

To our community-

Like many small water districts, Otter Rock is facing problems with aging infrastructure. Significant portions of our system are decades past their rated service life and are showing increasing evidence of deterioration. This includes our recent issues with failed bacteria tests.

Also, like many small water systems, the district has not been setting aside sufficient funds over the years to cover replacement costs. We have enjoyed low monthly rates for decades, but now must borrow a large amount of money to restore our system.

In 2018, the district received an assessment of the system, which outlined the issues involved and gave rough estimates of cost. This is contained in the water system feasibility study posted in the “notices and documents” section on the district website, otterrockwater.org.

This summer, the district obtained more refined and updated cost estimates. We asked for two scenarios:

Full scope project: This would include replacement or repair of the known deficiencies in the system. It would include :

- Renovation of the springs
- The state-required chlorination system
- Replacement of the large tank
- Replacement of the distribution system (water mains)
- Replacement of all fire hydrants
- Meter installation
- New service connections for all customers

The result would be improved water pressure, increased fire flow, water treatment, elimination of system leakage, and reliable water mains and connections for all customers. This project is estimated to cost approximately \$3.5 million.

Reduced scope project: This would include repair or replacement of a portion of the deficiencies in the system. It would include:

- Renovation of the springs
- The state-required chlorination system
- Replacement of the large tank
- Replacement of the main trunk line from the tanks to town, without replacing the rest of the distribution system
- Replacement of one fire hydrant
- Meter installation

The result would be improved water pressure, increased fire flow, and water treatment.

It would not eliminate system leakage, replace most of our old water mains, or establish reliable connections for all customers. Further renovation would be postponed indefinitely. This project is estimated to cost approximately \$1.5 million.

Regardless of what we choose, we are now required by the state to install a chlorination facility soon. This may have to be installed earlier than the rest of the project. We are in the process of finding that out. The consulting engineer estimates that the facility can be constructed for \$60,000, perhaps less.

See the comparison table attached to this email for a more detailed comparison of the two options.

There is also an attached document describing differences between bond and loan funding. The bond option may be possible for the reduced scope option. There are pros and cons to each.