

South Central Regional Solutions Advisory Committee  
Meeting Summary  
10:00 am – 1:00 pm  
May 11<sup>th</sup>, 2017  
Klamath County Community College Room H146  
Klamath Falls, Oregon

Committee members attending:

Bridgitte Griffin, AgSense (acting as convener)  
Chip Massie, KCC, Ford Fellow and OCF Regional Leader  
Betty Riley, SCOEDD  
Brad Winters, Lake County Commissioner  
Roberta Vanderwall, Town of Lakeview (via conference call)  
Karen Chase for Peter West, Energy Trust  
Jim Walls, Lake County Resources Initiative  
Derrick DeGroot Klamath County Commissioner  
Carol Westfall, City of Klamath Falls  
Don Gentry, Klamath Tribes

Guests:

Jeremy Austin, Oregon Natural Desert Association (via conference call)

Team members:

Larry Holzgang, Business Oregon  
Nancy Pustis, Department of State Lands  
Jon Jinings, Department of Land Conservation and Development  
Jarod Johnson, Department of Transportation  
Kelly Hill, Department of Environmental Quality  
Annette Liebe, Regional Solutions Coordinator

- I. Annette Liebe provided an update on the status of funding for the 2015-17 priority projects. Regrettably, due to the Lakeview natural gas project not being ready to proceed prior to June 30, 2017, bonds were not sold to support the project and those funds are not available to re-purpose to another project. The legislature in 2015 did approve \$250,000 for Rural Infrastructure technical assistance and planning; bonds were sold to support a total regional investment of \$250,000. Annette explained that because the South Central Regional Solutions Advisory Committee had received project proposals that totaled \$546,500, the Governor's Office has requested an additional \$300,000 in 2017-19 for South Central rural infrastructure. If the legislature approves these funds they can be used to fund projects who are not selected by the committee during today's meeting.
- II. Annette Liebe briefly summarized the process to date that led to the project applications before the committee. Larry Holzgang provided a summary of each of the project

applications. Applications and the Regional Solutions Team scoring are posted on the Regional Solutions website along with the agenda and materials for this meeting. RST scoring was completed using the points allocated to each of the five criteria identified in the project solicitation (Oct. 2016).

The five projects are:

- |   |           |                  |
|---|-----------|------------------|
| 1) Lake County Railroad bridge upgrades | \$205,000 | (\$43,200 match) |
| 2) Chiloquin Waste Water                | \$50,000  | (\$25,000 match) |
| 3) Bonanza Waste Water                  | \$120,000 | (\$12,000 match) |
| 4) Malin Water System                   | \$35,000  | (\$10,000 match) |
| 5) KCC Energy Eff upgrades              | \$60,297  | (\$14,972 match) |

Larry Holzgang mentioned that Business Oregon is working closely with the Town of Bonanza and they are in the queue for a package of grants/loans (50/50). Annette highlighted that this was new information that the RST did not have at the time they completed the scoring. The committee discussed the importance of the project and its long history. The committee agreed that the grant requested from them would not impact the rates to customers substantially assuming the Town is successful in obtaining other Business Oregon grant/loan financing.

In discussing the Lake County Rail bridge repairs, Commissioner Winters mentioned that there are many bridges that are currently rated "2" and therefore require weekly visual inspections. The county is supposed to have the bridges fixed by October 2017 and therefore can't wait until additional Connect Oregon funds are available. Commissioner Winters also clarified that the bridge repairs are not related to Red Rock but are needed to serve existing customers such as Cornerstone Minerals and Collins Mill.

Commissioner DeGroot made a motion for the following project approvals/allocations (Jim Walls seconded the motion):

- 1) City of Chiloquin, East Side Lift stations - \$50,000
- 2) City Of Malin water system telemetry - \$35,000
- 3) Lake County bridge repairs - \$165,000

Public Comment – there was no public comment

The Committee unanimously agreed to fund the three projects in the amounts listed above.

### III. South Central Oregon Economic Development district priorities and emerging issues – Betty Riley, Exec. Dir.

Betty discussed the following issues as priorities that will likely be addressed as part of the upcoming update to the Comprehensive Economic Development Strategy:

- 1) Klamath Water Quality and the need to get permits updated once the Total Maximum Daily Load is issued.
- 2) Business to business incubation examples are websites and signs. Initiate and incubation process that connects businesses.
- 3) Workforce
  - a. Trades/contractors
  - b. Connect high schools, KCC, OIT and ECWIB to increase internships. Commissioner DeGroot mentioned that this is something he is working on.
- 4) Retain existing employers in Lake County. Key issues are the rail access and ensuring a quality log supply adequate to support Collins Mill.
- 5) Finding economic use of the perlite fines a byproduct from Cornerstone Minerals. There are ranchers currently trying it out as a soil amendment that retains water.
- 6) Housing Stock – this is an issue for both Klamath Falls and Lakeview. Both communities have significant numbers of federal employees who have a hard time finding a house when they are considering moving to town. The hospitals have similar challenges.
- 7) Downtown revitalization. Façade improvements, Klamath Falls has a small loan program that has been very successful. Perhaps this can be made available elsewhere. Wayfaring signs are also a priority.
- 8) Succession planning for businesses, e.g. small grocery stores. Several in Lake County are up for sale. These stores serve as anchors in their communities e.g. Adel, Christmas Valley. There is work being done now as part of the sector strategy work to assist with succession planning for agriculture. This will also include general business skills such as time management and communication.
- 9) Branding the region for agricultural and cultural tourism. Rural Tourism Studios in Klamath County later this year should help with this.

