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"2002 Award of Excellence"

"2006 All-America City Finalist"

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May 9, 2025

Honorable Chairs and Members of the Joint Ways and Means Committee.

Harrisburg is a wonderful town, with 3,651 citizens in the heart of Willamette Valley. We are a rural community, with a rich agricultural heritage; we were founded in 1866. The City of Harrisburg has three capital requests in this agenda. But the one that is our biggest priority; and most important to our citizens, is the Water Bond Project. Our request is for \$2,345,000.

For over 60 years, Harrisburg citizens have complained about the water quality. Our aquifer is high in manganese, iron, and sediments. Our water is brown, or cloudy, and it doesn't taste, or smell good. Many citizens in town don't believe that our water is safe, regardless of it meeting all regulatory standards. We finally found a proposed solution to create a better aesthetic water product for our citizens, and in 2016, launched a public marketing campaign in preparation for going out for a \$7.5 million general obligation bond.

In 2017, the taxpayers agreed that they wanted to have better water and passed the Harrisburg Water Bond Project. Many of the people who voted for the bond said that they were tired of having water delivered, rather than drinking the water from the City. There were also many people who over the decades have replaced numerous water heaters, dishwashers, and washing machines, due to corrosion from the hard water we have in our system.

The project gave us a new water master plan, two new water tanks, two filtration plants, replacement of 3 miles of water lines, & provides the City with a new well, and removal of the one that sourced most of the problems in our aquifer. (It also helps to increase our fire coverage and increases our efficiency.) It took three years for three different engineering firms to provide all the planning, design, and engineering work required. This included time needed for regulatory, and permitting processes as well. While waiting for the design & engineering work to be completed, we have replaced almost 10,000' linear feet in water lines and have spent \$1M on generators and electronics for the filtration plants.

This project would have been completed, and on-line and working to provide better water as of 2025. Instead, the City became an official victim of COVID. After all the preparatory

work was done, we were ready to go out to bid....in February of 2020. We waited until fall of the first year of COVID to publish the bid. We based the cost estimates of the project on another nearby water project, similar to ours, only three months before, and inflated the figures by 25%. The first bid was still \$1M over budget; another 1 ½ years later, we were \$2.7M over budget. The third and final bid was in June of 2024, and was \$9M; this is almost \$4M over the remaining bond funds we had available. The \$9 million spent on just the water tanks and filtration systems is almost the same amount as our entire standard operating budget, when it's not injected with bond funds.

The City is lucky that we do have water; some communities nearby are having a problem with that. There are no problems with distribution, capacity, or contamination. But that also means that there aren't any grant funds available to complete this project. We also are not eligible for federal assistance, because we purchased \$1M in electronics before the Buy America act was passed. The waivers are very difficult to obtain, and the Governors RST team in our area, and congressional offices, recommended that we not apply.

Since construction started last December, we have had roughly \$1M in change orders; we paid for that out of savings we scrambled to make, and funds in our urban renewal program, which took over 8 months, and \$38,000 to access. We are now applying for a \$3.5M Special Public Works Fund loan. We believe another year of construction will continue to cost far more than planned. In addition, the City has removed the final water line replacements from the project; due to the incredible increase of costs in relation to that infrastructure. While the tanks and filtration plants were the most important part of the project, it was recommended that those lines are part of the solution to fixing the aesthetics of our water system. The provision of funding from the State of Oregon will help us to provide some of those lines now, rather than in ten years.

We've raised rates, which is expected, and which were made transparent to our citizens from the very beginning. But it's still hard for our citizens when everything costs so much more now. We are a small City; struggling to make this project affordable. Our \$2.3M request is small, but it makes a huge amount of difference to our citizens. We respectfully ask that this committee help our citizens have better tasting, smelling, and looking water.

Thank you for your consideration.

Sincerely;



Michele Eldridge
City Administrator