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TO: RAINBOW WATER AND FIRE DISTRICT BUDGET COMMITTEE
FROM: JAMIE PORTER, SUPERINTENDENT (BUDGET OFFICER)
DATE: APRIL 5, 2024
RE: FISCAL YEAR 2024-25 BUDGET MESSAGE SUMMARY

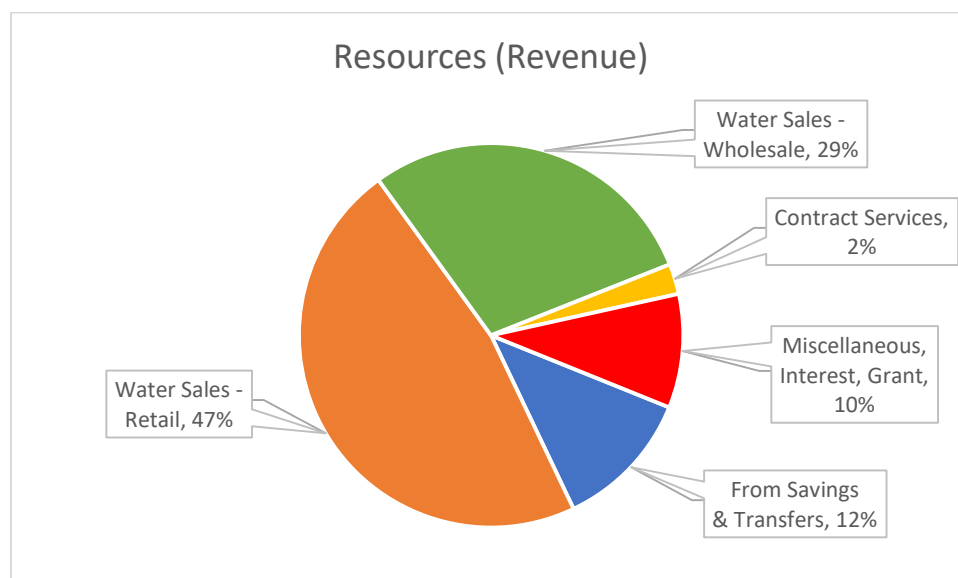
RESOURCES (INCOME)

Water Sales-Retail is money earned when Rainbow sells water directly to our county customers. Rates include a base charge for our overhead costs, and a three-tier usage charge with the rate increasing as larger amounts of water are used (to encourage reasonable conservation). The Budget Committee's primary tool for adjusting revenue is by making changes to the water rate charged to customers.

Rainbow earns money from Springfield Utility Board as **Water Sales-Wholesale** sold under a bulk purchase contract. This rate adjusts each year based on an established formula. This water serves city customers in north and west Springfield in the service area managed by Rainbow.

Rainbow receives **Miscellaneous & Interest** income from grants, court settlements, customer service fees, new development connection charges, investment earnings, and **Contract Services** we provide to others.

Rainbow collects property taxes as revenue into our Fire Protection Fund. These taxes come from both our permanent rate and a supplemental five-year local option levy. The property taxes are used to hire Eugene-Springfield Fire for fire protection and emergency medical services. When we have funds left over, **Savings & Transfers** may be used to store money. The Capital Reserve Fund saves for larger projects that maintain firefighting capabilities, and the Resilience Fund for broader general fund operational support.



REQUIREMENTS (EXPENSES)

Rainbow’s staff is our greatest asset, and nearly half of our budget is dedicated to labor costs. The **Personnel Services** budget item includes wages, employer-paid payroll taxes, and employer-paid benefits for benefits including sick and vacation pay, retirement contributions, and healthcare coverage.

