

February 16, 2024

Joint Committee on Ways and Means  
Subcommittee on Capital Construction  
Oregon State Legislature  
900 Court Street SE  
Salem, OR 97301

Dear Co-Chair Girod, Co-Chair Holvey, and members of the committee,

On behalf of Oak Lodge Water Services (OLWS), I offer this testimony in support of OLWS' \$5 million lottery bond funding request as related to HB 5201.

OLWS provides drinking water, wastewater, and watershed protection services to 28,400 people in Oak Grove, Jennings Lodge, and portions of Milwaukie and Gladstone. OLWS treats 1.5 billion gallons of wastewater per year, providing a vital public health service and protecting the environment. Our water authority faces two infrastructure projects that threaten compliance with our wastewater discharge permit.

First, The OLWS wastewater treatment plant was built in 1960 and significantly upgraded in 2012. OLWS operates under a permit from the Oregon Department of Environmental Quality (Oregon DEQ). OLWS received a new National Pollutant Discharge Elimination System (NPDES) Permit in 2022 implementing new stringent discharge requirements to protect the Willamette River. To comply with this new permit, OLWS must construct a third level of treatment called a tertiary filtration facility at our wastewater treatment plant to meet DEQ's new standards for discharge to the Willamette River. The anticipated cost for this project is \$13 million.

Second, inflow and infiltration (I&I) occurs when rainwater and groundwater enter the collections system, particularly during storm events. Additional water exceeds the system's capacity, leading to sanitary sewer overflows (SSOs) into the Willamette River which could harm the environment and puts stress on the wastewater treatment plant. Addressing I&I at high-need sites to limit risk for SSOs and reduce pressure at the wastewater treatment plant is anticipated to cost \$97 million.

OLWS recently raised user rates by 27% to pay for these necessary upgrades and anticipates continual rate hikes for several years, a significant hardship for many ratepayers. Small service territories like ours need direct funding to offset costs on our vulnerable residents as loans available to us ultimately fall back on our ratepayers. Thank you for your consideration.

Sincerely,

*Brad Albert*

Brad Albert, P.E.  
Acting General Manager / Public Works Director  
Oak Lodge Water Services