

CONTACT INFORMATION:

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**DATE:**

Tuesday, February 6, 2024

SUBJECT:

HB 4155 - Directs the Oregon Business Development Department to study infrastructure financing in Oregon by considering and evaluating tools the state may use to have a positive effect on infrastructure and housing costs in Oregon.

COMMITTEE:

House Committee on Emergency Management, General Government, and Veterans

TESTIMONY:

Chair Grayber, Vice Chairs Lewis and Tran, and Members of the Committee:

My name is Dan Sheets. For the last 3 years, I've been serving as the Mayor of Monroe, Oregon. Monroe has 723 residents and is experiencing growth at a rate of roughly 1.5% annually.

Fifteen years ago, Monroe had a state-of-the-art water system installed. It was designed in two units, where each was supposed to run on alternating days to provide downtime for repairs. Now, each unit must be run each day to keep up with demand. On top of this, in recent years, necessary components of the system have become obsolete. There are very few people left trained in the computer language it operates on. We don't have our own water engineer, so our City Administrator, Steve Martinenko, has had to learn on the job how to maintain the system because, without it, Monroe's residents will stop having clean water in a matter of days.

Thanks to the diligent work of House members like Republican Anna Scharf and Democrat David Gomberg, Monroe secured most of the funding for water system upgrades that will allow us to keep producing clean drinking water. The problem now is two-fold.

First, in Monroe, in order to remain in compliance with state regulations and environmental standards, we need to address our wastewater treatment system. Many of our sewer pipes are made of century-old concrete, which means when rainwater leaks into them, it can cause excessive water to enter into our treatment lagoons and fill them faster than the City can process the wastewater. It also dilutes the sewage at the point of entry into our treatment lagoons, meaning it is at times very difficult to meet the conditions for waste removal as spelled out in our DEQ permit. This can result in fines for not making a sufficient change between the entry and exit points and potential overflow of the lagoons themselves, even though the wastewater meets all other criteria for treatment.

Second, as a small town, we don't have the income necessary to attract lenders. In fact, most of our income comes from the city's water accounts, but lenders always want us to raise the water rate in order to extend a loan, which is essentially asking us to knowingly put our residents—many of whom are low income—out on the street. In a city like Monroe, where everyone knows each other, we are resolved not to add to the housing crisis by forcing our homeowners and residents into homelessness to line the pockets of Wall Street bankers who don't know or care about our people. It would cripple our community and the culture of support we've built within the city.

Given the current state of affairs within Monroe and other small towns, it is imperative that we examine infrastructure financing for Oregon's municipalities and counties. We need to have a better understanding of what is possible in order to lean into a future that includes the economic power and resilience of rural communities across the state. I urge you to pass HB 4155.

Thank you for your time and thoughtful consideration.

Best regards,

A handwritten signature in black ink, appearing to read "Dan Sheets".

Dan Sheets
Mayor
City of Monroe, Oregon
