



GROUNDWATER DEVELOPMENT TALKING POINTS

PURPOSE

To position Rockwood Water People's Utility District to improve water supply resiliency and avoid or weather future wholesale water purchase cost increases from the City of Portland. This document is to help answer questions regarding Rockwood's plan to increase its supply of groundwater.

POINTS

Why does Rockwood Water need to expand its groundwater capacity?

- Our primary source of drinking water is purchased from the City of Portland under the terms of a 20-year wholesale water purchasing contract which expires June 30, 2026.
- The cost of wholesale water is expected to increase significantly starting in 2027.
- The terms of the contract say we must inform them of our plans of whether or not to purchase water from them by June 30, 2021.
- Per a Memorandum of Understanding (MOU) from the City of Portland dated in February 2021, Portland does not intend to renew the current contract and plans to work with all wholesalers to negotiate a new contract with terms more favorable to all parties.
- To date, the Board has not voted whether or not to renew a contract with the City of Portland, and based on the MOU and contract negotiation process, will have a new draft contract to review and vote on by June 2022.

Why is the City of Portland increasing wholesale rates by so much?

- To build a water filtration treatment facility by September 30, 2027 to meet federal treatment requirements for *Cryptosporidium*.
- The City of Portland estimates the project to cost \$820 million to \$1.2 billion.
- The costs will be shared with wholesale and retail customers of Portland.

How much water does Rockwood purchase from the City of Portland?

- Under the current agreement, we contract to buy 2.8 billion gallons per year, which cost \$3,164,145 in fiscal year 2019/2020.
- Projected costs for Rockwood to purchase water are currently estimated to increase to \$11.7 million dollars per year, based on the lower, \$820 million estimate for the Portland water filtration facility.

How will Rockwood Water expand its groundwater capacity?

- A Groundwater Development Master Plan has been drafted by Murraysmith.
- This Plan tells us what we need to do to reduce or replace the amount of water we currently purchase from the City of Portland.
- Under the Plan, Rockwood will be maximizing our water rights permits to reduce the need to buy all our water from the City of Portland.
- We do know we will need to drill at least two more wells and have started that process.
- On February 26, 2020, the Board adopted the Groundwater Development Master Plan.

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Does groundwater cost less than Portland’s projected wholesale cost of water?

- Based on the current cost of operating groundwater, the cost is markedly lower.
- Our purchase price of wholesale water is \$0.829 per hundred cubic feet, ccf (748 gallons per ccf). The cost to produce groundwater averages \$0.578 per ccf (last 5-year average cost).
- Wholesale purchase from Portland by 2030 is projected to be \$3.068 per ccf, an increase of 370%.

Do you think you can achieve your goal?

- Rockwood Water’s Board of Directors is working hard to provide the most cost effective product. Our initial projections indicate we can and we are working toward that goal.

MORE INFORMATION

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