

BUDGET MESSAGE

Fiscal Year 2024-2025

April 15, 2024

To: District Citizens, Members of the Budget Committee, and the Board of Commissioners,

The proposed fiscal year budget for the Rivergrove Water District is attached for consideration. This budget message provides background information and highlights portions of the budget document to aid in the review of the proposed budget. The budget message is organized by the following categories:

→ General Information → District Funds Classification → Fund Descriptions

GENERAL INFORMATION

The Rivergrove Water District's goal is to provide adequate amounts of safe drinking water in an environmentally sustainable manner and at a rate sufficient to generate adequate revenue at the least possible cost consistent with our 20-year Master Plan.

The Rivergrove Water District is a municipal corporation that provides domestic water service and fire protection to residential and commercial customers. The District is situated in Clackamas and Washington County serving 1,385 customers in five jurisdictions: the Cities of Lake Oswego, Tualatin, Rivergrove, and unincorporated Clackamas and Washington County. The District's boundaries are the Tualatin River on the south, Riverbend and Barton Road on the east, Jean Road on the north, and 65th Avenue on the west. The charter for our District was signed and dated March 5, 1957. The current area within the District is approximately one square mile with a service population listed at 4,200 people by the State of Oregon Drinking Water Program. The estimates contained in the proposed budget were determined by assessing the expected benefits and related costs.

DISTRICT FUNDS CLASSIFICATION

The Rivergrove Water District's budgeted funds include General Operating, Unemployment, Capital Improvement, and Truck and Equipment Reserve Fund. The budget document includes actual financial history of revenues and expenses for the past two years as well as this year's estimates.

The budget was prepared using the cash method of accounting as required by Oregon's Local Budget Law. At the end of each fiscal year, an independent auditing firm audits the budget to ensure compliance with the laws governing the District. The District does not receive tax revenues.

The Board of Commissioners holds regular and special meetings during the fiscal year. The regular meetings are held on the fourth Monday at 4:30 p.m. in the District office. Dates are subject to change and are published on the website at www.rivergrovewater.com. The Board reviews the District's current budget and financial status each month and welcomes public input.

FUND DESCRIPTIONS

GENERAL OPERATING FUND: The General Operating Fund sources money for operations and maintenance, small capital items or projects, and emergency and contingency funds. The majority of revenue for this fund is derived from the sale of water. This fiscal year, a water rate increase of 3% is needed to maintain and improve services.

PERSONNEL SERVICES: The District budgets wages and benefits for 4 full time equivalent employees: General Manager, Utility Operator II, Utility Operator I, and Finance Specialist. Expenses in this category include salaries, hourly wages, overtime, taxes (employee and employer), 457 contributions (employee and employer), medical and dental insurance as well as holiday, sick, and vacation pay.

MATERIALS AND SERVICES: Materials and Services account for materials, supplies, and professional services used to operate the District. The District contracts with private firms for services such as legal, engineering, auditing, meter reading, excavation, IT computer service, copier leasing, SCADA design and repair, pump maintenance, and insurance.

CAPITAL OUTLAY: The Capital Outlay portion of the General Fund is used for capital needs in excess of \$5,000.

TRANSFERS: Transfers or interfund transactions are used to allocate money between the General Fund to the Unemployment Reserve, Capital Improvement Fund, and the Truck and Equipment Fund.

UNEMPLOYMENT RESERVE FUND: This fund budgets all expenditures in the event an employee is laid off, fired or unemployed. The District has the option to self-insure the unemployment benefits and has chosen to reserve funds to cover unemployment costs. The principal source of revenue is operating transfers from the General Fund.

CAPITAL IMPROVEMENT FUND: This fund accounts for the revenue the District will use for capital improvements (major construction projects) forecasted in the next four to ten years. The principal resources for funding this account come from fund transfers from interest, the General Operating Account, and System Development Charges.

2023-2024 FISCAL YEAR PROJECTS

1. Replace 300 LF of 6” asbestos-cement pipe with 6” ductile iron pipe on Marlin Court.
2. Replace 150 LF of 6” asbestos-cement pipe with 8” ductile iron pipe on Childs Road.
3. Begin the design review process to upsize 1,700 LF of 10” asbestos-cement pipe with 10” ductile iron pipe on Childs Road from the canal to SW Indian Creek Avenue.
4. Inventory all customer services lines and submit report to the Environmental Protection Agency.
5. Install two new fire hydrants to increase fire protection for customers.

2024-2025 FISCAL YEAR GOALS

1. Complete the Resilient Backbone and Asbestos Cement Pipe Replacement Project by replacing 1,700 LF of 10” asbestos-cement pipe with earthquake resistant ductile iron pipe on Childs Road from the canal to SW Indian Creek Avenue at a critical supply location within the water system.
2. Upgrade the Supervisory Control and Data Acquisition (SCADA) System.
3. Complete new Rate Study to determine if the revenue stream is sufficient to maintain operations and critical infrastructure required to provide clean, safe drinking water to the community.
4. Install two new fire hydrants to increase fire protection for customers.

Submitted by,

Janine Casey

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General Manager & Budget Officer