



Looking Ahead—2023 and Beyond

<NAME>

<ADDRESS LINE 1>

<ADDRESS LINE 2>

<CITY, STATE, ZIP>

Dear Valued Customer:

As your Rainbow Water District Board of Commissioners – and your neighbors – we have important matters to share with you that deserve your attention.

As you know, Rainbow was formed in 1949 to supply drinking water from groundwater wells to a growing number of homes in our unincorporated neighborhood. Since its inception, Rainbow has focused on top-notch customer service and delivering safe and reliable drinking water to you, our customers. Over the last 7 decades, Rainbow has faced a variety of challenges. Still, we have remained focused on our mission to maintain our groundwater sources and the infrastructure that delivers water to you and over 2,400 households every single day.

Today, we are again planning for the future and working to address several new challenges.

Springfield Utility Board Water Supply Changes

Rainbow's largest water customer is the Springfield Utility Board (SUB). At a contracted price, SUB purchases around 80% of the water Rainbow produces for use by City of Springfield residents. SUB's wholesale purchase from Rainbow provides about 40% of Rainbow's annual operating income. SUB is now developing a new water intake on the McKenzie River and a new water treatment plant to increase and diversify its supply. In a few years, these new facilities will serve SUB customers in portions of Springfield currently supplied by Rainbow.

Rainbow Monthly Rates

Without SUB as a wholesale water purchaser in the future, Rainbow must rely entirely on its residential customers for water operating revenue as early as 2027. To compensate, your Board of Commissioners has directed that gradual rate increases begin now to avoid steep rate hikes in the future and to prevent reductions in our services or unacceptable risks to Rainbow's financial security.

Rainbow's rates have traditionally been among the lowest in Oregon and past rate increases have been modest. That is expected to change over the next 5 years, with Rainbow's rates projected to rise significantly. In July 2023, monthly rates will increase by an average of \$5.50 per household. Although Rainbow will continue working to manage your resources responsibly, these increases will likely need to continue for several years.

New Federal Water Quality Standards for PFAS

New federal regulations pose another challenge for Rainbow that will impact our operations and costs. PFAS (per-and polyfluoroalkyl substances) are present in many everyday household products and are widespread in the environment. Now, they have been found in the drinking water supplies of millions of Americans—including in Rainbow Water District. Rainbow has proactively tested for PFAS and found low levels in several of our wells. In collaboration with SUB, studies are underway now to determine a future supply strategy. Options include adding treatment or modifying wells to meet these new regulations that may be adopted in late 2023. We expect the U.S. Environmental Protection Agency, the EPA, to allow water utilities 3 to 5 years to address this challenge. (See www.rwdonline.net for more about PFAS.)


As with past challenges over the last seven decades, Rainbow's mission directs us to find the best solutions and outcomes for our customers' need for safe and reliable water. Rainbow's people remain committed to doing their best and to serving you well today and into the future.

Your Rainbow Water District will mark its 74th birthday on August 22, 2023. We'll organize a few special events to celebrate this milestone with you over this next 75th Anniversary year.

You may well have questions on any of these topics. There's more information on our website, but please don't hesitate to talk with us directly. You may contact us at 541-746-1676.

Sincerely,

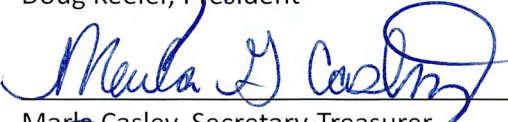
Rainbow Water District Board of Commissioners



Doug Keeler, President



Lou Allocco



Marla Casley, Secretary-Treasurer



Mindy Kephart (Incoming)



Jim McLaughlin



Mary Beth Wilson (Outgoing)

cc Jamie Porter, P.E. – Superintendent, Rainbow Water District
Rainbow Water District Budget Committee

RWDonline.net

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