IV. Klamath County Economic Development Association, Strategic Plan – Greg O’Sullivan, Exec. Dir.

Greg O’Sullivan provided an overview of KCEDA’s priorities. They are

- 1) Ready to work/ready to build business climate. Focus on getting sites certified and marketed.
- 2) Labor force skills assessment. What do we have? Align study with key clusters. KCEDA just beginning the cluster work that identifies what Klamath County is competitive for. Publish a report to the web and create a labor force brochure based on target industry staffing profiles.
- 3) Capitalize on the Connect Oregon grant at the airport; need tenant for the hangar. Capitalize on airspace that is available and KCC’s aviation and technology curriculum.
- 4) Commodity flow study – identify what’s coming through the region- where is stuff coming from? Going to? How does the region capitalize on the increasing heavy haul truck traffic?
- 5) Need to build ready industrial and shared work space.
- 6) Klamath IDEA

## V. Roundtable

Mayor Westfall is really interested in helping existing businesses expand.

Klamath Tribes Chair Don Gentry talked about the tribes' goal of economic self-sufficiency. Chair Gentry also talked about the current water situation. The water rights grants to the Tribes are established as first being granted in "time immemorial." Tribes have worked to reach agreements but those agreements have not been funded and are therefore terminated. During a drought declaration consumptive uses can still get water. However, since this year there is not drought declaration and the water rights for Crater Lake Lodge are junior, they need to find another water source. The tribes also have concerns about the LNG pipeline and the proposed Red Rock biofuels facility. The tribes are seeing a greater understanding in the community about water issues. Commissioner DeGroot indicated that the Klamath County Commission is in a different place re: exploring a water settlement.

Bridgitte Griffin mentioned that in her work she is seeing a big need to focus on food safety. There are global certifications that are needed to compete in the market. Training on these certifications is needed.

Kelly Hill provided an update on the Northridge Estates Superfund site. There are 47 out of 50 people working on site that are Klamath County residents. Approximately 18 of the hires were people that graduated from the first round of HazWhopper and Asbestos Certification training offered at KCC (through EPA funding). A second round of the EPA training program is in the works. The graduates will not only have the ability to work at the North Ridge Estates site, but will also be able to use their environmental certifications for other employment later. Chip Massie mentioned that an additional 30-35 people who were certified have been hired by local contractors. A Seattle Superfund contractor has been recruiting in Klamath Falls. The Regional Solutions project that generated the "borrow" used to cover the asbestos has thus far generated \$1M in savings for the State of Oregon.

The Klamath TMDL is nearing completion. A public hearing is scheduled for May 18, 2017, at KCC. The public comment period ends on June 22, 2017, and at that time DEQ will compile all comments and respond accordingly. After all of the comments have been addressed DEQ will submit the TMDL to EPA for approval. DEQ has made the TMDL a priority for completion. Moving forward with TMDL implementation planning will be the focus of DEQ's ongoing efforts in the future. It's hoped that the TMDL will be in place within the next six months, but that will depend on EPA approval and public involvement. Following TMDL implementation, it will be very important to move quickly into getting the permits renewed for the four expired permit holders.

Karen Chase from the Energy Trust mentioned that 750 people were trained on energy efficiency in Klamath Falls in sessions jointly sponsored with Pacific Power. Karen also talked about the program offered by the Energy Trust highlighting opportunities for incorporating lighting upgrades into downtown revitalization projects and opportunities for on farm efficiencies.

Commissioner Winters talked about the importance of supporting both Cornerstone and the Collins Mill in Lakeview. Agriculture is also a key sector in north Lake County where high quality hay is produced. Solar is also an emerging opportunity.

Jim Walls talked about the work Lake County Resources is doing to accelerate the pace and scale of forest restoration. LCRI is planning to do a scientific review of the 21 inch rule. There are plots in the Fremont Winema that have been monitored for 15 years and are a good source of data. Concern continues about the role of fire. Fires have been burning hot and destroying soils for many years to come. LCRI is also in conversation about installing solar at Warner Creek Correctional Facility (and all correctional facilities). As part of this work, LCRI is planning to train inmates to be renewable energy technicians.

Annette indicated that the team will review this discussion and propose revisions to the regional priority at the next meeting. Public comment will also be accepted at that time. The next meeting will be after the legislature adjourns.

The meeting adjourned at 12:25 pm