

LAKE OSWEGO-TIGARD WATER PARTNERSHIP

Revised Cost Estimates Still Show Partnership Benefits for Lake Oswego

Making good business decisions is more important than ever during tough economic times. Lake Oswego's decision to partner with the City of Tigard in 2008 ensured that residents will be provided with reliable and affordable drinking water for the next 50-75 years. By sharing costs with Tigard, Lake Oswego takes care of its current and future water needs and gets to spread costs over a larger population base. The Partnership saves Lake Oswego residents \$70-\$80 million in capital and operations costs over the next 25 years compared to making needed improvements on its own, even with the recently completed, revised project cost estimate of \$230 million.

The current water supply system was established in the late 1960s largely with federal funds. Key facilities – like the Clackamas River water intake and the treatment plant – are nearly 45 years old. Over those years, the City continued to invest in facility upgrades, replacements and maintenance to keep high quality water flowing to a growing population. Those investments lengthened the life of the system but major facilities are now in need of reinvestment.

Over the last decade, water demand during high use periods has grown to the point where it now exceeds the current 16 million gallons per day supply capability. Even with Lake Oswego's modest growth projections, it will need more water in the future. Fortunately, the City has additional, unused Clackamas River water rights that allow increased withdrawals. Partnering with Tigard preserves Lake Oswego's water rights, ensuring its future water supply.

How does this translate to your water bill?

Lake Oswego's share of the total cost of the Partnership improvements being considered is estimated at \$106 million including ozone disinfection, and \$94 million without ozone. The good news is that the rate structure adopted by City Council two years ago closely estimated Lake Oswego's portion of the anticipated system upgrades. Right now, the typical Lake Oswego residential customer uses about 7,500 gallons of water per month. Under the proposed pricing structure that includes ozone, the average bill would increase about \$7/month or 23 cents per day starting next year. At the end of the construction period (around 2016) water bills would be about \$58/month for the use of 7,500 gallons. That's less than a penny a gallon to ensure a safe, reliable water supply for this generation, their children and grandchildren. Without ozone, the cost per month is \$53 by 2016. If Lake Oswego were to construct improvements on its own (the "Go it Alone" strategy), your water bill would increase to \$82 by 2016. That's the power of the Partnership!



On November 30, the Lake Oswego City Council will hear the latest figures regarding rates. On December 7, the Council will adopt the Capital Improvement Plan for the Partnership project and will adopt new water rates on December 14.

Please check the project website www.lotigardwater.org for meeting schedules and other information about the Partnership.