

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 23, 2025
Following Regular Board Meeting
District Boardroom**

Zoom Video Conference

<https://us02web.zoom.us/j/87596574901?pwd=CzbxallQEhyHsRUER8teqrJwdetahj.1>

Webinar ID: 875 9657 4901

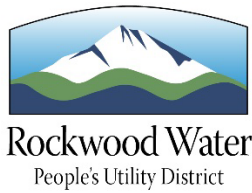
Passcode: 299113

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 Duncan
6. Budget Officer Delivers Budget Message - GM Duncan
7. Public Comment
8. Overview of Budget Packet Contents - Budget Officer, GM Duncan
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, May 14, 2025, 6:00 p.m.
12. Adjournment

**BUDGET PROCESS SCHEDULE
FOR THE FISCAL YEAR 2025/2026**

<i>Date</i>	<i>Action Item</i>
Wednesday, January 22 Regular Board Meeting	Establish budget calendar.
Tuesday, March 4	Application deadline for Budget Committee applicants.
Wednesday, March 19 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.
Friday, March 21	Publication of first notice of Budget Committee meeting - <i>Gresham Outlook and Oregonian</i> .
Wednesday, April 2	Publication of second notice of Budget Committee meeting - <i>Gresham Outlook and Oregonian</i> .
Week of Monday, April 14	Budget process materials delivered to Budget Committee members.
Wednesday, April 23 After Regular Board Meeting	First Budget Committee Meeting - 6:00 p.m.
Wednesday, May 14	Second Budget Committee Meeting - 6:00 p.m. (if necessary).
Friday, May 30	Publish date of June Budget Hearing and Form LB1 in the <i>Gresham Outlook and Oregonian</i> .
Wednesday, June 25 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

MEMORANDUM

To: Budget Committee
Rockwood Water People's Utility District

From: Kari J. Duncan
General Manager/Budget Officer

Date: April 7, 2025

Re: **Fiscal Year (FY) 2025/2026 Budget Message and Document Transmittal**

BUDGET MESSAGE

I am pleased to present the FY 2025/2026 Budget message and proposal. The District, in partnership with the City of Gresham continues to make substantial progress in the construction of the Cascade Groundwater Development Projects, and is on schedule to have sufficient groundwater supply to meet the June 2026 Portland Wholesale contract expiration date. District staff have taken deliberate steps to control costs of operating and capital expenses, and are tracking potential impacts that construction costs, tariffs and future capital improvement work may have on budget and rates. Based on current conditions, the District can maintain the budget projections and rate recommendations established in 2023 and 2024.

In FY 2024/2025, 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 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 Revenue Bond for \$20,143,466 in November of 2024, and anticipates closing on its second WIFIA loan before the end of FY 2024/2025 to fund the remaining portion of the project.

In FY 2025/2026, the District will complete construction on the District only packages 2a and 3, which include a transmission line that will provide 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 Well #8. The District will also complete construction on package 4 of the project which includes the 25 MGD pumping and treatment facility for the Cascade site. This project will be split 50/50 between the District and the City of Gresham. Gresham, in partnership with Rockwood will complete construction on the package 2b transmission main to transport water from the Cascade WTP at the District headquarters to the Bella Vista and Grants Butte reservoirs. The City of Gresham is also managing the package 5 and 6 projects that include the development of Well #6 on NE 223rd Avenue and SE Stark Street,

and the wellhouse for Cascade Well #9 at Kirk Park. The Kirk Park project began construction in 2023 and is expected to be completed this year, with the Well #9 capacity available for use in the summer of 2025. Well #6 at 221st and Stark has been drilled and the design for the pumping and treatment facilities for this well is at the 30% stage. This project is expected to begin construction in the Spring of 2026, with a completion in the Spring of 2027. The capacity of Cascade Well 6 is needed for backup or redundant capacity, however sufficient capacity will be available prior to the completion of this well to supply the District and Gresham with water in 2026, so Portland wholesale water is no longer needed after July 1 2026.

One substantial change implemented by the Board in FY 2023/2024 is the removal of funding in the debt reserve Fund (301). The District's 2021 and 2024 Bonds and WIFIA loan do not require a designated debt reserve and it was determined that the District was accumulating significant positive arbitrage, or interest in excess of the Bond interest, that would result in a violation of the tax exempt bond status to the District if it maintained the Debt Reserve. The District will budget for debt service payments by direct transfer of funds from the General Fund (101) to the Debt Service Fund (401) in order to eliminate the risk of accumulating positive arbitrage.

The budget packet includes the FY 2025/2026 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 to by the District and the City of Gresham for startup and 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. The District continues to update its aging fleet of heavy equipment and vehicles as well as planned technology replacements through the efforts outlined in the District's two comprehensive replacement plans for both vehicle/equipment and technology.

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

- 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 2025/2026 is **4.5%**, the impact to the average customer using 6 ccf or 4500 gallons of water per month is an additional **\$1.66 per month**. It is recommended that the base

bimonthly fee is adjusted by 5.32% and the variable per ccf rate is 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 2025/2026 Budget for the District. It includes the following documents:

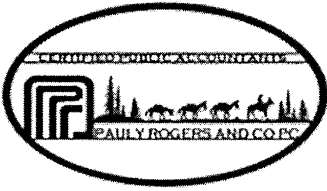
- **FY 2025/2026 Budget Message**
- **Auditor’s Communication to Governing Body on the FY 2023/2024 Audit**
- **Calendar Year 2024 Statistics and Highlights**
 - **Conservation**
 - **Customer Service Year to Year Comparison**
 - **Calendar Year 2024 Field Services**
- **2025 Financial Plan Update**
- **FY 2025/2026 Budget Detail and Narrative**
- **5 Year Line-Item Budget**
- **FY 2025/2026 Capital Improvement Plan**
- **FY 2025/2026 Groundwater Development Capital Improvement Plan**
- **Projected FY 2025/2026 Fees and Charges**
- **2025 Strategic Plan**
- **Supplemental Information**
 - **2025 District Organization Chart**
 - **Monthly Regional Bill Comparison**
 - **Wage Scales for All District Employees for FY 2025/2026**

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.



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

March 10, 2025

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, each major fund of Rockwood Water People's Utility District (PUD) for the year ended June 30, 2024. 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 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, and 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, 2024. 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.

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 actuarial estimate of the District’s portion of the statewide Net Pension Liability (or Asset) and Other Post Employment Benefits which are based on actuarial assumptions. Other sensitive estimate(s) affecting the basic financial statements were Management’s estimate of Accounts Receivable, Capital Asset Depreciation, and the fair value of investments, which are based on 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.

Pauly, Rogers and Co., P.C.

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.

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.

Pauly, Rogers and Co., P.C.

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

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

Other Matters – Future Accounting and Auditing Issues (Continued)

GASB 101 – COMPENSATED ABSENCES

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

Other Matters – Future Accounting and Auditing Issues (Continued)

GASB 102 – CERTAIN RISK DISCLOSURES

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

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, 2024



12700 SW 72nd Ave.
Tigard, OR 97223

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

2023-2024

FINANCIAL REPORT

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

BOARD OF DIRECTORS

TERM EXPIRES

Steve Okazaki, President

December 31, 2024

Kathy Zimmerman, Vice President

December 31, 2024

Tom Lewis, Secretary

December 31, 2024

Larry Dixon, Treasurer

December 31, 2026

Colby Riley, Director

December 31, 2026

All board members will receive mail at the address below

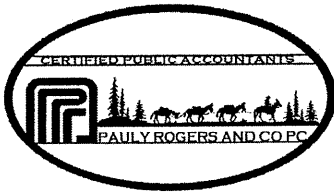
REGISTERED AGENT

Kari Duncan (Registered Agent)
19601 NE Halsey
Portland, Oregon 97230

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

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
INDEPENDENT AUDITORS' REPORT	<i>i</i>
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Management's Discussion and Analysis	<i>iv</i>
<u>BASIC FINANCIAL STATEMENTS:</u>	
Statements of Net Position	1
Statements of Revenues, Expenses and Changes in Net Position	2
Statements of Cash Flows	3
Notes to the Basic Financial Statements	4
<u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Schedule of Proportionate Share of the Net Pension Liability - PERS	26
Schedule of Contributions - PERS	26
Schedule of Proportionate Share of the Net OPEB Asset - RHIA	27
Schedule of Contributions - RHIA	27
<u>SUPPLEMENTARY INFORMATION:</u>	
Description of Budgetary Funds	28
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balance – Budget and Actual (Budgetary Basis):	
• General Fund	29
• System Development Fund – Reimbursement	31
• System Development Fund – Improvement	32
• Debt Reserve Fund	33
• Debt Service Fund	34
• Groundwater Production Fund	35
• Groundwater Construction Fund	36
Reconciliation of Budgetary Revenues and Expenditures to Change in Net Position	37
Reconciliation of Budgetary Fund Balances to Net Position	38
INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS	39
<u>GRANT COMPLIANCE REVIEW</u>	
Schedule of Expenditures of Federal Awards (Supplemental Information)	41
Report on Compliance and Internal Control over Financial Reporting	42
Report on Compliance with Requirements Applicable to Each Major Program	44
Schedule Findings and Questioned Costs	47



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

March 10, 2025

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, each major fund, and the aggregate remaining fund information of Rockwood Water People's Utility District (the PUD) as of and for the years ended June 30, 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, each major fund, and the aggregate remaining fund information of the PUD as of June 30, 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 comprises the other information, as listed in the table of contents, and 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 Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated March 10, 2025, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024.

Financial Highlights

- Our assets exceeded our liabilities at the close of the fiscal year by \$74,241,368. Of this amount, \$13,870,946 (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 \$1,043,827.
- Capital assets were \$91,797,555.
- Total liabilities had an increase from the prior year due to accounts payable as well as Non-Current portion of long-term debt SBITA Liability increase. The PUD's long-term liability is \$31,451,783 for the revenue bond as well as the WIFIA loan.
- Total Net Position increased by \$8,080,102 primarily due in part to a small increase in water sales as well as unspent bond proceeds.

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 \$489,553 from last fiscal year. Other operating revenues increased \$247,103 from the prior year due to increased revenue from Groundwater charges and Misc Income. 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 \$1,983,469 year to year, due to increases materials and services.

Nonoperating revenue increased \$908,387 and expenses increased \$208,436, for a net nonoperating income increase of \$699,951.

In accordance with the multi-year financial plan and rate model we plan to adjust rates in 2025.

Below is summarized information from the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position for fiscal years 2023 and 2024 ending on June 30.

Statement of Net Position

	June 30,		\$ Change
	2024	2023	
Current and other assets	\$ 26,262,157	\$22,748,424	\$ 3,513,733
Capital assets	91,797,555	69,103,900	22,693,655
Total assets	118,059,712	91,852,324	26,207,388
Deferred outflows	1,460,062	1,278,238	181,824
Total assets and deferred outflows	119,519,774	93,130,562	26,389,212
Current and other liabilities	10,014,156	4,354,487	5,659,669
Net pension liability	3,367,247	2,526,293	840,954
Long term debt	31,451,783	19,043,532	12,408,251
Total liabilities	44,833,186	25,924,312	18,908,874
Deferred inflows	445,220	1,044,984	(599,764)
Total liabilities and deferred inflows	45,278,406	26,969,296	18,309,110
Net Position			
Net investment in capital assets	59,259,482	48,968,064	10,291,418
Restricted for system development projects	1,043,827	1,055,485	(11,658)
Restricted for OPEB related items	67,113	46,571	20,542
Unrestricted	13,870,946	16,091,146	(2,220,200)
Total net position	\$ 74,241,368	\$66,161,266	\$ 8,080,102
Total liabilities, deferred inflows, and net position	119,519,774	93,130,562	26,389,212

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Statement of Revenues, Expenses and Changes in Net Position:

	June 30,		\$ Change
	2024	2023	
Operating revenues	\$ 14,342,873	\$ 13,606,217	\$ 736,656
Operating expenses:			
Depreciation and amortization	1,358,559	1,478,394	(119,835)
Other	9,996,793	7,893,489	2,103,304
Total operating expenses	11,355,352	9,371,883	1,983,469
Operating income	2,987,521	4,234,334	(1,246,813)
Nonoperating income (expense)	4,924,245	4,224,294	699,951
Capital contributions	168,336	243,152	(74,816)
Change in net position	\$ 8,080,102	\$ 8,701,780	\$ (621,678)

Capital Asset and Debt Analysis

The capital assets increased by \$22,693,655 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 2026. Long-term debt increased by \$12,576,801. 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.

Kari Duncan

Digitally signed by Kari Duncan

Date: 2025.03.14 11:32:36

-07'00'

Kari Duncan
General Manager

BASIC FINANCIAL STATEMENTS

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

STATEMENTS OF NET POSITION

As of June 30, 2024 and 2023

ASSETS

	June 30,	
	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	\$ 22,070,410	\$ 18,804,835
Restricted cash and cash equivalents	1,043,827	1,055,485
Receivables:		
Water service	2,230,401	2,259,606
Other	46,343	31,690
Allowance for doubtful accounts	(40,000)	(35,000)
Prepaid Insurance	58,926	49,135
Inventory	785,137	536,102
OPEB RHIA Asset	67,113	46,571
	<u>26,262,157</u>	<u>22,748,424</u>
TOTAL CURRENT ASSETS		
	<u>26,262,157</u>	<u>22,748,424</u>
CAPITAL ASSETS		
Not being depreciated	56,169,589	33,496,696
Being depreciated, net of accumulated depreciation	35,537,734	35,427,904
Subscription Asset, net of amortization	90,232	179,300
	<u>91,797,555</u>	<u>69,103,900</u>
TOTAL CAPITAL ASSETS		
	<u>91,797,555</u>	<u>69,103,900</u>
TOTAL ASSETS	<u>118,059,712</u>	<u>91,852,324</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferrals - PERS	1,459,872	1,277,873
OPEB Related Deferrals - PERS RHIA	190	365
	<u>1,459,872</u>	<u>1,277,873</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>119,519,774</u>	<u>93,130,562</u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	8,054,041	2,401,597
Construction retainage payable	546,901	546,901
Customer deposits	40,575	51,297
Accrued payroll liabilities	35,220	13,775
Accrued compensated absences	251,129	248,613
Current liabilities payable from restricted assets:		
Current portion of long-term debt	1,017,015	987,015
Current portion of SBITA liability	69,275	105,289
	<u>10,014,156</u>	<u>4,354,487</u>
TOTAL CURRENT LIABILITIES		
	<u>10,014,156</u>	<u>4,354,487</u>
NON-CURRENT LIABILITIES		
Net Pension Liability - PERS	3,367,247	2,526,293
Long-Term SBITA Liability	-	69,275
Long-Term Debt, net of current portion	31,451,783	18,974,257
	<u>44,833,186</u>	<u>25,924,312</u>
TOTAL LIABILITIES		
	<u>44,833,186</u>	<u>25,924,312</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Related Deferrals - PERS	433,347	1,035,588
OPEB Related Deferrals - PERS RHIA	11,873	9,396
	<u>45,278,406</u>	<u>26,969,296</u>
TOTAL LIABILITIES AND DEFERRED OUTFLOWS OF RESOURCES	<u>45,278,406</u>	<u>26,969,296</u>

NET POSITION

NET POSITION:		
Net investment in capital assets	59,259,482	48,968,064
Restricted for System Development Projects	1,043,827	1,055,485
Restricted for OPEB RHIA Asset	67,113	46,571
Unrestricted	13,870,946	16,091,146
	<u>74,241,368</u>	<u>66,161,266</u>
TOTAL NET POSITION	<u>\$ 74,241,368</u>	<u>\$ 66,161,266</u>

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, 2024 and 2023

	Years Ended June 30,	
	2024	2023
OPERATING REVENUES:		
Water sales	\$ 13,102,550	\$ 12,612,997
Groundwater charges	275,000	200,000
Service installations	171,401	187,484
Subdivision project income	18,580	22,746
Other service income	147,959	136,476
Service charges	262,109	267,885
Backflow charges	41,315	39,281
Set up fees	13,916	15,170
Miscellaneous income	310,043	124,178
	14,342,873	13,606,217
OPERATING EXPENSES:		
Personnel services	3,903,781	3,322,905
Materials and services	6,093,012	4,570,584
Depreciation and amortization	1,358,559	1,478,394
	11,355,352	9,371,883
OPERATING INCOME	2,987,521	4,234,334
NONOPERATING INCOME (EXPENSE):		
Gain (Loss) on FMV of Investments	-	144,201
Interest income	1,249,808	577,867
Interest expense	(678,887)	(484,335)
Bond Issuance Costs	(25,384)	(11,500)
Financing proceeds - reimbursement income	4,378,708	3,998,061
	4,924,245	4,224,294
CAPITAL CONTRIBUTIONS:		
System development charges	168,336	243,152
CHANGE IN NET POSITION	8,080,102	8,701,780
NET POSITION, beginning of year	66,161,266	57,459,486
NET POSITION, end of year	\$ 74,241,368	\$ 66,161,266

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, 2024 and 2023

	<u>Years Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Received from customers	\$ 14,041,660	\$ 12,887,024
Paid to suppliers for goods and supplies	(699,394)	(3,930,893)
Paid to employees	(3,840,996)	(3,531,544)
Miscellaneous income	310,043	124,178
	<u>9,811,313</u>	<u>5,548,765</u>
NET CASH FROM OPERATING ACTIVITIES		
	<u>9,811,313</u>	<u>5,548,765</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contributions - system development charges	168,336	243,152
Interest paid	(678,887)	(484,335)
Bond payments	(825,000)	(790,000)
Bond premium	(162,015)	(162,015)
Bond proceeds	13,494,541	-
Financing proceeds - reimbursement income	4,378,708	3,998,061
Bond issuance cost	(25,384)	(11,500)
Purchase of capital assets (Net)	(24,052,214)	(11,187,151)
Acquisition of subscription assets	-	(354,004)
Subscription Liability	(105,289)	174,564
	<u>(7,807,204)</u>	<u>(8,573,228)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
	<u>(7,807,204)</u>	<u>(8,573,228)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gain (Loss) on FMV of Investments	-	144,201
Earnings on investments	1,249,808	577,867
	<u>1,249,808</u>	<u>722,068</u>
NET CASH FROM INVESTING ACTIVITIES		
	<u>1,249,808</u>	<u>722,068</u>
NET INCREASE (DECREASE) IN CASH	3,253,917	(2,302,395)
CASH AND CASH EQUIVALENTS, beginning of year	<u>19,860,320</u>	<u>22,162,715</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 23,114,237</u>	<u>\$ 19,860,320</u>
CASH AND CASH EQUIVALENTS IS COMPRISED OF THE FOLLOWING:		
Current	\$ 22,070,410	\$ 18,804,835
Restricted	1,043,827	1,055,485
	<u>\$ 23,114,237</u>	<u>\$ 19,860,320</u>
TOTAL CASH AND CASH EQUIVALENTS		
	<u>\$ 23,114,237</u>	<u>\$ 19,860,320</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Operating income	\$ 2,987,521	\$ 4,234,334
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization expense	1,358,559	1,478,394
Changes in assets and liabilities:		
Proportionate Share of Net Pension Liability, Deferred Inflows and Outflows	56,714	(132,139)
OPEB Related RHIA Asset, Deferred Inflows and Outflows	(17,890)	(7,064)
Accounts receivable, net	19,552	(588,970)
Inventory	(249,035)	(122,232)
Accounts payable	5,652,444	766,043
Customer deposits	(10,722)	(6,045)
Accrued payroll liabilities	21,445	(82,447)
Prepays	(9,791)	(4,120)
Accrued compensated absences	2,516	13,011
	<u>9,811,313</u>	<u>5,548,765</u>
NET CASH FROM OPERATING ACTIVITIES		
	<u>\$ 9,811,313</u>	<u>\$ 5,548,765</u>

See accompanying notes to basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

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.

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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Paid Time Off

Paid time off (PTO) was adopted in May 2008 and put into effect July 1, 2008 combining vacation and sick pay. PTO is vested as earned. Employees earn annual leave based on length of service to the PUD.

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, 2024 and 2023, 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, 2024 and 2023, 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.

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.

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

3. CASH AND INVESTMENTS

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

	2024	2023
Cash on hand	\$ 700	\$ 700
Demand deposits	1,304,795	1,708,764
Local Government Investment Pool	21,808,742	18,150,856
Total Cash	\$ 23,114,237	\$ 19,860,320
 <u>Financial Statement Presentation</u>		
Unrestricted	\$ 22,070,410	\$ 18,804,835
Restricted	1,043,827	1,055,485
Total Cash	\$ 23,114,237	\$ 19,860,320

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, 2024, \$250,000 of the total bank balance of \$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, 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, 2024. 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, 2024, the fair value of the position in the *LGIP is 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:

There were 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.

Credit Risk- Investments

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

4. ACCOUNTS RECEIVABLE – WATER SERVICE

The water service receivables of \$2,230,401 and \$2,259,606 at June 30, 2024 and 2023 respectively, include estimates of approximately \$1,260,000 and \$1,210,000, 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, 2024. Allowance for doubtful accounts at June 30, 2024 and 2023 were \$40,000 and \$35,000 respectively.

