

Appendix E

Seal Rock Water District Letter



December 18, 2002

Mr. Rainse E. Anderson, PE
Aviation Services Director
W & H Pacific
9755 S.W. Barnes Road, Suite 300
Portland, OR 97225

RE: City of Newport Airport Expansion Plans

Dear Mr. Anderson:

Thank you for the presentation at the Newport City Council Chambers on Tuesday, December 17, 2002.

As I mentioned to you after the presentation, the Seal Rock Water District is responsible for providing water to the airport and any additional construction which may occur to the airport over time. The Seal Rock Water District is composed of primarily of low-income residents and retired residents, with a very small commercial base. The District is facing a large capital construction project that will not increase the extremely high water rates already paid by those served by the District, but also will result in a significant one-time charge estimated at \$1,000 for each lot within the District.

The Seal Rock Water District has made the determination that any costs for capital improvements for commercial interests and development must be paid by those interests. Dedicated revenue bonds may be available to assist in such development, depending on the credit and financial ability of the commercial interest(s) at the time of construction.

The Seal Rock Water District supports the plans for the expansion of the Newport airport and for the additional economic development. However, the District cannot afford to provide the significant infrastructure improvements that might, or might not, be needed. Whether there are hotels, a golf course, etc. is strictly a matter of conjecture (and hope!), but certainly not anytime in the near future.

However, it makes little sense to develop a 20 year Master Plan without considering such possibilities. To that end, the Seal Rock Water District offers the following options, in no particular priority:

1. A water tower at Idaho Point in South Beach can be constructed through a combination of grants (through the airport) and revenue bonds guaranteed by the airport. Once constructed, the facility would be a Seal Rock Water District facility. Other interests include a potential convention center, manufacturing facilities, and other commercial development within the South Beach area, some of which may be directly connected with the airport. The advantage of such a facility would be, depending on the size of construction, adequate storage for potential interruptible water supplies and significant

water pressure for fire protection. Any determination of total size would need to be covered in the Master Plan so that proper sizing of the facility and connecting lines would be financed at the time of construction. Specifically, it makes little sense to build a 250,000 gallon facility if the long term need is for 750,000 gallons.

2. Addition of booster stations on the existing pipeline, and any extensions, to provide higher water pressure. This doesn't address the future development discussed above, but such costs are borne by the developer at the time of the development either through fees, grants, revenue bonds or a combination, depending on the size of the improvements.
3. Use fire sprinklers in all future construction and, when remodeling, add fire sprinklers to existing structures. The advantage is that there is less water pressure needed to protect the facilities and it results in lower insurance premiums. It also might be less expensive than some other options.

There may be other options that become available in the future.

If you have any questions, or need any clarification, please feel free to contact me at (541) 563-3143 or Mr. John Garcia, Chair, at (541) 867-6597.

Sincerely,

Glen Morris
Commissioner
Seal Rock Water District

cc. John Garcia, Chair