

MEETING SUMMARY
South Central Regional Solutions Advisory Committee Meeting
Thursday February 11, 2016
1:00 – 3:00 pm
Washington Federal Community Center
5215 South 6th Street
Klamath Falls, OR 97603

Members present:

Jane O’Keeffe, Governor’s Convener
Karen Chase (on behalf of Peter West, Energy Trust)
Chip Massie, Oregon Community Foundation
Trish Seiler, Councilor, Klamath Falls
Brad Winters, Lake County Commissioner
Betty Riley, SCOEDD
Jim Bellet, Klamath County Commissioner
Christy Tveit, (on behalf of Jim Walls, Lake County Resources Initiative)

Team members:

Kelly Hill, DEQ
Mary Baker, IFA
Jarrett Johnson, ODOT
Butch Hansen, ODOT
Jon Jinings, DLCD
Scott Edelman, DLCD
Larry Holzgang, Business Oregon
Lanny Quackenbush, DSL (via conference call)
Annette Liebe, Governor’s Office

Guests:

Ginger Casto, SCOEDD
Jeremy Austin, ONDA (via conference call)

Annette Liebe shared the hand-out summarizing Governor Brown’s priorities for 2016, both legislative priorities and additional actions that she will take to support the five priority areas. The hand out is available as part of the meetings materials for this meeting.

Mary Dinh from Red Rock Biofuels provided an overview of the process and the facility proposed for Lake County. The facility will convert woody biomass into jet fuel and diesel. Mary’s power point presentation is provided with the materials for this meeting. Summer 2016 is the target date for breaking ground with approximately an 18 month construction timeframe. The company is currently finishing up their financing. Key areas of coordination with the Regional Solutions Team include the following: 1) infrastructure financing for sewer, water, and transportation. There are road improvements needed as well as improvements to the short line rail to haul product from the facility to market. 2) Land use planning; the company is looking to complete a land exchange to bring their preferred site into the Lakeview urban growth boundary. The preferred site has good rail access and is on the south end of town and therefore, close to the ruby pipeline. The facility will need natural gas for

their process. 3) Environmental permitting including air quality, solid waste, and wetlands. Business Oregon has provided information about the state's business finance programs. A feedstock analysis has been completed. The committee asked questions about the plans for the natural gas pipeline. The plan is for it to be constructed fall 2016. Currently the company has an RFP out for construction, operations, and maintenance of the pipeline. These services are anticipated to be provided by a private company. RFP does require gas to be delivered with enough pressure to eventually serve the community of Lakeview.

Betty Riley provided an update on the woodstove replacement program in Klamath Falls and Lakeview. Betty's hand-out is provided as part of the meeting materials. This is a regional priority project funded by the legislature in 2014 for \$1.5 M. To date, just over \$250,000 has been spent. The group discussed some of the challenges of implementing the program in Lakeview. Kelly Hill and Betty Riley talked about the team's effort to design something that will address the community resistance. Advisory committee members also discussed the following ideas: how do we better get at weatherization of homes? This is a big challenge where there are low income tenants in the home. The group discussed the need for education programs for all age levels. One idea was to include a pamphlet about smart burning with the free wood that community corrections delivers to senior, low income, and disabled community members; another idea was to work with the scouts and/or shop teachers to build wood sheds for homes that do not currently have a location to store their wood to keep it dry. Kelly Hill also went over the air quality conditions from this winter. To date, both communities are doing very well and not exceeding national air quality standards.

Annette Liebe and Mary Baker summarized the two small group meetings to explore the extension of natural gas to Lakeview. This project is a regional priority project and received \$820,000 in state funds. The group agreed that two critical decisions need to occur before next steps are clear: 1) Red Rock Biofuels has to be a sure thing and 2) the recommendations from the task force set up under SB 32 to evaluate opportunities to increase rural natural gas service need to be available and potentially acted upon (by the PUC or legislature).

Mary Baker provided an update on the communities currently receiving support from the state to complete key infrastructure planning projects.

- 1) Chiloquin, water master plan and wastewater facilities plan
- 2) Klamath Falls, effluent re-use plan
- 3) Merrill, water master plan
- 4) Malin, water master plan
- 5) Paisley, has implemented their arsenic treatment system
- 6) Bly, pre-application is complete and they have been invited to apply for financing for their water system

Mary, Betty Riley and Annette Liebe mentioned that the Regional Solutions Technical Assistance funds to rural communities (\$205,000) may be best used to help communities who have completed planning apply for funds.

Before adjourning, the committee unanimously agreed to replace Jim Walls with Christy Tveit, new Executive Director for Lake County Resources Initiative, on the committee.