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

5. CAPITAL ASSETS

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

5. CAPITAL ASSETS (CONTINUED)

Changes in capital assets for the year ended June 30, 2023 are summarized below:

	Balance July 1, 2022	Adjustments	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:					
Land and improvements	\$ 3,337,515	\$ -	\$ -	\$ -	\$ 3,337,515
Construction in progress	20,154,975	-	10,722,267	(718,061)	30,159,181
Total capital assets not being depreciated	23,492,490	-	10,722,267	(718,061)	33,496,696
Capital assets being depreciated:					
Buildings/improvements	2,236,683	-	56,613	(12,855)	2,280,441
Water system	57,968,786	-	881,370	-	58,850,156
Automotive equipment	1,842,662	-	222,504	(698,175)	1,366,991
Shop equipment	196,982	-	-	(78,727)	118,255
Office equipment	770,455	-	13,350	(151,234)	632,571
Meter equipment	255,005	-	8,344	(38,344)	225,005
Total capital assets being depreciated	63,270,573	-	1,182,181	(979,335)	63,473,419
Accumulated Depreciation:					
Buildings/improvements	(1,351,990)	472	(39,384)	12,855	(1,378,047)
Water system	(24,407,208)	-	(1,086,380)	-	(25,493,588)
Automotive equipment	(1,194,156)	-	(97,266)	698,175	(593,247)
Shop equipment	(188,791)	-	(2,603)	78,727	(112,667)
Office equipment	(496,343)	222	(62,904)	151,234	(407,791)
Meter equipment	(83,436)	70	(15,153)	38,344	(60,175)
Total accumulated depreciation	(27,721,924)	764	(1,303,690)	979,335	(28,045,515)
Total capital assets being depreciated, net	35,548,649				35,427,904
Total capital assets, net	\$ 59,041,139				\$ 68,924,600

During the year ended June 30, 2023, the PUD recorded a disposal for assets no longer in service with an original cost of \$979,335 and associated accumulated depreciation of \$979,335. There were also some immaterial valuation adjustments.

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.

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 \$2,000,000 in FY2023, \$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, 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	<u>\$ 19,961,272</u>	<u>\$ 13,494,541</u>	<u>\$ 987,015</u>	<u>\$ 32,468,798</u>	<u>\$ 1,017,015</u>

Amounts due on the long term obligations are as follows:

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	<u>\$ 16,220,000</u>	<u>\$ 4,947,550</u>	<u>\$ 30,419,935</u>	<u>\$ 12,330,216</u>

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 year ended June 30, 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 calculation for the year ended June 30, 2024 was as follows:

	2024	2023
Principal Payments	\$ 825,000	\$ 790,000
Interest Payments	925,550	646,350
Total Payments	1,750,550	1,436,350
Rate	1.25	1.25
Requirement	\$ 2,188,188	\$ 1,795,438
Net Revenues	\$ 5,595,888	\$ 6,290,595

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

7. ACCRUED COMPENSATED ABSENCES

Accrued Compensated Absences amount to \$251,129 and \$248,613 at June 30, 2024 and 2023, respectively.

8. CUSTOMER DEPOSITS

Customer Deposits amount to \$40,575 and \$51,297 at June 30, 2024 and 2023, 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 16.18% and 12.52% of operating revenue for the years ended June 30, 2024 and 2023, 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, 2024 and 2023, the cost of water purchased under this contract with the City of Portland was \$3,768,277 and \$3,083,977, respectively.

Commitments

At June 30, 2024, there was material construction contract commitments related to the PUD's Groundwater Development Project which approximated \$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 which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-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.
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.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

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, 2024 were \$522,977, excluding amounts to fund employer specific liabilities. In addition approximately \$141,201 in employee contributions were paid or picked up by the PUD in 2023-2024.

Pension Asset or Liability – At June 30, 2024, the PUD reported a net pension liability of \$3,367,247 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2021. 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, 2023 and 2022, the PUD's proportion was 0.018 percent and 0.016 percent, respectively. Pension expense/(income) for the year ended June 30, 2024 was \$56,714.

The rates in effect for the year ended June 30, 2024 were:

- (1) Tier 1/Tier 2 – 23.13%
- (2) OPSRP general services – 26.60%

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

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 164,669	\$ 13,351
Changes in assumptions	299,126	2,230
Net difference between projected and actual earnings on pension plan investments	60,523	-
Net changes in proportionate share	367,154	234,934
Differences between District contributions and proportionate share of contributions	45,423	182,832
Subtotal - Amortized Deferrals (below)	<u>936,895</u>	<u>433,347</u>
District contributions subsequent to measuring date	522,977	-
Deferred outflow (inflow) of resources	<u>\$ 1,459,872</u>	<u>\$ 433,347</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, 2025.

Subtotal amounts related to pension as deferred outflows of resources \$936,895, or deferred inflows of resources, (\$433,347), net to \$503,548 and will be recognized in pension income as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2025	\$ 94,985
2026	(68,280)
2027	325,145
2028	122,645
2029	29,053
Thereafter	-
Total	<u>\$ 503,548</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2024. Oregon PERS produces an independently audited ACFR which can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-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.

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.

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

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

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, 2023 PERS ACFR; p. 125)

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

10. DEFINED BENEFIT PENSION PLAN (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 of Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2023 PERS ACFR; p. 92)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2023 and 2022 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.

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
District's proportionate share of the net pension liability	\$ 5,562,058	\$ 3,367,247	\$ 1,530,423

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

10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2023 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.

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, 2024.

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, 2024, the PUD reported a net OPEB asset of (\$67,113) for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. 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, 2023 and 2022, the PUD's proportion was 0.02 percent and 0.01 percent, respectively. OPEB expense for the year ended June 30, 2024 was \$17,890.

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)	\$ (7,768)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(9,730)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (17,498)</u>

Components of Deferred Outflows/Inflows of Resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expensed and actual experience	\$ -	\$ 1,685
Changes of assumptions	-	724
Net difference between project and actual earnings on pension plan investments	190	-
Net changes in proportionate share	-	9,464
Differences between employer contributions and employer's proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>190</u>	<u>11,873</u>
Contributions subsequent to measuring date	<u>-</u>	<u>-</u>
Deferred outflow (inflow) of resources	<u>\$ 190</u>	<u>\$ 11,873</u>

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, 2025.

Subtotal amounts related to OPEB as deferred outflows of resources, \$190, and deferred inflows of resources, (\$11,873), net to (\$11,683) and will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (10,420)
2026	(4,632)
2027	2,480
2028	889
2029	-
Thereafter	-
Total	<u>\$ (11,683)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2023. That independently audited report was dated February 2, 2024 and can be found at:

<https://www.oregon.gov/pers/emp/Documents/GASB/2023/Oregon%20Public%20Employees%20Retirement%20System%20-%20GASB%2075%20RHIA%20-%20YE%206.30.2023%20-%20SECURED.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, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, Published July 20, 2021
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: 27.5 %; 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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2023 and June 30, 2022 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.

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.

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

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

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, 2023 PERS ACFR; p. 92)

Sensitivity of the PUD's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the PUD's proportionate share of the net OPEB liability/(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.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90)
Proportionate share of the net OPEB liability (asset)	\$ (61,005)	\$ (67,113)	\$ (72,352)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

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 rentable 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 totaled \$3,912 for the year ended June 30, 2024.

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

13. INTERFUND TRANSFERS

The composition of interfund transfers is as follows:

Fund	Transfers Out	Transfers In
General Fund	\$ 1,940,902	\$ 3,924,969
System Development	300,000	-
Debt Reserve	3,727,344	307,375
Debt Service	-	1,665,902
Groundwater Production	65,000	275,000
Groundwater Construction	140,000	-
Total Funds	\$ 6,173,246	\$ 6,173,246

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

14. COMMITMENT AND CONTINGENCIES

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the PUD's finances is not determinable at this time.

15. SUBSCRIPTION PAYABLE AND ASSET

The financial statements include the adoption of 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 06/30/2024, The District 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 06/30/2024, the total combined value of the subscription liability is \$69,275. The combined value of the right to use asset, as of 06/30/2024 of \$255,187 with accumulated amortization of \$164,955 is included within the Subscription Class activities table found below.

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

15. SUBSCRIPTIONS PAYABLE AND ASSET (CONTINUED)

	Changes in Subscription Right-to-use Asset			Balance as of June 30, 2024
	Balance as of July 1, 2023	Additions	Reductions	
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	(174,704)	(89,068)	98,817	(164,955)
 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>

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

15. SUBSCRIPTIONS PAYABLE AND ASSET (CONTINUED)

	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	174,564	-	(105,289)	69,275
Total Subscription Liability	\$ 174,564	\$ -	\$ (105,289)	\$ 69,275

REQUIRED SUPPLEMENTARY INFORMATION

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

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
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
2015	0.022	(500,608)	1,192,186	(42.0)	103.6

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
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
2015	118,407	118,407	-	1,159,286	10.2

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, 2024

OPEB - PERS 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
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
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. 26).

SUPPLEMENTARY INFORMATION

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon
YEAR ENDED JUNE 30, 2024

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 Reserve Fund

This fund provides funding for the Debt Service Fund. The fund accumulates enough cash to meet current debt service obligations plus one year's reserve. The principal sources of revenue are earnings on investments and transfers from the General Fund.

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Water sales	\$ 12,095,864	\$ 12,095,864	\$ 13,102,550	\$ 1,006,686
Gresham utility tax	457,936	457,936	475,714	17,778
Portland utility tax	209,657	209,657	198,355	(11,302)
Fairview utility tax	15,007	15,007	14,588	(419)
Service installations	250,000	250,000	171,401	(78,599)
Subdivision project income	50,000	50,000	18,580	(31,420)
Other service income	150,000	150,000	147,959	(2,041)
Late Fees	290,000	290,000	262,109	(27,891)
Backflow charges	40,000	40,000	41,315	1,315
Set-up fees	20,000	20,000	13,916	(6,084)
Rental income	16,000	16,000	3,912	(12,088)
Interest income	200,000	200,000	1,098,400	898,400
Scrap metal sales	7,500	7,500	10,630	3,130
Miscellaneous income	40,000	40,000	58,089	18,089
Other government agencies	18,500	18,500	181,950	163,450
TOTAL REVENUES	13,860,464	13,860,464	15,799,468	1,939,004
EXPENDITURES:				
Personnel services:				
Salaries/wages	2,511,660	2,511,660	2,279,772	231,888
Overtime	19,000	19,000	18,878	122
Other	93,100	93,100	83,832	9,268
Employee bonus	1,000	1,000	-	1,000
Payroll taxes/benefits	1,560,750	1,560,750	1,479,959	80,791
Total Personnel services	4,185,510	4,185,510 (1)	3,862,441	323,069
Materials and services:				
Water purchases	3,761,530	3,761,530	3,768,277	(6,747)
Professional services	284,680	284,680	201,095	83,585
Utilities	78,880	78,880	80,275	(1,395)
Postage and office supplies	86,800	86,800	92,668	(5,868)
Conservation and customer relations	50,350	50,350	29,965	20,385
Elections/legal advertising	3,000	3,000	4,900	(1,900)
Insurance	117,270	117,270	121,292	(4,022)
Safety gear and equipment	23,000	23,000	23,603	(603)
Training and education	36,500	36,500	42,764	(6,264)
Dues/licenses/subscriptions	100,969	100,969	100,367	602
Office Equipment	-	-	899	(899)
Maintenance - other	87,920	87,920	100,878	(12,958)
Utility operating supplies	415,000	415,000	500,974	(85,974)
Maintenance - water system	110,150	110,150	79,761	30,389
Water testing/EPA requirements	75,300	75,300	57,348	17,952
Telemetry	15,192	15,192	6,682	8,510
Board meeting fees/Director's expense	29,800	29,800	16,317	13,483
Manager's expense	7,000	7,000	6,494	506
General office expense	94,900	94,900	194,439	(99,539)
Bad Debt Expense	25,000	25,000	31,213	(6,213)

(Continued on page 30)

(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, 2024

	<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	457,936	457,936	475,714	(17,778)
Portland utility tax	209,657	209,657	142,893	66,764
Fairview utility tax	15,007	15,007	14,588	419
Customer assistance	60,000	60,000	13,246	46,754
Taxes and assessments	9,300	9,300	6,646	2,654
	<u>6,155,141</u>	<u>6,155,141</u>	(1) <u>6,113,298</u>	<u>41,843</u>
Total materials and services				
Capital outlay:				
Water system	1,139,820	1,139,820	1,208,175	(68,355)
Meters	126,500	126,500	100,934	25,566
Equipment	307,000	307,000	125,185	181,815
Buildings	75,000	75,000	65,475	9,525
Land	500,000	500,000	-	500,000
	<u>2,148,320</u>	<u>2,148,320</u>	(1) <u>1,499,769</u>	<u>648,551</u>
Total capital outlay				
Operating contingencies		<u>1,350,000</u>	(1) <u>-</u>	<u>1,350,000</u>
TOTAL EXPENDITURES	<u>12,488,971</u>	<u>13,838,971</u>	<u>11,475,508</u>	<u>2,363,463</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,371,493</u>	<u>21,493</u>	<u>4,323,960</u>	<u>4,302,467</u>
OTHER FINANCING SOURCES (USES):				
Sale of fixed assets	500,000	500,000	-	(500,000)
Transfers to other funds	(2,281,150)	(2,281,150)	(1) (1,940,902)	340,248
Transfers from other funds	2,234,016	2,234,016	3,924,969	1,690,953
	<u>452,866</u>	<u>452,866</u>	<u>1,984,067</u>	<u>1,531,201</u>
TOTAL OTHER FINANCING SOURCES (USES)				
NET CHANGE IN FUND BALANCE	<u>1,824,359</u>	<u>474,359</u>	<u>6,308,027</u>	<u>5,833,668</u>
BEGINNING FUND BALANCE	<u>11,494,340</u>	<u>11,494,340</u>	<u>11,304,732</u>	<u>(189,608)</u>
ENDING FUND BALANCE	<u>\$ 13,318,699</u>	<u>\$ 11,968,699</u>	<u>\$ 17,612,759</u>	<u>\$ 5,644,060</u>

(1) Control Level

(Continued from page 29)

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, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
System development charges	\$ 250,000	\$ 129,622	\$ (120,378)
Interest earned	<u>10,000</u>	<u>100,680</u>	<u>90,680</u>
TOTAL REVENUES	<u>260,000</u>	<u>230,302</u>	<u>(29,698)</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)	(69,698)	(29,698)
BEGINNING FUND BALANCE	<u>745,546</u>	<u>698,314</u>	<u>(47,232)</u>
ENDING FUND BALANCE	<u><u>\$ 705,546</u></u>	<u><u>\$ 628,616</u></u>	<u><u>\$ (76,930)</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, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
System development charges	\$ 80,000	\$ 38,714	\$ (41,286)
Interest earned	<u>1,200</u>	<u>19,326</u>	<u>18,126</u>
TOTAL REVENUES	<u>81,200</u>	<u>58,040</u>	<u>(23,160)</u>
NET CHANGE IN FUND BALANCE	81,200	58,040	(23,160)
BEGINNING FUND BALANCE	<u>378,269</u>	<u>357,171</u>	<u>(21,098)</u>
ENDING FUND BALANCE	<u>\$ 459,469</u>	<u>\$ 415,211</u>	<u>\$ (44,258)</u>

(1) Control Level

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
Multnomah County, Oregon

DEBT RESERVE FUND

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

YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Interest earned	\$ 6,000	\$ 6,000	\$ 31,402	\$ 25,402
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(2,006,150) (1)	(2,006,150)	(3,727,344)	(1,721,194)
Transfers from other funds	<u>2,006,150</u>	<u>2,006,150</u>	<u>307,375</u>	<u>(1,698,775)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(3,419,969)</u>	<u>(3,419,969)</u>
NET CHANGE IN FUND BALANCE	6,000	6,000	(3,388,567)	(3,394,567)
BEGINNING FUND BALANCE	<u>2,228,016</u>	<u>1,688,373</u>	<u>3,388,567</u>	<u>1,160,551</u>
ENDING FUND BALANCE	<u>\$ 2,234,016</u>	<u>\$ 1,694,373</u>	<u>\$ -</u>	<u>\$ (2,234,016)</u>

(1) Control Level

(2) The fund was closed during FY23-24. Remaining fund balance was transferred into the General Fund

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, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES:			
Bond principal	\$ 1,436,350	\$ 825,000	\$ 611,350
Interest	<u>569,800</u>	<u>840,902</u>	<u>(271,102)</u>
TOTAL EXPENDITURES	<u>2,006,150</u> (1)	<u>1,665,902</u>	<u>340,248</u>
OTHER FINANCING SOURCES:			
Transfer from other funds	<u>2,006,150</u>	<u>1,665,902</u>	<u>340,248</u>
NET CHANGE IN FUND BALANCE	-	-	-
BEGINNING FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<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, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES:			
Groundwater Fees	\$ 275,000	\$ 275,000	\$ -
TOTAL REVENUES	<u>275,000</u>	<u>275,000</u>	<u>-</u>
EXPENDITURES:			
Equipment Maintenance	26,000	33,400	(7,400)
Operating Supplies	42,000	41,578	422
Wellhead Protection	70,000	70,000	-
Water Testing	5,000	5,661	(661)
Reservoir Maintenance	5,000	5,850	(850)
Pumping	<u>335,000</u>	<u>128,636</u>	<u>206,364</u>
TOTAL EXPENDITURES	<u>483,000 (1)</u>	<u>285,125</u>	<u>197,875</u>
REVENUES OVER (UNDER) EXPENDITURES	(208,000)	(10,125)	197,875
OTHER FINANCING SOURCES (USES):			
Transfer to other funds	(65,000) (1)	(65,000)	-
Transfer from other funds	<u>275,000</u>	<u>275,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>210,000</u>	<u>210,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,000	199,875	197,875
BEGINNING FUND BALANCE	<u>57,285</u>	<u>(104,270)</u>	<u>(161,555)</u>
ENDING FUND BALANCE	<u>\$ 59,285</u>	<u>\$ 95,605</u>	<u>\$ 36,320</u>

(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, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Loan Proceeds	\$ -	\$ 13,494,541	\$ 13,494,541
TOTAL REVENUES	<u>-</u>	<u>13,494,541</u>	<u>13,494,541</u>
EXPENDITURES:			
Contract Services	150,000	25,384	124,616
Engineering Services	<u>15,100,000</u>	<u>14,193,178</u>	<u>906,822</u>
Total materials and services	<u>15,250,000</u>	<u>14,218,562</u>	<u>1,031,438</u>
Capital outlay:			
Groundwater Construction	<u>29,000,000</u>	<u>8,792,340</u>	<u>20,207,660</u>
Total capital outlay	<u>29,000,000</u>	<u>8,792,340</u>	<u>20,207,660</u>
TOTAL EXPENDITURES	<u>44,250,000 (1)</u>	<u>23,010,902</u>	<u>21,239,098</u>
REVENUES OVER (UNDER) EXPENDITURES	(44,250,000)	(9,516,361)	34,733,639
OTHER FINANCING SOURCES (USES):			
Transfer to other funds	(140,000) (1)	(140,000)	-
Transfers from other funds	-	-	-
Loan Proceeds	20,419,935	-	(20,419,935)
City of Gresham	11,950,000	-	(11,950,000)
Financing Proceeds - Reimbursement Income	<u>10,000,000</u>	<u>4,378,708</u>	<u>(5,621,292)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>42,229,935</u>	<u>4,238,708</u>	<u>(37,991,227)</u>
NET CHANGE IN FUND BALANCE	(2,020,065)	(5,277,653)	(3,257,588)
BEGINNING FUND BALANCE	<u>8,305,600</u>	<u>4,043,769</u>	<u>(4,261,831)</u>
ENDING FUND BALANCE	<u>\$ 6,285,535</u>	<u>\$ (1,233,884)</u>	<u>\$ (7,519,419)</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, 2024

	<u>Revenues</u>	<u>Expenditures</u>	<u>Net change in Fund Balance</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 Fund	17,873,249	23,150,902	(5,277,653)
			(2,169,976)
ADD (DEDUCT) ITEMS TO RECONCILE TO AN ENTITY-WIDE REPORTING BASIS:			
Capital outlay expenditures capitalized			24,052,214
Depreciation and Amortization			(1,358,559)
Principal payments on revenue bonds			825,000
Loan Issuance			(13,494,541)
Amortization of Debt Premium			162,015
Change in Accrued compensated absences			(2,516)
GASB 68 Pension Revenue (Expense) (Applied to Personnel Services Expense)			(56,714)
GASB 75 RHIA OPEB Revenue (Expense) (Applied to Personnel Services Expense)			17,890
GASB 96 SBITA (Expense) (Applied to Personnel Services Expense)			105,289
Change in net position			<u>\$ 8,080,102</u>

YEAR ENDED JUNE 30, 2023

	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues over (under) expenditures</u>
General Fund	\$ 15,113,421	\$ 13,039,259	\$ 2,074,162
System Development Fund - Reimbursement	238,959	300,000	(61,041)
System Development Fund - Improvement	65,455	-	65,455
Debt Reserve Fund	2,865,399	1,436,350	1,429,049
Debt Service Fund	1,436,350	1,436,350	-
Groundwater Protection	420,000	561,005	(141,005)
Groundwater Construction	3,998,061	9,629,305	(5,631,244)
			(2,264,624)
ADD (DEDUCT) ITEMS TO RECONCILE TO AN ENTITY-WIDE REPORTING BASIS:			
Capital outlay expenditures capitalized			10,794,063
Personnel services expenditures capitalized			161,061
Materials and services expenditures capitalized			231,263
Depreciation			(1,478,394)
Disposal of and adjustments to capital assets			764
Principal payments on revenue bonds			790,000
Amortization of Debt Premium			162,015
Accrued compensated absences			(13,011)
GASB 68 Pension Revenue (Expense)			132,139
GASB 75 RHIA Pension Expense (Applied to Personnel Services Expense)			7,064
GASB 96 SBITA (Expense) (Applied to Personnel Services Expense)			179,440
Change in net position			<u>\$ 8,701,780</u>

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT

Multnomah County, Oregon

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

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
Debt Reserve Fund	-
Debt Service Fund	-
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>

June 30, 2023

ENDING FUND BALANCES - BUDGETARY BASIS:	
General Fund	\$ 11,304,732
System Development Fund - Reimbursement	698,314
System Development Fund - Improvement	357,171
Debt Reserve Fund	3,388,567
Groundwater Protection	(104,270)
Groundwater Construction	4,043,769
Total fund balance - budgetary basis	<u>19,688,283</u>
ADD (DEDUCT) ITEMS TO RECONCILE TO GAAP NET POSITION	
Bonds payable	(17,045,000)
Bond premium	(2,916,272)
Net capital assets	68,924,600
Proportionate Share of Net Pension Liability - PERS	(2,526,293)
Proportionate Share of Net Pension Liability (Asset) - RHIA	46,571
Deferred Outflows - PERS	1,277,873
Deferred Inflows - PERS	(1,035,588)
Deferred Outflows - RHIA	365
Deferred Inflows - RHIA	(9,396)
Accrued compensated absences	(248,613)
	<u>4,736</u>
Net Position	<u>\$ 66,161,266</u>

ROCKWOOD WATER PEOPLES UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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

March 10, 2025

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, 2024, and have issued our report thereon dated March 10, 2025. 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.

