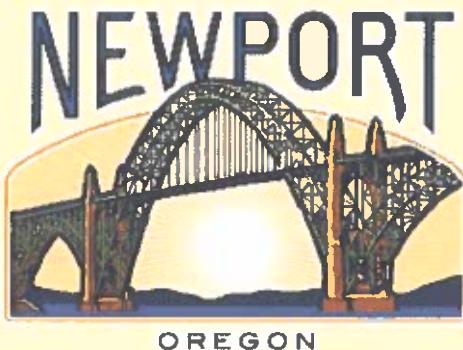


169 SW COAST HWY  
NEWPORT, OREGON 97365

COAST GUARD CITY, USA



[www.newportoregon.gov](http://www.newportoregon.gov)

MOMBETSU, JAPAN, SISTER CITY

May 7, 2021

Co-Chair Fred Girod, Co-Chair Paul Holvey  
Joint Committee on Ways and Means, Subcommittee on Capital Construction  
900 Court Street NE  
Salem, OR 97301

**RE: Capital Construction Request for the Big Creek Dams Replacement Project**

Dear Co-Chairs Girod and Holvey:

The City of Newport respectfully requests that the Oregon Legislature authorize \$14 million in lottery bonds for the Big Creek Dams Replacement Project in the 2021-2023 biennium budget.

In 2019, the Legislature authorized \$4 million in lottery bond proceeds in House Bill 5050 for the City of Newport for the design and the environmental permitting for the Big Creek Dams Replacement Project. At that time the City and regulators were aware of the seismic vulnerabilities of the existing dams and the significant risk the structural deficiency poses to Newport residents and the local economy. For a city of 10,000 residents, this lottery bond allocation was critical to allow the City of Newport to fund the design work needed to begin construction of a seismically sound replacement dam.

When House Bill 5050 was signed into law, no one could have predicted the impact of the COVID-19 crisis on our state's economy or lottery revenues. However, as with other lottery bond authorizations in 2019, the \$4 million lottery bond sale authorized for the Big Creek Dams project was canceled due to insufficient lottery revenues. For the City of Newport, this means that dam design is progressing very slowly due to insufficient funding, and opportunities for federal assistance are limited without a finished design and available matching funds.



Unfortunately, this project cannot wait. In the summer of 2020, the Oregon Water Resources Department (OWRD) implemented a new law which reclassifies high hazard dams. Subsequent inspection of the Big Creek Dams confirmed that the threat of dam failure is no longer only tied to a seismic event of 3.5 M or greater. The Upper Big Creek Dam, which holds three quarters of stored water for the City of Newport, is seeping and at risk of spontaneous failure due to structural issues. Earlier this year, the City received official notice that the safety rating of the upper dam has been downgraded to "unsafe" due to ongoing seepage issues. The City has no choice but to advance the design of the dam immediately and work with the state to mitigate this new threat.

The City of Newport is earnestly pursuing all opportunities to fund this project. The City has invested \$5.95 million of its own funds since 2013. OWRD has funded two studies on the Big Creek Dams project and invested \$500,000 in planning efforts. The City is also looking at federal funding opportunities, such as the Building Resilient Infrastructure and Communities (BRIC) grant, but cannot provide the required matching funds without state assistance. The City does not have the financial capacity to fund the remaining design and environmental permitting of the project, currently estimated to cost \$5.8 million, at the pace necessary to mitigate the imminent safety risk to their only drinking water source and to be prepared to pursue federal funds with a shovel-ready project.

The City of Newport respectfully requests that the Legislature authorize \$14 million to allow the City to advance design and environmental permitting for the Big Creek Dams Replacement Project and construction of the replacement dam. The \$4 million is urgently needed to allow the City to move forward with dam design to address the risk of catastrophic failure of the upper dam on the timeline of December 1, 2021 as directed by the OWRD. At a total project cost of \$70-80 million, our small city cannot fund this project on its own. As such, the City requests your consideration of an additional \$10 million to support construction of a seismically sound replacement dam to secure the City's only water supply and protect residents who live within the inundation zone.

Thank you for your consideration of this request.

