



REGIONAL SOLUTIONS OFFICE
GOVERNOR KATE BROWN

South Central Oregon Regional Solutions Advisory Committee

Representing Lake and Klamath Counties

AGENDA

Friday February 17th, 2017

10:00 am – 1:00 pm

Lunch provided for Committee and staff

Lake County Commissioners Room

Lakeview, OR

To participate via conference call:

1-888-557-8511

participant code: 9470233

- I. Introductions
- II. Welcome new members, Jane O’Keeffe, Governor’s convener
- III. Overview of Regional Solutions program, Annette Liebe, Governor’s Office
- IV. Governor Brown’s Recommended Budget for Economic Development, Regional Solutions Priority Project Funding– Annette Liebe, Governor’s Office
- V. Committee decision: Recommend projects for requesting a full application for the \$205,000 priority rural infrastructure project. Project two pagers are attached. Memo summarizing Regional Solutions Team feedback will be sent and posted prior to the meeting.

Opportunity for public comment on proposals
- VI. Natural gas update. Discussion of next steps - Annette Liebe, Governor’s Office
- VII. Project Falcon update - Larry Holzgang, Business Oregon
- VIII. Crescent Sanitary District update – Kelly Hill, DEQ and Mary Baker, Business Oregon

IX. Public Comment

Adjourn

The meeting location is accessible to persons with disabilities. To request an interpreter for the hearing impaired or for other accommodations for persons with disabilities, please make requests at least 48 hours before the meeting to Lisa Howard at 503-378-6502; at Lisa.Howard@Oregon.gov; or by TTY: Oregon Relay Services at 1-800-735-2900



Lake County Facilities & Properties

David Berman

513 Center Street

Lakeview, OR 97630

541-947-6071

dberman@co.lake.or.us

South Central Regional Solutions Infrastructure Grant Letter of Interest

Lake County owns 56 miles of railroad between Lakeview, Oregon and Alturas, California. Lake County leases operations to Lake Railway, a short rail operator. According to language in the lease, Lake County is responsible for the repair and maintenance of all bridge inventory located on the 56 miles of rail. The severe state of bridge disrepair was highlighted during a recent railroad inspection. The Federal Railroad Authority (FRA) is continuously monitoring the state of the rail line bridges and is imposing a one year timeline for repairs that must be made.

The recent U.S. Department of Defense grant award to Red Rock Bio Fuels creates a significant opportunity to improve the economic vitality of Lakeview and surrounding communities. With this opportunity comes a responsibility to Lake County to improve the railroad bridge infrastructure to withstand heavier rail car loads. The bridges will have to be improved and then rated to uphold 286,000 pounds of weight.

Lake County will be requesting \$205,000 from the South Central Regional Solutions Rural Infrastructure Funding Opportunity. The cost

estimate for crucial bridge maintenance and repair is currently \$248,200. Lake County will commit remaining needed funding from available economic development and property tax sources.

The railroad is a vital avenue for Lake County businesses to take advantage of our natural resource based economy. It is imperative that Lake County repairs the bridges to ensure job retention at Collins Companies and Cornerstone, while also protecting job creation potential for Red Rock Bio Fuels and other future businesses.

December 30, 2016

Mary Baker, Regional Coordinator, Infrastructure Finance Division
South Central Oregon Region
735 Commercial Street
Klamath Falls, Oregon 97601

Dear Ms. Baker,

The City of Malin is pleased to submit this pre-application letter to the South Central Regional Solutions Center to request funding assistance for improvements to the City's water system tank and well controls, alarms and communication system. We believe this project is critical for the City to supply safe and reliable drinking water to our businesses and residents.

This proposed capital project is a "Community Infrastructure Construction Project" that is not only shovel ready, but has also been accepted by the City as a high priority infrastructure improvement as identified in the 2016 Draft Water System Master Plan.

The City's water system serves 310 connections and was originally constructed in the 1930's but has seen multiple updates to ensure that it remains functional. The most recent update took place in 1999 when a new storage tank, well, and distribution lines were installed. Though this project addressed many deficiencies in the system, a few issues remain that require attention in order ensure that the City is capable of responsibly serving its residents.

The two primary supply wells and storage tank controls and telemetry communication system consist of a mechanical relay system which is severely outdated and beyond its useful life. Additionally, the communication system is unreliable and does not have an alarm system for high or low tank levels, or pump failures.

The City proposes to replace the well and tank controls and communication system with modern technology. A Supervisory Control And Data Acquisition (SCADA) system will be utilized to monitor and control the storage tank and wells. SCADA is the most modern type of control system that will allow the City to manage the water system to the greatest extent. New alarm, troubleshooting, surge suppression and battery backup features will also be included in the new system. Communication between the tank, wells and the water system manager will utilize cellular modems. Cellular communication will allow the water system manager to have the most up-to-date information about the water system anywhere he receives a signal on his cell phone.