Roy R Rogers

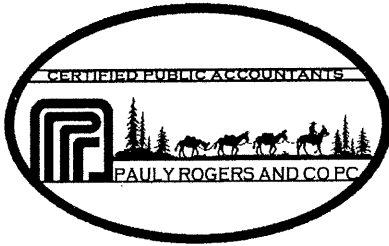
ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

GRANT COMPLIANCE REVIEW

Rockwood Water PUD
Schedule of Expenditures of Federal Awards
For Fiscal Year Ended June 30, 2024

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	Amounts Provided to Sub Recipients
Water Infrastructure Finance and Innovation Act						
WIFIA Loan - Award Number N20168OR	Environmental Protection Agency	66.958	068	7/1/21 - 6/30/22	\$ 6,150,364	\$ -
WIFIA Loan - Award Number N20168OR	Environmental Protection Agency	66.958	068	7/1/22 - 6/39/23	\$ 2,771,061	\$ -
WIFIA Loan - Award Number N20168OR	Environmental Protection Agency	66.958	068	7/1/23 - 6/39/24	\$ 4,472,931	\$ -
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ 13,394,356	\$ -



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

March 10, 2025

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, 2024, 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 March 10, 2025.

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

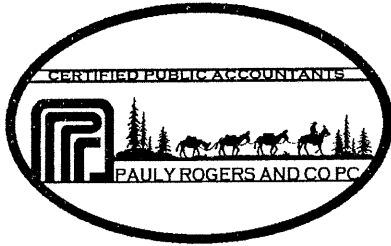
As part of obtaining reasonable assurance about whether the PUD's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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

March 10, 2025

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, 2024. 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, 2024.

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.

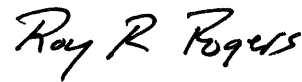
Report on Internal Control over Compliance

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.

ROCKWOOD WATER PEOPLE'S UTILITY DISTRICT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

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 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

66.958

NAME OF FEDERAL PROGRAM CLUSTER

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, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

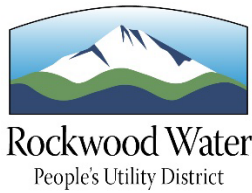
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

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.



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: Kari J. Duncan, General Manager/Budget Officer

Date: April 15, 2025

Re: Calendar Year 2024 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 2024. In 2024, 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 and 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 unfortunately shows an increase in late notices for 2024, and slight increase in door hangers and turn offs. However, the use of the bill assistance program has increased significantly, most likely due to the District staff taking over implementation of this program. Meter reading estimates have decreased this year and are at a four year low, which is a good indicator. Electronic billings and on-line payments have both increased, which reflects a positive movement to more automatic payments, however it does come with the addition of online payment fees and credit card fees that are reflected in the budget.

Field Operations trends show an increase in leak repairs, emergency repairs and emergency calls, indicating that our field staff have been very busy responding to emergencies this year. Also very notable is the very large increase in meter installations due to the AMI project, and an increase in new service installations. It is important to note that staff are performing this high level of work in addition to the increased demands due to the Cascade Groundwater alliance construction project. 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.					
	2021	2022*	2023	2024	Year / Year Comparison
Outdoor Conservation Kits	19	77	226	245	8.4%
Indoor Conservation Kits	15	38	72	82	13.9%
Toilet Rebates	32	19	16	22	37.5%
School Assembly Programs	0	0	0	0	0.0%
Festivals and Events	0	2	1	3	200.0%
Emergency Water Storage Bags	0	0	75	150	100.0%
<p>* In 2022 the assembly program used by RWPC suddenly closed leaving us without options. RWPC has been working to find a new program. It is expected that the new program will launch in the</p>					

Customer Service Year to Year Comparison

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

	2021	2022	2023	2024	Change
Meter Reads	81,013	82,045	78,708	86,520	9.93%
Estimates	2,444	5,866	6,379	2,343	-63.27%
Bills	84,281	85,767	87,489	90,078	2.96%
Late Notices	14,615	16,223	14,794	17,397	17.59%
Door Hangers	5,977	5,834	5,060	5,806	14.74%
Turn Offs	997	1,011	932	1,062	13.95%
Final Reads	1,100	820	1,118	1,095	-2.06%
New Accts	1,318	765	1,060	1,042	-1.70%
Bill Assistance	343	168	71	168	136.62%
Collection Agency	148	190	197	212	7.61%
Leak Adjustments	220	238	300	437	45.67%
Phone Calls	27,490	30,875	27,186	29,910	10.02%
Walk Ins	2,951	7,175	7,455	5,540	-25.69%
Work Orders	307	475	467	597	27.84%
Misreads	152	35	4	3	-25.00%
Found Ons	3	0	2	15	650.00%
Meters Pulled	1	0	0	1	0.00%

Due to the weather we had to estimate reads February 2021

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.

	2021	2022	2023	2024	Change
E-bills	1,854	1,903	2,433	3,014	23.88%
On Line Payments	37,682	39,875	38,299	40,926	6.86%

Calendar Year 2023 Field Services

Data is from January 1, 2024 to December 31, 2024

Activity	2022	2023	2024	Change from Prior Year
Leak Repairs	13	12	25	108.33%
Emergency Repairs	20	14	17	21.43%
Emergency Calls	46	30	70	133.33%
Hydrant Repairs	25	24	21	-12.50%
Blow Off Repairs	12	14	5	-64.29%
NR and Meter Ugrades	150	135	1,351	900.74%
Meter Boxes Replaced	84	87	233	167.82%
Water Services Installed	33	12	69	475.00%
Fire Services Installed	10	4	8	100.00%
Hydrants Installed	7	5	8	60.00%
Utility Locates	4,324	3,423	3,548	3.65%
System Sampling	950	950	950	0.00%
	5,674	4,710	6,305	33.86%

Technical Memorandum DRAFT

Date: 4/15/2025
Client: Rockwood Water People's Utility District
Project: 2025 Financial Plan Update
To: Kari Duncan, *General Manager – RWPUD*
From: Josiah Close, *Utility Rates Project Manager – HDR*

Introduction

HDR Engineering Inc. (HDR) has been assisting Rockwood Water People's Utility District (District) providing technical and financial assistance for over ten years. Typically, HDR has worked with the District in the development and update of the annual financial plan to assist the District in developing water rate projections for the upcoming fiscal year and beyond. 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 2025 financial plan update (2025 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 2026). Over that last several years, the annual updates have been significantly impacted by the transition of the District's source of supply from Portland Water Bureau to local groundwater. The move has been made possible by a joint venture with the City of Gresham to develop the local groundwater sources of water which is guided by the 2020 Groundwater Development Master Plan (GDMP). The GDMP identifies the necessary capital improvements including reservoirs, pump stations, transmission lines, and treatment facilities - among others - required to implement utilization of the system for the District and the City of Gresham source of water supply.

The 2025 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 2025 through FY 2045. 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, while meeting 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 which is then incorporated into the budget for the next fiscal year, in this case FY 2026.

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 2025 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 in order to fully fund capital projects. For long-term borrowing, it is anticipated that the District will utilize revenue bonds as well as the Water Infrastructure Finance and Innovation Act (WIFIA) as funding sources for the capital funding plan of which the first issuance has already happened and another is anticipated in 2025.

Assumptions

HDR collaborated with District staff to develop, review, and refine the assumptions used as inputs in the 2025 Update. These assumptions are identified in general terms in Table 1.

Table 1
Key Financial Plan Assumptions

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

The assumptions identified above in Table 1 had been reviewed and revised for the 2025 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. 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 2025 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 2024 Update.

Rate Revenue

The District receives revenue for the water utility from two primary sources: water (user) rates and miscellaneous, or non-rate revenue. Water rate revenues are based on the current water rate structure and collected on a bi-monthly basis. Miscellaneous or other revenue includes items such as licenses, permits, late fees, 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 2025 year end estimated rate revenue figure of \$13.5 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 2025 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 \$13.5 million in FY 2045, 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-rate revenue, system development charges, and interest revenue and are discussed below.

Non-Rate Revenue

Non-rate revenue includes backflow charges, set-up fees, late fees, scrap metal income, service installations, other service income, rental income, miscellaneous income, other government income, general fund interest earnings, fixed asset disposition, and utility tax offsets. Total non-rate revenues are anticipated to be approximately \$2.5 million in FY 2025. Incorporating the assumptions on the changes in non-rate revenues, the District is projected to receive \$2.6 million in FY 2045.

System Development Charges

In FY 2025, the District has projected that approximately \$320,000 - including the reimbursement and improvement components - in revenues from the water SDC will be collected. Currently, it is assumed that the District will have 57 and 59 connections per year in FY 2025 and FY 2026, respectively, but that future SDC collections would decrease slightly to 45 connections per year in FY 2027 and then remain consistent at that level. 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 2025 budget and proposed FY 2026 budget were used as the starting point for the revenue requirement analysis. Starting with the proposed FY 2026 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	4.5%	<i>4.5% every year until FY 2032 then 3.0% until 2045</i>
PERS-Related Costs	10.0%	<i>Bi-annually, starting in FY 2025</i>
Materials & Services	3.5%	
Purchased Water	Variable	Based on PWB projections
Insurance	10.0%	
All others	3.0%	

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 \$11.4 million in FY 2025 to \$21.9 million by FY 2045. Two major components that impact the total O&M expenses during this period are the purchased water costs to the Portland Water Bureau (Bureau)

and groundwater production O&M. Full purchased water costs end in FY 2027 and the groundwater production O&M is anticipated to start in FY 2028 at around \$1.9 million and increases annually at 3.5% per year reaching \$3.4 million in FY 2045. It is also important to note that the District had several retirements of senior staff who have been replaced by junior staff. As the new staff increases in the step within their position, the analysis has included assumptions of 4.5% over the next 5 years to account for the step increases in addition to the cost of living adjustments. By year FY 2032, the 2025 Update resumes the assumption of annual cost escalation of 3.0% for personnel costs.

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 is the capital projects related to implementing the GDMP. In discussion of the capital related to the GDMP, it is really a suite of projects comprising a number of smaller projects or packages of projects which the District will complete over the next couple years (FY 2025 – FY 2027). At the completion of the GDMP projects, the District will transition the drinking water source from the Portland Water Bureau to 100% groundwater. It is assumed that the GDMP includes the capital improvements needed for this transition and outlines the scope, cost, and timing of the projects. It is important to note that the capital 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. 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 were 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 2013 Water System Master Plan. The District is nearing completion of a 2025 Water System Master Plan, and the CIP from this plan will be included in the 2026 rate model update. This long-term approach to capital planning will further help the District plan for future years and place the water utility in position to adequately fund renewal and replacements while minimizing rate impacts. All amounts shown in Table 4 include the effects of estimated cost escalation, as mentioned above. From FY 2025 through FY 2045, the District's CIP includes \$130.6 million in total capital improvement projects which includes those related to the GDMP and the advanced metering infrastructure (AMI) project which are significant capital investments 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 Cost	Funding Assumptions			
		General Fund Reserves	601 Reserves (WIFIA, Grants, Contributions)	Long-Term Debt Issuance	Rate Funded Capital
FY 2025	\$40,118	\$0	\$38,071	\$0	\$2,048
FY 2026	19,484	606	17,803	0	1,075
FY 2027	10,542	0	7,217	0	3,325
FY 2028	2,825	0	0	0	2,825
FY 2029	6,617	3,667	0	0	2,950
FY 2030	3,183	1,883	0	0	1,300
FY 2031	2,650	1,150	0	0	1,500
FY 2032	3,783	1,933	0	0	1,850
FY 2033	2,350	0	0	0	2,350
FY 2034	5,902	3,252	0	0	2,650
FY 2035	2,200	0	0	0	2,200
FY 2036	2,400	0	0	0	2,400
FY 2037	2,500	0	0	0	2,500
FY 2038	2,700	0	0	0	2,700
FY 2039	2,900	0	0	0	2,900
FY 2040	3,250	0	0	0	3,250
FY 2041	3,400	0	0	0	3,400
FY 2042	3,600	0	0	0	3,600
FY 2043	3,800	0	0	0	3,800
FY 2044	4,000	0	0	0	4,000
FY 2045	4,000	0	0	0	4,000

As can be seen in Table 4, the level of capital projects for the District may vary from year to year and the impact of the GDMP projects totaling \$63.1 million are include in FY 2025 through FY 2027 as the District moves to transition from Portland Water Bureau water purchases to groundwater by FY 2027. Another significant capital program is the advanced metering infrastructure (AMI) project that will be implemented in FY 2025 through FY 2029 and totals \$5.8 million. The model that is developed for the 2025 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 and at the same time to 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: the 2021 revenue bond, 2022 WIFIA Loan, 2025 WIFIA loan, and 2024 revenue bond. The 2021 revenue bond is a refunding of the 2011 Revenue Bond as well as providing the initial funding source for the GDMP package of capital projects. It is important to note that the 2022 WIFIA loan is only the interest portion for several years. Additionally, the 2024 WIFIA loan payments will have capitalized interest until FY 2030 which is when full debt service costs will be realized. 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 District's total annual debt service payment is \$2.4 million in FY 2025 and increases to a maximum of \$7.0 million per year in FY 2041 before the 2021 revenue bond is retired.

The District will continue to complete substantial water system improvements and developments with the GDMP through FY 2027 as well as the AMI program through FY 2029. It is assumed that the District will have additional WIFIA loan withdrawals in FY 2025 through FY 2027 and then will evaluate future financing strategies, if necessary in FY 2027 to fund the remainder of capital projects.

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 issuances. 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 projected annual debt service for the District's water utility.

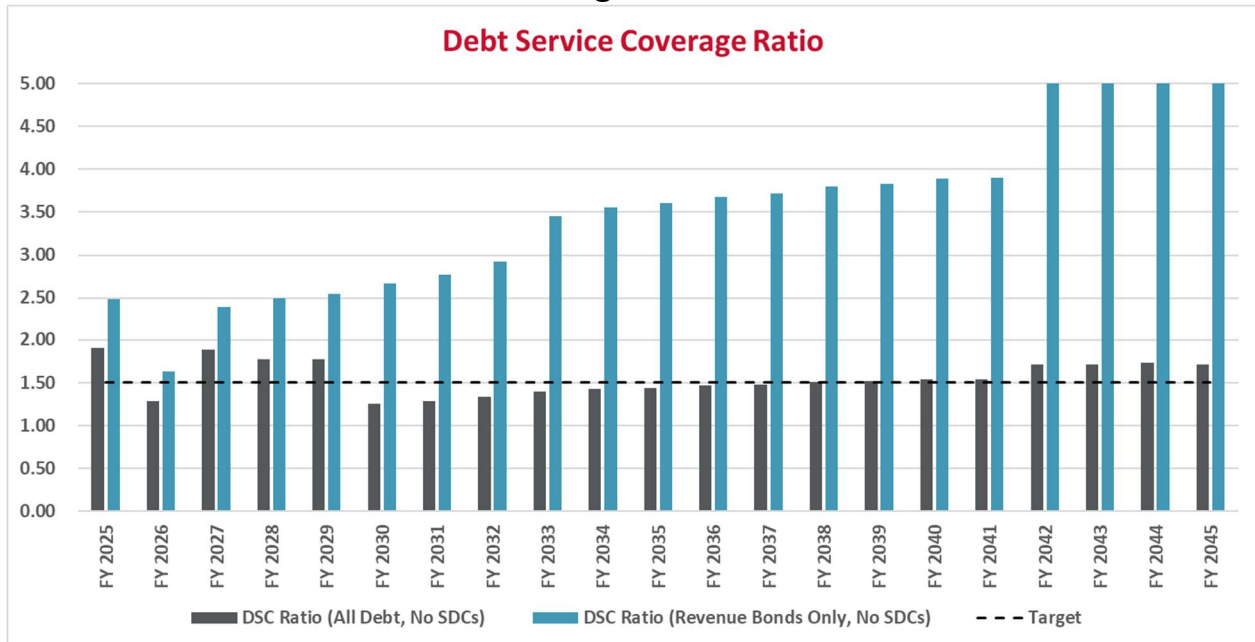
Table 5
Summary of the District’s Existing Debt Service Payments (\$000s)

Year	2021 Rev Bond	2022 WIFIA	2024 Rev Bond	2025 WIFIA	Total
FY 2025	\$1,437	\$570	\$424	\$0	\$2,430
FY 2026	1,433	788	1,516	0	3,737
FY 2027	1,437	788	1,514	0	3,739
FY 2028	1,435	1,188	1,516	0	4,139
FY 2029	1,437	1,303	1,512	0	4,252
FY 2030	1,437	1,414	1,513	1,897	6,261
FY 2031	1,435	1,522	1,513	1,897	6,367
FY 2032	1,432	1,627	1,512	1,897	6,468
FY 2033	1,077	1,904	1,514	1,897	6,391
FY 2034	1,075	1,973	1,514	1,897	6,458
FY 2035	1,076	1,989	1,513	1,897	6,475
FY 2036	1,075	2,004	1,516	1,897	6,491
FY 2037	1,078	2,018	1,516	1,897	6,509
FY 2038	1,075	2,030	1,515	1,897	6,517
FY 2039	1,076	2,041	1,512	1,897	6,527
FY 2040	1,077	2,051	1,511	1,897	6,536
FY 2041	1,076	2,060	1,513	1,897	6,546
FY 2042	0	2,580	1,516	1,897	5,993
FY 2043	0	2,580	1,512	1,897	5,989
FY 2044	0	2,580	1,511	1,897	5,988
FY 2045	0	2,580	1,513	1,897	5,990

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 initial WIFIA terms have been determined but the future WIFIA and debt service payments for the “cleanup” revenue bond issuance were estimated based on assumed terms as they are not determined yet but were agreed upon by the District.

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 at 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 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 2025 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 2026 budget and projected through FY 2045.

Table 6
Revenue Requirement Summary (\$000s)

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Revenue										
Rate Revenues	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500
Non-Operating Rev	<u>2,631</u>	<u>1,953</u>	<u>2,004</u>	<u>1,994</u>	<u>2,013</u>	<u>2,045</u>	<u>2,052</u>	<u>2,113</u>	<u>2,100</u>	<u>2,151</u>
Total Revenues	\$16,131	\$15,453	\$15,504	\$15,494	\$15,513	\$15,545	\$15,552	\$15,613	\$15,600	\$15,651
Expenses										
O & M	\$11,942	\$9,631	\$10,058	\$10,574	\$11,048	\$11,624	\$12,081	\$12,648	\$13,156	\$13,788
Net Debt Service	3,700	3,711	4,111	4,224	6,233	6,339	6,440	6,364	6,431	6,447
Rate Funded Capital	1,075	3,325	2,825	2,950	1,300	1,500	1,850	2,350	2,650	2,200
Reserve Funding	<u>22</u>	<u>28</u>	<u>416</u>	<u>346</u>	<u>336</u>	<u>331</u>	<u>318</u>	<u>227</u>	<u>117</u>	<u>678</u>
Total Expenses	\$16,739	\$16,695	\$17,409	\$18,093	\$18,917	\$19,794	\$20,689	\$21,588	\$22,354	\$23,114
Bal/(Def.) of Funds	(\$608)	(\$1,242)	(\$1,906)	(\$2,599)	(\$3,404)	(\$4,249)	(\$5,137)	(\$5,975)	(\$6,754)	(\$7,463)
As a % of Rate Rev.	4.5%	9.2%	14.1%	19.3%	25.2%	31.5%	38.0%	44.3%	50.0%	55.3%
Proposed Rate Adj.	4.5%	4.5%	4.5%	4.5%	5.0%	5.0%	5.0%	4.5%	4.0%	3.5%
Add'l Revenue from Adj.	\$607	\$1,242	\$1,906	\$2,599	\$3,404	\$4,249	\$5,137	\$5,975	\$6,754	\$7,463
Total Bal/(Def.) of Funds	(0)	0	0	0	0	0	0	0	0	0
	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045
Revenue										
Rate Revenues	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500
Non-Operating Rev	<u>2,196</u>	<u>2,242</u>	<u>2,289</u>	<u>2,335</u>	<u>2,379</u>	<u>2,422</u>	<u>2,474</u>	<u>2,523</u>	<u>2,573</u>	<u>2,622</u>
Total Revenues	\$15,696	\$15,742	\$15,789	\$15,835	\$15,879	\$15,922	\$15,974	\$16,023	\$16,073	\$16,122
Expenses										
O & M	\$14,354	\$15,061	\$15,693	\$16,487	\$17,196	\$18,088	\$18,886	\$19,893	\$20,794	\$21,934
Net Debt Service	6,464	6,481	6,489	6,499	6,509	6,518	5,965	5,962	5,961	5,962
Rate Funded Capital	2,400	2,500	2,700	2,900	3,250	3,400	3,600	3,800	4,000	4,000
Reserve Funding	<u>676</u>	<u>656</u>	<u>649</u>	<u>505</u>	<u>323</u>	<u>185</u>	<u>693</u>	<u>473</u>	<u>389</u>	<u>297</u>
Total Expenses	\$23,893	\$24,699	\$25,531	\$26,391	\$27,277	\$28,191	\$29,145	\$30,128	\$31,143	\$32,193
Bal/(Def.) of Funds	(\$8,197)	(\$8,956)	(\$9,742)	(\$10,556)	(\$11,398)	(\$12,269)	(\$13,171)	(\$14,104)	(\$15,071)	(\$16,071)
As a % of Rate Rev.	60.7%	66.3%	72.2%	78.2%	84.4%	90.9%	97.6%	104.5%	111.6%	119.0%
Proposed Rate Adj.	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Add'l Revenue from Adj.	\$8,197	\$8,956	\$9,742	\$10,556	\$11,398	\$12,269	\$13,171	\$14,104	\$15,071	\$16,071
Total Bal/(Def.) of Funds	0	0	0	0	0	0	0	0	0	0

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 \$608,000 in FY 2026 to \$16.1 million by FY 2045. The proposed rate adjustments provide the 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 the GDMP capital projects as well as maintaining a strong debt service coverage ratio to maintain the District’s financial health. The rate adjustments also help to maintain other prudent financial planning criteria and achieving strong key financial metrics such as healthy reserve fund balances.

