

April 22, 2023



An open letter to the Ways and Means Committee,

This letter is asking for your support of HB 3045, which would provide crucial funding to the City of Grants Pass, assisting its citizens to replace its 92-year-old water treatment plant.

Replacing the City's sole source of water, its Water Treatment Plant has been a strategic City Council goal since 2014 and is critical to maintaining quality of life our residents as well as their ability to do business, free from the threat of waking up to no water. There are 39,000 residents in Grants Pass, and another 40,000 doing business from Josephine County that all depend on Grants Pass for the treatment of water from the Rogue River.

The water treatment plant (WTP), constructed in 1931 and is the only source of drinking water available. Numerous engineering studies and a diverse Citizen Advisory Committee concluded that the WTP cannot be repaired or rehabilitated without significant cost and could severely impact the City's ability to deliver water to our customers for extended periods.

Significant problems facing the water treatment plant include:

- Extreme seismic and structural vulnerabilities brought on by poor construction techniques in the original 1931 construction. Seismic studies the building cannot be brought up to current seismic code.
- There is limited space on the existing WTP site for staging repairs or expansion.
- The plant currently sits within the 100 and 500 year floodplain. Making it susceptible to damage in a large flood event, a likely reality as climate change progresses.

- The city has no ability for connection to a secondary source, nearby utilities are more than 30 miles away and ground water resources are limited, unable to provide the minimum daily flow of over 3.0 million gallons per day.

Grants Pass' City Council has committed to funding the replacement of its water treatment plant project since making it one of their highest priority projects in 2014. The Council has taken bold steps and has directed staff to set aside all available funds to pay for this once in a generation project. To date the City has operated on a "Pay As You Go" basis. Funding all preliminary engineering studies, site acquisition and preparation, and design while still building cash reserves to pay for construction activities and future debt service. In addition, the City is actively seeking grants where applicable to assist the community to maintain water affordability.

Under Council Leadership, Grants Pass has implemented water rate increases and a WTP replacement fee which is dedicated to the project. This action has doubled utility rates, demonstrating the City's commitment to its locally funding the project and its future debt service obligation. This has, however, made our utility bills nearly unaffordable for a large segment of our population.

To illustrate this point, in 2019, 435 notices of delinquency were issued, and 38 had their water shut off due to non-payment. By 2022 this had increased to over 850 accounts and 73 services were terminated for nonpayment. Delinquency notices typically ran in the 1% – 2% range before the rate increases and now are over 6.5% of our face the inability to pay their utility bills. Water fees alone represent approximately 2.5% of MHI in Grants Pass.

HB3045 would reduce the amount of borrowing that would be required to complete the project. Greatly reducing the need for further increases which impact Grants Pass' most disadvantaged residents the most.

This project is "shovel ready" and 30% design drawings have been completed. Council and staff are now working with the design build team to value engineer the project to ensure right size, right technology and the overall cost effectiveness. With additional funding this project will be ready for construction in Spring of 2024.

Please help Grants Pass residents by supporting HB 3045 as it replaces its 92 year old water treatment with a seismically resilient plant allowing us to serve our customers for another 90 years.

Respectfully,

A handwritten signature in blue ink that reads "Jason M Canady". The signature is written in a cursive style with a large initial "J" and "C".

Jason M Canady

Public Works Director, City of Grants Pass