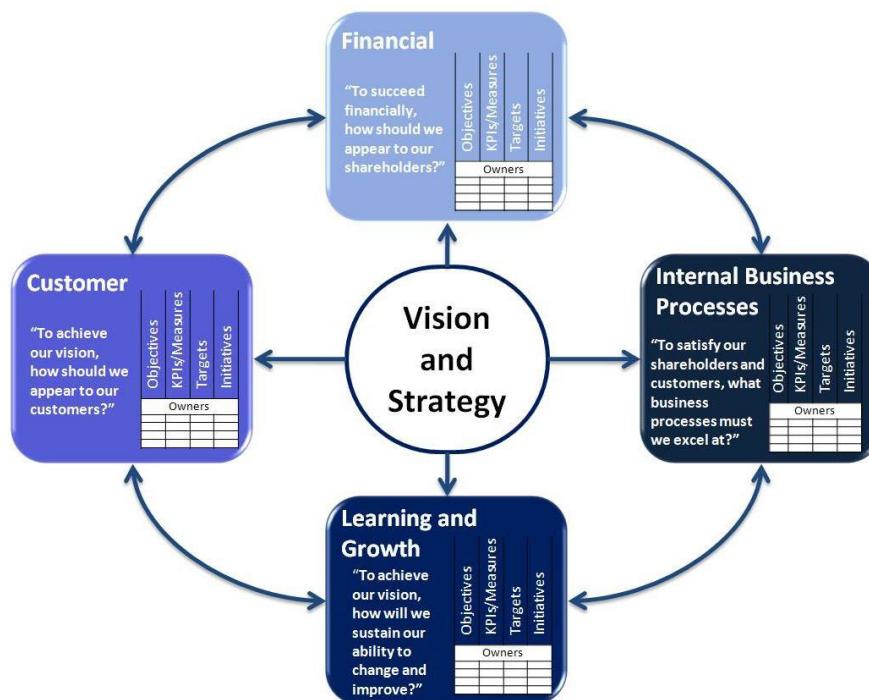
2026

Strategic Plan



Rockwood Water
People's Utility District

2026 STRATEGIC PLAN



Rockwood Water People's Utility District
19601 NE Halsey Street
Portland, OR 97230-7430
rwpud.org



Rockwood Water
People's Utility District

STRATEGIC PLAN 2026

To: Interested Parties

From: Rockwood Water People's Utility District Board of Directors

The purpose of this Plan is communicating to our customers and all stakeholders the following:

Our Mission: What we exist to do.

Our Values: How our actions are guided.

Our Strengths, Weaknesses, Opportunities and Threats: The environment in which we operate.

Our Objectives: What we strive to achieve for our customers and all stakeholders.

Our Activities: What we do in order to meet our objectives.

Our Key Performance Indicators: What we monitor, track and evaluate to determine how well we are meeting our objectives.



Rockwood Water
People's Utility District

Table of Contents

1. Our Mission Statement
2. Our Values
3. Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis
4. Objectives, Activities, Key Performance Indicators



Rockwood Water
People's Utility District

OUR MISSION STATEMENT

To strive for total customer satisfaction by providing the safest and highest quality water at the most responsible price.

To professionally manage Rockwood Water to assure its financial health for the ongoing protection of our customers.



OUR VALUES

These are the values of the Rockwood Water People's Utility District. They guide us on a daily basis.

Quality	We are committed to providing the highest quality product and service to our customers.
Stewardship	We are exceptional stewards of all District resources (water, money, water system) and the natural environment, and will ensure the District's ability to provide service into the future.
Diversity	We will strive to foster diversity, equity and inclusion in the District and among our staff.
Resilience	We will plan and prepare for emergencies and natural disasters and respond quickly and effectively to unforeseen or unpredictable events.
Community	We are an integral part of the community we serve and are dedicated to serving it and our customers.
Integrity	We are honest, transparent, and have strong moral principles.
Professionalism	We have the skills and competence to provide excellent service to our customers in a way that is reliable and accountable.
Innovation	We continuously strive to implement new processes in order to improve productivity and performance.
Efficiency	We competently perform all District functions and business in a cost-efficient manner.



STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS ANALYSIS

STRENGTHS

- Competent, able staff; efficient and effective service provision
- Informed and engaged Board; members represent multi-year continuity and fresh perspectives
- Informed and engaged Budget Committee members
- Healthy work culture and environment
- Natural monopoly; no competition for customers
- Strong brand name; good reputation; respected service provider
- Organizational structure that allows upward mobility for staff
- Developed water supply independence and self-sufficiency
- Water rights are sufficient for future needs of both Rockwood and Gresham
- Strong partnership with Gresham, Cascade Groundwater Alliance (joint well development, Groundwater Protection Program, shared communications and messaging, operational problem solving, system interconnections, shared emergency response and resources)
- **101 years of experience as a water utility; 36 years as a People's Utility District**
- Affordable water rates
- Regionally active leader with partners (e.g., Regional Water Providers Consortium, AWWA, SDAO)

- Solid conservation and environmental stewardship ethic and program
- Good management systems in place (e.g., production reporting, productivity analysis, business process re-engineering, asset management, staff development, financial planning and management)
- Solid multi-year Financial Plan, Capital Improvement Plan, Master Plan, and Water Management and Conservation Plan
- Strong communications protocols internally and with customers (including customer outreach, informative website, newsletters, bill stuffers, history project, social media, involvement with neighborhood associations)

WEAKNESSES

- Aging infrastructure
- Non-revenue water, or water loss, is higher than desired
- Rate increases required to prepare the District for Debt Service related to construction of the Cascade Groundwater Development Project.
- Variable energy costs – fuel, electricity
- Inflation

OPPORTUNITIES

- Partnership with Gresham through the Cascade Groundwater Alliance to develop an independent groundwater supply.
- Automated Metering Infrastructure (AMI) Installation
- Service opportunities with smaller neighboring water utilities: Fairview, Wood Village, Interlachen, Corbett Water
- Partnership with community organizations to promote DEI objectives and better serve our community
- Economic development with improving economy
- Substantial capacity for growth to saturation

- Sustain improved organization health and culture
- Enhanced focus on safety and security
- Continue public involvement and presence in the community
- 100% Groundwater supply, no dependence on wholesale water

THREATS

- Impact of tariffs and energy-related expenses on product cost and supply chain
- Competitive job market for staff
- New regulations requiring expensive infrastructure: Manganese & Lead,
- Revenue collection issues
- Security breaches/terrorism/cybersecurity
- Localized crime, theft, and staff safety
- Loss of water source (, groundwater contamination, aquifer water surface elevation declining)
- Loss of a large customer (Note: One industrial customer represents 14% of water sales)
- Natural disaster (e.g., forest fire, earthquake, flood)
- Potential cost increases (e.g., health insurance, PERS, energy)
- New federal or state fees on water providers (e.g., taxes/fees on water rights; per capita or per meter fees to fund state agencies)



OBJECTIVES, ACTIVITIES AND KEY PERFORMANCE INDICATORS

FINANCE

Objectives:

- Improve and sustain the financial operating performance and health of the District
- Operate a safe and high performance water utility for the lowest possible cost
- Ensure long-term rate stability and revenue adequacy

Activities:

- Annually update the 20-year Financial and Capital Improvement Plans
- Raise rates and manage finances in accordance with the Financial Plan
- Develop and report against an adopted annual Financial Plan

Key Performance Indicators:

- Actual vs. planned budget performance
- Debt service coverage operating ratio
- Review and adjust rates and charges annually
- Actual rate increases compared to the Financial Plan
- Percent of bills written off
- Average monthly water bill compared to utilities in metro area

CUSTOMER

Objectives:

- Provide outstanding customer service and promote engagement with the community
- Improve customer satisfaction and constituents' perceptions of the District by providing effective and responsive customer care

Activities:

- Employing best customer service management practices and procedures
- Promote a customer service ethic on an ongoing basis
- Participate in neighborhood associations and other community events
- Communicate with customers continually via website, printed material and social media
- Offer assistance for ESL customers when possible
- Offer multiple bill pay options
- Keep website current and accessible, including ADA compliance and language translation features

Key Performance Indicators:

- Percent of bills mailed per schedule
- Percent of bills based on actual meter read
- Percent of billing done by email
- Percent of bills paid through home banking accounts and financial institutions
- Number of neighborhood and community events participated in
- Number of newsletters, CCRs and other informational documents published and distributed
- Customer feedback (by phone, in writing, survey)
- Website hits
- Google Reviews ratings

