

FOR IMMEDIATE RELEASE

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COTTAGE GROVE WATER SYSTEM IMPROVEMENTS

ON MONDAY, APRIL 10, 2006 THE COTTAGE GROVE CITY COUNCIL AFTER OVER FOUR YEARS OF STUDY AND CONSIDERATION VOTED TO APPROVE ELIMINATING THE LAYNG CREEK WATER TREATMENT PLANT; DISCONTINUING WATER SERVICE EAST OF THE DORENA MOBILE HOME PARK AND UPGRADING THE ROW RIVER WATER TREATMENT PLANT TO MEET THE CITY S WATER SERVICE NEEDS.

THE ELIMINATION OF THE LAYNG CREEK TREATMENT PLANT AND DISCONTINUANCE OF WATER SERVICE WILL RESULT IN 110 CUSTOMERS EAST OF THE DORENA MOBILE HOME PARK LOSING MUNICIPAL WATER SERVICE IN ABOUT 2 YEARS WHEN THE IMPROVEMENTS TO THE ROW RIVER TREATMENT PLANT ARE COMPLETE.

ALTHOUGH THE CITY MAINTAINS THAT THERE IS NO LEGAL OBLIGATION TO CONTINUE WATER SERVICE EAST OF THE DORENA MOBILE HOME PARK, THE CITY COUNCIL IN A GESTURE OF GOOD FAITH AUTHORIZED THE REFUND OF

ALL SURCHARGES COLLECTED FROM CURRENT CUSTOMERS EAST OF THE DORENA MOBILE PARK AND A LUMP SUM CASH PAYMENT OF \$10,000 TO CURRENT LANDOWNERS WITH ACTIVE WATER ACCOUNTS LOCATED EAST OF THE DORENA MOBILE HOME PARK TO ASSIST WITH FINDING REPLACEMENT WATER SUPPLIES.

THE DECISION TO ELIMINATE THE LAYNG CREEK PLANT WAS A DIFFICULT DECISION. WE TRIED AS HARD AS WE COULD TO KEEP THE LAYNG CREEK PLANT OPERATING, BUT THE COSTS TO MEET NEW REGULATIONS AND REPLACE THE AGING PIPES WAS JUST TOO GREAT, SAID MAYOR GARY WILLIAMS. IT WOULD NOT BE POSSIBLE FOR OUR CUSTOMERS OF THE SYSTEM TO PAY THE ADDITIONAL \$26 MILLION, HE EXPLAINED.

IN 1996 THE CITY S LAYNG CREEK WATER TREATMENT PLANT WAS PLACED UNDER AN ORDER FROM THE OREGON STATE HEALTH DIVISION, DRINKING WATER SECTION, TO REPLACE THE AGING FACILITIES WHICH AT THAT TIME WERE DETERMINED TO BE NEAR THE END OF THEIR USEFUL LIFE. IN ORDER TO COMPLY WITH THE ORDER THE CITY HIRED AN ENGINEERING FIRM TO DEVELOP A FACILITY PLAN TO DETERMINE THE NEEDED WATER SYSTEM IMPROVEMENTS TO THE LAYNG CREEK FACILITIES LOCATED APPROXIMATELY 25 MILES EAST OF THE CITY. THE STUDY ALSO DETERMINED THE ESTIMATED COSTS FOR VARIOUS OPTIONS TO UPGRADE THE WATER SYSTEM.

THE FACILITY PLAN WAS COMPLETED IN DECEMBER 2002, AND THE ENGINEER S RECOMMENDATION WAS TO ABANDON THE LAYNG CREEK WATER TREATMENT PLANT DISCONTINUE WATER SERVICE TO APPROXIMATELY 110 WATER CUSTOMERS LOCATED ALONG THE PIPELINE BETWEEN LAYNG CREEK AND THE CITY AND DEVELOP ADDED WATER PRODUCTION CAPACITY AT THE CITY S SECOND WATER TREATMENT PLANT ON THE ROW RIVER LOCATED WITHIN THE CITY LIMITS. THE ENGINEER S RECOMMENDATION WAS BASED LARGELY ON THE COST EFFECTIVENESS OF OPERATING A SINGLE WATER TREATMENT PLANT IN CLOSE PROXIMITY OF THE CITY.

