

Good Evening

My name is Valerie Lovelace. I'm in my eighth year of service, and current Council President for the City of Grants Pass.

I'm here in support of HB 3045 to promote inclusion in emergency funds now, or in the near future. We have been caught up in a budgetary crisis brought on by inflation, rising interest rates, and the need for essential clean water infrastructure.

Our current water treatment plant was built during the depression in the 1930's. In 2013 a Citizen's Advisory Committee got together and recommended a study be done by engineers to check on the plant's efficacy. Extensive studies were done and it was determined that renovating the current water treatment plant was unfeasible, due to risk of catastrophic failure in the event of an earthquake, and the inability to shut down the plant for repairs.

39,000 residents of Grants Pass, and another 40,000 doing business from Josephine County depend on us in the treatment of water from the Rogue River. It is our only source of water. Being geographically isolated by mountains from other communities compounds our problem.

In 2016, the Grants Pass City Council began an extensive rate study to ensure that constructing a new water treatment plant, could be successfully funded by our constituents. A Rate analyst, using the cost estimate of approximately 56 Million dollars developed a gradual rate

increase over 6 years and a \$13.50 monthly water treatment fee to fund the future plant. In 2017, the City Council implemented the rise in water and sewer rates, as well as implemented a stormwater utility to comply with our newly issued MS4 permit.

After phasing in the rate increases, and stormwater fees, utility bills have now doubled in Grants Pass and have become unaffordable to a large segment of our population.

As a side note the median household income in Grants Pass is \$49,355, as compared to \$81,855 in the state of Oregon.

The most recent estimate of the cost of the plant has doubled to \$117 million, due to cost increases, inflation, and rising interest rates. These are beyond our control!

Here are some facts illustrating our crisis:

In 2019, 435 notices of delinquency were issued, and 38 had their water shut off due to non-payment.

In 2020 we suspended delinquency notifications due to the pandemic.

In 2021, 743 notices of delinquency were issued, and 97 customers had water shut off.

Last year, 6.5% of customers received delinquency notices; of 850 accounts receiving notice, 73 were shut off.

An increasing number of our residents are being forced to choose between having water or paying their rent or mortgage.

Our city staff and Design Build team have designed a frugal, no-frills facility that will sustain the needs of a growing community for decades to come.

On behalf of the Grants Pass City Council, I am asking you to consider us for inclusion of HB 3045 in a current or future funding package.

Funds provided will directly serve our residents, allowing us to take on less debt and help to ensure we would not need to further raise utility rates in the immediate future. With this funding, we hope be able to re-evaluate our System Development Charges to facilitate further development of affordable housing.