

**RESOLUTION 2025-33
OF THE RAINBOW WATER DISTRICT
AWARDING A PROFESSIONAL SERVICES CONTRACT FOR
FINANCIAL PLANNING SERVICES TO DONOVAN ENTERPRISES INC**

WHEREAS, Rainbow Water District is a domestic water supply district under Oregon Revised Statutes Chapter 264 which provides that “the power and authority given to districts is vested in and shall be exercised by a board of five commissioners, each of whom shall be an elector of the district”, and the Rainbow Water District Board of Commissioners also serves as the Local Contract Review Board, and

WHEREAS, Rainbow Water District desires financial planning assistance to extend a previous Cost of Service Analysis and Water Rate Study from a period of 10 years to 20 years, to further project future expenditures until 2045 and determine the rates necessary to fund operations and maintenance and debt service costs, and Donovan Enterprises Inc. is a qualified professional firm able to provide such assistance, and

WHEREAS, the Oregon Administrative Rules (OAR) provide procedures for selecting consultants for engineering and related services, and OAR 137-048-0200(1)(b) allows direct appointment of a consultant if the estimated fee is less than \$100,000, and Resolution 2025-03 authorized \$25,150 for Donovan Enterprises Inc. to provide the necessary services on a time and material basis but less than \$7,000 was actually expended, and

WHEREAS, Donovan Enterprises Inc. has proposed to perform additional financial planning for a not-to-exceed cost of \$7,000 that will also be billed on a time and material basis, but staff is proposing additional budget approval to allow completion of other tasks that may be desired, and the previous work plus any new work will still be less than the direct selection limit, and

NOW THEREFORE BE IT RESOLVED that the Rainbow Water District Board of Commissioners and Local Contract Review Board authorizes the Superintendent to execute a contract with Donovan Enterprises Inc. for professional services related to additional financial planning services authorizes the expenditure of up to \$12,000 from FY 2025-26 funds budgeted for Materials & Services in the Water Operating Fund.

ADOPTED by a vote of _____ Yes votes and _____ No votes this 12th day of November 2025.

Marla Casley, President
Board of Commissioners

Marla Casley, President
Local Contract Review Board

ATTEST:

ATTEST:

James Burrington, Secretary-Treasurer
Board of Commissioners

James Burrington, Secretary-Treasurer
Local Contract Review Board

**CONTRACT FOR PROFESSIONAL SERVICES
RAINBOW WATER DISTRICT AND DONOVAN ENTERPRISES, INC.**

This Contract, dated November 12, 2025, is between the Rainbow Water District, (the District), and Donovan Enterprises, Inc. (Provider), and relates to the Provider's previous deliver of ratemaking and financial planning services.

RECITALS

1. In the Spring of 2025, District and Provider entered into a contract for the provision of Professional Services.
2. The Spring 2025 professional services contract has been fulfilled to the satisfaction of both parties.
3. The parties now wish to revisit the facts, findings, and conclusions of this prior work to update planning assumptions and derive updated conclusions and recommendations. These updated conclusions and recommendations will then be presented to the District's Board of Directors.

TERMS AND CONDITIONS

1. Scope of Work – update the District's water revenue requirements and rates models for the following new assumptions:
 - 1.1. In September 2025, the IFA Board approved a \$2.4M grant for the District to build Chase Well #6 to provide source replacement as a PFAS mitigation effort, with funds covering both design and construction. The provider will include this in the District's revenue model to evaluate its effect on future cash flows.
 - 1.2. The District has begun receiving PFAS class action settlement funds as expected and is now planning to use the money for a replacement of the I-5 Well #1. While more funds may be available, this remains uncertain. The District and Provider will update the 10-year PFAS funding forecast within the existing financial plan.
 - 1.3. The Eugene-Springfield Fire Department's union is advocating for a new fire district to replace the current municipal partnership model. This poses an ongoing risk to the District's permanent property tax levy and could lead to a scenario where voters approve a merger, potentially eliminating supplemental funding for water projects and legacy debt service (Chase Water Treatment Plan) through 2038. The Provider will update the District's cash flow forecast to reflect this possibility in coordination with management.
 - 1.4. SUB and Rainbow Boards have agreed to a new 20-year IGA, providing Rainbow with stability. From February 2025 to February 2032, SUB will buy 1,067 MG of water annually at \$0.9360 per unit, adjusted for CPI or ENR (unless both are negative). After that period, purchases are optional. Signing awaits City approval of the Urban Services Agreement, expected within months, retroactively raising the District's February 2025 rate from \$0.6428 per unit. The new IGA offers more predictable revenue than prior expense-based measures. The Provider will update the District's revenue requirements and rate models to account for this update.
 - 1.5. At this completion of the modeling updates described in tasks 1.1 through 1.4, the Provider will recalibrate the District's revenue requirements and rate forecast over a 20-year forecast horizon. Provide will share the results with District management prior to preparing any presentation materials.

