



SUNRIVER
WATER LLC / ENVIRONMENTAL LLC

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SEP 02 2008

September 2, 2008

WATER RESOURCES DEPT
SALEM, OREGON

Oregon Water Resources Department
725 Summer Street, NE, Suite A
Salem, Oregon 97301

Attention: Mr. Robert D. Rice, Grant Program Specialist

Dear Mr. Rice:

Please find one, single-sided, unstapled copy of a WATER CONSERVATION, REUSE AND STORAGE GRANT application. The application is made by Sunriver Environmental, LLC and Deschutes County, co-applicants. Attached to the application are:

1. A letter from Deschutes County indicating their commitment to provide the portion of the 50% match required for the grant that is not met by the in-kind match portion provided by Sunriver Environmental, LLC.
2. Letters of support provided by the Oregon Department of Environmental Quality and the Upper Deschutes River Coalition, the latter being a group of 19 neighborhoods to the south and west of Sunriver.

If you have any questions, please contact me at (541) 593-4458 or Mr. Dick Nichols, Newton Consultants, Inc. at (541) 504-9960, X225.

Sincerely,



Terry Penhollow, Vice President
Sunriver Environmental, LLC

Cc: Deschutes County Community Development Department – Tom Anderson
Newton Consultants, Inc. – Dick Nichols



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**OREGON WATER RESOURCE DEPARTMENT
WATER CONSERVATION, REUSE AND STORAGE
GRANT PROGRAM**

WATER RESOURCES DEPT
SALEM, OREGON

I. Grant Information

Project Name: South County Area Reuse Project

Type of Grant Requested: Water Conservation Reuse Above Ground Storage
 Storage Other Than Above-Ground [Including Aquifer Storage and Recovery (ASR)]

Program Funding Dollars Requested: \$ \$127,298 Total cost of planning study: \$ \$254,595
Note: Request may not exceed \$500,000

II. Applicant Information

Applicant Name: Terry Penhollow, Vice President	Co- Applicant Name: Tom Anderson
Organization: Sunriver Environmental, LLC	Organization: Deschutes County
Address: P.O. Box 3699, Sunriver, Or 97707	Address: 117 NW Lafayette Ave., Bend, OR 97701
Phone: (541) 593-4458	Phone: (541) 388-6564
Fax:	Fax: (541) 385-1764
Email: tpenhollow@sunriver-resort.com	Email: toma@co.deschutes.or.us

Fiscal Officer Name: John Dunlavy	Principle Contact: Dick Nichols
Organization: Dunlavy Companies LLC	Organization: Newton Consultants, Inc.
Address: P.O. Box 4489, Sunriver, OR 97707	Address: 521 SW 6 th Avenue, Redmond, OR 97756
Phone: (541) 593-3608	Phone: (541) 504-9960, X225
Fax: (541) 593-3609	Fax: (541) 504-9961
Email: johndunlavy@msn.com	Email: dnichols@newtonconsultants.com

Certification:

I certify that this application is a true and accurate representation of the proposed work for a project planning study and that I am authorized to sign as the Applicant or Co-Applicant. By the following signature, the Applicant certifies that they are aware of the requirements of an Oregon Water Resources Department grant and are prepared to implement the project if awarded.

Applicant Signature: Terry Penhollow Date: 8/28/2008
Print Name: TERRY PENHOLLOW Title: V. PRESIDENT

III. Planning Study Summary

Please give a brief summary of the planning study using no more than 150 words.

This planning study would investigate the feasibility of reusing treated sewage obtained from extending sewers from Sunriver into South Deschutes County to replace inadequate septic systems.

IV. Grant Specifications

Section A. Common Criteria

Instructions: Answer all questions in this section by typing the answer below the question. It is anticipated that completed applications will result in additional pages.

1. Describe how the planning study will be performed. Include:
 - a. A description of the planning schedule/timeline, which includes identifying all key tasks. (Section VI provides an opportunity for a “graphical” representation of the schedule.)

The feasibility study will take about 15 months. The first quarter will determine what areas could be sewered and determine how much wastewater could be collected, treated, and reused. Based upon this, the second quarter will evaluate the feasibility and costs of treatment facilities and extending sewers to the identified areas. The third quarter will evaluate possible reuse options based upon the quality and amount of recycled water produced and will also determine various governmental entities that could manage the wastewater collection system. The fourth quarter will evaluate possible mechanisms for financing implementation of the reuse facility and for allocating costs between Sunriver and the entity formed to manage the collections system. The final report for the study will also be completed during this quarter.

- b. When the planning study could begin.

January 1, 2009

2. Provide a description of the relevant professional qualifications and/or experience of the person(s) that will play key roles in performing the planning study. If the personnel have not been decided upon, include a description of the professional qualifications and/or experience of the person(s) you anticipate will play key roles in performing the planning study.

Richard J. Nichols, Newton Consultants, Inc., Oregon Registered Professional Engineer, will be the Project Manager. Mr. Nichols has 36 years experience working in the water quality field. Thirty four of those years was with the Oregon Department of Environmental Quality (DEQ) where he supervised permitting and planning of sewerage facilities including reuse systems throughout the State of Oregon.

James Frost, WH Pacific, Oregon Registered Professional Engineer, will be the Project Engineer. Mr. Frost has 20 years experience in designing sewage collection systems in Oregon including systems at Eagle Crest, Brasada and the Cities of Redmond, Bend, and Sisters. He has also designed reuse facilities at Eagle Crest.

Tracy Cork, Vision Engineering, Oregon Registered Professional Engineer, will participate in the review of treatment and reuse analysis. He has over 25 years of experience designing both sewage treatment plants and reuse facilities throughout Oregon.