BUSINESS OPERATIONS

Objectives:

- Produce and deliver high quality water to customers
- Improve maintenance of aging water system infrastructure by making effective and efficient capital investments in an Asset Management Program context
- Meet or exceed all federal and state water quality and other regulations
- Continuously undertake multi-year planning
- Ensure continuity of service in the event of an emergency
- Be a good steward of the environment
- Ensure the adequacy of water supply and pressure for fire-fighting
- Support economic development by ensuring the availability of required water supply
- Operate and maintain the water system to ensure uninterrupted service

Activities and Key Performance Indicators:

a) Water Quality and Regulatory Compliance Activities:

- Perform required compliance water sampling and activities
- Continue financial partnership in Gresham's Cascade Groundwater Protection Program
- Uni-directionally flush one half of the District each year
- Continuously monitor water quality parameters

Key Performance Indicators:

- Percent of planned samples completed
- Annual payment to Gresham for Groundwater Protection Program
- 1/2 of District flushed per year
- 100% of water quality regulations met 100% of the time
- Water quality report published annually per EPA regulations

b) System O&M and Construction Activities:

- Develop and utilize work order system in Tyler
- Implement Capital Improvement Program
- Plan, schedule, monitor and report preventative and corrective maintenance work
- Ensure employees are appropriately trained, resourced and certified
- Continue ongoing O&M and initiatives (e.g., Valve and Hydrant Programs, leak detection, meter repair and replacement)

Key Performance Indicators:

- Tracking of work orders completed in Tyler
- Construction of planned Capital Improvement Projects (CIPs)
- Status of employee training and certifications
- Status of initiatives (e.g., valves and hydrants, leak detection)

c) Water Supply Reliability Activities:

- Provide multiple sources of supply
- Complete groundwater supply expansion all water by 2029
- Maintain partnership with Gresham for groundwater development and O&M
- Invest in groundwater infrastructure replacement following an asset management schedule, operated by the Cascade Groundwater Alliance partnership
- Formalize the Cascade Groundwater Alliance partnership with Gresham, create a single Intergovernmental Agreement to identify the roles and responsibilities for decision making, maintenance, repairs, etc.
- Protect and preserve the District’s water rights through compliance with the Water Management and Conservation Plan goals
- Actively locate and repair leaks via O&M and capital projects

Key Performance Indicators:

- Scope, schedule and budget of the Cascade Groundwater Expansion Project
- Negotiate emergency supply agreement with Portland

- Maintain compliance with water rights
- Leak detection and repairs tracked and reported monthly

d) Planning Activities:

- Update Master Plan and Water Management and Conservation Plan every five years or as otherwise mandated
- Complete Groundwater Development Master Plan Projects by 2029
- Update SWOT analysis annually during the budget process
- Update the Financial Plan annually
- Review operational plans annually
- Actively participate at policy and technical levels of the Regional Water Providers Consortium

Key Performance Indicators:

- Implementation of recommendations derived from the Groundwater Development Master Plan, updating Finance Model to include capital investments, and adjust rates to assure adequate financial resources
- Status of Master Plan and Water Management and Conservation Plan updates
- SWOT updated as part of the budget development process
- Financial Plan updated annually
- Status of review of operational plans
- Status of involvement with the Regional Water Providers Consortium

e) Emergency Preparedness Activities:

- Keep the Emergency Response Plan (ERP) current
- Ensure availability of resources
- Educate and train staff on responsibilities and SOPs
- Enter mutual aid agreements with responsible parties

Key Performance Indicators:

- ERP is current and updated annually (5-year update of Risk and Resiliency Plan completed in 2025)
- Appropriation of funds for emergency preparedness and response
- Familiarization of staff with ERP responsibilities and SOPs
- Status of mutual aid agreements with others

f) Environmental Stewardship Activities:

- Continue to offer a robust conservation program as a District and as a member of the Regional Water Providers Consortium
- Include renewable energy analysis in the Groundwater facility design and planning
- Evaluate and plan for Electric fleet options where feasible
- Comply with all Groundwater Protection Zone requirements and regulations

Key Performance Indicators:

- Status of conservation programs (funding and other resources)
- Status of energy efficiency and renewable energy projects
- Status of compliance with the Groundwater Protection Zone regulations

g) Public Safety Activities:

- Build all Fire Flow projects identified in the CIP (see System O&M)

