

**PALATINE HILL WATER DISTRICT
BUDGET MEETING
May 5, 2026**

The Budget meeting convened live at Riverdale Grade School, 11733 S. Breyman Avenue, Portland, OR, and by video conference at 5:00 p.m. on Tuesday, May 6, 2026. Digital and hard copy supporting materials were provided to the commissioners and the committee in advance of the meeting. Instructions for public access to the teleconference were printed on the Agenda and noticed as required by statute. In attendance were:

Budget Committee

Heather Bogaty
Gerald Chew
Steve Klein
Vasanth Kottur
Jeff Krenck

Board Commissioners

Carrie Gentry
Laura Martin
Boone Scholibo
David Veverka

Others

Brian Ginter
Matt Steidler
Roberta Allen
Danica Swanson
Tunie Betschart
(TSCC Budget Analyst)

Vasanth Kottur provided the following statement to the Palatine Hill Water District Board chair in advance of the meeting: This is an email to let you know that my participation in the budget committee discussions is purely on an individual basis, as someone living in the community and approached by a Board member to attend this meeting. This has nothing to do with my job, or employment or work and nothing to do with the State or government. There will also be no exchange of compensation of any kind, monetary or non-monetary, and there will be no transaction commercial or otherwise that involves me in any way.

Danica Swanson of BB Tax & Accounting, LLC was appointed Budget Officer by the Board of Commissioners.

Heather volunteered to serve as chairman of the Budget Committee with unanimous agreement from those in attendance.

The Budget Committee meeting was called to order by Heather at 5:19 P.M. The proposed budget for July 2026 through June 2027 was presented by the Budget Officer.

Brian Ginter of Consor North America Inc. explained the engineering and operating components of the 2026-27 budget.

Notable discussion points by Committee or Board members included:

- Steve asked whether Portland residential customers will see similar rate increases. Brian explained that wholesale customers for the city of Portland will see the same increases as PHWD, while residential customers of Portland will see somewhat higher increases because they pay for the cost of the Portland infrastructure. PHWD only pays for the infrastructure we use for delivery. Based on this year's budget, Brian anticipates the need to discuss rate increases for the 2027-2028 year.
- Heather commented on system improvements for 2025-2026 that are carrying into 2026-2027. Brian noted that the billing and communication pieces have not begun, even though the rates have increased. We will transfer funds into our project accounts as the timelines

for the projects shift. Brian mentioned that we have been very conservative in our estimates, and after going out to bid, we have been able to manage spending at a lower level, and we strive to continue this with the pay-as-you-go approach.

- Heather asked whether there is adequate coverage for fire hydrants, even though subdivision activities are underway. Brian explained that hydrant coverage needs to be within 400 feet, and that higher-square-footage homes may be required to have indoor sprinklers under fire and plumbing codes.
- Steve asked whether contingencies were built into the estimates, and Brian confirmed that there are 10% contingencies in each project.
- Boone asked whether our increases in water costs and improvements are similar to those of other cities our size. Brian explained that Portland has delayed several projects, and that these projects are now costing more than those of municipalities that may have done improvements 15 years ago.
- Boone noted an increase in both the number and cost of projects compared with previous years. Brian explained that as the system ages, we have increased the number of projects to keep pace with the impacts of aging. Over the long term, Brian anticipates that funding may need to come from bonds or a levy to spread costs over time.
- Steve pointed out the continued need to communicate with our customers about the upcoming increases.

Heather thanked Brian for his presentation and in-depth knowledge of our system.

Steve moved, seconded by Jeff, to approve the budget for the year ending June 30, 2027, as presented. Tunie suggested that the budget amount should be included. Heather amended the motion to include the amounts of \$3,617,611 for the General Fund and \$4,247,822 for the System Improvement Fund. The amended motion was seconded by Jeff. The amended motion passed unanimously.

The meeting adjourned at 6:07 P.M.

APPROVED:

Commissioner

Commissioner