

VOTER PAMPHLET FOR NORTH PLAINS

MEASURE 34-75

CITY OF NORTH PLAINS, WASHINGTON COUNTY GENERAL OBLIGATION BOND AUTHORIZATION

QUESTION: Shall the City issue general obligation bonds in an amount not exceeding \$3,000,000 to finance capital construction and improvements? If the bonds are approved, they will be payable from taxes on property or property ownership that are subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY: This measure may be passed only at an election with at least a 50 percent voter turnout. If approved, this measure provides funds to the City to finance the costs of capital construction and capital improvements to replace a failing well surrounded by a chemical plume. The project includes, but is not limited to, providing funds for designing and constructing an approximately 17,500-foot waterline connecting to the Joint Water Commission transmission main, including associated engineering, permits, land acquisition, easements, and other related costs. The bonds will mature in 30 years or less from date of issuance any may be issued in one or more series.

EXPLANATORY STATEMENT: If approved, this measure would give the City the ability to issue \$3 million in general obligation (G.O.) bonds to finance costs related to the design and construction of an approximately 17,500 foot-long (3.31 miles) water line connecting the City's water system to the Joint Water Commission transmission main at NW Glencoe and Evergreen Road in Hillsboro. The new line is needed because the City's current water source is from wells located within the community and no longer suitable as the City's source for its drinking water.

If the measure does not pass, the City will still construct the water line but pay for it using money from increased water rates.

The City Council decided to replace the existing water well and reservoir for two reasons:

1. the water level has diminished such that the City is having difficulty keeping up with demand and needs of water users during the summer months every year; and
2. there is an underground chemical plume associated with the Dant and Russell Superfund site to the north of the city's well-site that is expected to intrude on the well site within the next two years

possibly contaminating the drinking water supply.

The Council reviewed two alternatives to solve the water situation:

1. Connecting to the Joint Water Commission infrastructure.
2. Drilling a new well in another aquifer outside the city limits and then constructing another reservoir and transmission line back to the City.

The estimated cost for the new well and reservoir ranged from \$3 million to \$4.5 million and was also dependent on finding a well-site capable of providing the water volume and flow necessary to serve the City.

Connection to the Joint Water Commission infrastructure is estimated to be \$3 million and is not dependent on obtaining the necessary volume of water from a well.

The Council also reviewed various ways to pay for the water system from the perspective of the typical water user.

The Council determined the least costly approach from that perspective would be to issue the G.O. bonds. This allows the City to reduce the amount borrowed under the bonds if alternative money sources - such as system development or other new development charges - become available.

The authorized amount for the general obligation bond is \$3 million which means for a typical home with a market value of \$160,000 (the reported average in North Plains) the cost would be approximately \$225.00 per year or an average of \$18.75 per month.

If the project was funded totally by water rates, and rates had to be increased, those rates would go up an average of 57 per cent over the next two years. For the typical residential water user in North Plains that means an increase to their water bill of approximately \$22.00. The average monthly residential water charge is now \$39.00/month; it would go up to an average of \$61.00/month based upon water consumption of 870 cubic feet per day.