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 various purposes and include:

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

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. There is one year, FY 2034, that is slightly below target however there are a number of variables that could change to erase this as well as the fact that the analysis shows the District is able to meet the minimum the next fiscal year. 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

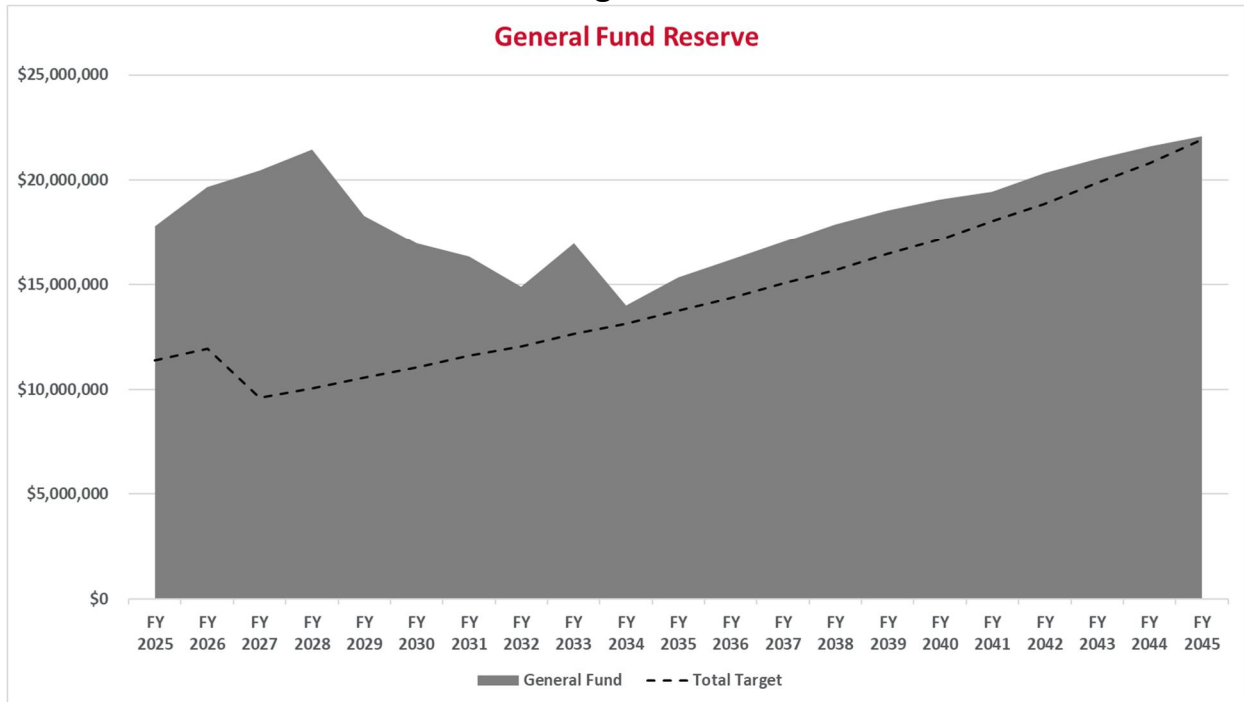
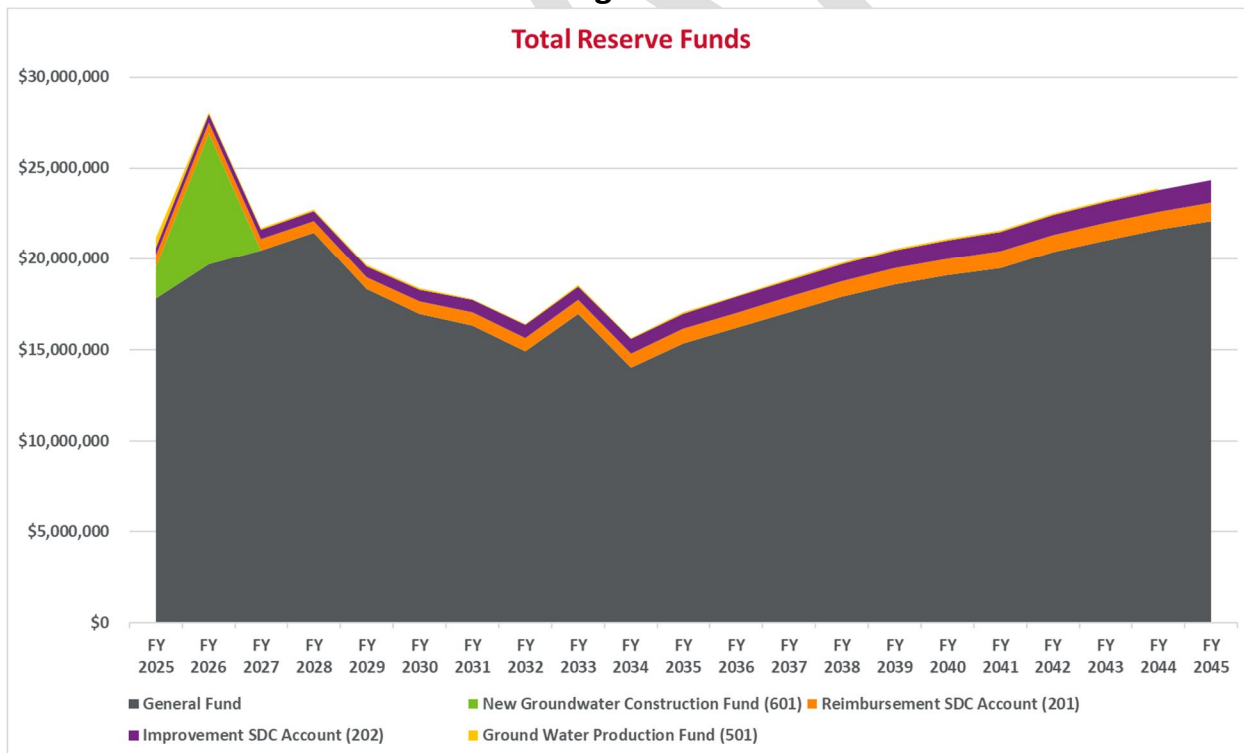


Figure 3



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 of these reserve needs and uses. Over the review period, the general fund appears to be healthy and sufficient given the assumptions of the 2025 Update.

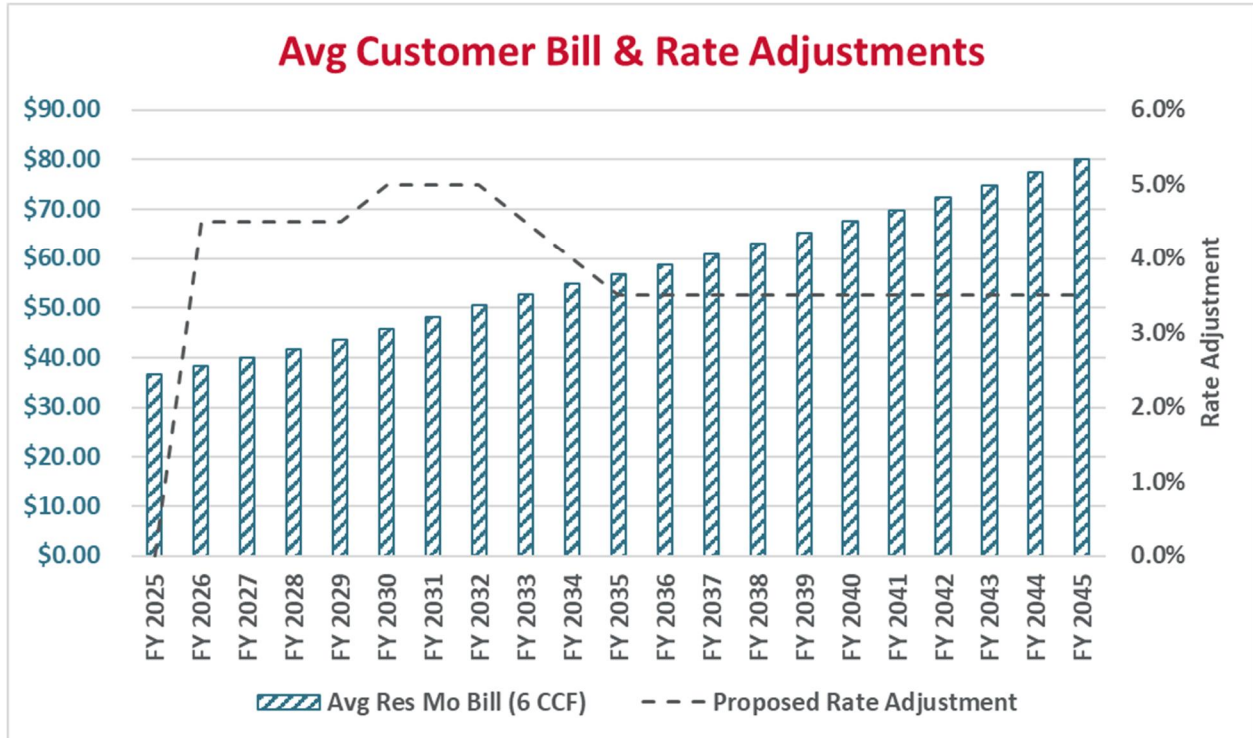
Summary of the Results of the 2025 Financial Plan Update

The revenue requirement analysis that was developed as part of the 2025 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 2025 – FY 2045). 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 2025 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 \$38.25 per month (FY 2026), currently, to \$80.17 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 rates that best meet the District’s goals and objectives. For example, a high level of revenues from the variable charge may incentivize additional conservation, the drawback is that the water utility is left vulnerable to swings in revenues due to how customers are using water.

Conclusion of the Financial Planning Analysis

This concludes the 2025 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 4.0% annually over the next 20 years. It is important to note that the District will need higher than average rate increases including 5.0% increases in FY 2030 through FY 2032 in order to transition rates to a level that adequately funds the anticipated long-term debt service related to the GDMP. 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 to its customers.

Rockwood Water PUD
Water Rate Study
Revenue Requirement Summary
Exhibit 1

	FY 2025	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
Revenue																					
Rate Revenues	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000
Non-Operating Revenues	2,531,240	2,631,399	1,953,067	2,003,740	1,994,420	2,013,374	2,044,968	2,052,491	2,113,160	2,099,595	2,150,858	2,196,249	2,242,295	2,289,197	2,334,947	2,378,989	2,422,030	2,473,791	2,523,376	2,572,850	2,622,140
Add'l Revenue from Adj.	0	607,500	1,242,338	1,905,743	2,599,001	3,403,951	4,249,149	5,136,606	5,975,253	6,754,264	7,463,163	8,196,873	8,956,264	9,742,233	10,555,711	11,397,661	12,269,080	13,170,997	14,104,482	15,070,639	16,070,611
Total Revenues	\$16,031,240	\$16,738,899	\$16,695,404	\$17,409,483	\$18,093,421	\$18,917,325	\$19,794,117	\$20,689,097	\$21,588,414	\$22,353,859	\$23,114,021	\$23,893,122	\$24,698,559	\$25,531,431	\$26,390,658	\$27,276,651	\$28,191,110	\$29,144,789	\$30,127,858	\$31,143,489	\$32,192,752
Expenses																					
Total Personnel Services	\$4,366,750	\$4,506,442	\$4,789,504	\$5,027,882	\$5,347,666	\$5,617,040	\$5,978,899	\$6,226,979	\$6,575,910	\$6,856,329	\$7,251,522	\$7,569,670	\$8,018,510	\$8,380,793	\$8,891,981	\$9,306,031	\$9,889,835	\$10,364,752	\$11,033,308	\$11,579,956	\$12,347,625
Total Materials and Services	5,717,887	6,190,021	2,212,418	2,301,007	2,393,811	2,491,091	2,593,125	2,700,215	2,812,686	2,930,890	3,055,208	3,186,050	3,323,862	3,469,128	3,622,371	3,784,160	3,955,112	4,135,898	4,327,248	4,529,954	4,744,880
Total Other Expenses	716,730	745,399	778,942	813,994	850,624	888,902	928,903	956,770	985,473	1,015,037	1,045,488	1,076,853	1,109,158	1,142,433	1,176,706	1,212,007	1,248,368	1,285,819	1,324,393	1,364,125	1,405,049
Transfer to Ground Water Production Fund	600,000	500,000	1,850,000	1,914,750	1,981,766	2,051,128	2,122,918	2,197,220	2,274,122	2,353,717	2,436,097	2,521,360	2,609,608	2,700,944	2,795,477	2,893,319	2,994,585	3,099,395	3,207,874	3,320,150	3,436,355
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	\$11,401,367	\$11,941,862	\$9,630,865	\$10,057,633	\$10,573,868	\$11,048,161	\$11,623,845	\$12,081,183	\$12,648,191	\$13,155,973	\$13,788,315	\$14,353,932	\$15,061,138	\$15,693,298	\$16,486,535	\$17,195,517	\$18,087,899	\$18,885,864	\$19,892,823	\$20,794,184	\$21,933,909
Net Debt Service	\$2,394,950	\$3,700,466	\$3,711,282	\$4,111,167	\$4,223,777	\$6,233,055	\$6,339,460	\$6,439,794	\$6,363,639	\$6,430,639	\$6,447,344	\$6,463,569	\$6,480,997	\$6,489,442	\$6,499,019	\$6,508,524	\$6,518,174	\$5,965,426	\$5,961,718	\$5,960,686	\$5,962,096
Rate Funded Capital	\$2,047,500	\$1,075,000	\$3,325,000	\$2,825,000	\$2,950,000	\$1,300,000	\$1,500,000	\$1,850,000	\$2,350,000	\$2,650,000	\$2,200,000	\$2,400,000	\$2,500,000	\$2,700,000	\$2,900,000	\$3,250,000	\$3,400,000	\$3,600,000	\$3,800,000	\$4,000,000	\$4,000,000
Reserve Funding	\$187,423	\$21,571	\$28,258	\$415,684	\$345,776	\$336,110	\$330,812	\$318,120	\$226,584	\$117,247	\$678,362	\$675,621	\$656,425	\$648,691	\$505,105	\$322,610	\$185,037	\$693,499	\$473,318	\$388,619	\$296,748
Total Revenue Requirement	\$16,031,240	\$16,738,899	\$16,695,404	\$17,409,483	\$18,093,421	\$18,917,325	\$19,794,117	\$20,689,097	\$21,588,414	\$22,353,859	\$23,114,021	\$23,893,122	\$24,698,559	\$25,531,431	\$26,390,658	\$27,276,651	\$28,191,110	\$29,144,789	\$30,127,858	\$31,143,489	\$32,192,752
Proposed Rate Adjustment	0.0%	4.5%	4.5%	4.5%	4.5%	5.0%	5.0%	5.0%	4.5%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
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	\$23,192,311	\$28,065,895	\$21,699,515	\$22,727,899	\$19,652,140	\$18,352,179	\$17,780,672	\$16,414,020	\$18,535,492	\$15,651,248	\$17,030,487	\$17,958,109	\$18,867,464	\$19,770,030	\$20,529,967	\$21,108,383	\$21,550,212	\$22,501,505	\$23,233,634	\$23,882,096	\$24,439,735

Rockwood Water PUD
 Water Rate Study
 Exhibit 2
 Escalation Factors

	<i>Yr End Est.</i>	<i>Budget</i>	<i>Projected</i>																			
	FY 2025	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	
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%	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%	0.25%
Expenses																						
General	Budgeted	Proposed	4.5%	4.5%	4.5%	4.5%	4.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
PERS	Budgeted	Proposed	10.0%	3.0%	10.0%	3.0%	10.0%	3.0%	10.0%	3.0%	10.0%	3.0%	10.0%	3.0%	10.0%	3.0%	10.0%	3.0%	10.0%	3.0%	10.0%	3.0%
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%	3.5%
Insurance	Budgeted	Proposed	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
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%	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%	3.2%
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%	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																						
Low Interest Loans																						
Term in Years	20	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%	3.3%
Revenue Bond																						
Term in Years	20	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%	5.0%