Key Performance Indicators:

- Status of implementation of planned Fire Flow CIPS

h) Economic Development Activities:

- Respond to all requests for new service in a timely and responsive manner
- Institute compliant and equitable System Development Charges (SDCs)
- Implement actions itemized elsewhere to ensure water supply availability
- Keep Developer Handbook up to date and accessible on the website

Key Performance Indicators:

- Status of response to requests for new services
- Equitability of SDCs and compliance with Oregon State Law
- Developer Manual up to date and available on the website and in the office

LEARNING AND GROWTH

Objectives:

- Invest in recruiting, retraining and developing a knowledgeable, multi-skilled and culturally competent workforce by improving knowledge, skills and abilities
- Enhance work force safety and satisfaction of employees
- Improve awareness of diversity and inclusion issues in the workplace

Activities:

- Provide employee growth and training opportunities
- Maintain safety program and monitor and report implementation
- Monitor and report safety incidents, develop corrective action plans for all deficiencies.
- Develop strategies to recruit talent from diverse backgrounds

Key Performance Indicators:

- Employee training and tracking
- Status of safety meetings and compliance
- Status of daily monitoring and reporting accidents



Rockwood Water
People's Utility District

Supplemental Information

**Rockwood Water PUD
2026 Organization Chart**

CUSTOMERS

BOARD OF DIRECTORS

**General Manager
Jeremy Hudson**

26 FTE

Financial

**Senior Accountant
Daniel Zimmerman**

Business Operations

**Office Supervisor
Cathy Middleton**

**Lead Person-Customer Acct Spec
Kristina McNeil**

**Customer Acct Specialist II
Heather Conner**

**Customer Acct Specialist I
Courtney Russell**

**Customer Acct Specialist I
Bree Carlson**

Government Affairs

**Coordinator
Nyla Clark**

**Ops & Supply Supervisor
Jay Breen**

**Operations Lead
Jedidiah Pacheco**

**Operator II
Lanny Jones**

**Operator I
Jaden Leon**

**Meter Reader
Victor Pelayo**

**Meter Technician
Jeff Allen**

Operations

**District Superintendent
Andy Crocker**

**Dist & Maint Supervisor
Joey Schlosser**

**Maint. Mechanic
Ben Jacobson**

**Lead Water Worker
Doug Bray**

**Water Worker I
Nick Henry**

**Utility Worker I
Brian Hunt**

**Water Worker in Training
Mason Grandi**

Engineering

District Engineer

**Associate Engineer
Jeremy Hanson**

**Water Worker II
Ryan Lindstrom**

**Water Worker I
David Mattson**

Water Worker In Training

Bill Comparisons between CURRENT FY 25-26 Charges and FY 26-27 Estimated Charges

		FY25-26 Current		Projected FY26-27		
		Bi-Monthly Bill		Flat % Increase 4.0%/4.0%		
5/8 Inch	Base Per Unit	\$32.61		\$33.92		
		\$3.66		\$3.80		
% Change						
Monthly						
		Monthly Bill	Monthly Bill	Diff.		
Use in ccf/mo	1	\$19.97	\$20.76	\$0.79	4.0%	
	2	\$23.63	\$24.56	\$0.93		
	3	\$27.29	\$28.36	\$1.08		
	4	\$30.95	\$32.16	\$1.22		
	5	\$34.61	\$35.96	\$1.35		
	6	\$38.27	\$39.76	\$1.49	3.9%	
	7	\$41.93	\$43.56	\$1.64		
Bi-Monthly						
		Bi-Monthly Bill	Bi-Monthly Bill	Diff.		
Use in ccf	1	\$36.27	\$37.72	\$1.45	4.0%	
	2	\$39.93	\$41.52	\$1.59		
	4	\$47.25	\$49.12	\$1.87		
	6	\$54.57	\$56.72	\$2.15		
	8	\$61.89	\$64.32	\$2.43		
	10	\$69.21	\$71.92	\$2.71		
	12	\$76.53	\$79.52	\$2.99	3.9%	
	14	\$83.85	\$87.12	\$3.27		
	16	\$91.17	\$94.72	\$3.55		
	24	\$120.45	\$125.12	\$4.67	3.9%	

Monthly Regional Bill Comparison
FY 2026/27 Utility Total Monthly Charge

(comparisons are adjusted to 6ccf or 4,500 gallons per month)