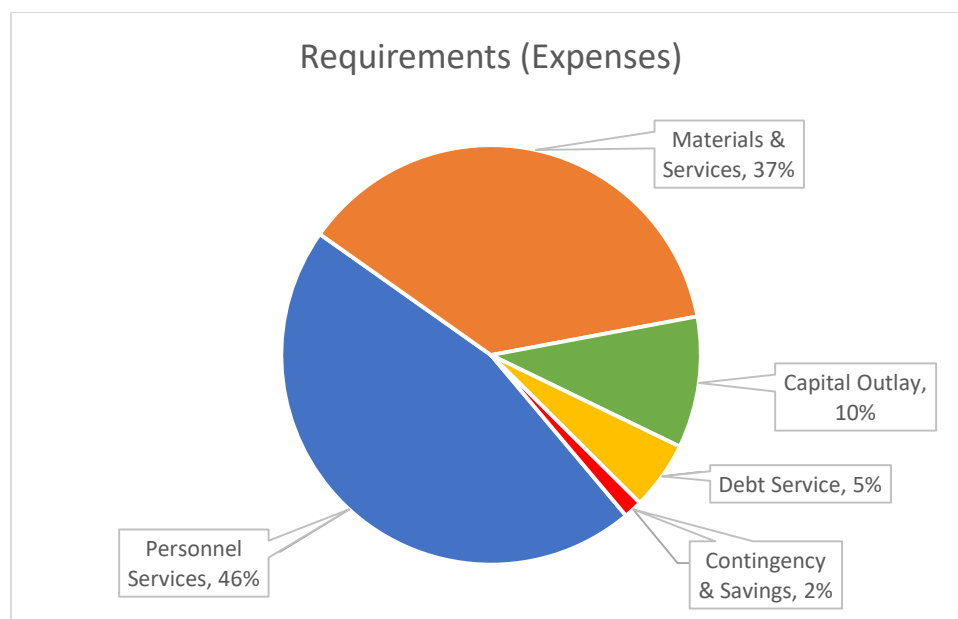
The **Materials & Services** portion of our budget covers operational costs ranging from electricity for our pumps, treatment chemicals, maintenance parts and tools, staff training expenses, computer software subscriptions and payments we make to accountants, lawyers, engineers and technical advisors.

Capital Outlay describes our investments in water system infrastructure, projects that replace or add to our assets including wells and tanks, pumps, pipes, fire hydrants and treatment equipment.

Debt Service is where we budget for principal and interest payments on our one outstanding loan for the Chase Water Treatment Facility.

Contingency & Savings is how we budget to leave some money available for emergencies. Money that is not spent or is specifically saved in the budget, carries over to the next year to start our working capital.

Many costs are fixed and required, such as our annual loan payment, monthly electric bill, or the need to hire an outside auditor to review our finances. Others are discretionary, such as paying a cost of living adjustment for staff, or the type of employee benefits we provide. We need to keep pumping water and perform necessary maintenance and repairs, but we can postpone some equipment replacements and some of our larger projects can be delayed or reduced in scope if funding is limited.



**RAINBOW WATER DISTRICT
2024-25 WATER OPERATIONS (GENERAL FUND) PROPOSED BUDGET**

2022-23 ACTUAL	2023-24 ADOPTED	BUDGETED RESOURCES (INCOME)	2024-25 PROPOSED
\$ 328,933	\$ 300,000	<i>Working Capital Beginning Balance</i>	\$ 184,713
\$ 1,092,014	\$ 1,169,964	Water Sales - Retail	\$ 1,325,000
\$ 814,551	\$ 792,770	Water Sales - Wholesale Contract to SUB	\$ 815,408
\$ 6,676	\$ 3,200	Development/Connection Charges	\$ 3,300
\$ 80,478	\$ 53,700	Contract Services To Others	\$ 71,843
\$ 6,739	\$ 9,050	Cust Svc Fees / Miscellaneous / Sale of Asset	\$ 26,520
\$ 5,003	\$ 3,600	Interest Earnings	\$ 15,000
\$ -	\$ 19,500	Grant Income / State Revolving Loan Fund	\$ 225,000
\$ 148,216	\$ 148,216	Transfers From Fire Protection Fund	\$ 148,216
\$ 128,740	\$ 300,000	Transfers From Capital Reserve Fund	\$ -
\$ 2,611,350	\$ 2,800,000	TOTAL RESOURCES	\$ 2,815,000

2022-23 ACTUAL	2023-24 ADOPTED	BUDGETED REQUIREMENTS (EXPENSES)	2024-25 PROPOSED
\$ 1,102,389	\$ 1,200,000	Personnel Services (Wages and Benefits)	\$ 1,291,314
\$ 697,005	\$ 830,000	Materials & Services (Operating Costs)	\$ 1,049,982
\$ 363,022	\$ 406,200	Capital Outlay (Infrastructure Investments)	\$ 285,000
\$ 147,029	\$ 148,216	Debt Service (Loan Principal and Interest)	\$ 148,216
\$ 121,000	\$ 200,000	Transfer to Resilience Fund (Rainy Day Save)	\$ 25,000
\$ -	\$ 15,584	Contingency / Unappropriated / Future	\$ 15,488
\$ 2,430,445	\$ 2,800,000	TOTAL REQUIREMENTS	\$ 2,815,000
\$ 180,905	\$ -	<i>Working Capital Ending Balance</i>	\$ -

