



Council recently passed Resolution 712 which added a \$2.50 Water Capital Improvement Fee to the monthly utility bill. The addition to the monthly bill was necessary for a multitude of reasons as Council recently cited. Below are some of the reasons and rationale for the increase:

1. ***Calapooia Crossing Waterline*** – The City experienced a major waterline break in late December 2011. The City's 12" water main had busted and subsequently had to be taken out of service due to the severity of the break. Fortunately, Public Works caught the leak in time and averted what could have been a major disaster for the City' distribution system. The City is currently under contract to repair this major waterline that services south Brownsville. The repair cost is \$380,420 and was projected to cost \$450,000. The City is able to pay for these improvements out of the utility funds.
2. ***Future New Water Plant*** – The City will begin planning the next upgrade to the Water Treatment Plant in the year 2020. Water Treatment Plants have a useful life of about twenty-five (25) years. Our current plant went into service in 1996.
3. ***Water Debt*** – The United States Department of Agriculture's Rural Utilities Service (USDARUS) is the Federal funding agency that rural cities use when executing major capital improvements projects. USDARUS allows for debt to be taken out over forty (40) years which the City did in 1996. When the City moves forward with the next project there will be remaining debt that will need to be rolled over into the next bond or paid down at the time of the next issuance.
4. ***Water Capital Improvements*** – The City has a number of deferred capital improvements that will need to be upgraded within the next few years including the replacement of the 250,000 gallon reservoir which will be upgraded to a 1,000,000 gallon reservoir to more adequately service the City. The City also has a major waterline on Main Street that needs to be replaced along with other distribution system needs.

Council is aware that the improvements needed over the next decade are going to be costly. Council is trying to stay ahead of the curve and manage the improvements as responsibly as possible. By instituting the Water Capital Improvement Fee, the City will yield an annual amount of just over \$20,000 which will help with the enormous costs that lay ahead.