	Utility Name	Meter Size	Monthly charge	Per ccf	1000 gals	6 ccf	Monthly Total Charge
	Troutdale	5/8"	0		\$5.89	\$26.51	\$26.51
	Wilsonville	5/8"	\$18.13	\$4.23		\$16.92	\$35.05
	Fairview	5/8"	\$21.37	\$2.47		\$14.82	\$36.19
	Forest Grove	3/4"	\$27.23		\$2.06	\$9.27	\$36.50
	Milwaukee	5/8"	\$9.53	\$4.44/4.64		\$27.24	\$36.77
	Wood Village	5/8"	\$18.06	\$3.13		\$18.78	\$36.84
FY 25/26	Rockwood PUD	5/8"	\$16.30	\$3.66		\$21.96	\$38.26
	Raleigh	5/8"	\$22.56	\$2.84		\$17.04	\$39.60
FY 26/27 4%	Rockwood PUD	5/8"	\$16.96	\$3.80		\$22.80	\$39.76
	Oak Lodge	5/8"	\$27.78	\$1.98/2.66		\$15.22	\$43.00
	Tualatin	5/8"	\$13.70	\$4.89		\$29.34	\$43.04
	Sunrise	5/8"	\$23.50	\$3.50		\$21.00	\$44.50
	Gladstone	3/4"	\$33.76	\$1.93		\$11.58	\$45.34
	Cornelius	5/8"	\$25.15		\$4.69	\$21.11	\$46.26
	Hillsboro	5/8"	\$21.94	\$3.99/4.58		\$25.12	\$47.06
	Lake Oswego	5/8"	\$31.17	\$3.27		\$19.62	\$50.79
	Sherwood	5/8"	\$23.76		\$6.40	\$28.80	\$52.56
	CRW	3/4"	\$35.75	\$3.05/3.38		\$18.96	\$54.71
	Newberg	3/4"	\$26.20	\$4.86		29.16	\$55.36
	Beaverton	5/8"	\$25.05	\$6.87		\$41.22	\$66.27
	Gresham	5/8"	\$40.03	\$4.38		\$26.28	\$66.31
	West Slope	5/8"	\$31.49	\$5.90		\$35.40	\$66.89
	Scappoose	5/8"	\$42.42		\$4.00/5.20	\$26.40	\$68.82
	Sandy	5/8"	\$21.46	\$8.17		\$49.02	\$70.48
	Portland	5/8"	\$24.71	\$8.17		\$49.02	\$73.73
	Tigard	5/8"	\$48.42	\$4.77		\$28.62	\$77.04
	TVWD	5/8"	\$31.38	\$10.38		\$62.28	\$93.66

*** A COLA of 2.6% has been assigned to the salary scales as a place holder.*

FY 2026/27 Budget

REPRESENTED EMPLOYEES

<u>Position</u>	<u>Minimum</u>	<u>Maximum</u>
Customer Account Specialist I	\$5,102	\$6,201
Customer Account Specialist II	\$5,559	\$6,757
Lead Customer Account Specialist	\$6,971	\$8,474
Maintenance Mechanic	\$6,235	\$7,579
Meter Reader	\$5,217	\$6,342
Meter Technician	\$5,988	\$7,278
Lead Operator	\$6,971	\$8,474
Operator 1	\$5,565	\$6,764
Operator 2	\$6,752	\$8,207
Operator in Training	\$5,177	\$5,437
Utility Worker I	\$5,565	\$6,764
Lead Water Worker	\$6,971	\$8,474
Water Worker I	\$5,565	\$6,764
Water Worker II	\$6,548	\$7,959
Water Worker in Training	\$5,177	\$5,437

NON-REPRESENTED EMPLOYEES

<u>Position</u>	<u>Minimum</u>	<u>Maximum</u>
Associate Engineer	\$8,783	\$10,676
Distribution and Maint Supervisor	\$9,664	\$11,747
Operations and Supply Supervisor	\$9,664	\$11,747
Business Office Supervisor	\$9,561	\$11,622
District Engineer	\$11,853	\$14,407
District Superintendent	\$10,556	\$12,831
General Manager	N/A	\$15,818
Governmental Affairs Coordinator	\$8,262	\$10,043
Senior Accountant	\$8,450	\$10,272