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## **COBURG CITY COUNCIL TO BEGIN DISCUSSIONS ON UTILITY RATES**

**The Coburg City Council began preliminary discussions on critical water projects and the potential impact on utility rates at a work session held on April 26, 2022. There are a couple of important reasons why this discussion is taking place:**

1. The cost of goods and services has continued to increase dramatically in 2022. Additionally, the cost of employment has also increased.
2. The elevated storage reservoir in the Water Master Plan has hit some roadblocks that will raise the cost of completing this project.

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### **Water Master Plan**

The first Water Master Plan was adopted in Coburg in 1966 and has been amended several times with the last amendment taking place in 2016. This document provides guidelines for managing drinking water and implementing water infrastructure improvements in order to accommodate anticipated growth and address current deficiencies. The City is in the process of implementing this plan for which an elevated reservoir is one project in the plan. In 2007 the City secured easements on properties in the Diamond Ridge Subdivision in anticipation of increased water needs of the community. The plan at that time was to place an elevated reservoir and water line. However, as engineering more recently began on this project it was discovered that the area selected for the reservoir is not ideal due to difficult soils, large boulders, and creek crossings. Additionally, if the reservoir were to be placed on this property, the height would cause undue pressure on the water infrastructure requiring additional equipment be installed on every service in the City.

### **Reservoirs and elevated reservoirs provide water storage to municipalities for several reasons:**

1. To equalize supply and demand for daily flow variations, maximum day, and peak hour requirements.
2. To provide emergency reserve supply during pipeline breaks, mechanical failures, power outages, and emergency incidents.
3. To provide water for fire protection.
4. To provide more stable operating pressure for the system with significantly less energy consumption due to utilizing gravity for pressure rather than constant pumping.

### **Utility Fees**

The Water and Sewer Utility Funds are independent funds. They must operate away from the General Fund as business or proprietary funds. Therefore, they must pay for themselves which means the utility revenues must cover the cost of personal services, materials and services, capital projects and debt. With the increase in the costs of goods and services, personal services, and construction costs, the Council must make decisions that ensure the fiscal health of the utility funds now and in the future. This is not a decision that the City Council will take lightly, and will provide ample opportunity for public engagement and input. Staff are preparing financial scenarios to be reviewed during the summer with the anticipation that a decision will be made in the late fall. If the Council seeks to raise fees, those increases could be implemented mid-year (January 1, 2023), or wait until the beginning of the fiscal year 2023, which begins July 1, 2023.

### **Feasibility Study**

The City Council has approved a feasibility study which will propose alternative locations to place a 750,000 gallon elevated water reservoir, as well as investigate the health and useful lives of the two reservoirs currently located at the Sarah Lane water site. Also included in the study will be alternative designs for a third reservoir which will include an elevated water tower much as you might see in many small towns across America. Some property owners in the I-5 area have volunteered their properties to be part of the feasibility study which will give options for the best location of the elevated water storage. Lastly, the feasibility study will consider planned and future development in Coburg to anticipate the current and future need for emergency water storage. Costs associated with the change in the reservoir project will be part of this feasibility study as well. It is anticipated that this study will not be completed until September, 2022, and soon after, the Council will hold discussions and ultimately make a decision regarding recommended changes to the reservoir project.

As more facts become available regarding the water project, as well as the utility fee discussion, the City of Coburg intends to make this information available to the public.

Questions and concerns may be addressed to Anne Heath, City Administrator by emailing [Anne.Heath@ci.coburg.or.us](mailto:Anne.Heath@ci.coburg.or.us), or by calling 541-682-7871.

Additionally, the public is always invited to the City Council meetings and may attend in person or by zoom. City Council meetings are held on the 2<sup>nd</sup> Tuesday of the month at 7:00 p.m. Citizens who would like to provide comment should contact City Recorder Sammy Egbert at [Sammy.Egbert@ci.coburg.or.us](mailto:Sammy.Egbert@ci.coburg.or.us), or by calling 541-682-7852 by 3:00 p.m. on the day of any scheduled meeting.