

February 17, 2025

House Committee on Agriculture, Land Use,
Natural Resources, and Water
Oregon State Legislature
900 Court Street SE
Salem, OR 97301

Dear Co-Chairs Helm and Owens, Vice-Chair Finger McDonald, and Members of the Committee,

On behalf of Oak Lodge Water Services (OLWS), I offer this testimony in support of HB 3527.

OLWS provides drinking water, wastewater, and watershed protection services to 28,400 people in Oak Grove, Jennings Lodge, and portions of Milwaukie and Gladstone. OLWS treats 1.5 billion gallons of wastewater per year, providing a vital public health service and protecting the environment.

The largest challenge facing OLWS from a ratepayer standpoint is our need to address inflow and infiltration (I&I) when rainwater and groundwater enter the collections system, particularly during storm events. Additional water exceeds the system's capacity, leading to sanitary sewer overflows (SSOs) into the Willamette River which could harm the environment and puts stress on the wastewater treatment plant. Over the course of the last four years, OLWS incurred several SSOs. Those overflows were reported to DEQ after every event. All events occurred during heavy rainfall in the service area. DEQ fined OLWS during these events, which compounds the necessity to increase rates to pay for fines and fix the underlying pipe deficiency. To avoid these fines, OLWS is focused on replacing wastewater mainline in the northwest part of the service area that has approximately three miles of pipe that is anticipated to fail within the next 10 years at an anticipated cost of \$8.5 million.

OLWS raised user rates by 40% over the past 2 years to pay for these necessary upgrades and anticipates continual rate hikes for several years, a significant hardship for many ratepayers. The average user rate in July of 2019 was \$87.89 per household. The average user rate in July of 2022 was \$94.30 per household. The average user rate in July of 2024 raised to \$135.27 per household. In addition to proposed programs like the Public Drinking Water and Sewer Ratepayer Assistance Fund, I ask that this Committee and the Legislature as a whole consider the cost savings that could be realized to all ratepayers via additional infrastructure investments in water infrastructure around the state.

Sincerely,



Brad Albert
General Manager
Oak Lodge Water Services