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# The Oregonian

## Water solution of last resort

*While other communities look for new resources, Lafayette runs out of time and turns to logging to help finance a waterworks overhaul*

Tuesday, August 17, 1999

*By Jim Tankersley of The Oregonian staff*

LAFAYETTE -- The foot-long section of pipe in Bob Willoughby's hand looks straight out of a junkyard scrapheap, a black cylinder full of rust and spotted with nickel-sized holes. It came from a city water line.

For the antiquated system that brings water to the 2,140 residents of Lafayette, the pipe is a fitting symbol. Water shortages have plagued the town for two decades; when there is enough, it flows through rusty lines often laced with hazardous lead and copper.

That, Willoughby and the Lafayette City Council say, is why the town must clear-cut a third of the small section of forest that surrounds its water supply.

"We've got to find a way to deal with growth at the same time we deal with an aging system," says Willoughby, Lafayette's city administrator. "You've got a substantial resource sitting there. You've got more than \$1 million worth of timber."

In an area where nearly every small town has some kind of water problem and at a time when state and federal grants are drying up like a shallow reservoir in July, Lafayette has turned to selling trees as a last resort. And the ramifications hold lessons for expanding communities throughout the state. Faced

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with growing demand and limited capacity, cities large and small are building reservoirs, forging new alliances and making crucial decisions about their future water supply.

Tigard and Wilsonville are leading a handful of suburban communities toward possible construction of a water treatment plant on the Willamette River. Portland is considering building a third dam and reservoir in the Bull Run Watershed in the Mount Hood National Forest to better serve its 870,000 customers.

And a consortium of 27 cities and water districts are studying the possibility of a regional transmission system that would connect some or all of the major Portland-area sources. Such a system might include Bull Run, the Clackamas and Trask rivers and the Willamette plant, if built.

While some city officials in Yamhill County are talking about a regional solution to their water problems, Lafayette officials have decided they cannot afford to wait any longer to rework their system. But the town and its neighboring communities are finding few answers to the growth and financing problems clogging their efforts.

"Yamhill County is growing by leaps and bounds," says Bill Fujii, a natural resources specialist for the state Water Resources Department, "and unfortunately it's not in a good position for significant water supplies that are easily accessible for folks.

"Everybody's scrambling for money, and the free money, like the easy water, is either being used up or is gone."

The state has loan programs to help small cities expand water services, Fujii said. But Willoughby shrugs his shoulders and says he doesn't think Lafayette can afford to repay even a modest loan.

Willoughby says it will cost \$4 million for the city to overhaul its water works -- money he says the city does not have and cannot raise through rate increases in a town that already has some of the highest water prices in Yamhill County.

By logging 40 acres of its 122-acre watershed, Willoughby says, Lafayette can raise \$365,000. The money would pay to replace half of the 70-year-old

pipes that pose health threats and in some places leak away 20 percent to 30 percent of the water they carry.

Add that to an expected \$2 million in revenue from a previous rate increase, and the city could dig as many as five new wells that would satisfy Lafayette and nearby Dayton for the next 20 years.

### **Fastest growing town**

Lafayette is a 25 mph blip on Oregon 99W. It has one elementary school, no middle school or high school (kids ride a bus seven miles to McMinnville for that) and mostly low- and middle-income families.

It is also the fastest growing town, percentage-wise, in the county. The population, which has nearly doubled in the past 10 years, jumped from 1,445 in 1995 to 2,140 today. A new housing development will bring 150 more homes by the end of the year.

The newcomers will find some of the highest water rates in Portland and surrounding counties. Last year, Lafayette residents paid \$23.50 for a monthly water bill of 7,500 gallons. Portland residents paid \$14.82 for the same volume; in Beaverton, \$21.93.

Lafayette has tried to finance its expanding water needs through rate increases, but residents are now pushed to the brink, Willoughby says. And other towns throughout the state are running into the same problem.

"There are a number of cities that need millions of dollars of infrastructure," he says. "If it has to be paid for by ratepayers, I don't think they can afford it."

Money isn't a problem in the county's biggest town, where the McMinnville Water & Light Commission finances all of its capital improvements through logging sales.

McMinnville's water costs half as much as Lafayette's, thanks largely to logging revenues that in recent years have topped \$2 million annually.

That's largely due to the foresight that dates back more than a century. McMinnville residents founded their water utility in 1889, and the town built its first reservoir in 1927. Logging revenues have been rolling in steadily for more than 20 years from the city's 6,000-acre watershed, 20 miles northwest of McMinnville.

"We've managed to accumulate a substantial amount of timber," says McMinnville Mayor Ed Gormley, chairman of the commission. "Our harvesting is really done more to manage the watershed than it is for harvesting for money."

### **A regional water solution**

Other towns -- such as Dayton, Carlton and Amity -- face a more difficult task planning for their water supply future. Their rates are high, like Lafayette's, and current water sources won't quench their growing thirsts for long. The next century could bring them, and possibly the rest of the county, a regional water solution.

Willoughby and Newberg City Manager Duane Cole say a countywide solution is a good bet. Gormley agrees, and says McMinnville wants to lead the charge.

But although some towns have begun discussing the issue, any regional supply is a long way down the road, and Willoughby says the rust and lead and copper need to be replaced now. "I don't think we can wait 10 years," he says.

That means logging now. The city is in the final steps of shopping its logs to Oregon mills, and Willoughby expects to complete negotiations and start the chainsaws by the end of the week.

When they do, many people in and around Lafayette won't be happy. The plan has been criticized by some residents of the town and of the area around the watershed; they want the trees for a park. And conservationists have questioned the logging's effects on water quality.

Willoughby says that the land was never meant for a park and that the clear-cut plan is tailored for minimal environmental effect.

He promises the trees will be replanted and hopes that in 50 years they will once again finance a Lafayette water project.

He wishes that it didn't have to be that way, that the city could keep the timber and improve the water.

"I love that watershed," he says. "I'd move my office up there if I could."

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