

Agenda Item No.:	5
Work Plan:	State Forests Work Plan
Topic:	Approval 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:	June 8, 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 groundwater surfaces above ground in certain times of the year test positive for fecal contamination. 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.

**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 facilities 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 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. This property is a poor site for growing trees (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 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.

### **RECOMMENDATION**

The Department recommends that the Board approve the sale of this 200-acre parcel to the Crescent Sanitary District. This requires the Board to make the following two findings. The Department believes that the facts in support of these findings are adequate to support the approval.

#### **Board Finding #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. The proposed sale will not have an impact on the ability of the Department to manage the remaining forestlands in compliance with GPV standard.

#### **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. As forestland, this parcel has minimal capacity to contribute to the Board's ability to meet the economic portion of GPV standard. 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.

#### **Board Finding #2:**

Board finds Crescent Sanitation District is better situated and 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. The Crescent Sanitary District is a non-profit organization managed by a local board of directors and formed to find a solution to the wastewater issues of

Crescent. Therefore, the CSD is more qualified to take on the ownership and management of a sewage facility at the 200-acre site.

**NEXT STEPS**

The Department will proceed with an appraisal update process that complies with Department of Administrative Services (DAS) requirements.

The CSD will continue their work to secure financing; secure necessary rights-of-way and/or easements for access and for the entire collection and treatment system; formalize an agreement for a water source to be made available to ODF for forest-related activities; secure a determination of the desirability of the property for the project, as a result of the completion of environmental review; secure land use zoning approval and permits through Klamath County; and implement a user rate and mandatory hook-up requirement through ordinances/resolutions.

Once the CSD completes this work, ODF will work with the Department of Justice (DOJ) to prepare the appropriate conveyance documents with any necessary covenants and restrictions. ODF will also work with DOJ to develop reversion language that will give the Department the opportunity to re-acquire the land from CSD, should the land not be used for the intended purpose of a sewage facility.