1.6. Upon completion of the analysis updates, Provider will develop a PowerPoint presentation summarizing the revised facts, findings, conclusions, and recommendations regarding the proposed water rate increase over the 20-year forecast period. District management will collaborate in preparing these materials and provide editorial input as needed. Once finalized, the Provider will present the planning assumptions and results of the 20-year water rate forecast to the District Board of Directors via video conference.

2. Schedule

The Contract shall terminate on February 28, 2026, unless terminated by either party with thirty (30) days advance written notice.

3. Compensation

Provider proposes a time-and-materials contract with a "not to exceed" fee, requiring prior written District approval for changes. Travel will be reimbursed at the current IRS mileage rate, updated if the IRS changes it. Final report and technical memo printing/binding are billed at actual cost. Project materials will only be billed as needed, with the District project manager's review and consent.

Total billable hours.....	40
Hourly billing rate.....	\$175.00
Total not to exceed project budget.....	\$7,000.00

4. Financial models developed in spreadsheet form will be provided by Provider to the District at the conclusion of the contract to allow District to make adjustments in the future.

5. Effect of agreement and Execution

DONOVAN ENTERPRISES, INC.

RAINBOW WATER DISTRICT, OREGON

By: _____
Title: President

Date: _____

By: _____
Title: _____

Date _____

**RESOLUTION 2025-34
RAINBOW WATER DISTRICT
RESOLUTION AUTHORIZING ADDITIONAL SUMMIT BANK ACCOUNT**

WHEREAS, Rainbow Water District is a domestic water supply district organized under Oregon Revised Statutes (ORS) Chapter 264, and ORS 264.410 provides that “the power and authority given to districts is vested in and shall be exercised by a board of five commissioners, each of whom shall be an elector of the district...elected for a term of four years”, and

WHEREAS, ORS 264.470 states that the Board of Commissioners is responsible to authorize check signers and shall designate one or more qualified depositories for district funds, and the District Board authorized the use of Summit Bank with Resolution 2024-01, and

WHEREAS, the District desires to open an additional Summit Bank checking account for processing employee FSA and HRA payments through PNC Bank BeneFit Plus program, and

NOW THEREFORE BE IT RESOLVED

The following Commissioner positions and their respective offices are hereby affirmed:

<u>Position</u>	<u>Name & Address</u>	<u>Term Expires</u>
#1	Doug Keeler, 3905 Hayden Bridge Rd	June 30, 2027
#2	Mindy Kephart, 2656 33 rd St	June 30, 2027
#3	Marla Casley, 2794 28 th St	June 30, 2027
#4	Erik Westerholm, 3560 Hayden Bridge Rd	June 30, 2029*
#5	James Burrington, 3890 Hayden Bridge Rd	June 30, 2029

* Position #4 filled by mid-term appointment 9/10/25, up for election in May 2027 for the term remainder.

District HRA and FSA funds shall be deposited with Summit Bank in a separate checking account accessible by PNC Bank for use in the BeneFit Plus program. District Superintendent Jamie Porter and Office Manager Jodi Sanders are authorized to open accounts and process account changes, under the supervision of the elected Board of Commissioners.

ADOPTED AND APPROVED by a vote of _____ Yes votes and _____ No votes, this 12th day of November 2025.

President, Board of Commissioners

Attest:

Secretary-Treasurer, Board of Commissioners