DRAFT

	<i>Yr End Est.</i>	<i>Budget</i>	<i>Projected</i>																	<i>Notes</i>			
	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>	<i>FY 2030</i>	<i>FY 2031</i>	<i>FY 2032</i>	<i>FY 2033</i>	<i>FY 2034</i>	<i>FY 2035</i>	<i>FY 2036</i>	<i>FY 2037</i>	<i>FY 2038</i>	<i>FY 2039</i>	<i>FY 2040</i>	<i>FY 2041</i>	<i>FY 2042</i>	<i>FY 2043</i>		<i>FY 2044</i>	<i>FY 2045</i>	
Revenues																							
<i>Rate Revenues</i>	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	As Customer Growth
Total Rate Revenues	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	\$13,500,000	
Non-Operating Revenues																							
Backflow Charges	\$40,000	\$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	\$41,943	As Misc Revenues
Set-up Fees	15,000	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	20,972	As Misc Revenues
Late Fees	282,681	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	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	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	52,429	As Misc Revenues
Gresham Utility Tax	480,833	500,066	522,569	546,085	570,658	596,338	623,173	641,868	661,124	680,958	701,387	722,429	744,101	766,424	789,417	813,100	837,493	862,617	888,496	915,151	942,605	942,605	As Customer Growth
Portland Utility Tax	220,140	228,945	239,248	250,014	261,264	273,021	285,307	293,866	302,682	311,763	321,116	330,749	340,672	350,892	361,419	372,261	383,429	394,932	406,780	418,983	431,553	431,553	As Misc Revenues
Fairview Utility Tax	15,757	16,388	17,125	17,896	18,701	19,543	20,422	21,035	21,666	22,316	22,986	23,675	24,385	25,117	25,871	26,647	27,446	28,269	29,118	29,991	30,891	30,891	As Customer Growth
Other Svc. Income	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	As Customer Growth
Interest	900,000	500,000	307,106	321,706	274,732	254,382	244,946	223,570	254,503	210,336	230,108	243,093	255,789	268,370	278,796	286,485	292,111	305,363	315,313	323,992	331,294	331,294	Calculated
Rental Income	0	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	7,500	7,519	7,538	7,556	7,575	7,594	7,613	7,632	7,651	7,670	7,690	7,709	7,728	7,747	7,767	7,786	7,806	7,825	7,845	7,864	7,864	As Misc Revenues
Other Misc. Income	65,829	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	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	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	0	As Customer Growth
Total Non-Operating Revenues	\$2,531,240	\$2,631,399	\$1,953,067	\$2,003,740	\$1,994,420	\$2,013,374	\$2,044,968	\$2,052,491	\$2,113,160	\$2,099,595	\$2,150,858	\$2,196,249	\$2,242,295	\$2,289,197	\$2,334,947	\$2,378,989	\$2,422,030	\$2,473,791	\$2,523,376	\$2,572,850	\$2,622,140	\$2,622,140	
Total Revenues	\$16,031,240	\$16,131,399	\$15,453,067	\$15,503,740	\$15,494,420	\$15,513,374	\$15,544,968	\$15,552,491	\$15,613,160	\$15,599,595	\$15,650,858	\$15,696,249	\$15,742,295	\$15,789,197	\$15,834,947	\$15,878,989	\$15,922,030	\$15,973,791	\$16,023,376	\$16,072,850	\$16,122,140	\$16,122,140	
Expenses																							
Personnel Services																							
Wages/Salaries	\$2,690,000	\$2,550,041	\$2,664,793	\$2,784,709	\$2,910,020	\$3,040,971	\$3,177,815	\$3,273,149	\$3,371,344	\$3,472,484	\$3,576,659	\$3,683,959	\$3,794,477	\$3,908,312	\$4,025,561	\$4,146,328	\$4,270,718	\$4,398,839	\$4,530,804	\$4,666,729	\$4,806,730	\$4,806,730	As General
PTO Payout	8,600	16,100	16,825	17,582	18,373	19,200	20,064	20,665	21,285	21,924	22,582	23,259	23,957	24,676	25,416	26,178	26,964	27,773	28,606	29,464	30,348	30,348	As General
Office OT	300	1,000	1,045	1,092	1,141	1,193	1,246	1,284	1,322	1,362	1,403	1,445	1,488	1,533	1,579	1,626	1,675	1,725	1,777	1,830	1,885	1,885	As General
Field OT	15,000	20,000	20,900	21,841	22,823	23,850	24,924	25,671	26,441	27,235	28,052	28,893	29,760	30,653	31,573	32,520	33,495	34,500	35,535	36,601	37,699	37,699	As General
On Call Duty	75,000	90,000	94,050	98,282	102,705	107,327	112,156	115,521	118,987	122,556	126,233	130,020	133,921	137,938	142,076	146,339	150,729	155,251	159,908	164,705	169,647	169,647	As General
Water Certs.	16,000	16,000	16,720	17,472	18,259	19,080	19,939	20,537	21,153	21,788	22,441	23,115	23,808	24,522	25,258	26,016	26,796	27,600	28,428	29,281	30,159	30,159	As General
Emp. Bonus	0	2,800	2,926	3,058	3,195	3,339	3,489	3,594	3,702	3,813	3,927	4,045	4,166	4,291	4,420	4,553	4,689	4,830	4,975	5,124	5,278	5,278	As General
Mkt. Based Wage Adj.	0	76,501	79,944	83,541	87,300	91,229	95,334	98,194	101,140	104,174	107,299	110,518	113,834	117,249	120,766	124,389	128,121	131,965	135,924	140,001	144,201	144,201	As General
Social Security	163,000	167,000	174,515	182,368	190,575	199,151	208,112	214,356	220,786	227,410	234,232	241,259	248,497	255,952	263,631	271,539	279,686	288,076	296,718	305,620	314,789	314,789	As General
Medicare	38,000	40,000	41,800	43,681	45,647	47,701	49,847	51,343	52,883	54,469	56,104	57,787	59,520	61,306	63,145	65,039	66,991	69,000	71,070	73,202	75,398	75,398	As General
Unemp. Ins.	2,500	2,700	2,822	2,948	3,081	3,220	3,365	3,466	3,570	3,677	3,787	3,901	4,018	4,138	4,262	4,390	4,522	4,658	4,797	4,941	5,089	5,089	As General
Tri Met	18,000	22,000	22,990	24,025	25,106	26,235	27,416	28,238	29,086	29,958	30,857	31,783	32,736	33,718	34,730	35,772	36,845	37,950	39,089	40,261	41,469	41,469	As General
Wk. Comp	25,500	32,000	33,440	34,945	36,517	38,161	39,878	41,074	42,306	43,576	44,883	46,229	47,616	49,045	50,516	52,032	53,592	55,200	56,856	58,562	60,319	60,319	As General
PERS	715,000	850,000	935,000	963,050	1,059,355	1,091,136	1,200,249	1,236,257	1,359,882	1,400,679	1,540,747	1,586,969	1,745,666	1,798,036	1,977,840	2,037,175	2,240,892	2,308,119	2,538,931	2,615,099	2,876,609	2,876,609	As PERS
Emp. Insurance	590,000	609,500	670,450	737,495	811,245	892,369	981,606	1,079,766	1,187,743	1,306,517	1,437,169	1,580,886	1,738,975	1,912,872	2,104,159	2,314,575	2,546,033	2,800,636	3,080,700	3,388,770	3,727,647	3,727,647	As Insurance
Oregon Paid Leave Law	9,850	10,800	11,286	11,794	12,325	12,879	13,459	13,863	14,278	14,707	15,148	15,602	16,070	16,553	17,049	17,561	18,087	18,630	19,189	19,765	20,358	20,358	As General
Total Personnel Services	\$4,366,750	\$4,506,442	\$4,789,504	\$5,027,882	\$5,347,666	\$5,617,040	\$5,978,899	\$6,226,979	\$6,575,910	\$6,856,329	\$7,251,522	\$7,569,670	\$8,018,510	\$8,380,793	\$8,891,981	\$9,306,031	\$9,889,835	\$10,364,752	\$11,033,308	\$11,579,956	\$12,347,625	\$12,347,625	

	<i>Yr End Est.</i>		<i>Budget</i>		<i>Projected</i>																	<i>Notes</i>	
	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>	<i>FY 2030</i>	<i>FY 2031</i>	<i>FY 2032</i>	<i>FY 2033</i>	<i>FY 2034</i>	<i>FY 2035</i>	<i>FY 2036</i>	<i>FY 2037</i>	<i>FY 2038</i>	<i>FY 2039</i>	<i>FY 2040</i>	<i>FY 2041</i>	<i>FY 2042</i>	<i>FY 2043</i>	<i>FY 2044</i>	<i>FY 2045</i>		
Materials and Services																							
Water Purchase from Portland	\$3,925,195	\$4,062,216	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	As Purchased Water
Contract Services	155,000	172,900	178,952	185,215	191,697	198,407	205,351	212,538	219,977	227,676	235,645	243,893	252,429	261,264	270,408	279,872	289,668	299,806	310,299	321,160	332,400	343,800	As Materials & Services
Technical & Consulting	25,000	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	59,625	As Materials & Services
Auditing	24,500	24,500	25,358	26,245	27,164	28,114	29,098	30,117	31,171	32,262	33,391	34,560	35,769	37,021	38,317	39,658	41,046	42,483	43,970	45,508	47,101	48,788	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	198,875	As Materials & Services
Telephone/Cell Phone	44,812	48,400	50,094	51,847	53,662	55,540	57,484	59,496	61,578	63,734	65,964	68,273	70,663	73,136	75,695	78,345	81,087	83,925	86,862	89,902	93,049	96,306	As Materials & Services
Sewer/Storm	12,000	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	31,838	As Materials & Services
Heating/Electricity	27,600	29,000	30,015	31,066	32,153	33,278	34,443	35,648	36,896	38,187	39,524	40,907	42,339	43,821	45,355	46,942	48,585	50,286	52,046	53,867	55,753	57,696	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	10,525	10,890	11,271	11,665	12,074	12,496	12,933	As Materials & Services
Office Supplies	41,000	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	83,566	As Materials & Services
Postage	45,000	54,900	56,822	58,810	60,869	62,999	65,204	67,486	69,848	72,293	74,823	77,442	80,152	82,958	85,861	88,866	91,977	95,196	98,528	101,976	105,545	109,264	As Materials & Services
Conservation	23,200	50,350	52,112	53,936	55,824	57,778	59,800	61,893	64,059	66,301	68,622	71,024	73,509	76,082	78,745	81,501	84,354	87,306	90,362	93,525	96,798	100,287	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	7,959	As Materials & Services
Insurance General	139,000	156,000	171,600	188,760	207,636	228,400	251,240	276,364	304,000	334,400	367,840	404,624	445,086	489,595	538,554	592,410	651,651	716,816	788,497	867,347	954,082	1,048,875	As Insurance
Safety Gear and Equipment	20,000	20,000	20,700	21,425	22,174	22,950	23,754	24,585	25,446	26,336	27,258	28,212	29,199	30,221	31,279	32,374	33,507	34,680	35,894	37,150	38,450	39,800	As Materials & Services
Training and Education	42,800	44,700	46,265	47,884	49,560	51,294	53,090	54,948	56,871	58,861	60,922	63,054	65,261	67,545	69,909	72,356	74,888	77,509	80,222	83,030	85,936	88,948	As Materials & Services
Dues, License and Subscriptions	103,000	105,225	108,908	112,720	116,665	120,748	124,974	129,348	133,876	138,561	143,411	148,430	153,625	159,002	164,567	170,327	176,289	182,459	188,845	195,454	202,295	210,375	As Materials & Services
Office Equipment	2,000	2,000	2,070	2,142	2,217	2,295	2,375	2,459	2,545	2,634	2,726	2,821	2,920	3,022	3,128	3,237	3,351	3,468	3,589	3,715	3,845	3,976	As Materials & Services
Computer/Office Equipment Maint.	10,760	33,000	34,155	35,350	36,588	37,868	39,194	40,565	41,985	43,455	44,976	46,500	48,179	49,865	51,611	53,417	55,287	57,222	59,224	61,297	63,443	65,666	As Materials & Services
Building & Grounds Maintenance	90,000	81,880	84,746	87,712	90,782	93,959	97,248	100,651	104,174	107,820	111,594	115,500	119,542	123,726	128,057	132,539	137,178	141,979	146,948	152,091	157,414	162,922	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	19,900	As Materials & Services
Vehicle Maintenance	35,000	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	69,638	As Materials & Services
Tires	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	19,900	As Materials & Services
Gas, Lubricants, Disposal	45,000	45,000	46,575	48,205	49,892	51,639	53,446	55,316	57,253	59,256	61,330	63,477	65,699	67,998	70,378	72,841	75,391	78,029	80,760	83,587	86,513	89,440	As Materials & Services
Small Tools and Equipment	20,000	20,000	20,700	21,425	22,174	22,950	23,754	24,585	25,446	26,336	27,258	28,212	29,199	30,221	31,279	32,374	33,507	34,680	35,894	37,150	38,450	39,800	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	596,930	As Materials & Services
Water Sampling and Testing	49,000	57,000	58,995	61,060	63,197	65,409	67,698	70,068	72,520	75,058	77,685	80,404	83,218	86,131	89,145	92,266	95,495	98,837	102,297	105,877	109,583	113,420	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	19,900	As Materials & Services
Reservoir Maintenance	21,000	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	59,690	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	9,950	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	9,950	As Materials & Services
Telemetry	10,000	15,900	16,457	17,032	17,629	18,246	18,884	19,545	20,229	20,937	21,670	22,429	23,214	24,026	24,867	25,737	26,638	27,570	28,535	29,534	30,568	31,638	As Materials & Services
Pumping	60,000	75,000	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651	130,049	134,601	139,312	144,188	149,339	As Materials & Services
Board Meeting Fees	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	7,959	As Materials & Services
Director's Expense	20,000	24,000	24,840	25,709	26,609	27,541	28,504	29,502	30,535	31,603	32,710	33,854	35,039	36,266	37,535	38,849	40,208	41,616	43,072	44,580	46,140	47,755	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	21,899	As Materials & Services
General Office	250,000	343,600	355,626	368,073	380,955	394,289	408,089	422,372	437,155	452,456	468,292	484,682	501,646	519,203	537,375	556,183	575,650	595,798	616,651	638,233	660,571	683,762	As Materials & Services
Cash Over/Short	20	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	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	79,582	As Materials & Services
Customer Assistance	40,000	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	119,392	As Materials & Services
Taxes and Assessments	6,500	5,950	6,158	6,374	6,597	6,828	7,067	7,314	7,570	7,835	8,109	8,393	8,687										

	<i>Yr End Est.</i>		<i>Budget</i>		<i>Projected</i>																<i>Notes</i>	
	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>	<i>FY 2030</i>	<i>FY 2031</i>	<i>FY 2032</i>	<i>FY 2033</i>	<i>FY 2034</i>	<i>FY 2035</i>	<i>FY 2036</i>	<i>FY 2037</i>	<i>FY 2038</i>	<i>FY 2039</i>	<i>FY 2040</i>	<i>FY 2041</i>	<i>FY 2042</i>	<i>FY 2043</i>	<i>FY 2044</i>		<i>FY 2045</i>
Debt Service																						
2021 Rev Bond (Refi)	\$1,436,750	\$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	Exhibit 5
2022 WIFIA	569,800	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	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	423,600	1,516,455	1,514,030	1,515,915	1,512,285	1,513,333	1,513,173	1,511,780	1,513,735	1,514,215	1,513,190	1,515,630	1,516,318	1,515,218	1,512,295	1,511,495	1,513,035	1,516,073	1,512,365	1,511,333	1,512,743	Exhibit 5
2025 WIFIA	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	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	\$2,430,150	\$3,736,881	\$3,739,056	\$4,138,941	\$4,251,551	\$6,260,829	\$6,367,234	\$6,467,568	\$6,391,413	\$6,458,413	\$6,475,118	\$6,491,343	\$6,508,771	\$6,517,216	\$6,526,793	\$6,536,298	\$6,545,948	\$5,993,200	\$5,989,492	\$5,988,460	\$5,989,870	
<i>Less: Improvement SDC Revenues</i>	\$35,200	\$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	50% of improvement SDC
Net Debt Service	\$2,394,950	\$3,700,466	\$3,711,282	\$4,111,167	\$4,223,777	\$6,233,055	\$6,339,460	\$6,439,794	\$6,363,639	\$6,430,639	\$6,447,344	\$6,463,569	\$6,480,997	\$6,489,442	\$6,499,019	\$6,508,524	\$6,518,174	\$5,965,426	\$5,961,718	\$5,960,686	\$5,962,096	
Rate Funded Capital	\$2,047,500	\$1,075,000	\$3,325,000	\$2,825,000	\$2,950,000	\$1,300,000	\$1,500,000	\$1,850,000	\$2,350,000	\$2,650,000	\$2,200,000	\$2,400,000	\$2,500,000	\$2,700,000	\$2,900,000	\$3,250,000	\$3,400,000	\$3,600,000	\$3,800,000	\$4,000,000	\$4,000,000	\$1,303,690 FY 2023 Dep. Exp.
Reserve Funding																						
To / (From) General Fund	\$187,423	\$21,571	\$28,258	\$415,684	\$345,776	\$336,110	\$330,812	\$318,120	\$226,584	\$117,247	\$678,362	\$675,621	\$656,425	\$648,691	\$505,105	\$322,610	\$185,037	\$693,499	\$473,318	\$388,619	\$296,748	
To / (From) Fund 601	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Reserve Funding	\$187,423	\$21,571	\$28,258	\$415,684	\$345,776	\$336,110	\$330,812	\$318,120	\$226,584	\$117,247	\$678,362	\$675,621	\$656,425	\$648,691	\$505,105	\$322,610	\$185,037	\$693,499	\$473,318	\$388,619	\$296,748	
Total Revenue Requirement	\$16,031,240	\$16,738,899	\$16,695,404	\$17,409,483	\$18,093,421	\$18,917,325	\$19,794,117	\$20,689,097	\$21,588,414	\$22,353,859	\$23,114,021	\$23,893,122	\$24,698,559	\$25,531,431	\$26,390,658	\$27,276,651	\$28,191,110	\$29,144,789	\$30,127,858	\$31,143,489	\$32,192,752	
Bal/(Def.) of Funds	\$0	(\$607,500)	(\$1,242,337)	(\$1,905,743)	(\$2,599,001)	(\$3,403,951)	(\$4,249,149)	(\$5,136,606)	(\$5,975,253)	(\$6,754,264)	(\$7,463,163)	(\$8,196,873)	(\$8,956,264)	(\$9,742,233)	(\$10,555,711)	(\$11,397,661)	(\$12,269,080)	(\$13,170,997)	(\$14,104,482)	(\$15,070,639)	(\$16,070,611)	
Rate Adj. as a % of Rate Rev.	0.0%	4.5%	9.2%	14.1%	19.3%	25.2%	31.5%	38.0%	44.3%	50.0%	55.3%	60.7%	66.3%	72.2%	78.2%	84.4%	90.9%	97.6%	104.5%	111.6%	119.0%	
Proposed Rate Adjustment	0.0%	4.5%	4.5%	4.5%	4.5%	5.0%	5.0%	5.0%	4.5%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	
<i>Effective Months</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>12</i>	
Add'l Revenue from Adj.	\$0	\$607,500	\$1,242,338	\$1,905,743	\$2,599,001	\$3,403,951	\$4,249,149	\$5,136,606	\$5,975,253	\$6,754,264	\$7,463,163	\$8,196,873	\$8,956,264	\$9,742,233	\$10,555,711	\$11,397,661	\$12,269,080	\$13,170,997	\$14,104,482	\$15,070,639	\$16,070,611	
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	\$38.25	\$39.97	\$41.77	\$43.65	\$45.83	\$48.12	\$50.53	\$52.80	\$54.91	\$56.83	\$58.82	\$60.88	\$63.01	\$65.22	\$67.50	\$69.86	\$72.31	\$74.84	\$77.46	\$80.17	
Annual \$ Change		1.65	1.72	1.80	1.88	2.18	2.29	2.41	2.27	2.11	1.92	1.99	2.06	2.13	2.21	2.28	2.36	2.45	2.53	2.62	2.71	
Cumulative Change		1.65	3.37	5.17	7.05	9.23	11.52	13.93	16.20	18.31	20.23	22.22	24.28	26.41	28.62	30.90	33.26	35.71	38.24	40.86	43.57	
DSC Ratio (All Debt, No SDCs)																						
Before Rate Adjustment	1.91	1.12	1.56	1.32	1.16	0.71	0.62	0.54	0.46	0.38	0.29	0.21	0.10	0.01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
After Rate Adjustment	1.91	1.28	1.89	1.78	1.77	1.26	1.28	1.33	1.40	1.42	1.44	1.47	1.48	1.51	1.52	1.54	1.54	1.71	1.71	1.73	1.71	
DSC Ratio (Revenue Bonds Only, No SDCs)																						
Before Rate Adjustment	2.49	1.42	1.97	1.85	1.67	1.51	1.33	1.18	1.14	0.94	0.72	0.52	0.26	0.04	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
After Rate Adjustment	2.49	1.63	2.39	2.49	2.55	2.67	2.77	2.92	3.45	3.55	3.60	3.68	3.71	3.80	3.83	3.89	3.90	6.77	6.77	6.85	6.78	
DSC Ratio (All Debt, w/SDCs)																						
Before Rate Adjustment	2.04	1.21	1.62	1.38	1.22	0.75	0.66	0.58	0.50	0.42	0.33	0.25	0.14	0.05	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
After Rate Adjustment	2.04	1.37	1.96	1.84	1.83	1.30	1.32	1.37	1.44	1.46	1.48	1.51	1.52	1.55	1.56	1.58	1.58	1.75	1.75	1.77	1.75	
DSC Ratio (Revenue Bonds Only, w/SDCs)																						
Before Rate Adjustment	2.66	1.53	2.06	1.93	1.75	1.60	1.42	1.26	1.24	1.04	0.82	0.62	0.36	0.13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
After Rate Adjustment	2.66	1.74	2.48	2.58	2.64	2.75	2.86	3.01	3.55	3.65	3.70	3.78	3.81	3.90	3.92	3.99	4.00	6.93	6.93	7.01	6.95	

