



S W L C W P U D
PO Box 368, Waldport, OR 97394
7740 Hwy 101 N, Yachats, OR 97498
(541) 547-3315 and swlcwpud.org

April 22, 2025

BUDGET MESSAGE FOR FISCAL YEAR 2025/2026

Introduction:

We spent the past year finishing projects and getting new ones underway! We repaired valve bolts, installed new Pressure Reducing Vaults (PRVs), and conducted field surveys to supplement engineering for our large-scale waterline improvement project. We completed a Lead Service Line inventory and are happy to report that there are little to no lead service lines in our system. We will continue to share resources about how we protect public health.

This budget document provides detailed information about the forecasted revenues and expenditures for the 2025 - 2026 fiscal year. It outlines all the major construction planned, as well as smaller improvement projects.

The proposed budget reflects the District's efforts to balance funding for distribution and treatment operations, keep user rates accessible to our local customer base, while also generating a surplus to contribute to our reserve fund.

Proposed Financial Policies:

The projected revenues are based on prior year trends of cash collected. Monthly review of revenues and expenditures ensure budgeted funds are allocated appropriately to meet projected expectations. In years' past, we substantially raised our rates to meet inflation. We also had to boost our reserve funds after experiencing several dramatic pipe ruptures and other failure incidents.

However, this year presents more challenges than in prior years. New Federal policies create uncertainty about the accessibility and cost of crucial chemicals, equipment, and materials. Additionally, new Federal policies create concern for our local customer base. Many live on a fixed income and rely on government programming. As the new administration re-structures some vital services, we cannot put an undue burden on our local population. Therefore, the proposal contains a modest 6% rate increase.

Important Features:

The proposed budget for fiscal year 2025-2026 was prepared pursuant to Oregon Local Budget Law. We developed the budget on a cash basis. The District did not make any changes to accounting practices or procedures, nor does it anticipate any changes for the upcoming year.

The proposed budget consists of seven pages covering the General Fund, the Construction Fund, and the Equipment Reserve Fund. The Construction Fund details most of the planned activity for the upcoming fiscal year.

Major Projects:

- **Valve Bolt & PRVs Replacement:** In December of 2022 we were awarded a grant and loan from Business Oregon for Emergency Bolt Replacement. We amended the original award by an additional \$250,000 to include replacing two Pressure Reducing Valves (PRVs). A Preliminary Engineering Report (PER) was conducted shortly after the valve failure emergency (August 2022), which identified the two PRVs as critical items to be replaced. The PRVs are old, deteriorated, and a potential fail-point in the delivery of water. The additional funds will be used to cover design and construction costs.
 - Subsequently, the Debt Service line items for SWDR 01-09-23 Loan and Principle were increased accordingly.
- **Waterline Project:** In April of 2023, the District was awarded \$5.9 million through the Safe Drinking Water Revolving Loan Fund for Waterline Improvements. The purpose of this project is to increase seismic resiliency, abandon hazardous pipe, and upsize lines for fire flow and future growth. We anticipate this project to be completed in late 2026, with budgeting continuing incrementally through the 2026-2027 fiscal year. I budgeted \$3 million for this year, which will finance finalizing design plans, putting the project(s) to bid, and construction contracting. We anticipate breaking ground in early 2026.
- **Water Treatment Plant Upgrade:** Over the past few years, we have modernized the controls at the Blodgett Treatment Plant. The next step is to do the same with the Dick's Fork Water Treatment Plant. This includes SCADA telemetry upgrades for more accurate monitoring, data collection, controls, and reporting. We will also work on replacing the filter media and components. This project will be funded by internal reserves.

Other Improvement Projects:

We have also budgeted for smaller projects to increase safety and prepare for the future.

- **Fire Hydrants** and fire flows are essential to new developments per the Oregon State Fire Marshal's new requirements. Several of our hydrants are unable to be repaired due to manufacturing changes. We are budgeting for (7) new fire hydrants, which staff will install during milder months of the year. Hydrants will be funded from internal reserves.
- **Water Meters** will start being updated with an Automated Meter Reading System. We will begin automating meters located along Hwy 101 and Pacific Coast Hwy, as these pose the most risk to staff during the monthly meter reading process. Meters will be funded from internal reserves.
- **Equipment Fund/Vehicles** Last year the District financed an F-450 service truck. This year we will make a second payment to complete the purchase. We are also in the market for a new flat-bed trailer with dovetail ramps. The trailer must have a higher load capacity to haul our

hydraulic excavator. The extra load capacity is always helpful for transporting large items like fire hydrants. Both these items will be funded by internal reserves.

Acknowledgement:

We are excited to contribute to the longevity of the water system in this upcoming year, and to continue to provide clean, safe drinking water with confidence.

The Board of Directors and District staff extend our gratitude to the Budget Committee Members for their guidance, service, and time during the Budget Cycle.

We are happy to provide any supplemental information ahead of the Budget Committee Meeting. We look forward to seeing you at the District Office on Tuesday, April 29, 2025, at 10:00am.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Angela Vogl', with a stylized, cursive script.

**Angela Vogl,
Budget Officer,
SWLCWPUD Administrative Manager**