



COBURG CITY COUNCIL

ACTION ITEM

Purchasing Authorization for Wetland Credits for Waterline Extension and Service Connection

Meeting Date	Staff Contact	Email
December 12, 2023	Adam Hanks, City Administrator Brian Harmon, Public Works Director	Adam.Hanks@ci.coburg.or.us Brian.Harmon@ci.coburg.or.us

REQUESTED COUNCIL ACTION

The City of Coburg has tasked Branch Engineering, the City’s contract City Engineer, with submitting and obtaining the necessary state and federal permits to extend the eastside waterline to serve water to Premier RV and the newly annexed 107 acre light industrial site. The permit and resulting waterline extension continues progress towards the completion of the “east loop”, an important system component contained within the 2016 Water Master Plan.

Because the existing connection point is located within a somewhat newly identified wetland area, disturbances to the area require a Joint Partner Agency (JPA) permit. Because of the disturbances that occurred with the initial boring of the waterline under I-5 from west to east are beyond the two-year limit that allows on-site mitigation treatments, the current permit requirement includes the purchase and utilization of wetland credits.

Suggested Motion

I move to authorize the City Administrator to execute a contract for the purchase of wetland credits for the purpose of fulfilling permit requirements of the eastside waterline extension, estimated at a current market rate cost of between \$32,000 and 35,000 for the .184 acre of required credits.

BACKGROUND

The eastside waterline extension and loop project has been in development for a number of years and is identified on the 2016 Water Master Plan. The project objective is to extend and provide water service to the existing and newly annexed properties within the Coburg City limits, as well as to create a loop in the transmission/distribution system extending north to Van Duyn then northwest to N Industrial Wy.

A prior project extended the waterline from the existing system located on Roberts Road to the east side of I-5 via horizontal boring. The existing temporary terminus of the line (bore pit) is located on private property south of the Premier RV property. An easement exists for both the bore pit, the main waterline extension to the 107 acre parcel and a service line to the Premier RV

property. A service access road was constructed at the time of the I-5 bore. The combination of the road and the bore pit triggered a requirement for a wetland delineation and ultimately determined that the project impacted .184 of an acre requiring the wetland credits to allow the disturbance to remain in place.

The JPA permit required to continue with the extension of the waterline project, is a multi-agency approval process that includes the Oregon Department of State Lands (DSL), the US Army Corp of Engineers and the Department of Environmental Quality (DEQ). Wetland credits are formally labeled Compensatory Mitigation with a purpose of replacing the functions and values lost by the permanent impacts to “waters of the state”.

Removal and restoration of the site as an option is limited to a two-year window from the time of disturbance which has since passed. Even if restoration were an option, it is likely that the costs involved with removal, restoration, monitoring and reporting over the required five-year period would be equal to or exceed the cost of the wetland credit purchase.

RECOMMENDATION AND ALTERNATIVES

Staff recommends the purchase of wetland credits as soon as possible given the upward trends on the market rate of wetland credits. Availability of credit supply is limited with a number of projects regionally requiring credits resulting in consistent upward changes in pricing from month to month.

BUDGET / FINANCIAL IMPACT

Staff and Branch Engineering have been in contact with several wetland credit holders and have tentatively identified a credit holder willing to sell this relatively small credit amount to the City. Market fluxuations and credit demand continue to create pricing adjustments. It is anticipated that the necessary credits can be purchased for between \$32,000 and \$35,000. This expenditure would be funded from budgeted water capital fund appropriations and are eligible expenses for the existing water loan (\$4.5m) that is being utilized to finance current water infrastructure projects.

PUBLIC INVOLVEMENT

No prior public involvement has occurred relating specifically to the need for or purchase of wetland credits. However, many Council meetings and work sessions relating to the overall water system have occurred, most recently a November 28, 2023 Council work session.

NEXT STEPS

Upon authorization, staff will coordinate with Branch Engineering to purchase and secure the necessary credits and include the sales agreement/proof of ownership in the JPA permit application as directed.

ATTACHMENTS

1. Oregon Wetlands LCC - Wetland credit sales agreement (template)
2. Eastside Waterline – JPA Permit Application