

Agenda Item No.:	7
Work Plan:	State Forests Work Plan
Topic:	Proposal to sell a portion of the Gilchrist State Forest to the Crescent Sanitary District
Presentation Title:	Crescent Sanitary Sewer Regional Solutions Project
Date of Presentation:	March 9, 2016
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CONTEXT

Issue:

The community of Crescent, Oregon needs a community sanitary wastewater treatment facility. Currently, all residents and businesses are solely dependent on individual septic systems. The Oregon Department of Environmental Quality (DEQ) confirms that nitrate groundwater contamination levels are out of compliance with Environmental Protection Agency standards. The community has a shallow groundwater table with rapidly draining soils and no barrier to fluid movement into the shallow groundwater. The DEQ also confirms that at certain times of the year, fecal contamination is detected in the groundwater. As a result the Little Deschutes River is being impacted by the failing septic systems. The DEQ concludes that combining and better treating wastewater in the community, at a location further from and at a higher elevation than the Little Deschutes River, will better protect public health and the river water quality.

The community was platted long before the creation of land use and wastewater treatment laws that would have otherwise required sanitary wastewater infrastructure. Businesses in Crescent along Highway 97 would like to expand. Several such proposals have been denied permits by both Klamath County and the DEQ because of the nitrate issues and inadequate size of existing platted lots. Economic development and residential development will continue to be stifled without a community sewer system.

Solution:

The Crescent Sanitary District (CSD) is working with the Central Oregon Regional Solutions Team to gain approval for, finance, and construct a community wastewater treatment facility. The main team members include the CSD, Department of Environmental Quality (DEQ), Oregon Business Development Division-Infrastructure Finance Authority (OBDD-IFA), Oregon Department of Forestry (ODF), USDA-Rural Development (USDA-RD), USDA-Forest Service (USFS), Rural Community Assistance Corporation (RCAC), Klamath County, and the Crescent community. As a result of a \$20,000 grant from OBDD-IFA and CSD funding, the community now has an approved

facilities plan. The plan proposes a lagoon treatment system which is a very simple and natural way to treat wastewater in small communities. Summer land application in upland areas allows environmentally safe disposal of wastewater. Nutrients in the treated wastewater are used by vegetation and the soil further treats the wastewater.

BACKGROUND

Site Evaluations and Oregon Department of Forestry Connection:

The Crescent Sanitary District has been searching for a site for the proposed wastewater treatment facility for over two years. The roughly 200-acre land area needed for the project must include approximately 50-60 acres for a chlorination facility, treatment, and storage lagoons. An additional 160 acres is needed for two 80-acre areas for crop irrigation. It is important to note that this large of an area is required to allow land application of the treated effluent while protecting groundwater.

The available sites are highly limited for a number of reasons. Potential sites are in close proximity to the Little Deschutes River and residential areas. The potential sites also have an up-sloping topography increasing the expense of a treatment facility and are not suitably sized tracts of undeveloped land. Finally, Crescent is surrounded on three sides by the Gilchrist State Forest and bounded by Highway 97 on the fourth side. The CSD is planning to construct a gravity feed system, so the site needs to be close in elevation to the lowest area of Crescent.

A site on the southwest area of Crescent was evaluated and deemed unsuitable due to its proximity to the Little Deschutes River and DEQ concerns about possible river contamination. A second site on the southeast side of Crescent was evaluated and rejected because of frontage along Highway 97 and concerns about odors along the highway. The West Crescent area (west of Highway 97) was unsuitable due to the density of residents, possible contamination of the river, and an increased elevation which would make pumping the effluent extremely costly. A fourth site was evaluated on the south side of Crescent, but the land was privately owned and too close to the developed part of Crescent. Locating a treatment plant as far away as practical ensures a buffer from spring odors, which are characteristic of treatment ponds.

When the site search had been exhausted, the CSD approached ODF and the regional solutions team about the possibility of locating the new facility on a 200-acre site on the Gilchrist State Forest. The Gilchrist State Forest is Board of Forestry lands managed by Oregon Department of Forestry, under the strategies outlined in the Eastern Region Long Range Forest Management Plan. This property is a poor site for growing trees (site class 5), and contains a high percentage of young lodge pole pine with a small cohort of ponderosa pine. Removing these lands from timber production and utilizing the site for wastewater treatment infrastructure will support the Crescent Sanitary District and have a positive impact on the community of Crescent. While this proposal will reduce some of the revenue generated from this parcel, it will have a negligible impact on the overall management of the Gilchrist State Forest, including revenues distributed to Klamath

County. The tradeoffs include significant environmental benefits for the Little Deschutes River and positive economic benefits for the Crescent community.

The 200-acre site is to the south of and further away from the developed parts of Crescent. It is only slightly higher in elevation and would require minimal pumping of effluent. Neighboring landowners are willing to provide easements for piping and access to the ODF site. The vegetation on the site allows for safe irrigation of the treated effluent during the short spring and summer season. The land is located on the edge of the Gilchrist State Forest and the proposed wastewater facility would be a good use of land, would contribute to good irrigation of vegetation in the summer months, and add a greenbelt in the area for fire abatement. For these reasons, the CSD Board has requested purchase of the land in question.

