



League of Oregon Cities

2020-21 WATER INFRASTRUCTURE SURVEY FINDINGS

Presented to House Water Committee – May 20, 2021

2016 LOC Water Infrastructure Survey

Survey Response/General findings:

- 120 out of 241 cities responded
- Identified: \$7.6 billion in water-related infrastructure needs
 - \$4.3 billion in water quality-related needs
 - \$3.3 billion in drinking water/water supply-related needs
- Transportation infrastructure survey conducted simultaneously: \$3.7 billion
 - \$2.6 billion for highway projects
 - \$1.1 billion for non-highway

2020 Updated Survey – Water Infrastructure

Survey Response/General findings:

- 100 cities out of 241 cities responded (slightly less than 2016 survey but representing over half of Oregonians living in cities)
 - 79% of cities that responded w/ population under 10k
 - 21% of cities that responded w/ population over 10k
- Survey update to delineate between near-term and longer-term needs
 - Near term = next 10 years
 - Longer term = next 20 years
- Survey also sought to identify new and emerging infrastructure challenges

Infrastructure needs and impacts to local communities:

Some general facts/figures:

- According to the American Water Works Association:
Projects to address aging drinking water infrastructure in the United States are projected to surpass \$1 trillion dollars in the next 25 years and could triple the cost of household water bills.
- According to a white paper from the National Association of Clean Water Agencies:
“the Congressional Budget Office has found that the federal cost-share of total water capital, operations, and maintenance spending in the country has declined in real dollars over the past four decades and has fallen below 5 percent.”
As a result, the vast majority of the growing cost for clean and safe water — operations, maintenance, and infrastructure upgrades and expansion — is coming directly from ratepayers.”

Impacts on local communities/economy:

The costs of paying for infrastructure at the local level:

- Rate affordability challenges (increases in account delinquencies/potential shut-offs)
- Housing costs (system development charges)

The impacts from not being able to afford infrastructure at the local level:

- Housing supply/growth moratoriums
- Economic development
- Public health
- Public Safety/Resiliency
- Environmental Impacts
- Water supply (leaking pipes), etc....

Survey findings:

