

OTTER ROCK WATER DISTRICT  
2024-2025 BUDGET MESSAGE  
(revised) April 16, 2024

Budget Committee and Otter rock Water Board:

The purpose of the Budget message is to highlight the major issues and changes and to discuss future projections for the fiscal year 2024-2025.

The District is required to present a balanced budget for the upcoming fiscal year by June 30<sup>th</sup> of each year. The budget committee, consisting of up to five citizens and the governing board members, meets to build and approve the budget for the district. During the budget process the public is asked to comment on the proposed budget at two different times. Once near the beginning and again at the end at the budget hearing. After the budget is approved by the budget committee, a budget hearing will be scheduled before final approval by the governing body – the Otter Rock Water District board.

In the last fiscal year, 2023-2024, the District has recruited one new board member and is now operating with four members with one position staying open. Hiland Water Inc has been purchased by Northwest Natural Water LLC. We continue to have the same contacts with the new company and hope to continue using them as our water operator. Throughout the last year more meters have been installed and other information has been collected to satisfy a mandated EPA survey on Lead pipes.

Last year Columbia Bank transitioned to 1<sup>st</sup> Security Bank of Washington and there are no plans to make changes at this time. The funds in the Chlorination account have been depleted and this account has been closed. The System Development fund and our Treasury account have increased through dividends and two new fees from new construction in Otter Rock. The Mahala subdivision continues to be developed and there is a possibility of at least one more development in this area.

We have continued discussions on potential funding for our aging infrastructure. Representative Gomberg has shown support, and we are hopeful he can help with some funding options through his work with the Oregon Legislature. Portland State University was successful in getting the Median Income survey completed and the results showed us slightly above the Median income level needed to qualify for addition funding options.

A little history on our Application with FEMA (Federal Emergency Management Administration)

In August of 2020 a disaster declaration was issued for Lincoln County, Oregon by the governor and President for wildfires in August and September. After a disaster, FEMA makes funds available for mitigation projects to eligible jurisdictions within Counties in which the disasters were declared. Otter Rock Water District (ORWD) decided to pursue a FEMA Post-Disaster Hazard Mitigation Grant to improve seismic resiliency of critical water infrastructure within the ORWD. The ORWD requested CWE (Civil West Engineering) provide a Scope of Work to prepare the necessary engineering, environmental, historical, and archeological documents, and cost estimates to develop the FEMA pre-application. A pre-application was submitted, and it was determined that under one of two open mitigation grant programs the ORWD qualified under Lincoln County Natural Hazards Mitigation Plan, specifically identified in County goal, Earthquake #2 – Identify, inventory, and retrofit critical facilities for seismic and tsunami rehabilitation.

Because these improvements only represented a portion of the overall water system improvements necessary in the District, CWE was also asked to help identify other funding for the overall system improvements. This is where Business Oregon comes into play through the Oregon Health Authorities Safe Drinking Water Revolving Loan Fund.

In October of 2023 FEMA did an onsite assessment at the Tank Farm. This was a very encouraging development as it showed the Grant process was moving forward. Communications are ongoing, but as of this writing, it does seem the ORWD will receive funding. We continue to work with CWE regarding any additional questions FEMA has in order to finalize the Grant.

Business Oregon has continued to work with us and has earmarked funds specifically for our project. Some very recent news on this front has to do with the Portland State Survey we conducted last year. Because of the new Median Income numbers from the State, we now fall slightly below the levels needed to qualify for additional grant forgiveness and a loan repayment with lower interest rates. Our conversations with Business Oregon revolve around rate increases to the ORWD to show our commitment to repaying the loan.

Rates were increased with the 2023-2024 budget, and we will again review water rates and fees. Discussions about water rates and fee increases will be part of the budget committee discussions. The District will hold an initial hearing along with the budget hearing required on the approved budget, both as required by Oregon statutes.

As noted in last year's message, the District will continue to focus on installing meters throughout our system. Knowing the age of our system, we anticipate the continuing need to budget for limited system repairs until the system can be rebuilt.

The District has tentatively scheduled the budget hearing and final approval of the budget for June 25, at the latest.

Respectfully submitted,  
Eileen Goldhammer  
Treasurer – Otter Rock Water District