	Yr End Est.	Budget	Projected																		Notes	
	FY 2025	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
Reserve Funds																						
Beginning Balance	\$19,519,832	\$23,192,311	\$28,065,895	\$21,699,515	\$22,727,899	\$19,652,140	\$18,352,179	\$17,780,672	\$16,414,020	\$18,535,492	\$15,651,248	\$17,030,487	\$17,958,109	\$18,867,464	\$19,770,030	\$20,529,967	\$21,108,383	\$21,550,212	\$22,501,505	\$23,233,634	\$23,882,096	
General Fund																						
Beginning Balance	\$17,264,586	\$17,822,009	\$19,677,350	\$20,473,727	\$21,447,072	\$18,315,448	\$16,958,785	\$16,329,725	\$14,904,657	\$16,966,837	\$14,022,411	\$15,340,566	\$16,206,187	\$17,052,612	\$17,891,303	\$18,586,408	\$19,099,018	\$19,474,054	\$20,357,553	\$21,020,871	\$21,599,490	
Plus: Additions	187,423	21,571	606,377	783,346	345,776	336,110	330,812	318,120	1,872,180	117,247	1,128,155	675,621	656,425	648,691	505,105	322,610	185,037	693,499	473,318	388,619	296,748	
Plus: Transfer from Reimbursement SDC	300,000	300,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	
Plus: Transfer From Slug Fund	0	2,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: Transfer from 601	70,000	140,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Less: Uses of Funds	0	(606,231)	0	0	(3,667,400)	(1,882,773)	(1,149,872)	(1,933,188)	0	(3,251,673)	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$17,822,009	\$19,677,350	\$20,473,727	\$21,447,072	\$18,315,448	\$16,958,785	\$16,329,725	\$14,904,657	\$16,966,837	\$14,022,411	\$15,340,566	\$16,206,187	\$17,052,612	\$17,891,303	\$18,586,408	\$19,099,018	\$19,474,054	\$20,357,553	\$21,020,871	\$21,599,490	\$22,086,238	
Target: 1 Year of O&M	\$11,401,367	\$11,941,862	\$9,630,865	\$10,057,633	\$10,573,868	\$11,048,161	\$11,623,845	\$12,081,183	\$12,648,191	\$13,155,973	\$13,788,315	\$14,353,932	\$15,061,138	\$15,693,298	\$16,486,535	\$17,195,517	\$18,087,899	\$18,885,864	\$19,892,823	\$20,794,184	\$21,933,909	
days of O&M	571	601	776	778	632	560	513	450	490	389	406	412	413	416	411	405	393	393	386	379	368	
New Groundwater Construction Fund (601)																						
Beginning Balance	(\$953,884)	\$1,718,372	\$7,216,982	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Plus: To Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: WIFIA Proceeds	16,925,394	22,878,854	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: Rev Bond Proceeds	21,262,370	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: City of Gresham	1,500,000	577,388	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	(70,000)	(140,000)	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	(38,070,508)	(17,802,632)	(7,216,982)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$1,718,372	\$7,216,982	\$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	\$698,315	\$647,915	\$606,133	\$625,073	\$644,297	\$663,810	\$683,615	\$703,718	\$724,122	\$744,832	\$765,852	\$787,188	\$808,844	\$830,825	\$853,136	\$875,781	\$898,766	\$922,096	\$945,775	\$969,810	\$994,205	
Plus: SDCs	249,600	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	
Plus: Interest	0	0	11,994	12,278	12,567	12,859	13,156	13,458	13,764	14,075	14,390	14,710	15,035	15,364	15,699	16,039	16,384	16,734	17,089	17,449	17,815	
Less: Uses of Funds	(300,000)	(300,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	
Ending Balance	\$647,915	\$606,133	\$625,073	\$644,297	\$663,810	\$683,615	\$703,718	\$724,122	\$744,832	\$765,852	\$787,188	\$808,844	\$830,825	\$853,136	\$875,781	\$898,766	\$922,096	\$945,775	\$969,810	\$994,205	\$1,018,967	
Improvement SDC Account (202)																						
Beginning Balance	\$415,210	\$450,410	\$486,825	\$522,110	\$557,925	\$594,277	\$631,173	\$668,624	\$706,636	\$745,218	\$784,379	\$824,128	\$864,472	\$905,422	\$946,986	\$989,174	\$1,031,994	\$1,075,457	\$1,119,571	\$1,164,348	\$1,209,796	
Plus: SDCs	70,400	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	
Plus: Interest	0	0	7,511	8,040	8,577	9,122	9,676	10,238	10,808	11,387	11,974	12,570	13,175	13,790	14,413	15,046	15,688	16,340	17,002	17,674	18,355	
Less: Uses of Funds	(35,200)	(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)	
Ending Balance	\$450,410	\$486,825	\$522,110	\$557,925	\$594,277	\$631,173	\$668,624	\$706,636	\$745,218	\$784,379	\$824,128	\$864,472	\$905,422	\$946,986	\$989,174	\$1,031,994	\$1,075,457	\$1,119,571	\$1,164,348	\$1,209,796	\$1,255,925	
Slug Fund Reserve (301)																						
Beginning Balance	\$2,000,000	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Transfer To General Fund	0	(2,000,000)	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	\$2,000,000	\$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	\$95,605	\$553,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	
Plus: Additions - City of Gresham	500,000	650,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Plus: Transfer from General Fund	600,000	500,000	1,850,000	1,914,750	1,981,766	2,051,128	2,122,918	2,197,220	2,274,122	2,353,717	2,436,097	2,521,360	2,609,608	2,700,944	2,795,477	2,893,319	2,994,585	3,099,395	3,207,874	3,320,150	3,436,355	
Less: Uses of Funds			(1,850,000)	(1,914,750)	(1,981,766)	(2,051,128)	(2,122,918)	(2,197,220)	(2,274,122)	(2,353,717)	(2,436,097)	(2,521,360)	(2,609,608)	(2,700,944)	(2,795,477)	(2,893,319)	(2,994,585)	(3,099,395)	(3,207,874)	(3,320,150)	(3,436,355)	
Equip Maint	(178,000)	(100,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Oper Supplies	(45,000)	(50,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Wellhead Prot.	(70,000)	(100,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Testing	(9,000)	(15,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Res. Maint.	(5,000)	(10,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pumping	(270,000)	(700,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Transfer to General Fund (101)	(65,000)	(150,000)	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	0	(500,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	\$553,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	\$78,605	
Ending Balance	\$23,192,311	\$28,065,895	\$21,699,515	\$22,727,899	\$19,652,140	\$18,352,179	\$17,780,672	\$16,414,020	\$18,535,492	\$15,651,248	\$17,030,487	\$17,958,109	\$18,867,464	\$19,770,030	\$20,529,967	\$21,108,383	\$21,550,212	\$22,501,505	\$23,233,634	\$23,882,096	\$24,439,735	
Total Target	\$11,401,367	\$11,941,862	\$9,630,865	\$10,057,633	\$10,573,868	\$11,048,161	\$11,623,845	\$12,081,183	\$12,648,191	\$13,155,973	\$13,788,315	\$14,353,932	\$15,061,138	\$15,693,298	\$16,486,535							

Rockwood Water PUD
 Water Rate Study
 Exhibit 4
 Capital Improvement Plan

	FY 2025	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	Total
Water CIP																						
Water System	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
New Services	65,000	67,080	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	1,904,586
Meter Upgrades	1,000	1,032	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	29,301
Field Equipment	111,000	114,552	118,218	122,001	125,905	129,934	134,091	138,382	142,811	147,381	152,097	156,964	161,987	167,170	172,520	178,040	183,738	189,617	195,685	201,947	208,409	3,252,447
Shop Equipment	8,000	8,256	8,520	8,793	9,074	9,365	9,664	9,974	10,293	10,622	10,962	11,313	11,675	12,048	12,434	12,832	13,242	13,666	14,103	14,555	15,020	234,411
Automotive Equipment	230,000	237,360	244,956	252,794	260,884	269,232	277,847	286,738	295,914	305,383	315,155	325,240	335,648	346,389	357,473	368,912	380,718	392,901	405,473	418,449	431,839	6,739,305
Computer/Office Equipment	35,500	36,636	37,808	39,018	40,267	41,555	42,885	44,257	45,674	47,135	48,644	50,200	51,807	53,464	55,175	56,941	58,763	60,643	62,584	64,587	66,653	1,040,197
Buildings	72,000	74,304	76,682	79,136	81,668	84,281	86,978	89,762	92,634	95,598	98,657	101,814	105,072	108,435	111,905	115,486	119,181	122,995	126,931	130,993	135,184	2,109,696
Land	500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500,000
ST7, 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Speciality Surveys and Engineering Consulting	25,000	25,800	26,626	27,478	28,357	29,264	30,201	31,167	32,165	33,194	34,256	35,352	36,483	37,651	38,856	40,099	41,382	42,707	44,073	45,484	46,939	732,533
ST10	0	0	0	0	4,681,447	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,681,447
BonAI PS	0	0	0	618,526	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	618,526
Well	0	0	0	0	0	0	0	0	0	5,174,729	0	0	0	0	0	0	0	0	0	0	0	5,174,729
ST1	0	0	0	0	0	2,541,884	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,541,884
ST2	0	0	0	0	0	0	1,988,475	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,988,475
ST3	0	0	0	0	0	0	0	3,100,626	0	0	0	0	0	0	0	0	0	0	0	0	0	3,100,626
AMI Zone 1+	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AMI Zone 2/3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AMI Zone 3/4	0	1,116,211	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,116,211
AMI Zone 5/6	0	0	1,163,780	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,163,780
AMI Zone 6/7	0	0	0	1,237,052	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,237,052
AMI Zone 7/8	0	0	0	0	1,314,937	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,314,937
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	\$2,047,500	\$1,681,231	\$1,746,881	\$2,457,338	\$6,617,400	\$3,182,773	\$2,649,872	\$3,783,188	\$704,404	\$5,901,673	\$750,207	\$774,214	\$798,988	\$824,556	\$850,942	\$878,172	\$906,273	\$935,274	\$965,203	\$996,090	\$1,027,964	\$40,480,143
GDMP																						
Package 1	\$399,568	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$399,568
Package 2a	10,135,280	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,135,280
Package 2b	1,872,626	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,872,626
Package 3	8,000,000	11,024,440	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	19,024,440
Package 4	15,000,000	5,578,192	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,578,192
Package 5	600,000	1,200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,800,000
Package 6	2,063,034	0	7,216,982	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,280,016
Package 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Package 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Package 9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$38,070,508	\$17,802,632	\$7,216,982	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63,090,122
Future Capital Projects	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$1,625,786	\$1,701,012	\$1,875,444	\$2,049,058	\$2,371,828	\$2,493,727	\$2,664,726	\$2,834,797	\$3,003,910	\$2,972,036	\$25,592,324
To Operating Reserves	\$0	\$0	\$578,119	\$367,662	\$0	\$0	\$0	\$0	\$1,645,596	\$0	\$449,793	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,041,170
Total Capital Improvement Projects	\$40,118,008	\$19,483,863	\$10,541,982	\$2,825,000	\$6,617,400	\$3,182,773	\$2,649,872	\$3,783,188	\$2,350,000	\$5,901,673	\$2,200,000	\$2,400,000	\$2,500,000	\$2,700,000	\$2,900,000	\$3,250,000	\$3,400,000	\$3,600,000	\$3,800,000	\$4,000,000	\$4,000,000	\$132,203,759
Less: Outside Funding Sources																						
General Fund	\$0	\$606,231	\$0	\$0	\$3,667,400	\$1,882,773	\$1,149,872	\$1,933,188	\$0	\$3,251,673	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,491,137
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
Bond of Combo of WIFIA 2 and Bond 2	38,070,508	17,802,632	7,216,982	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63,090,122
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	\$38,070,508	\$18,408,863	\$7,216,982	\$0	\$3,667,400	\$1,882,773	\$1,149,872	\$1,933,188	\$0	\$3,251,673	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,581,259
Rate Funded Capital	\$2,047,500	\$1,075,000	\$3,325,000	\$2,825,000	\$2,950,000	\$1,300,000	\$1,500,000	\$1,850,000	\$2,350,000	\$2,650,000	\$2,200,000	\$2,400,000	\$2,500,000	\$2,700,000	\$2,900,000	\$3,250,000	\$3,400,000	\$3,600,000	\$3,800,000	\$4,000,000	\$4,000,000	\$24,072,500

Rockwood Water PUD
 Water Rate Study
 SDC Revenue Projection

	FY 2025	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
Total SDC Revenue	\$320,000	\$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
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
	57	59	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	\$70,400	\$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
Reimbursement Fee	249,600	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

DRAFT

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 2025	\$1,436,750	\$569,800	\$0	\$423,600	\$2,430,150
FY 2026	1,432,550	787,876	0	1,516,455	3,736,881
FY 2027	1,437,150	787,876	0	1,514,030	3,739,056
FY 2028	1,435,150	1,187,876	0	1,515,915	4,138,941
FY 2029	1,436,750	1,302,516	0	1,512,285	4,251,551
FY 2030	1,436,750	1,413,919	1,896,827	1,513,333	6,260,829
FY 2031	1,435,150	1,522,084	1,896,827	1,513,173	6,367,234
FY 2032	1,431,950	1,627,011	1,896,827	1,511,780	6,467,568
FY 2033	1,077,150	1,903,701	1,896,827	1,513,735	6,391,413
FY 2034	1,074,750	1,972,621	1,896,827	1,514,215	6,458,413
FY 2035	1,076,150	1,988,951	1,896,827	1,513,190	6,475,118
FY 2036	1,074,900	2,003,986	1,896,827	1,515,630	6,491,343
FY 2037	1,077,900	2,017,726	1,896,827	1,516,318	6,508,771
FY 2038	1,075,000	2,030,171	1,896,827	1,515,218	6,517,216
FY 2039	1,076,350	2,041,321	1,896,827	1,512,295	6,526,793
FY 2040	1,076,800	2,051,176	1,896,827	1,511,495	6,536,298
FY 2041	1,076,350	2,059,736	1,896,827	1,513,035	6,545,948
FY 2042	0	2,580,300	1,896,827	1,516,073	5,993,200
FY 2043	0	2,580,300	1,896,827	1,512,365	5,989,492
FY 2044	0	2,580,300	1,896,827	1,511,333	5,988,460
FY 2045	0	2,580,300	1,896,827	1,512,743	5,989,870
FY 2046	0	2,580,300	1,896,827	1,511,363	5,988,490
FY 2047	0	2,580,300	1,896,827	1,512,193	5,989,320

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 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 anticipated 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 2025/2026 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 several 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), provide 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 2024/2025, the District has progressed 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 completed in the upcoming FY 2025/2026.

Design and Construction of the CGA projects will allow 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 recommended rate adjustment for FY 2025/2026 is 4.5% based on the 2025 rate model.

This one-time account set-up fee is charged to new customers in the District. This budget is the same as 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 \$150,000

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 the same as the past year.

3-50-5100 Interest Income \$500,000

Annual anticipated earnings on our cash reserve account in the Oregon State Investment Pool and other small investments. The budget is increased by \$300,000 due to higher interest income in the past two years. The budget is still conservative, as the previous two fiscal years showed an actual interest income of close to \$1,000,000 each.

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 will not be rented in anticipation of construction in FY 2025/2026.

3-60-6100 Scrap Metal Income \$7,500

To be a more sustainable organization, the District sells recyclable scrap metals throughout the year. This budget is the same as the previous year.

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

5-20-5510 Computer/Office Equipment Maintenance \$33,000

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 has increased by \$23,000 to replace computers that cannot upgrade to Windows 11, to purchase emergency backup radios, and to purchase a 3d printer.

5-20-5520 Building & Grounds Maintenance \$81,880

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 by about \$6,000.

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 \$35,000

General maintenance and repairs to our vehicles, including heavy equipment, such as backhoes and dump trucks. Budget remains unchanged.

5-20-5550 Tires \$10,000

Anticipated cost of tires for all rolling stock. Budget has decreased because no large tire replacements are planned this year.

5-20-5560 Gasoline & Lubricants \$45,000

Anticipated cost to fuel equipment and vehicles. Budget remains the same.

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

This line will pay for equipment items costing less than \$5,000 each. Budget remains the same.

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 \$57,000

Expense of water testing and samples as mandated by State and Federal regulations. Increase of \$3,000 in budget due to groundwater transition monitoring.

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

This line item covers the CCR and lead/copper brochure. All work will be completed in house for these documents. This includes CCR postcard mailing, which enables us to do an electronic CCR. Budget has increased by \$500.

5-20-5630 Reservoir and Pumpstation Maintenance \$30,000

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 \$15,900

Telephone expenses and other repairs throughout the telemetry system. Budget increased slightly.

5-20-5670 Pumping \$75,000

This is an electrical expense for pumping at all sites except groundwater activity which is tracked separately. Budget remains the same.

5-20-5710 Board Meeting Fees \$4,000

Allows for regular Board meetings, consortium meetings, special meetings and Metro East media expenses. Budget decreased slightly.

5-20-5720 Directors' Expense \$24,000

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 remains unchanged.

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 increased by \$1,000.

5-20-5740 General Office \$343,600

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 \$162,100 to reflect actual expenses for credit card fees and electronic payment fees as more customers pay electronically.

5-20-5760 Bad Debt Collection Expense \$40,000

This budgeted amount is adjusted at year-end based on current and historical financial information. Budget remains the same.

5-20-5770 Gresham Utility Tax \$502,470

This tax is charged by the City of Gresham.

5-20-5780 Portland Utility Tax \$230,046

This tax is charged by the City of Portland.

5-20-5790 Fairview Utility Tax \$16,466

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 \$5,950

This is for Multnomah County Drainage District #1 property taxes for District properties along Sandy Boulevard. Budget has decreased.

CAPITAL EXPENDITURES AND TRANSFERS

5-40-6010 Water System \$1,125,000

This line item covers the following capital improvement projects:

	<u>Projects</u>	
AMI Project		\$1,000,000
Specialty surveys and engineering		\$ 25,000
Cleveland and Bella Vista Connections		\$ 100,000

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 \$111,000

This is for the replacement of equipment. Budget has increased by \$55,000 due to planned water quality sample station installations and a planned Variable Frequency Drive replacement at the Bella Vista Pump Station.

5-40-6120 Shop Equipment \$8,000

This will fund unidentified items of equipment. Budget is unchanged.

5-40-6130 Automotive/Equipment \$240,000

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 three trucks, the service utility van and a small towable vac that range from 17 to 21 years old. Budget has decreased by \$257,000 from the previous year.

5-40-6140 Computer and Office Equipment \$37,000

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 \$10,000.

5-40-6210 Buildings \$72,000

This budget includes \$5,000 for routine building upgrades, \$10,000 for security system upgrades, \$22,000 for the replacement of the final rooftop heating unit, \$20,000 for

shop door and stair replacement, and \$15,000 for an air compressor replacement. The Budget has decreased by \$8,000.

5-40-6220 Land \$500,000

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

5-60-7110 Transfer to Other Funds \$3,954,126

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 WIFIA loan. Also includes transfer to the Groundwater Production Fund 501 (\$500,000) 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 \$18,177,922

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	\$658,616
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
------------------	------------------------	-----------------

Anticipated earnings on investments.

EXPENSE ACCOUNTS

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

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	\$618,616
------------------	----------------------------	------------------

**SYSTEM DEVELOPMENT FUND-IMPROVEMENT
Fund 202**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$505,211
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
------------------	-------------------------------	------------

Improvement SDCs will be transferred when the identified projects are scheduled to be built.

5-90-8010	Ending Fund Balance	\$586,411
------------------	----------------------------	------------------

**DEBT RESERVE FUND
Fund 301**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$0
------------------	-------------------------------	------------

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
------------------	------------------------	------------

3-90-9200	Transfer from Other Funds	\$0
------------------	----------------------------------	------------

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
------------------	--------------------------------------	------------

5-90-8010	Ending Fund Balance	\$0
------------------	----------------------------	------------

**DEBT SERVICE FUND
Fund 401**

INCOME ACCOUNTS

3-90-9200	Transfer from Other Fund	\$3,454,126
------------------	---------------------------------	--------------------

This is a transfer from the Debt Reserve Fund to make principal and interest payments.

EXPENSE ACCOUNTS

5-50-7050	Payments on Financing	\$2,366,250
------------------	------------------------------	--------------------

5-50-7070	Interest on Financing	\$1,087,876
------------------	------------------------------	--------------------

Interest and Principal payments on the 2021 and 2024 Revenue Bonds, and interest payments on the 2022 WIFIA loan. 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 chlorine and ammonia, and salt solution for on-site chlorine generation for the treatment facility. Slight increase in the budget.

5-20-5220 Sewer/Storm Water \$200,000

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 \$50,000

This is a new account code for the Groundwater Operation budget. Insurance for all District facilities is currently paid for out of the General Fund 101. With the completion of many new groundwater facilities shared between Gresham and Rockwood, the cost of insurance for the facilities will be covered in this account.

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 \$15,000

Pays for all testing of the treated water leaving the facility. Increased by \$6,000.

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

This funds routine annual maintenance of the Cascade Reservoirs. Increased by \$5,000.

5-20-5670 Pumping \$500,000

This pays for all groundwater pumping costs. Budget has increased by \$100,000 in anticipation of transitioning fully to Groundwater production by the Spring of 2026.

5-60-7110 Transfer to General Fund \$150,000

This line offsets personnel operating costs and a true-up of contributions to the fund for groundwater operation and use. Budget has increased by \$85,000 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	\$578,605
------------------	----------------------------	------------------

**GROUNDWATER CONSTRUCTION FUND
Fund 601**

INCOME ACCOUNTS

3-01-0101	Beginning Fund Balance	\$188,058
------------------	-------------------------------	------------------

3-90-9600	Bond Proceeds	\$0
------------------	----------------------	------------

A revenue Bond in the amount of \$22,036,894 was taken out in FY 2020/2021 to fund the GDMP in FY 2021/2022 and to refinance the existing Bond. An additional revenue bond of \$21,262,370 was issued in November 2024. No further Bond funding is planned at this time for the District.

3-90-9650	WIFIA Loan Proceeds	\$18,000,000
------------------	----------------------------	---------------------

The 2022 WIFIA Loan of \$30,419,935 was fully utilized in FY 2024/2025, and a Bipartisan Infrastructure Law Forgivable Loan of \$1,500,000 is also expected to be received by the end of FY 2024/2025. A second WIFIA loan will be issued to fund the project during 2025/2026 and 2026/2027.

3-50-5100	Interest Income	\$0
------------------	------------------------	------------

3-90-9200	Inter-fund Transfer	\$0
------------------	----------------------------	------------

The District's contribution for the construction of the joint and independent groundwater supply system from General Fund 101 Line code 5-60-7110.

3-90-9400	City of Gresham	\$5,458,306
------------------	------------------------	--------------------

The City of Gresham will fund part of the design and construction of the joint groundwater supply system. This is for construction costs on Package 4 of the Groundwater projects.

EXPENSE ACCOUNTS

5-20-5110	Contracting Services	\$15,000
------------------	-----------------------------	-----------------

This account is for the cost of Bond Counsel and SDAO Advisor services and reporting requirements related to the revenue bonds, WIFIA loan fees and additional contracting services to support the management of the CGA Projects. The District does not plan to issue any Loans or Bonds in FY 2025/2026 and therefore the budget has been reduced by \$360,000.

