

Otter Rock Water District

Water System Public Meeting

	PROJECT OPTIONS		
	#1 Do Nothing	#2 Phased Approach (Minimum Project)	#3 Complete Project (All Identified Improvements)
Capital Project Cost	\$0	\$2,710,000	\$3,400,000
Approx. Average User Cost (no grants / w/ \$500k grant)	Rates remain the same at \$30	Revenue-based debt service* Actual water bill will vary based on usage \$105.00/month <i>\$91.00/month</i>	Revenue-based debt service* Actual water bill will vary based on usage \$123.00/month <i>\$110.00/month</i>
Project Scope	Do Nothing	<ol style="list-style-type: none"> 1. Replace existing distribution piping; install fire hydrants 2. Install individual water meters 3. Rehabilitate all three (3) springs 	<ol style="list-style-type: none"> 1. Replace existing distribution piping; install fire hydrants 2. Install individual water meters 3. Rehabilitate all three (3) springs 4. Replace <u>both</u> storage tanks and upgrade tank valving and piping for greater efficiencies 5. Booster pump station for increased system pressures and firefighting ability
Pros	<ol style="list-style-type: none"> 1. Least expensive option (temporarily) 2. No construction disruption 3. Easy solution (for the moment) 	<ol style="list-style-type: none"> 1. Improved water quality 2. Least expensive project improvement option 3. Track water usage; bill according to use 4. Improved fire protection 	<ol style="list-style-type: none"> 1. Improved water quality; no chlorination 2. Optimum fire protection 3. Better overall system pressures 4. Track water usage; bill according to use 5. Property insurance rates remain
Cons	<ol style="list-style-type: none"> 1. Potential resident health issues from poor water quality 2. Potential requirement to chlorinate water in the future 3. System is aging and failing; costs will only increase over time 4. Inadequate fire protection – possible property insurance impacts 	<ol style="list-style-type: none"> 1. Improvements not complete – increased future costs await in a future phase 2. Possibility of tank failure – no water and possible drinking water contamination 3. Possible property insurance impacts still exist 	<ol style="list-style-type: none"> 1. Most expensive option; highest debt repayment 2. Potential of home plumbing leaking due to increased system pressures

*Two Repayment Options: **(1) General Obligation (GO)** – A GO is a municipal bond secured by a local government’s pledge to use legally available resources, such as a pledge to levy a property tax, to meet debt service requirements. **(2) Revenue Bond** - A revenue bond is a municipal bond supported by the revenue from a specific project. Revenue bonds are municipal bonds that finance income-producing projects and are secured by a specified revenue source.