The estimated capital cost for design and construction of the proposed improvements to the tank and well controls, and communication system is \$115,000. Additional soft costs including engineering, bidding assistance and construction administration will cost \$15,000. The City expects to use approximately \$20,000 of its own funds to match the grant amount requested from IFA (pending council approval). Due to the large amount of this project and available IFA funds, this project can be phased as follows: Phase 1-\$65,000, Phase 2-\$35,000 and Phase 3-\$40,000. Phase 1 includes improvements to the storage tank and well No. 2 communication and controls, Phase 2 includes improvements to well No.1 communication and controls, and Phase 3 includes the new SCADA system at City Hall. Each phase can be implemented independent of each other, although full benefits will not be realized unless all three phases are implemented.

This project is a key priority for the City of Malin because it will have a positive impact on our ability to monitor and manage our water system, in turn supporting our community's growth and advancement. Please let us know if we can provide any additional information, and we look forward to hearing back from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary R. Zieg". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

Gary R. Zieg
Mayor

December 29, 2016

Mary Baker, Regional Coordinator
Infrastructure Finance Division
South Central Oregon Region
735 Commercial Street
Klamath Falls, Oregon 97601

RE: South Central Regional Solutions Small Communities Planning and Technical Assistance

Dear Ms. Baker,

The Town of Bonanza is submitting this pre-application letter to request funding assistance to help us with our upcoming Wastewater Treatment Plant Upgrades, from the South Central Regional Solutions Small Communities Planning and Technical Assistance. This project is crucial for our City's ability to provide adequate wastewater treatment services for our community.

Our community has approximately 450 residents and 204 sewer connections. We are currently out of compliance with the Department of Environmental Quality for our existing plant's ability to serve our current community and future projected growth. We have been issued a Mutual Agreement and Order (MAO) and are attempting to comply with the MAO.

We are formally requesting \$120,000 in funding to help us expedite the up front steps of the project including permitting, land negotiations, land acquisition, and preliminary engineering/geotechnical investigation. The bulk of the costs are related to the physical purchase of land (estimated at \$88,000). We would be happy to receive any funding so if the funding agency would like to only perform the permitting, land negotiations, and start preliminary engineering/geotechnical work then our formal request would be for \$32,000. We are willing to bring up to 10 percent matching funds to the project in either scenario (\$3,200 to \$12,000) pending budget cycle commitments.

By expediting the permitting, land negotiation/purchase, and preliminary design tasks, it will allow us to begin the upgrade process and avoid further delay. These tasks typically take up to 12 months from the time funding is secured. Given we haven't applied for funding for the global project yet, this could add another 12 months to the timeline. If funds are received through this funding program we are afraid it could result in over 24 months delay in our overall project.

Given our rural location, we have limited sewer connections and an anticipated project cost of over \$1.3M. The Wastewater Facility Plan (Draft October 2016) recommends approximately 3 acres of land is needed for construction of storage lagoon and approximately 8 acres of land is necessary for agronomic disposal of the treated wastewater. Without grant assistance we are afraid that we won't be able to afford the project. Any work performed today with these grant funds would reduce the future work

necessary to complete the project. Our staff and consultants for each task can start work immediately resulting in local job retention in the Klamath Basin.

We are open to receiving a lesser amount than requested if you have limited funding available. We can apply any funds to part of any of the scope items listed above.

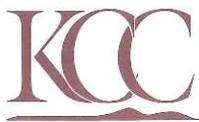
Thank you for considering our pre-application. Please let us know if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "C Stewart". The signature is written in a cursive, flowing style.

Cheri Stewart
Town of Bonanza
Treasurer

Cc: Jeremy Morris, Adkins Engineering



KLAMATH COMMUNITY COLLEGE

Klamath Community College provides accessible, quality education and services in response to the diverse needs of the student, business, and community. The College supports student success in workforce training, academic transfer, foundational skills development, and community education.

Annette Liebe, Regional Solutions Coordinator
Mary Baker, Regional Coordinator IFD Business Oregon

Dear Annette and Mary,

Klamath Community College (KCC) is interested in applying for the South Central Oregon Regional Solutions Small Communities Planning and Technical Assistance grant.

It is our understanding that the funding is available for "Infrastructure Construction Projects," and KCC is in the midst of a significant expansion to enhance and add to our workforce training capabilities.

We are seeking funding support to ensure sustainability of KCC's workforce training and career technical education programs. Specifically, we are planning an energy efficiency upgrade to our facilities through an interior LED conversion investment. The total cost for the conversion is projected to be \$109,367. KCC anticipates an incentive payment of \$47,712 from the *Energy Trust of Oregon* and our hope is to use Regional Solutions grant funding to provide a \$61,655 match. The upgrade will result in a projected savings of \$53,445 per year and will result in an annual energy saving of 496,731 kwh.

This project meets the criteria of "High Focus Priorities" as stated in the grant announcement dated October 16, 2016: 3) Business expansion and attraction; b. energy efficiency and "Support Priorities" 3) Workforce training.

KCC believes that a well-trained workforce will attract new businesses and expand existing businesses, helping revitalize our depressed economy. According to *A Practitioner's Guide to Economic Development for Regional Competitiveness in a Knowledge Based Economy*, the ability to contribute to innovation with the necessary skills and knowledge is significantly impacted by the educational attainment levels of the population.