Public Outreach:

The Crescent Sanitary District has conducted numerous outreach efforts in the Crescent community, the most recent of which was a CSD Board meeting in November 2015. There appeared to be overwhelming public support regarding the wastewater treatment facility proposal, with many of those in attendance reaching mutual agreement and understanding that the project is a necessary step in the preservation, livability, and survival of the Crescent community. The project was seen as a way to gain a safer environment and a potential boost to the small town's economy, while defraying the probability of higher project costs in the future and the threatening possibility of increasing groundwater contamination. Specifics on the public outreach include:

- The CSD Board mailed notices inviting the public to its regular Board meetings. The notices were also posted on bulletin boards at each post office in Crescent and Gilchrist. Approximately five to 25 people came to each of these meetings. No negative feedback was given. The attendees expressed the need for the project and were primarily concerned with their monthly rates.
- The CSD held approximately six public meetings to specifically address the project. At its October 14, 2015 meeting, there were about 25 people in attendance and the proposed acquisition of the ODF land was discussed. John Pellissier, ODF Management Unit Forester for the Klamath-Lake District, gave a short presentation of the proposal and requirements. Chuck Lawrence, the CSD consultant, presented an overview of project goals, progress, and next steps. The public was in favor of the ODF land acquisition with unanimous positive support.
- The CSD Board maintains a website that contains public information articles, all meeting information, and minutes. The CSD Board annually posts its proposed and approved budgets on this website and also at the Crescent and Gilchrist post offices.
- The CSD Board has completed two mailers to the residents within the CSD. The mailers explained the project history, progress, and goals of the completed project.

- The CSD Board notes that in the last two years it has not received any negative feedback at any meeting or in response to its mailings.
- July 8, 2015 – The CSD consultant attended a meeting with the Klamath County Commissioners who gave a unanimous endorsement of the CSD Wastewater Project.
- August 13, 2015 – The CSD consultant met with Rep. Mike McLane and Vince Porter, Jobs and Economy Policy Advisor to Gov. Kate Brown, in Salem. Both were very supportive of the project. They understood the proposed acquisition of the ODF parcel and agreed it is a good location for the facility.
- August 2015 - Governor’s Office Regional Solutions Coordinator, Susanna Julber, spoke with the following organization and business:
 - Chuck Burley with Interfor, a main employer in Crescent. Chuck had no objections and supported the project, given the distinct needs of the community.
 - Brad Chalfant with Deschutes Land Trust, who had no issues with the project.
- September 2015 - Governor’s Office Regional Solutions Director, Annette Liebe, spoke with the following organizations:
 - Brad Chalfant with Deschutes Land Trust, who again expressed no issues with the project.
 - Evan Smith at the Conservation Fund, who had no objections to the project.
 - Rhett Lawrence with the Sierra Club, who had no objections to the project.
 - Paul Dewey of Central Oregon Landwatch, who had no immediate opinion.
 - Tom Wolf with Trout Unlimited, who had no objection to the project.

NEXT STEPS

In June, the division will seek Board approval to sell the 200-acre parcel and transfer the property to the Crescent Sanitation District. The Board will be presented with the sale plan, which will outline the contingencies that the CSD must meet prior to the sale. Contingencies will include securing financing; securing necessary rights-of-way and/or easements for access and the entire collection and treatment system; formalizing an agreement for a water source to be made available to ODF for forest-related activities; securing a determination of the desirability of the property for the project, as a result of the completion of environmental review; securing land use zoning approval and permits through Klamath County; implementing a user rate and mandatory hook-up requirement through ordinances/resolutions; and implementing a requirement that if the project falls through, the land reverts back to ODF.

Board approval will require two findings:

1. Board determines that the characteristics of the 200-acre parcel make it valuable for the proposed use and that the proposed use better meets the Greatest Permanent Value (GPV) standard than the current use for timber production.

Facts in support:

- a) This parcel is a low site class 5, and contains a high percentage of young lodgepole pine with a small cohort of ponderosa pine. Removing these lands from timber production and utilizing the site for infrastructure to support the Crescent Sanitary District and community of Crescent will have an insignificant impact on the overall management of the remainder of the Gilchrist State Forest, including revenues produced for Klamath County.
 - b) Several sites near the community were evaluated for this purpose. This 200-acre parcel was the only one deemed acceptable.
 - c) Existing septic systems in the community are negatively impacting public health and water quality in the Little Deschutes River.
 - d) The DEQ concludes that combining and better treating wastewater in the community, at a location further from and at a higher elevation than the river, will better protect public health and the water quality in the Little Deschutes River.
 - e) Economic development and residential development will continue to be stifled without a community sewer system.
2. Board finds Crescent Sanitation District is more qualified than ODF to manage the parcel over the long term.

Facts in support:

- a) ODF does not have the expertise to own or manage a sewage facility, thus Crescent Sanitation District is more qualified to take on the ownership and management of the 200-acre site.

RECOMMENDATION

This is a project update and information only. No action is necessary at this time.

ATTACHMENT

- 1) Crescent Map