Rockwood Water PUD
Fiscal Year 2025/26 Multi Year Line Code Comparisons
Proposed Budget - April 2025

			FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY24/25	FY24/25	FY 25/26	% Change	
			Actual	Actual	Actual	Actual	Budget	End of Year Projection	Proposed	24/25 Budget vs 25/26 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	\$17,166,693	\$17,612,759	\$18,607,415	8.4%
3	10	1100	Water Sales	10,422,569	11,321,016	12,612,997	13,102,550	12,700,657	13,500,000	14,052,529	10.6% *4.09% of EOY
3	20	2100	Backflow Charges	36,985	39,252	39,281	41,315	40,000	40,000	40,000	0.0%
		2200	Set-up Fees	25,870	26,661	15,170	13,916	20,000	15,000	20,000	0.0%
		2300	Late Fees	240,458	306,971	267,885	262,109	290,000	282,681	290,000	0.0%
3	40	4100	Service Installations	283,038	180,648	187,484	171,401	250,000	300,000	250,000	0.0%
		4200	Sub-Divison Projects	10,927	6,160	22,746	18,580	50,000	20,000	50,000	0.0%
		4300	Other Service income	144,755	148,250	136,476	147,959	150,000	150,000	150,000	0.0%
3	50	5100	Interest Income	54,242	127,428	500,331	1,098,400	200,000	900,000	500,000	150.0%
		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	7,500	7,500	7,500	0.0%
		6200	Construction Plan Sales	-	-	0	0	-	-	-	
		6600	Other Misc. Income	46,134	58,234	30,105	58,089	40,000	65,829	40,000	0.0%
		6800	Gresham Utility Tax	362,127	410,047	447,081	475,714	476,253	480,000	497,685	4.5%
		6900	Portland Utility Tax	161,451	197,128	183,862	198,355	218,043	200,000	227,855	4.5%
		7000	Fairview Utility Tax	11,191	12,699	13,858	14,588	15,608	15,000	16,310	4.5%
3	90	9200	Interfund Transfers	498,328	365,000	365,000	3,924,969	435,000	435,000	450,000	3.4%
		9300	Fixed Asset Disposition	31,150	125	0	0	500,000	15,000	520,000	4.0%
		9500	Other Government Agencies	906,544	263,453	124,260	181,950	18,500	18,500	18,500	0.0%
Revenue			22,123,125	21,943,091	24,211,397	31,029,170	32,578,254	34,057,269	35,737,794	9.7%	
EXPENSE ACCOUNTS											
5	10	4450	Salaries/Wages	1,956,608	2,002,967	2,124,086	2,269,387	2,690,000	2,690,000	2,550,041	-5.2%
		4450	PTO Payout			0	10,385	8,600	8,600	16,100	87.2%
		4500	Office Overtime			168	0	1,000	300	1,000	0.0%
		4550	Field Overtime	15,857	16,779	19,059	18,878	20,000	15,000	20,000	0.0%
		4600	On Call Pay	55,793	52,912	61,805	68,261	75,000	75,000	90,000	20.0%
		4610	Water Certifications	15,018	13,917	15,270	15,571	16,000	16,000	16,000	0.0%
		4620	Employee Bonus	0	0	0	0	1,000	0	2,800	180.0%
		4630	Market Based Wage Adjustment	0	0	0	0	15,000	0	76,501	410.0%
		4800	Social Security	120,193	127,875	149,919	144,252	163,000	163,000	167,000	2.5%
		4810	Medicare	28,845	29,930	31,508	33,867	38,000	38,000	40,000	5.3%
		4820	Unemployment Insurance	2,183	1,950	3,547	2,289	2,500	2,500	2,700	8.0%
		4830	Tri-Met Payroll Tax	15,498	15,160	18,276	19,366	21,300	18,000	22,000	3.3%

	4840 Workers Compensation	15,539	16,168	20,229	26,785	26,500	25,500	32,000	20.8%
	4900 P.E.R.S	484,867	561,266	644,360	670,407	767,000	715,000	850,000	10.8%
	4920 Employee Insurance Expense	491,772	489,703	524,464	583,012	665,000	590,000	609,500	-8.3%
	4930 Oregon Paid Leave Law			-2,533	-18	10,500	9,850	10,800	2.9%
	* Personnel Services	3,202,172	3,328,627	3,610,158	3,862,441	4,520,400	4,366,750	4,506,442	-0.3%
5	20 5010 Water Purchase from Portland	3,113,709	2,908,551	3,083,977	3,768,277	3,925,195	3,925,195	4,062,216	3.5%
	5110 Contract Services	71,612	166,390	101,044	135,207	170,675	155,000	172,900	1.3%
	5120 Technical & Consulting	21,884	3,563	25,000	14,730	30,000	25,000	30,000	0.0%
	5130 Auditing	17,820	19,375	12,225	23,875	24,500	24,500	24,500	0.0%
	5140 Legal Services	78,152	16,874	11,742	27,283	100,000	25,000	100,000	0.0%
	5210 Telephone/Cell Phone	35,595	38,133	38,251	38,478	46,480	44,812	48,400	4.1%
	5220 Sewer/Storm	9,384	10,783	13,400	15,891	15,000	12,000	16,000	6.7%
	5230 Heating/Electricity	21,895	21,695	27,331	25,907	25,000	27,600	29,000	16.0%
	5310 Engineering Supplies	600	335	971	903	1,500	1,500	6,500	333.3%
	5320 Office Supplies	26,403	37,114	41,806	37,163	36,500	41,000	42,000	15.1%
	5330 Postage	40,005	42,330	45,146	54,602	49,850	45,000	54,900	10.1%
	5410 Conservation	26,941	14,225	29,507	29,965	50,350	23,200	50,350	0.0%
	5420 Elections/Legal Advertising	3,087	2,608	3,996	4,900	3,000	4,000	4,000	33.3%
	5430 Insurance General	80,287	93,525	104,020	121,292	139,000	139,000	156,000	12.2%
	5440 Safety Gear and Equipment	22,920	22,197	22,695	23,603	20,000	20,000	20,000	0.0%
	5450 Training and Education	6,745	27,498	44,308	42,764	46,000	42,800	46,000	0.0%
	5460 Dues, License and Subscriptions	111,634	85,003	94,758	100,969	103,000	103,000	105,225	2.2%
	5470 Office Equipment	1,047	1,007	0	899	2,000	2,000	2,000	0.0%
	5510 Computer/Office Equipment	980	2,510	7,203	7,162	10,000	10,760	33,000	230.0%
	5520 Building & Grounds Maint.	96,140	72,474	59,481	87,933	86,000	90,000	81,880	-4.8%
	5530 Shop Equipment Maint.	9,054	5,650	3,196	5,784	10,000	10,000	10,000	0.0%
	5540 Vehicle Maintenance	30,229	40,692	17,793	46,206	35,000	35,000	35,000	0.0%
	5550 Tires	6,554	7,835	10,999	5,412	10,000	10,000	10,000	0.0%
	5560 Gas, Lubricants, Disposal	24,997	38,159	36,334	41,875	45,000	45,000	45,000	0.0%
	5570 Small Tools and Equipment	8,956	11,862	9,536	12,850	20,000	20,000	20,000	0.0%
	5610 Utility Operating Supply	252,090	221,100	237,008	350,523	300,000	300,000	300,000	0.0%
	5620 Water Sampling and Testing	26,956	23,770	64,120	47,326	54,000	49,000	57,000	5.6%
	5625 Water Quality and Notices	6,393	0	0	10,022	9,500	10,000	10,000	5.3%
	5630 Reservoir Maintenance	4,710	12,365	61	45,656	30,000	21,000	30,000	0.0%
	5640 Meter Maintenance	10,020	13,853	38,410	20,807	5,000	10,000	5,000	0.0%
	5650 Hydrant Maintenance	3,883	3,278	3,239	447	5,000	5,000	5,000	0.0%
	5660 Telemetry	21,921	20,923	11,505	6,682	15,200	10,000	15,900	4.6%
	5670 Pumping	44,003	45,503	52,207	56,958	75,000	60,000	75,000	0.0%
	5710 Board Meeting Fees	3,750	3,463	3,101	3,450	4,000	4,000	4,000	0.0%
	5720 Director's Expense	3,130	10,068	8,775	12,867	24,000	20,000	24,000	0.0%
	5730 Manager's Expense	761	1,266	4,966	6,494	10,000	11,000	11,000	10.0%

5740	General Office	63,211	80,709	144,023	194,439	181,500	250,000	343,600	89.3%
5750	Cash Over/Short	-	24	15	0	-	-	-	
5760	Bad Debt Expense	25,232	30,500	52,497	31,213	40,000	40,000	40,000	0.0%
5770	Gresham Utility Tax	382,342	409,502	445,110	475,714	480,833	480,833	502,470	4.5%
5780	Portland Utility Tax	160,961	196,795	238,703	142,893	220,140	220,140	230,046	4.5%
5790	Fairview Utility Tax	11,162	12,699	13,859	14,588	15,757	15,757	16,466	4.5%
5800	Customer Assistance	23,199	25,018	12,653	13,246	60,000	40,000	60,000	0.0%
5820	Taxes and Assessments	6,045	6,933	8,748	6,646	7,000	6,500	5,950	-15.0%
	Material and Services	4,916,400	4,808,157	5,183,720	6,113,899	6,540,980	6,434,597	6,940,304	6.1%
5 40	6010 Water System	2,530,254	872,411	768,093	1,208,175	1,025,000	1,025,000	1,125,000	9.8%
	6020 New Services	115,968	63,094	75,221	64,386	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	56,000	11,500	111,000	98.2%
	6120 Shop Equipment	2,499	0	2,476	10,772	8,000	8,000	8,000	0.0%
	6130 Automotive/Equipment	237,177	199,994	226,748	97,437	497,000	170,000	240,000	-51.7%
	6140 Computer/Office Equipment	73,729	111,210	26,677	16,977	17,500	30,000	37,000	111.4%
	6210 Buildings	-	48,778	59,368	65,475	80,000	75,000	72,000	-10.0%
	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	2,249,500	1,385,500	2,159,000	-4.0%
	Transfers to Other Funds								
5 60	7110 *401 Debt Service	2,403,000	3,017,291	2,999,125	1,665,902	2,115,188	2,006,550	3,454,126	63.3%
	*501 Groundwater Production	180,000	200,000	220,000	275,000	400,000	600,000	500,000	25.0%
	*601 Groundwater Construction					0	0	0	
	*Rate Stabilization	0				0	0	0	
	* Transfers	2,583,000	3,217,291	3,219,125	1,940,902	2,515,188	2,606,550	3,954,126	57.2%
5 70	7210 Contingency	-	-	150,000	0	1,830,000	200,000	1,870,000	2.2%
	* Contingency			150,000	0	1,830,000	200,000	1,870,000	2.2%
5 90	8010 Unapprop. Ending Fund Balance	8,379,198	9,242,177	10,872,136	17,612,157	14,922,187	19,063,872	16,307,922	9.3%
	* Ending Fund Balance	8,379,198	9,242,177	11,022,136	17,612,157	16,752,187	19,263,872	18,177,922	8.5%

=====

Total Personnel Service	3,202,172	3,328,627	3,610,158	3,862,441	4,520,400	4,366,750	4,506,442	-0.3%	
Total Material and Services	4,916,400	4,808,157	5,183,720	6,113,899	6,540,980	6,434,597	6,940,304	6.1%	
Total Capital Outlay	3,042,354	1,346,839	1,176,258	1,499,770	2,249,500	1,385,500	2,159,000	-4.0%	
Total All other Uses	2,583,000	3,217,291	3,219,125	1,940,902	2,515,188	2,606,550	3,954,126	57.2%	
Contingency	0	0	150,000	0	1,830,000	200,000	1,870,000	2.2%	60
Unapp. Ending Fund Balance	8,379,198	9,242,177	11,022,136	17,612,157	14,922,187	19,063,872	16,307,922	9.3%	Days O&M
	22,123,125	21,943,091	24,361,397	31,029,170	32,578,254	34,057,269	35,737,794	9.7%	
Ending Balance w/ Contingency	8,379,198	9,242,177	11,022,136	17,612,157	16,752,187	19,263,872	18,177,922	8.5%	580 Days O&M

**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	\$658,616	4.8%	
3 40 4500 System Development Fees	407,672	197,305	187,227	129,622	250,000	250,000	250,000	0.0%	
3 50 5100 Interest Income	9,785	8,830	51,732	100,680	10,000	80,000	10,000	0.0%	
Revenue	1,153,220	1,059,355	998,315	928,616	888,616	958,616	918,616	3.4%	

EXPENSE ACCOUNTS

5 60 7110 Transfers to Other Funds	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	588,616	658,616	618,616	5.1%	

**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	\$505,211	21.7%	
3 40 4500 System Development Fees	111,703	58,936	55,925	38,714	80,000	70,000	80,000	0.0%	
3 50 5100 Interest Income	1,326	1,505	9,530	19,326	1,200	20,000	1,200	0.0%	
Revenue	231,275	291,716	357,170	415,211	496,411	505,211	586,411	18.1%	

EXPENSE ACCOUNTS

5 60 7110 Transfers to Other Funds	0	0	0	0	0	0	0		
5 90 8010 Ending Fund Balance	231,275	291,716	357,170	415,211	496,411	505,211	586,411	18.1%	

**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
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

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	
3	90	9200	Transfer from Fund 101	463,000	1,414,636	1,436,350	1,665,902	2,115,188	2,006,550	3,454,126	63.3%
			Revenue	463,000	1,414,636	1,436,350	1,665,902	2,115,188	2,006,550	3,454,126	63.3%

EXPENSE ACCOUNTS

5	50	7050	Payments on Financing	285,000	755,000	790,000	825,000	1,436,350	1,436,350	2,366,250	64.7%
5	50	7070	Interest on Financing	178,000	659,636	646,350	840,902	678,838	570,200	1,087,876	60.3%
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	\$44,728	\$95,605	\$553,605	1137.7%
3	50	5100	Interest Income	969	-	0	-	-	-	-	#DIV/0!
3	90	9200	Interfund Transfer - Fund 100	180,000	200,000	220,000	275,000	400,000	600,000	550,000	37.5%
3	90	9400	City of Gresham	165,602	200,000	200,000	275,000	500,000	500,000	650,000	30.0%
			Revenue	629,420	474,796	456,735	445,730	944,728	1,195,605	1,753,605	85.6%

EXPENSE ACCOUNTS

5	20	5530	Equipment Maintenance	16,539	6,523	19,825	33,400	74,500	178,000	100,000	34.2%
		5610	Operating Supplies	29,561	40,121	37,870	41,578	43,000	45,000	50,000	16.3%
		5220	Sewer/Storm Water					-	-	200,000	#DIV/0!
										50,000	#DIV/0!
		5615	Wellhead Protection	70,000	70,000	70,000	70,000	70,000	70,000	100,000	42.9%
		5620	Testing	1,863	1,979	5,147	5,661	9,000	9,000	15,000	66.7%
		5630	Reservoir Maintenance	-	503	6,345	5,850	5,000	5,000	10,000	100.0%
		5670	Pumping	238,333	253,935	356,818	128,636	400,000	270,000	500,000	25.0%
5	60	7110	Transfer to General Fund 101	198,328	65,000	65,000	65,000	65,000	65,000	150,000	130.8%
			Expense	554,624	438,061	561,005	350,125	666,500	642,000	1,175,000	76.3%
5	90	8010	Ending Fund Balance	74,796	36,735	(104,270)	95,605	278,228	553,605	578,605	108.0%

FUND 601 - GROUNDWATER CONSTRUCTION FUND

INCOME ACCOUNTS

3	1	101	Beginning Fund Balance	\$0	\$18,491,356	\$9,675,013	\$4,043,769	\$9,651,239	-\$1,233,884	\$188,058	-98.1%
3	90	9600	Bond Proceeds	18,531,702	-	-	-	14,339,811	21,262,370	-	-100.0%
3	90	9650	WIFIA Loan Proceeds	-	-	13,494,541	33,156,000	16,925,394	18,000,000	-	-45.7%
			BIL Funding Grant	-	-	-	1,500,000	1,500,000	-	-	
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	15,000,000	15,000,000	5,458,306	-63.6%
			Revenue	20,471,702	23,268,736	13,673,074	21,917,018	73,647,050	53,453,880	23,646,364	-67.9%

EXPENSE ACCOUNTS

5	20	5110	Contracting Services	-	285952	11,500	25384	240,000	375,000	15,000	-93.8%
		5120	Groundwater Eng and PM	1,980,346	1439243	4,991,014	14193178	13,735,386	4,646,406	1,200,000	-91.3%
5	40	6035	Groundwater Construction	-	11,868,528	4,626,791	8,792,340	49,390,740	48,244,416	21,483,550	-56.5%
		6220	Land	-	-	-	-	-	-	-	
5	60	7110	Transfer to Other Funds	-	-	-	140,000	140,000	-	-	-100.0%
			Expense	1,980,346	13,593,723	9,629,305	23,150,902	63,506,126	53,265,822	22,698,550	-64.3%
5	90	8010	Ending Fund Balance	18,491,356	9,675,013	4,043,769	(1,233,884)	10,140,924	188,058	947,814	-90.7%



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 Current Fiscal Year (FY) 2024/2025 Capital Improvement Projects (CIP)

Advanced Metering Infrastructure (AMI) – The District issued a competitive request for proposals for an AMI system in 2023/24 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 2024/2025 over 2,500 AMI meters in Zone 1 and 2 were installed and incorporated into the District billing system and are remotely read.



Photo: AMI Collector at Cascade Reservoir #1

Water System Master Plan - An updated 20-year Water Master Plan is underway. The last Master Plan was completed in 2013. Significant changes have occurred since then for water demands, source water and estimated project costs. This update will accompany the 2020 Groundwater Development Master Plan (GDMP) in planning upcoming projects for the next 20 years. The District typically updates its Master Plan every 10 years and the Oregon Health Authority requires Master Plan updates at least every 20 years.

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 2023/24, and will continue in this current FY with a budget of \$1,000,000 per year through 2028/2029. It is anticipated that meters in Zones 2 and 3 will be installed during FY 2025/2026.

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

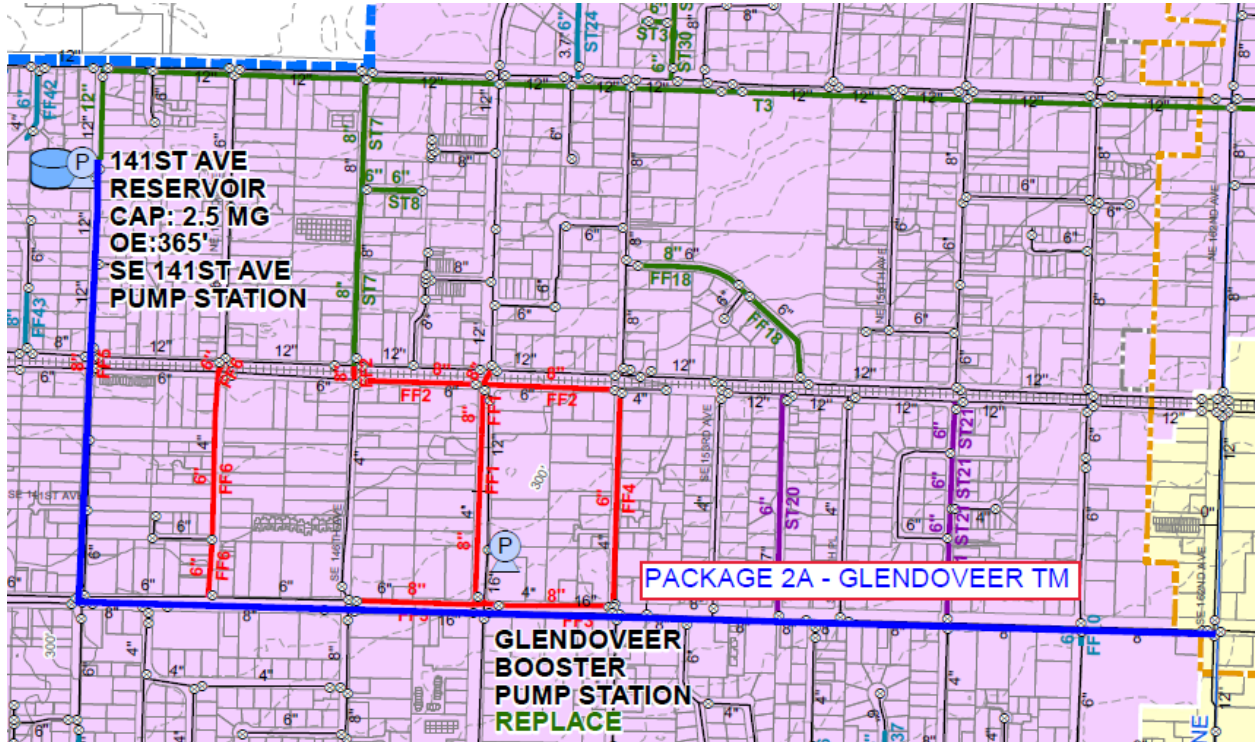
The Groundwater Development Master Plan (GDMP) for the District and City of Gresham identified 9 packages to be completed by 2026 to make the transition to an independent water system. Some of these packages benefit the District and City, and some benefit only the District or City. The packages that only benefit one partner will be managed by that entity. Project Management for the packages that are shared will be managed by one entity or the other. The description of packages that will be active this coming fiscal year (FY) are below.

Package No. 1, Cascade Reservoir Improvements – Construction began in June of 2021 and was completed in the fourth quarter of 2024. This package included the rehabilitation of the existing 4 million gallon (MG) Cascade Reservoir 1, a new 6 MG Cascade Reservoir 2, a Cascade 7 wellhouse and transmission main, and construction of approximately 3,600 linear feet (lf) of 36” Cascade to Bella Vista/Grant Butte transmission main (Package 2B). Also included in part of this project due to the proximity of the pipeline construction is the District Capital Improvement Project (CIP) ST4 identified in the 2013 Master Plan. This was a shared project with Gresham that the District managed.



Package No. 2A, Glendoveer Pressure Zone (PZ) Transmission Main (TM) – This project provides a transmission main to move water between an expanded Glendoveer PZ and Main Zone. The TM will be installed on SE Stark Street from 162nd to 141st and then north to the

District's 141st Avenue reservoir and pump station. Construction began in June of 2024. The majority of the construction is completed. The removal of a below-grade vault/pump station (PS) will be in this coming FY 2025/2026, after the completion of Package 3. This is a District-only project. The total projected cost for this project is \$11,142,375. The project will be mostly complete by the end of the current FY 2024/2025 with a planned expenditure in FY 2025/2026 of approximately \$165,000.



