

City to avoid capital improvement debt, raises water and sewer rates

The city of Cave Junction is implementing a long overdue water and sewer rate increase, while avoiding significant additional expenses

(Cave Junction, Oregon, June 18, 2018) Capital improvements—construction of new projects and replacement of aging existing infrastructure—have been identified as necessary for the continued production of drinking water and treatment of wastewater in the city of Cave Junction for more than a decade.

The city is now moving ahead to implement the most critical components of the capital improvement plan at a significantly reduced cost compared to initial projections from Civil West, the city's contract engineering firm.

Civil West assisted in the creation of a Water System Master Plan in 2013 and a Wastewater Facilities Plan in 2014. These plans identified a list of capital improvement projects. The drinking water system improvements consisted of 21 projects estimated at \$5,456,824 and the waste water system improvements consisted of 11 projects estimated to cost \$4,726,875. The cost to accomplish these projects in 2018

would be substantially higher at approximately \$6,964,000 for the water system and \$6,033,000 for the waste water system—a total price tag of nearly \$13,000,000.

In order to reduce the cost of capital improvements, the most critical drinking water and wastewater projects were prioritized in a collaborative effort between the mayor and city council, city staff and Civil West. While beneficial to the community and environment, many items such as RV and septic receiving stations were rejected as priorities due to the increased financial burden on the ratepayers of the city.

A final Capital Improvement Plan of prioritized projects was adopted by the Council July 10, 2017, and includes the following:

Water projects: Replacement of water treatment plant disinfection system; restoration of the Rockydale well field; relocation of bulk water purchase station; replacement of filter media; maintenance of reservoirs 1, 3 and 4; maintenance of the clearwell; and replacement of the pump at well No. 4.

Waste water projects: Rehabilitation of various sections of collection lines, repair of manholes,

upgrades to the aerobic digester system, upgrades to the disinfection system, and disposal of biosolids.

The total estimated cost for the prioritized capital improvement projects was \$5,743,700, or about 44 percent of the total proposed improvements cost.

In March 2018 the city met with Business Oregon and multiple state and federal agencies which provided funding-package bids consisting of grant and loan components. In order to receive such funding packages, the city would have to agree to repay necessary loans, pay prevailing federal wages to all workers on projects, abide by engineer-provided project estimates, and most importantly, set rates for water and sewer service that would cover the loans over the repayment period.

Of the many bids, the most attractive funding bid required setting minimum rates for water at \$43.98 and sewer at \$60.34 for the next 40 years to make a combined annual loan payment of \$143,135.

While capital improvement projects are often funded by such loan packages, city staff have devised a much more cost effective alternative. The city will not seek another 40-year loan, and

will instead budget an additional \$300,000 for water and sewer improvements annually over the next 10 years. The adopted capital improvement projects will be broken down into smaller projects that do not require prevailing wage, increased materials costs or inflated engineering costs—many of the projects are essentially equipment replacement and do not require the 20 percent engineering fee that is commonly included.

One such project has already been completed: the replacement of the pump at well No. 4 was estimated to cost \$52,500 by Civil West. When the pump recently failed and replacement became necessary, the city accomplished this work for approximately \$6,000. The city does not anticipate saving 88 percent on all of the capital improvement projects by performing the work itself, but savings of 20 to 50 percent are not out of the question.

In order to budget \$300,000 per year over the next 10 years, it is necessary to increase the water and sewer rates that the city charges for service. The city has needed to raise rates for some time: the last time a rate increase was implemented was September 2005, when the current

minimums were set at \$28 for water and \$31 for sewer. These rates were intended to rise by 2 percent each year, which would have resulted in a 2018 water rate of \$36.22 and sewer rate of \$40.10.

The new rates that will soon be applied to city customers are similar: \$35 for water service and \$50 for sewer service, for a combined total of \$85 per month. These rates compare favorably with the combined rate in cities of similar population: in Columbia City, population 2,151, the combined rate is \$90.20 and in Waldport, population 2,145 the combined rate is \$80.24.

The Cave Junction Budget Committee examined these increased rates and found that they are an essential funding component of the adopted 2018/2019 city budget.

City staff, the mayor, and the council are confident that the new rates will allow for necessary capital improvements, preventing catastrophic malfunctions in the future, and reducing future unnecessary expenses to rate payers.

The new rates are scheduled to be adopted at the June 25, 2018, meeting of the city council.

SFI ...

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Some of the summer programs SFI has to offer include the Junior Explorer Day Camp for children aged 4 to 7 that runs July 24 - 27; the Nature Discovery Day Camp for second to fifth graders is held July 9 - 13; and middle school students spend a week in yurts during the Solar Science Summer Camp which runs from July 30 to August 3.

SFI is also leading Wilderness Science Expeditions for middle and high school students this July and August wherein kids "will take on the role of a team of foresters surveying the wilderness for different conifer species," and additionally, "participants will learn skills such as proper packing, back country cooking, water purifying

techniques, and Leave No Trace principles."

And for those who are interested in more than music and beer, SFI offers a few exciting outdoor activities for adults as well.

On July 16 - 18, botanist and illustrator Linda Vorobik will be teaching "A Crash Course in Flower Plant Families," and July 19 she'll lead a peak-season botany hike at Bigelow Lakes. Then July 20 - 21, geologist Larry Broeker will be leading "A Geological Exploration of the Crater Lake Rim" which will feature a guided tour around the rim road.

The Summer Solstice Brewfest will be held at the Deer Creek Center located at 1241 Illinois River Rd. in Selma. Admission is \$20 at the gate and remember, this is a "fun" raiser! More information about the event and programs is available at <http://www.thesfi.org>.



(Photo by Dan Mancuso, Illinois Valley News)

The historic Kendeda House at the Siskiyou Field Institute.

FUEL ...

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"This project reduces the risk of wildfire on multiple fronts," noted Hendrix. "First, it reduces fire hazards and restores forest health by mitigating the dense forest in areas that can be defensible. Second, fire crews will now have areas to engage a fire safely and not have to retreat to paved roads or rivers. Fuel breaks are now in place to slow a fire and allow firefighters time to take full suppression action and direct attacks, instead of an indirect approach."

Besides the restoration of their forests and the reduction of fuel for future wildfires, the community will also receive various gleaned forest products such as teepee poles, firewood, post and beam poles and walking sticks at largely reduced prices set by BLM. \$10 permits are available from BLM to gather said goods. If interested, contact James Berge, BLM Grants Pass resource area forester at 541-944-7868.

Not only does this project protect community forests and homes, it serves as a great educational opportunity to community members by getting them out into the forests to see firsthand the dire conditions of forest health.

"This project has been used as a bridge to shorten the gap between the general public and various federal and state agencies to help both sides understand each other's perspectives, to work together on common goals, and to build trust within the community," Hendrix commented.

The Siskiyou Field Institute Presents

Summer Solstice Brewfest

Sat. June 23rd, 2-7pm

Local Craft Brews on Tap
Ninkasi, Standing Stone, Arch Rock, Wild River

Rock your suds with
Donna Beaudin & the Fringe

Delicious Eats by
Sunspot Grill
Kevin Gillette Catering

Enjoy a day in the sun,
Support a great cause and...
Sign up for summer camps,
outdoor expeditions, and
nature courses!

Tickets sold at the gate - \$20 entry/person
includes 4 taste tickets

This is a 21-and older event

Location - SFI's Deer Creek Center 1241 Illinois River Rd, Selma Or 97538
For more information call 541-597-8530 or visit www.thesfi.org