Thank you for your consideration of our pre-application letter of interest. Please contact Paula Pence with any questions or additional information needs. We look forward to completing the full application by April 15, 2017, and working with Regional Solutions to meet the workforce training needs of our region.

Respectfully,

Paula Pence

Director of Resource Development

Klamath Community College

pence@klamathcc.edu

541 880 2236



City of Chiloquin

INCORPORATED 1926

P.O. Box 196
Chiloquin, OR 97624
(541) 783-2717
Fax (541) 783-2035

December 30, 2016

Mary Baker, Regional Coordinator, Infrastructure Finance Division
South Central Oregon Region
735 Commercial Street
Klamath Falls, Oregon 97601

RE: South Central Regional Solutions Small Communities Planning and Technical Assistance

Dear Ms. Baker,

The City of Chiloquin is pleased to submit this pre-application letter to request funding assistance to refurbish the Eastside Lift Station, including electrical upgrades and telemetry improvements, from the South Central Regional Solutions Small Communities Planning and Technical Assistance. This project is crucial for our City's ability to provide adequate wastewater treatment services for our community.

This proposed capital project is a "Community Infrastructure Construction Project" that is not only shovel ready, but also has community support due to the lift station's age and the higher cost and labor required to maintain such antiquated infrastructure.

The City of Chiloquin's collection system is composed of approximately 30,000 feet of gravity sewer mains, 1,675 feet of pressure sewer mains, and four lift stations (Eastside, Westside, High School, and Baker Street). The original collection system including the Eastside Lift Station was installed prior to the 1950s, and has far exceeded its expected design life. A community must have adequate water and wastewater infrastructure to support growth, job creation, and advancement while protecting the environment. Chiloquin's wastewater system, in its current condition, is no longer adequate.

The Eastside Lift Station also plays an integral role in the treatment process by taking the drained liquid from beneath each of the wastewater treatment facility (WWTF)'s drying beds and pumping it into the inlet pipe where it undergoes the treatment process once again. This is a key step in the treatment process.

Lift stations primarily transfer wastewater from lower to higher elevations through pipes and include components such as a wastewater receiving well (wet-well), a screen or grinder to remove larger materials, and also pumps, piping, valves, motors, and a power supply.

Modern designs include electronic equipment controls with telemetry communication to allow remote monitoring and control. The current Eastside Lift Station does not have modern electronics or telemetry and requires frequent manual monitoring and control. Refurbishing the existing Eastside Lift Station will ensure that it can operate for many years into the future, and upgrading the electrical systems and telemetry will enable continual remote monitoring with alarm systems, which minimizes the potential for damage from a system failure.

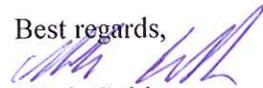
Refurbishing the Eastside Lift Station also has regulatory urgency. On February 15, 2007, Oregon's Department of Environmental Quality (DEQ) issued the City of Chiloquin a Mutual Agreement and Order (MAO) to provide a schedule to systematically upgrade the outdated and deteriorating wastewater treatment system and to provide interim effluent limits for biochemical oxygen demand, total suspended solids, and percent removal. An infiltration and inflow (I/I) study was completed in 2015, which evaluated the lift stations and collection system. The study concluded that the collection system is contributing a large amount of I/I to the treatment plant. This I/I can contribute in excess of 0.20 million gallons per day of untreated influent to the treatment plant during wet weather and high groundwater periods, which results in the treatment plant being overloaded during the wet season and NPDES Permit limits being regularly exceeded. A Wastewater Treatment Facilities Plan (WWFP) is currently being prepared for the purpose of determining the existing wastewater collection, treatment, and disposal system's ability to handle anticipated growth and to mitigate environmental regulation compliance issues, in addition to meeting the requirements of the City's MAO.

The proposed Lift Station improvements will certainly contribute to helping the City of Chiloquin's system comply with the MAO and provide improved treatment capability. Refurbishing the lift station would consist of installing new electrical controls with telemetry at the Eastside Lift Station, associated telemetry integration and controls at the wastewater treatment plant and a new radio at the Westside Lift Station.

The total estimated capital cost for design and construction of the proposed improvements to the Eastside Lift Station, its electrical systems, and associated telemetry integration is approximately \$75,000. New electrical controls with telemetry for the Eastside Lift station will cost approximately \$25,000, while the telemetry integration improvements at the wastewater treatment plant and a radio upgrade at the Westside lift station are expected to cost \$35,000. Additional soft costs including engineering, bidding assistance and construction administration will cost \$15,000. If needed, the project can easily be phased to include only the improvements to the Eastside Lift at \$35,000 (construction costs plus soft costs). The City expects to provide \$25,000 of its own money to match the requested grant funds from IFA (pending City council approval). This project is a key priority for the City of Chiloquin because it will have a positive impact on our ability to monitor and manage the wastewater system and it will support our community's growth and advancement.

Please let us know if we can provide any additional information, and we look forward to hearing back from you.

Best regards,



Mark Cobb
Mayor ProTem