Package No. 2B, Cascade to Bella Vista/Grant Butte Transmission Main – This project will be completed this spring in FY 2024/2025. Paving will continue as schedules and weather allows. A second TM is needed to move the expanded groundwater capacity from the Cascade site to the District’s Bella Vista and Gresham’s Grant Butte reservoirs. A portion (3,600 lf) of this TM was constructed in Package 1. The remainder is approximately 15,400 linear feet of fully restrained 24” and 36” diameter ductile iron (DI) lines. This is a shared project the City of Gresham is managing. The total estimated cost for Package 2B is \$16,520,648 split approximately 50:50 between Gresham and the District.



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 complete by the Spring of 2026. This is a District-only project. The total estimated cost for Package 3 is \$21,034,692 and the planned expenditure in FY 2025/2026 is \$11,024,440.



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 to continue into FY 2025/2026 with anticipated completion in the Fall of 2025. 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 2025/2026 is \$5,578,192.





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. Construction is planned to start in Q1 of 2026 and will take a year. The production for both wells is estimated to be 4 - 5 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. However, due to the early design phase and uncertainty related to supply chain, materials and construction costs there are anticipated potential budget increases for this project for FY 2026/2027. The planned cost for the District in FY 2025/2026 is \$1,200,000.

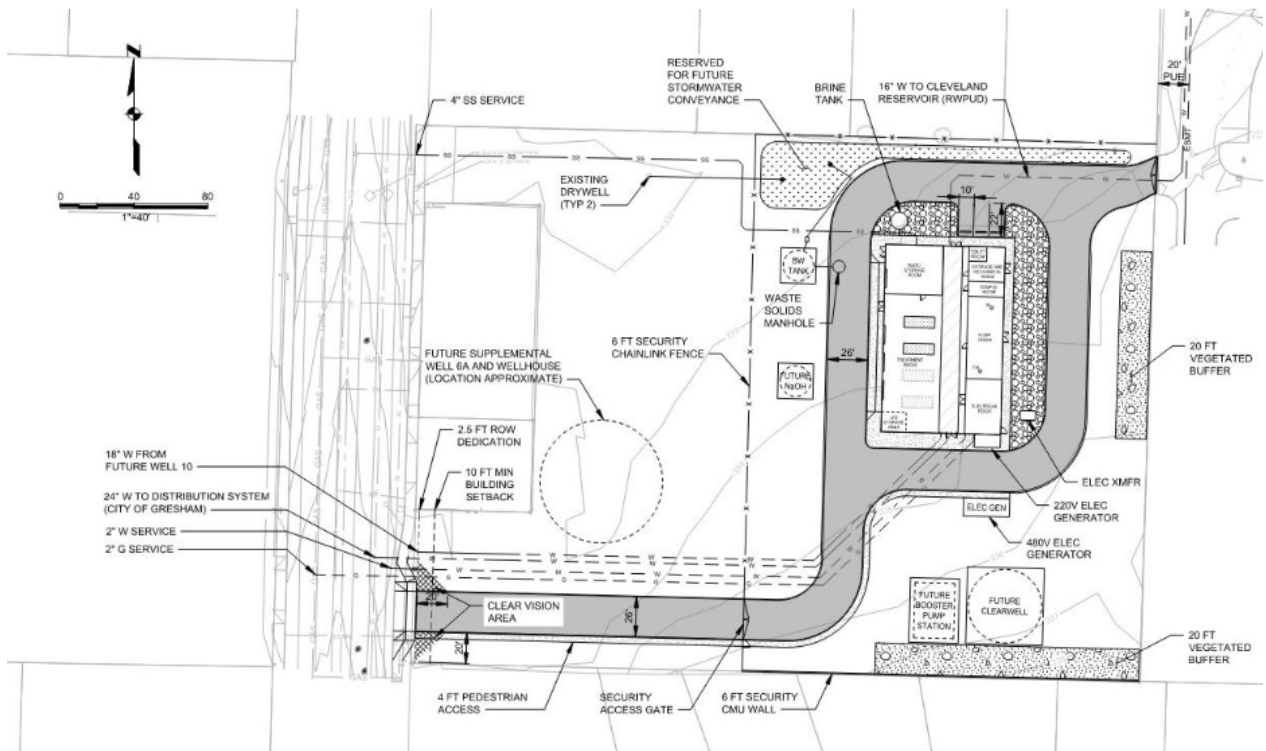


Figure 4-1. Proposed site plan

Package No. 6, Cascade Well No. 9 – Located at the City of Gresham’s Kirk Park, on NE 188th Avenue, South of Halsey Street. Construction is complete other than a surge tank, and will be online this FY. The well yield is 5.8 MGD. This project included a wellhouse, onsite piping and transmission piping to bring the water back to the Cascade water treatment facility. This is a shared project the City of Gresham managed. The total cost for this project is \$9,794,391 split 50:50 and is anticipated to be completed by the end of the current FY 2024/2025.



CURRENT WATER RATES
Effective July 1, 2024-2025

METER CHARGE (bi-monthly by meter size):	
Size in Inches	Charge
5/8	\$30.96 32.61
3/4	\$46.46 48.94
1	\$77.43 81.54
1 1/2	\$154.77 163.00
2	\$247.63 260.81
3	\$541.73 570.54
4	\$928.63 978.04
6	\$1,934.59 2,037.52
8	\$2,785.81 2,934.01
10	\$4,488.21 4,726.98
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):	\$3.52 3.66
Users outside the District pay a fifty percent (50%) surcharge for water.	

CHARGES AND FEES
EFFECTIVE JULY 1, 2024-2025

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	69.16 \$72.27
Move in/Found on Meter	34.58 \$36.14
Broken Curb Stop	138.25 \$144.47
Dishonored Payment	34.58 \$36.14
Cut off at Main	Time and Materials
Broken Lock	30.39 \$33.35
Inspection (turn off/on)	34.58 \$36.14
Repeat Service Calls	34.58 \$36.14
Nonemergency turn on outside of normal working hours	124.45 \$130.05
Backflow Fee	1.48 \$1.55 /month
Meter Testing Fee* (at customer site) 1.5" and Over	260.43 \$272.15
Meter Testing Fee* (at Meter Shop) 5/8"	340.34 \$355.66
3/4"	379.14 \$396.20
1"	440.24 \$460.05
	*If meter is not reading accurately per AWWA standards, no fee is charged.
Set-up Fee – New Account	52.00 \$54.34
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 – 33.16 \$34.65 2 - 6 months – 66.31 \$69.29 7 - 12 months – 132.64 \$138.61
Credit Card Use	Credit cards may be used by District customers to pay for all District related transactions. Credit card use over \$5,000 will be subject to a 5% 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.)

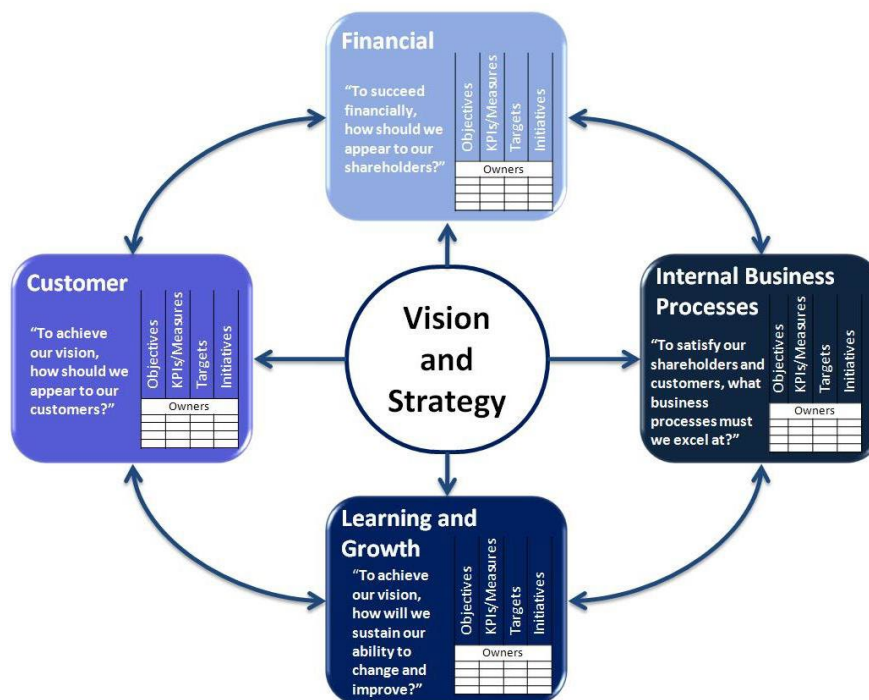
DEPOSITS
<p>The minimum amount of deposit is fifty dollars (\$50). A greater deposit is required on accounts where the usage is known to be higher than a single family dwelling, such as an apartment complex or industrial user. A greater deposit may also be required if there is a high usage history of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

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%



Rockwood Water
People's Utility District

2025 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 2025

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.



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.

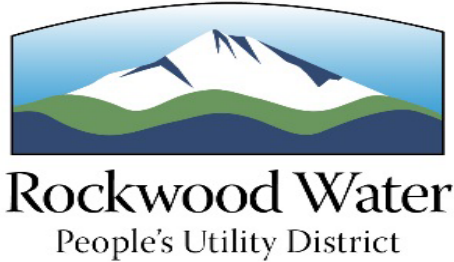
To professionally manage Rockwood Water to assure its financial health for the ongoing protection of our customers.



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
- Developing 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, operational problem solving, system interconnections)
- **100 years of experience as a water utility; 35 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

- Potential for increased costs and delays in the Cascade Groundwater Development projects
- 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.
- 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 by 2026, no dependence on wholesale water

THREATS

- Impact of tariffs on product cost and supply chain
- Competitive job market for staff
- New regulations requiring expensive infrastructure: Manganese, Lead, Portland treatment decisions
- Revenue collection issues
- Security breaches/terrorism/cybersecurity
- Localized crime, theft, and staff safety
- Loss of a water source (Bull Run forest fire, groundwater contamination)
- Loss of a large customer (Note: Microchip represents 14% of water sales)
- Natural disaster (e.g., forest fire, earthquake, flood)
- Potential cost increases (e.g., purchased water, health insurance, PERS)
- 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:

- Employ 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 2026)
- Maintain partnership with Gresham for groundwater development and O&M
- 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 2026
- 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 due 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 PUD
2024 Organization Chart**

CUSTOMERS

BOARD OF DIRECTORS

**General Manager
Kari Duncan**

26 FTE

Financial

**Senior Accountant
Daniel Zimmerman**

Business Operations

**Office Supervisor
Cathy Middleton**

**Lead Person-Customer Service
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**

**Assistant Superintendent
Jay Breen**

Water Op II Jedidiah Pacheco

Water Op II Lanny Jones

**Operator In Training
Jaden Leon**

**Meter Reader
Victor Pelayo**

**Meter Technician
Jeff Allen**

Operations

**District Superintendent
Andy Crocker**

**Assistant Superintendent
Joey Schlosser**

**Maint. Mechanic
Ben Jacobson**

**Lead Water Worker
Doug Bray**

**Water Worker II
Chris Kipp**

**Utility Worker I
Brian Hunt**

**Water Worker I
Nick Henry**

Engineering

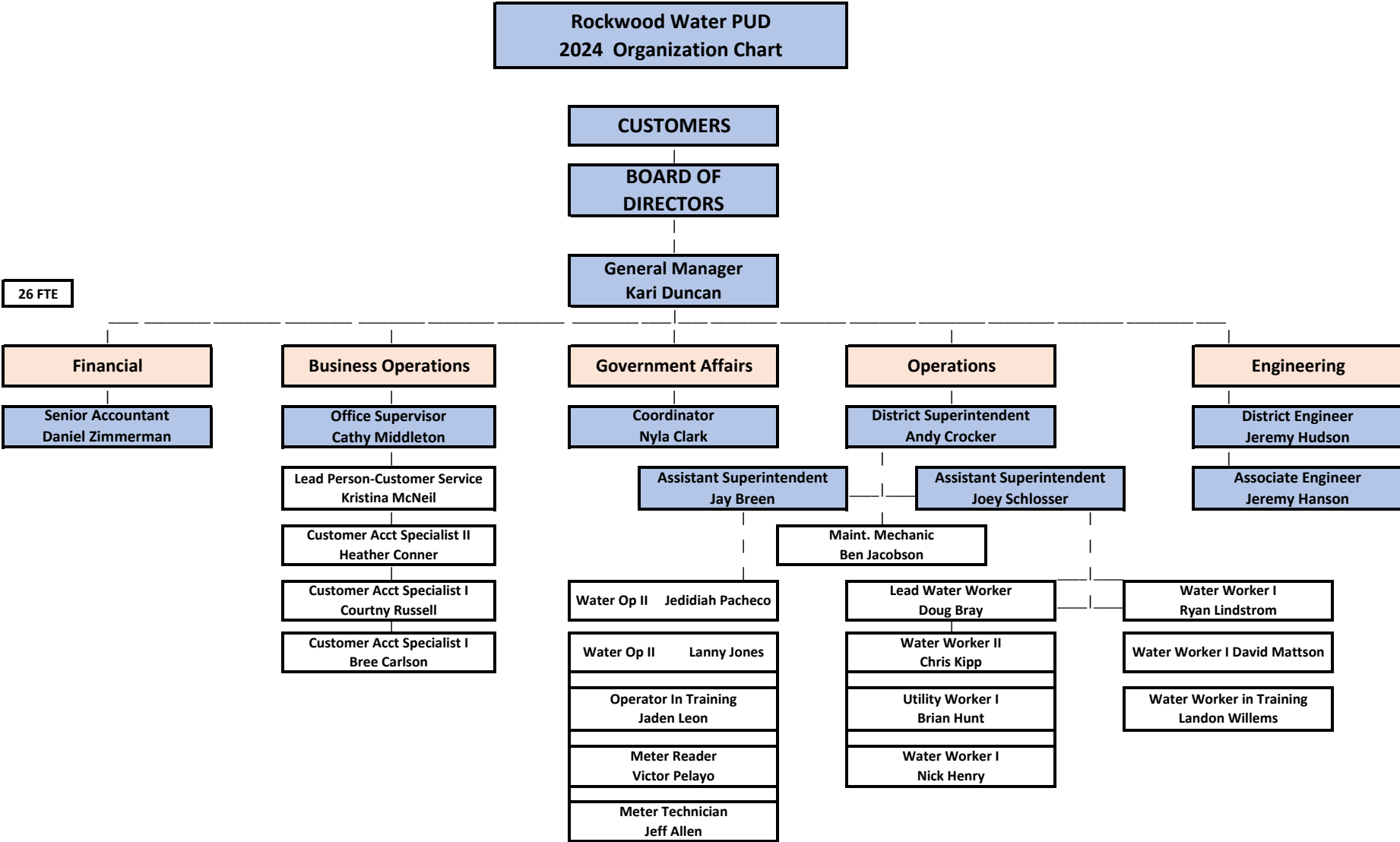
**District Engineer
Jeremy Hudson**

**Associate Engineer
Jeremy Hanson**

**Water Worker I
Ryan Lindstrom**

Water Worker I David Mattson

**Water Worker in Training
Landon Willems**



Bill Comparisons between CURRENT FY 24-25 Charges and FY 25-26 Estimated Charges

		FY24-25 Current		Projected FY25-26								
		Bi-Monthly Bill		Flat % Increase 4.5%/4.5%			Alternative (base/per unit) 5.32% 4.00%					
5/8 Inch	Base	\$30.96		\$32.35			\$32.61					
	Per Unit	\$3.52		\$3.6784			\$3.6600					
				% Change			% Change					
Monthly												
		Monthly Bill	Monthly Bill			Diff.			Monthly Bill		Diff.	
Use in ccf/mo												
	1	\$19.00	\$19.86	\$0.86	4.5%	\$19.97	\$0.96	%				
	2	\$22.52	\$23.53	\$1.01		\$23.63	\$1.10	4.9%				
	3	\$26.04	\$27.21	\$1.17		\$27.29	\$1.24	4.8%				
	4	\$29.56	\$30.89	\$1.33		\$30.95	\$1.38	4.7%				
	5	\$33.08	\$34.57	\$1.49		\$34.61	\$1.52	4.6%				
	6	\$36.60	\$38.25	\$1.65	4.5%	\$38.27	\$1.66	4.5%				
	7	\$40.12	\$41.93	\$1.81		\$41.93	\$1.80	4.5%				
Bi-Monthly												
		Bi-Monthly Bill	Bi-Monthly Bill			Diff.			Bi-Monthly Bill		Diff.	
Use in ccf												
	1	\$34.48	\$36.03	\$1.55	4.5%	\$36.27	\$1.79	5.2%				
	2	\$38.00	\$39.71	\$1.71		\$39.93	\$1.93	5.1%				
	4	\$45.04	\$47.07	\$2.03		\$47.25	\$2.21	4.9%				
	6	\$52.08	\$54.42	\$2.34		\$54.57	\$2.49	4.8%				
	8	\$59.12	\$61.78	\$2.66		\$61.89	\$2.77	4.7%				
	10	\$66.16	\$69.14	\$2.98		\$69.21	\$3.05	4.6%				
	12	\$73.20	\$76.49	\$3.29	4.5%	\$76.53	\$3.33	4.5%				
	14	\$80.24	\$83.85	\$3.61		\$83.85	\$3.61	4.5%				
	16	\$87.28	\$91.21	\$3.93		\$91.17	\$3.89	4.5%				
	24	\$115.44	\$120.64	\$5.19	4.5%	\$120.45	\$5.01	4.3%				

Monthly Regional Bill Comparison
FY 2024/25 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		\$5.50	\$24.75	\$24.75
	Fairview	5/8"	\$19.79	\$2.29		\$13.74	\$33.53
	Wilsonville	5/8"	\$18.13	\$4.23		\$16.92	\$35.05
	Raleigh	5/8"	\$20.05	\$2.52		\$15.12	\$35.17
	Wood Village	5/8"	\$17.53	\$3.04		\$18.24	\$35.77
	Milwaukee	5/8"	\$9.35	\$4.34/4.50		\$26.52	\$35.87
	Forest Grove	3/4"	\$27.23		\$2.06	\$9.27	\$36.50
FY 24/25	Rockwood PUD	5/8"	\$15.48	\$3.52		\$21.12	\$36.60
	Oak Lodge	5/8"	\$25.88	\$1.91/2.56		\$12.11	\$37.99
FY 25/26 propose	Rockwood PUD	5/8"	\$16.31	\$3.66		\$21.96	\$38.27
	Tualatin	5/8"	\$12.32	\$4.37		\$26.22	\$38.54
	Sunrise	5/8"	\$22.00	\$3.25		\$19.50	\$41.50
	Hillsboro	5/8"	\$21.94	\$3.63/4.18		\$22.88	\$44.82
	Gladstone	3/4"	\$33.76	\$1.93		\$11.58	\$45.34
	Cornelius	5/8"	\$24.65		\$4.60	\$20.70	\$45.35
	Lake Oswego	5/8"	\$31.17	\$3.27		\$19.62	\$50.79
	Sherwood	5/8"	\$23.29		\$6.30	\$28.35	\$51.64
	Newberg	3/4"	\$25.09	\$4.59		27.54	\$52.63
	CRW	3/4"	\$33.89	\$2.89/3.21		\$19.86	\$53.75
	Beaverton	5/8"	\$21.50	\$5.90		\$35.40	\$56.90
	Scapoose	5/8"	\$41.38		\$3.90/4.10	\$18.05	\$59.43
	Gresham	5/8"	\$36.62	\$4.01		\$24.06	\$60.68
	West Slope	5/8"	\$21.14	\$7.61		\$45.66	\$66.80
	Portland	5/8"	\$22.86	\$7.56		\$45.35	\$68.21
	Sandy	5/8"	\$20.36	\$8.17		\$49.02	\$69.38
	Tigard	5/8"	\$48.42	\$4.68		\$28.08	\$76.50
	TVWD	5/8"	\$30.47	\$10.08		\$60.48	\$90.95

*** A COLA of 2.9% has been assigned to the salary scales as a place holder.*

FY 2025/26 Budget

REPRESENTED EMPLOYEES

Position	Minimum	Maximum
Customer Account Specialist I	\$4,736	\$5,756
Customer Account Specialist II	\$5,418	\$6,586
Lead Customer Account Specialist	\$6,795	\$8,259
Maintenance Mechanic	\$6,077	\$7,387
Meter Reader	\$5,085	\$6,181
Meter Technician	\$5,836	\$7,094
Lead Operator	\$6,795	\$8,259
Operator 1	\$5,424	\$6,592
Operator 2	\$6,581	\$7,999
Operator in Training	\$5,046	\$5,299
Utility Worker I	\$5,424	\$6,592
Lead Water Worker	\$6,795	\$8,259
Water Worker I	\$5,424	\$6,592
Water Worker II	\$5,788	\$7,036
Water Worker in Training	\$5,046	\$5,299

NON-REPRESENTED EMPLOYEES

Position	Minimum	Maximum
Associate Engineer	\$8,561	\$10,405
Asst District Superintendent - Field	\$8,544	\$10,385
Asst District Superintendent - Operations	\$8,544	\$10,385
Business Office Supervisor	\$8,875	\$10,788
District Engineer	\$11,002	\$13,373
District Superintendent	\$9,799	\$11,910
General Manager	N/A	\$16,061
Governmental Affairs Coordinator	\$7,304	\$8,878
Senior Accountant	\$8,236	\$10,011