AFTER APPROXIMATELY 1 ½ YEARS OF EVALUATING THE ENGINEERS RECOMMENDATION AND RECEIVING INPUT FROM THE CITY S WATER CUSTOMERS, THE CITY COUNCIL DECIDED TO PURSUE THE UPGRADE AT ITS LAYNG CREEK WATER PRODUCTION FACILITIES EVEN THOUGH THE RESULT OF DOING SO WOULD INCREASE THE COST OF THE IMPROVEMENT PROJECT.

THE CITY HIRED A SECOND ENGINEERING FIRM AND BEGAN THE DESIGN PHASE OF THE PROJECT. WHEN THE PRELIMINARY DESIGN WAS COMPLETE, AN UPDATED COST ESTIMATE FOR THE PROJECT INDICATED A SIGNIFICANT COST INCREASE FROM \$7.2 MILLION TO \$12.2 MILLION FOR THE LAYNG CREEK PLANT UPGRADE.

AS A PART OF THE CITY COUNCIL S CONTINUED DETERMINATION TO PURSUE IMPROVING THE LAYNG CREEK PLANT AND ATTAINING THE GOAL OF RETAINING A SECOND WATER SOURCE AND CONTINUING TO SERVE ALL EXISTING WATER CUSTOMERS, THE CITY RETAINED AN INDEPENDENT ENGINEER TO PERFORM VALUE ENGINEERING TO GET A SECOND OPINION OF THE OVERALL PROJECT. THAT INDEPENDENT ENGINEER CONFIRMED THAT AN UPGRADE OF THE LAYNG CREEK WATER PRODUCTION FACILITIES IN THE NEAR AND LONG TERM WAS NOT COST EFFECTIVE. BASED ON 2006 CONSTRUCTION COSTS, WATER SYSTEM IMPROVEMENTS TO THE LAYNG CREEK FACILITIES OVER THE NEXT 20 YEARS WOULD RESULT IN A TOTAL COST OF \$33 MILLION TO THE WATER SYSTEM CUSTOMERS WHILE IMPROVEMENTS TO THE ROW RIVER FACILITIES OVER THAT SAME TIME PERIOD WOULD RESULT IN A TOTAL COST OF \$7.2 MILLION. BASED ON THIS INFORMATION, MONDAY EVENING, APRIL 10, 2006 THE CITY COUNCIL TOOK THE ACTION TO ELIMINATE THE LAYNG CREEK WATER TREATMENT PLANT AND MAKE THE NECESSARY IMPROVEMENTS TO THE ROW RIVER TREATMENT PLANT.

THE CITY WILL NOW BEGIN THE DESIGN OF THE IMPROVEMENTS TO THE ROW RIVER TREATMENT PLANT. THE CONSTRUCTION AND IMPROVEMENTS WOULD BEGIN AFTER A FINAL DESIGN IS PREPARED. THE DESIGN AND CONSTRUCTION OF THE NEW IMPROVEMENTS WILL TAKE ABOUT 2 YEARS. THE LAYNG CREEK WATER TREATMENT PLANT AND THE WATER SERVICE TO THE 110 CUSTOMERS WILL REMAIN IN SERVICE UNTIL THOSE IMPROVEMENTS

ARE COMPLETE.

NOTICE OF THE CITY COUNCIL'S ACTION OF APRIL 10, 2006 WILL BE SENT DIRECTLY TO EACH WATER CUSTOMER AND TO EACH PROPERTY OWNER WHOSE WATER SERVICE WILL BE DISCONTINUED. RELEASE AGREEMENTS AND LUMP SUM PAYMENTS ARE EXPECTED TO BE PRESENTED TO PROPERTY OWNERS WITHIN THE NEXT 60 DAYS.

THE CITY HAS POSTED THE VALUE ENGINEERING REPORT COMPLETED BY THE INDEPENDENT ENGINEERING FIRM AND USED BY THE CITY COUNCIL AS THE BASIS FOR THEIR DECISION ON THE PUBLIC WORKS PAGE ON THE CITY'S WEB SITE AT WWW.COTTAGEGROVE.ORG. ADDITIONAL INFORMATION REGARDING THE WATER SYSTEM IMPROVEMENTS IS ALSO AVAILABLE ON THE WEB PAGE.

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