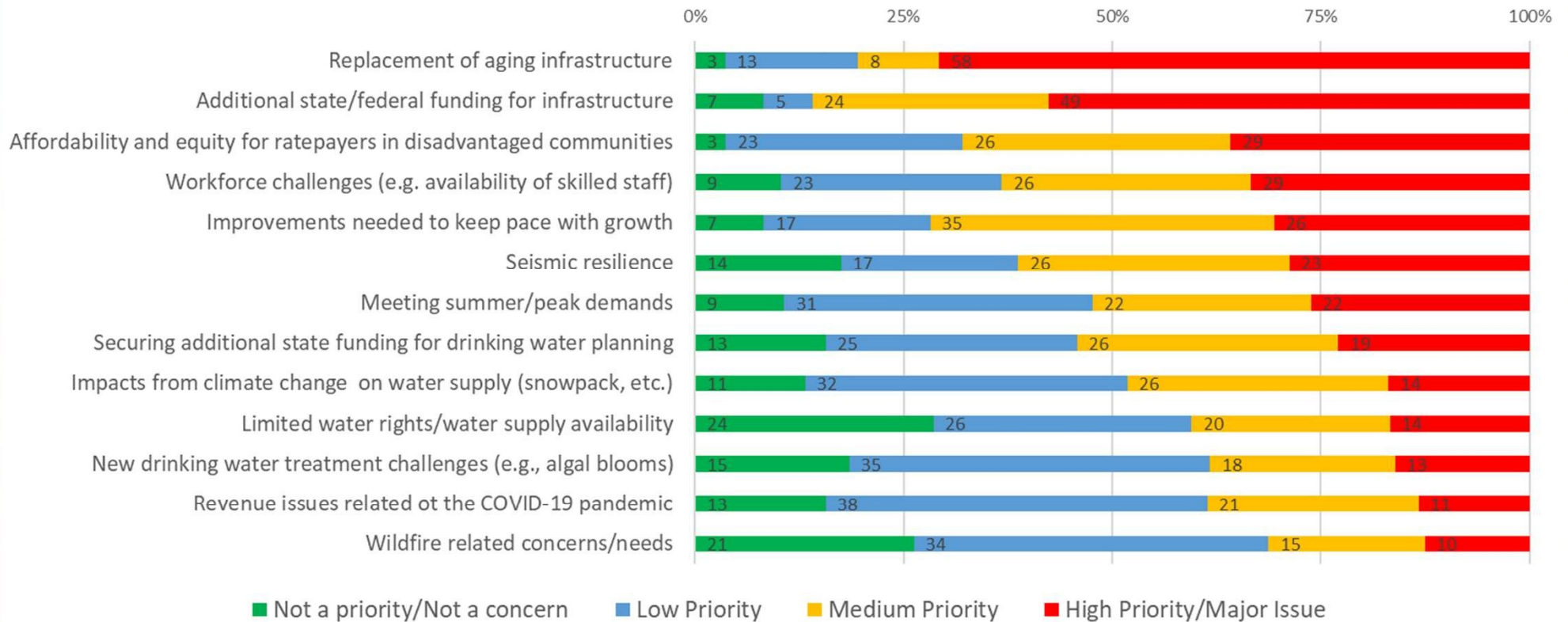
- Approximately \$23 billion in coming 20 years – estimated statewide (\$9.7 billion specifically identified by respondents)
- Wastewater needs exceed drinking water/water supply needs
- Cities shared some of the following concerns:
 - Costs to small cities are simply too expensive to spread across smaller populations
 - Need for additional grants (loans are still a cost to ratepayers - just spread out over a period of time)
 - Cost impacts from increasing regulations
 - Climate and seismic resilience
 - Importance of local funding tools to pay for additional growth/capacity (SDCs)
 - Need for additional funding for planning (updates to master plans, capital improvement plans, rate studies, etc.)

Drinking Water Needs:

- 91% of the responding cities indicated they operate a municipal water utility, serving a total of 478,088 customers.
- Medium-range needs (10 years) = \$2.12 billion (survey respondents); \$4.365 billion (extrapolated statewide)
- Long-range needs (20 years) = \$2 billion (survey respondents); \$7.6 billion (extrapolated statewide)
- Emerging challenges/potential future additional cost factors:
 - Seismic resilience
 - Water supply/secondary sources
 - Climate change (declining snowpack; population growth)
 - Source water protection
 - Affordability (ratepayer equity)

Issues/Concerns: Water

Bar colors represent percentages of responses
Number in bars indicate number of cities responding

