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CUSTOMER NEWSLETTER – SEPTEMBER 2017

Rainbow was formed as a domestic water supply district in 1949, and voters authorized the district to provide for fire protection in 1952. We are officially Rainbow Water and Fire District, but we are known and do business as Rainbow Water District.

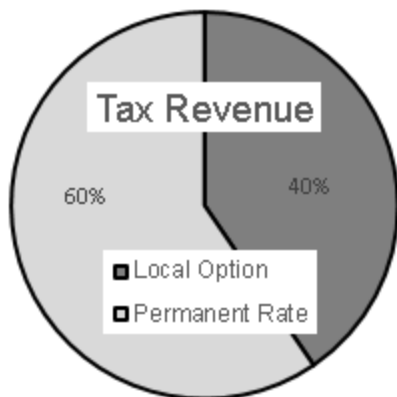
While we use income from the monthly water bills to pay our staff and finance our normal operations and maintenance, and we were pleased to hold rates steady this year and not require a water price increase, we collect property taxes to pay for fire protection. We do not actually own any fire equipment, and we hire the City of Springfield (now a part of Eugene-Springfield Fire) to provide fire protection and emergency medical services for our customers.

The amount we pay for our fire protection contract is a percentage of the City of Springfield's annual fire department budget, and is based on the total assessed value of Rainbow homes versus the total assessed value of Springfield homes. We should note that fire protection is NOT covered by FireMed, a supplemental insurance program that only covers ground or air ambulance transport and does not actually provide for the cost of firefighters and fire trucks.

How do property taxes work?

The Lane County Tax Assessor establishes property taxes based on the Assessed Value of the property, not the Real Market Value that the property might sell for in a competitive market. By law, the Assessed Value cannot increase more than 3% per year without voter approval. For Fiscal Year 2016-17, the Assessed Value of Rainbow's fire protection area was \$384 million. We divide this by the number of Rainbow customers to come up with an average assessed value. The assessed value of your specific property will be shown on your property tax bill.

Your permanent rate property taxes are based on your home's value and are listed on your tax



bill as "Rainbow Water and Fire District." The permanent rate tax is set at \$2.0631 per \$1,000 of assessed value. The amount raised by the permanent rate only covers about 60% of the cost of the annual fire protection contract, so we must use a levy, or temporary tax, to make up the difference. The Local Option Tax shows up on your tax bill as "Rainbow Water and Fire District LO." In November 2014 voters renewed our levy and approved a supplemental property tax for 2015-2019. The Board of Commissioners has decided to ask voters now to extend the levy again, for 2019-2024. Passage of this measure would allow us to plan and budget further into the future.

The current levy provides a flat rate of \$657,225 per year, which works out to a rate of \$1.7132 per \$1,000 of assessed value in Fiscal Year 2016-17. November 7, you vote on Measure 20-282 which will ask to continue the local option tax at a rate of \$1.71 per \$1,000 assessed value for another five years. **We cannot pay for our fire protection contract if the levy does not pass.** If any money is available after paying the fire contract each year, the Board and Budget Committee may authorize that a portion of the surplus money be invested in water system upgrade projects that maintain our ability to produce, store and deliver water to fight fires.

WATER TREATMENT PLANT

We are pleased to announce that we have awarded a contract to Pacific Excavation, a local firm, to construct a new \$2.9 million treatment system for our Chase Wellfield. This project is made possible due to a grant and low interest (1.97%) loan from the state's safe drinking water revolving loan fund. This allows us to spread the payments over time, and when we make loan payments it refills the account and allows the state to help other water utilities. The treatment system improvements will allow us to filter water to a higher level of purity, and produce up to three million gallons of treated water per day. We will also gain the ability to raise our wellfield pH slightly to reduce corrosion of lead and copper in household plumbing.

BOARD MEMBER SPOTLIGHT

Rainbow's Board of Commissioners meets monthly to adopt the policies that guide the staff and govern the District's customers. This month we would like to introduce you to:

Mary Beth Wilson -- Position #2, Term expires 6/30/2019

Originally from Salem, Mary Beth moved to Eugene to attend the University of Oregon. She met her husband, Zane, while working as a dispatcher for the Eugene Police Department. They left the area for 16 years to chase careers, returning to Springfield in 1988. She has served professionally as an accountant and tax preparer, and brought her financial acumen to Rainbow when she was first appointed to the Budget Committee in 1996. Mary Beth has now continuously served Rainbow on either the Budget Committee or the Board of Commissioners for 21 years. She is active in her local church, Springfield City Club, and the Oregon Association of Tax Consultants.



STRATEGIC VISION

Our Board of Commissioners has identified five "pillars" that will help us to fulfill our mission. What makes us successful? Value for customers, a safe, adequate and accessible water supply, financial health, strategic relationships, and Rainbow's people (both customers and staff)!

Find us on the web at www.RWDonline.net or use the [Facebook](#) link for Rainbow-Water-District.