2024-25 RESILIENCE FUND PROPOSED BUDGET

2022-23 ACTUAL	2023-24 ADOPTED	BUDGETED RESOURCES (INCOME)	2024-25 PROPOSED
\$ 337,297	\$ 468,000	<i>Working Capital Beginning Balance</i>	\$ 675,000
\$ 9,886	\$ 7,000	Interest Earnings	\$ 25,000
\$ 121,000	\$ 200,000	Transfer From Water Operating Fund	\$ 25,000
\$ 468,183	\$ 675,000	TOTAL RESOURCES	\$ 725,000

2022-23 ACTUAL	2023-24 ADOPTED	BUDGETED REQUIREMENTS (EXPENSES)	2024-25 PROPOSED
\$ -	\$ 50,000	Water Operating - Personnel	\$ 100,000
\$ -	\$ 150,000	Water Operating - Materials & Services	\$ 225,000
\$ -	\$ -	Water Operating - Debt Service	\$ 150,000
\$ -	\$ 475,000	Reserved For Future / Unappropriated	\$ 250,000
\$ -	\$ 675,000	TOTAL REQUIREMENTS	\$ 725,000
\$ 468,183	\$ -	<i>Working Capital Ending Balance</i>	\$ -

**RAINBOW WATER DISTRICT
2024-25 CAPITAL RESERVE FUND PROPOSED BUDGET**

2022-23 ACTUAL	2023-24 ADOPTED	BUDGETED RESOURCES (INCOME)	2024-25 PROPOSED
\$ 473,583	\$ 565,000	<i>Working Capital Beginning Balance</i>	\$ 1,085,000
\$ 19,208	\$ 15,000	Interest Earnings	\$ 45,000
\$ 300,000	\$ 500,000	Transfers From Fire Protection Fund	\$ -
\$ -	\$ -	Potential PFAS Court Settlements	\$ 1,500,000
\$ 792,791	\$ 1,080,000	TOTAL RESOURCES	\$ 2,630,000

2022-23 ACTUAL	2023-24 ADOPTED	BUDGETED REQUIREMENTS (EXPENSES)	2024-25 PROPOSED
\$ -	\$ 150,000	Water Operations - Debt Service	\$ 150,000
\$ -	\$ 250,000	Water Operations - Capital Outlay	\$ 2,000,000
\$ 128,740	\$ 300,000	Transfers Out - Capital Outlay	\$ -
\$ -	\$ 350,000	Reserved For Future Expenditure	\$ 450,000
\$ 128,740	\$ 1,050,000	TOTAL REQUIREMENTS	\$ 2,600,000
\$ 664,051	\$ 30,000	<i>Working Capital Ending Balance</i>	\$ 30,000

2024-25 FIRE PROTECTION FUND PROPOSED BUDGET

2022-23 ACTUAL	2023-24 ADOPTED	BUDGETED RESOURCES (INCOME)	2024-25 PROPOSED
\$ 416,411	\$ 745,000	<i>Working Capital Beginning Balance</i>	\$ 275,000
\$ 21,256	\$ 15,000	Interest Earnings	\$ 25,000
\$ 1,697,817	\$ 1,715,000	Property Taxes Levied	\$ 1,700,000
\$ -	\$ -	Transfers From Other Funds	\$ -
\$ 2,135,484	\$ 2,475,000	TOTAL RESOURCES	\$ 2,000,000

2022-23 ACTUAL	2023-24 ADOPTED	BUDGETED REQUIREMENTS (EXPENSES)	2024-25 PROPOSED
\$ 1,238,831	\$ 1,238,831	Springfield Fire Protection Contract	\$ 1,374,302
\$ 300,000	\$ 500,000	Transfer To Capital Replacement Reserve	\$ -
\$ 148,216	\$ 148,216	Transfer To Water Operating / General Fund	\$ 148,216
\$ 448,437	\$ 587,953	Contingency and Unappropriated	\$ 477,482
\$ 2,135,484	\$ 2,475,000	TOTAL REQUIREMENTS	\$ 2,000,000
\$ -	\$ -	<i>Working Capital Ending Balance</i>	\$ -