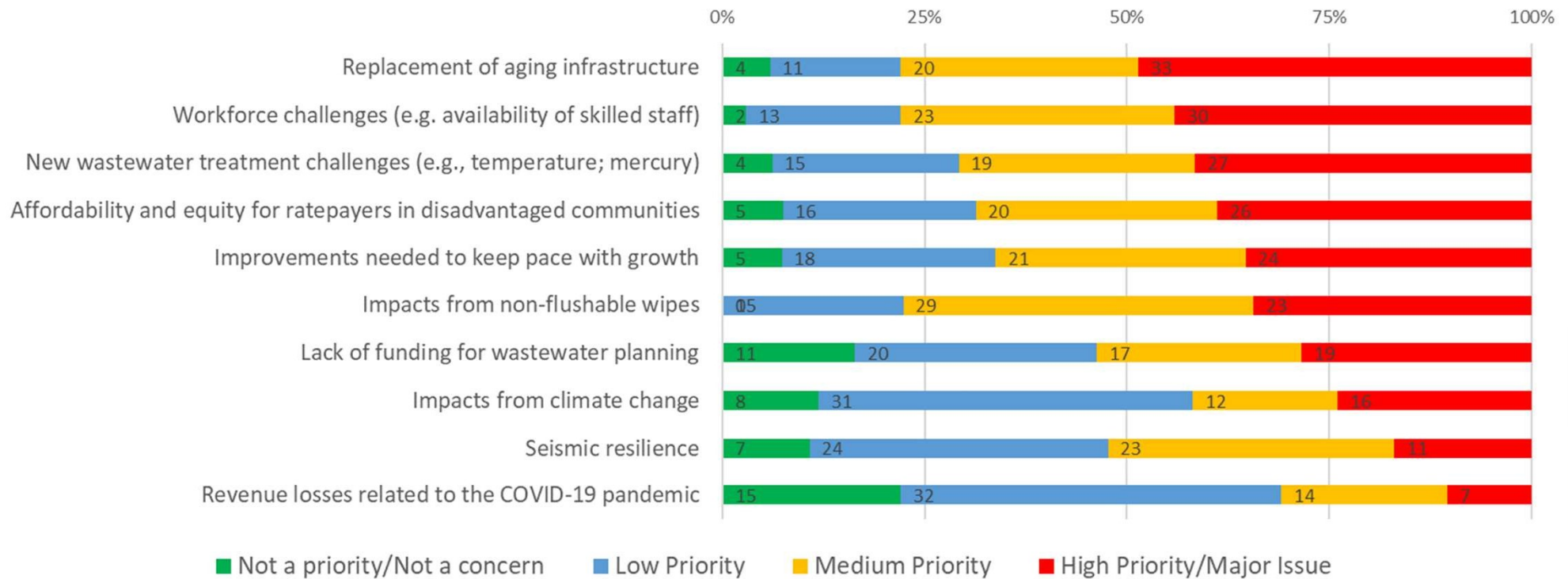


Wastewater/Water Quality Needs:

- 71% of the responding cities indicated they operate a municipal water utility, serving a total of 480,000 customers.
- Medium-range needs (10 years) = \$3 billion (survey respondents); \$5.879 billion (extrapolated statewide)
- Long-range needs (20 years) = \$7.64 billion (survey respondents); \$15.786 billion (extrapolated statewide)
- 23 of the responding cities indicated they need to upgrade a wastewater treatment plant:
 - Median cost = \$5.7 million
- Emerging challenges/potential future cost factors:
 - Water quality standards/permitting
 - Wipes
 - Stormwater costs
 - Affordability/ratepayer equity

Issues/Concerns: Wastewater

Bar colors represent percentages of responses
Number in bars indicate number of cities responding



Policy recommendations:

- Continued investment in water infrastructure needs!
 - \$100 million additional investment in Special Public Works Fund
 - Septic Loan Program; Harmful Algal Blooms
- Additional grant funding/loan forgiveness opportunities
- Additional grants for planning work (focus on smaller communities)
- Creation of an emergency rate revenue replacement fund
- Continued focus on ratepayer assistance (state funding to supplement federal funding)
- Protection of critical local funding tools (e.g., SDCs)
- Assistance to help smaller communities plan for big infrastructure dollars that we hope will be coming
- Workforce training/incentives to attract a quality workforce (focus on rural/small communities)

Funding resources:

State Funding Resources:

- Special Public Works Fund (Business Oregon – Infrastructure Finance Authority): Broad to various public works/infrastructure but does contain a specific water/wastewater fund component.
- Clean Water State Revolving Fund (Dept. of Environmental Quality)
- Safe Drinking Water Loan Fund (OHA/Business Oregon)
- Additional funds: Oregon Water Resources Department (feasibility grants; water supply grants/loans); Regional Infrastructure Funds

Federal Funding Resources:

- USDA Rural Development (small/rural community focus); Community Development Block Grants; Water Infrastructure Finance and Innovation Act; Low-Income Household Water Assistance Program (LIHWAP – new program as of 2021)

Questions??

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