Respectfully submitted,

  
Dean H. Sawyer  
Mayor

  
Spencer R. Nebel  
City Manager

Enclosure: Big Creek Dam Inspection and Notice





# Oregon

Kate Brown, Governor

## Water Resources Department

725 Summer St NE, Suite A

Salem, OR 97301

(503) 986-0900

Fax (503) 986-0904

January 22, 2021

Chris Janigo, Interim City Engineer  
City of Newport  
169 SW Coast Highway  
Newport, OR 97365

### **Re: Notification of Unsafe/Potentially Unsafe Dam**

Based on an inspection and analysis, the Oregon Water Resources Department (the Department) has identified an Unsafe condition and a Potentially Unsafe condition at Big Creek Dam #2 (upper dam) and a Potentially Unsafe condition at Big Creek Dam #1(lower dam). As required by Oregon Revised Statute (ORS) 540.458(1) and further described in Oregon Administrative Rule (OAR) 690-020-0340 this letter serves as written notification that Unsafe/Potentially Unsafe conditions exist with the Big Creek Dams and corrective actions are needed. Information regarding identification of the Unsafe/Potentially Unsafe conditions and details regarding the corrective actions needed to address the conditions are contained below in this letter. Also contained in this letter are your options and responsibilities as the dam owner in responding to this notification and addressing the Unsafe/Potentially Unsafe conditions with the Big Creek dams.

The department conducted a routine dam inspection on October 15<sup>th</sup>, 2018 during which we observed corrosion of, and leakage through, the corrugated metal pipe (CMP) portion of the overflow spillway for Big Creek Dam #2. The leakage occurs at locations throughout the length of the CMP portion of the spillway. The spillway CMP is a route for any internal erosion, and flow of the spillway can carry away eroded material despite the attempts being made to monitor this situation. Internal erosion can increase over time and can result in catastrophic failure of a dam with little warning. Subsequent OWRD inspections of this dam on May 29<sup>th</sup>, 2019 and on August 4th, 2020, indicated that the corrosion of the CMP portion of the overflow spillway continues to worsen with time.

This is an Unsafe condition because the holes through which the water is leaking are a potential route for embankment materials displaced by internal erosion. Additional investigation of the extent of the internal erosion is needed. This should be by direct observation unless the City can propose a more reliable means of determining internal erosion. If internal erosion is confirmed, changes to operations of the reservoir will likely be needed until such time as control of internal erosion is achieved. Necessary planning steps are provided later in this letter.

Prior to the aforementioned internal erosion situation, a seismic stability analysis of both Big Creek dams was performed by consulting engineers working for the City. This analysis indicated that both dams will deform significantly during a Cascadia Subduction Zone (CSZ) earthquake. For both dams, the deformation could cause the dam crest to drop below the water line which could lead to overtopping of the dam crest and subsequent catastrophic failure of the dam. Based on these seismic deformation analyses, the department has determined that both Big Creek Dams, are in a Potentially Unsafe condition. To date we have been informed as to general plans to address the potentially unsafe conditions of the dams but have no timeframes for any of this work. More specific plans and timeframes are needed.

Corrective Actions will be necessary to address the Unsafe/Potentially Unsafe conditions with the Big Creek dams. At this time OWRD dam safety will continue working with the City in a cooperative manner as described and allowed in ORS 540.461. The next steps in these cooperative actions will be development of plan(s) and time frame(s) that lead to corrective actions. As described in OAR 690-020-0340(3)(a)(C), you have the opportunity to, and I encourage City staff and your engineer to meet remotely with me to discuss this Notification and plans that lead to Corrective actions. Please let me know, in writing, that City staff and your consulting engineer(s) can meet to discuss development of plans and to schedule a time for this meeting after you have discussed this Notification and have specific elements to propose in the plan(s).

At the present time it appears four plans may be needed, with the first three plans are based upon findings from implementation of the earlier plans. The description of plans and anticipated timeframes are as follow (this is for the submittal of the plan, not completion of the work, the timeframes for completion will be included in your plans):

1. Investigation of the extent of internal erosion below the spillway conduit, submit plan by **3-1-21**
2. Interim measure to reduce internal erosion and restore spillway function, submit plan by **7-1-21**
3. Plan of operations to reduce potential for winter flow over the spillway, submit plan by **9-1-21**
4. Plan for removal of both dams and construction of the replacement dam, submit plan by **12-1-21**

As described in OAR 690-020-0340(3)(a)(D), you have the opportunity to provide information to explain why you, as the dam owner, disagree with the matters asserted in this notification alleging Big Creek Dam #2 is Unsafe and that both Big Creek Dam #1 and #2 are Potentially Unsafe. If you have such information, we can discuss this during our remote meeting. The efforts made by the City thus far to address the Unsafe and Potentially Unsafe conditions are greatly appreciated. Thank you for your continued cooperation and we look forward to working with you in the near future.

Sincerely,

A handwritten signature in blue ink that reads "Keith Mills".

Keith Mills, P.E., State Engineer  
Cell (541) 706-0849

C: Tony Janicek Ph.D., P.E., Dam Safety Program Coordinator  
Tom Paul, Special Assistant to the Director  
Dam Safety File B-28a & 28b