3. What local, state or federal project permitting requirements/issues do you anticipate in order for the planning study to be conducted?

There are no regulatory permitting requirements in order to conduct this feasibility study. The study itself, however, will need to address DEQ rules for reusing recycled water and sewerage facility construction, operation, and financing. It will also need to address local and state-wide land use regulations for the extension of sewers in rural areas.

4. Are permits/governmental approvals required for the planning study? If yes, indicate whether you have obtained the necessary permits/governmental approval. If you have not obtained the necessary permits/governmental approval, describe the steps you have taken to obtain them.

No permits or governmental approvals are required for conducting the planning study. Deschutes County, however, is financing a portion of the local match (letter attached). The feasibility study will be used, in part, to obtain financial assistance to design and construct: sewers that will collect wastewater to be treated for reuse purposes; a relocated and upgraded Sunriver sewage treatment plant; and facilities to transport and reuse recycled water. It will also be used as a basis for acquiring land use approvals for sewer extension.

5. Describe your goal (which must be based on evaluating the feasibility of developing a water conservation, reuse or storage project) and how this study helps to achieve the goal.

The primary goal of this project is to develop new sources of reclaimed water to replace activities or uses that currently use groundwater that could be applied to a higher or better use and also reduce consumptive groundwater use. A secondary goal is to replace inadequate septic systems in a portion of northern LaPine that are contributing to groundwater contamination.

6. Describe the technical aspects of the planning study and why your approaches are appropriate for accomplishing the goal of the planning study.

The feasibility study will address the following technical aspects:

1. Identify potential reuse applications and determine feasibility and costs of providing recycled water to these uses.

2. Determine the feasibility and costs for relocating and expanding the Sunriver sewage treatment plant to accommodate additional sewage from replacing inadequate septic systems in South Deschutes County. (Note: the location of the existing treatment plant and limited size of sewage trunk lines make the existing location infeasible for accepting sewage outside the existing service area of Sunriver.)

3. Determine those areas south of Sunriver where extension of sewers would be cost-effective and feasible and where use of on-site advanced septic systems, in lieu of sewers, are intractable. (Note: this is necessary to justify sewer extension pursuant to local and statewide land use limitations of sewer extensions into rural areas.)

4. Determine the costs of sewer extension to identified areas.

5. Identify mechanisms for appropriately dividing costs between Sunriver and the areas to be served.

6. Identify sources and mechanisms for financial assistance for design, construction, maintenance, and operation of the reuse facility including the collection and treatment of sewage to meet DEQ requirements.

7. Identify possible types of municipal governments that could be formed to be responsible for operating and maintaining the sewage collection systems and would contract with Sunriver for treatment and reuse.

7. Describe the level of involvement, interest and/or commitment of different entities associated with the planning study (attach letters of support). Describe how these entities will benefit or be impacted by the planning study.

1. Deschutes County. The County has recently adopted an ordinance to address groundwater contamination from nitrates that adversely affect the ability of groundwater to be used as a safe drinking water supply. As indicated in the attached letter from Deschutes County, the county supports this feasibility study as one mechanism for controlling contamination from inadequate septic systems. Their support and commitment is further indicated by their contribution of money for the local match funds for this grant.

2. Oregon DEQ. See attached letter.

3. The Upper Deschutes River National Resources Coalition and Carl Jansen have submitted letters of support citing the desirability to treating and reusing wastewater that would otherwise contaminate the local drinking water source. Letter attached.

Section B. Unique Criteria

Instructions: Answer the set of questions below that applies to the type of planning study that this grant will fund.

Water Conservation or **Reuse**

1. Water Conservation or Reuse projects that may result from this planning study are requested to be included in the Water Resources Department's "Inventory of Potential Conservation Opportunities". Though you may have already submitted this information earlier in the year through a separate survey, we ask that all applicants complete the information on the form provided at the end of this application.
- I have filled out the application or I have not filled out the application.

2. Describe the water supply need(s) that the project associated with the planning study is intended to meet. Applicant should reference supporting documentation that would be available upon request.

Currently, Sunriver irrigates one of its golf courses and other landscape features with groundwater. In addition, Sunriver provides water and sewer service to two adjacent destination resorts that also irrigate golf courses using groundwater. Each golf course uses about 80 million gallons of water per year for irrigation. Water replaced by the use of recycled water will be made available for other development in the Upper Deschutes River Basin. As WRD knows, there is no new water available for development purposes in this basin; any new use for water must be mitigated by the purchase of an existing water right.

3. Explain how the associated project will mitigate the need to develop new water supplies and/or use water more efficiently. Reference documentation and/or examples of the success of similar or comparable water conservation/reuse projects that would be available upon request.

As previously stated, new development in the Upper Deschutes Basin must meet its water needs by transferring water from another, existing water right. The purpose of this feasibility study would be to determine the extent that additional recycled water could replace existing uses of ground or surface water thereby freeing up water for higher or better uses. Currently, Sunriver irrigates its second golf course with treated effluent from its sewage treatment plant.

4. Explain how the project associated with the planning study will meet the water supply need(s), and indicate what percentage of that need will be met. (For example: If your water supply need is 20,000 acre-feet of additional water and the project will supply 10,000 additional acre-feet, 50% of your need will be met).

Much of the detailed information expected by this question will be answered by the feasibility study to be funded by the grant requested by this application. Nevertheless, a golf course in the Sunriver area uses about 80 million gallons (260 acre-feet) over a typical irrigation season. A typical household generates about 250 gallons per day or 91,000 gallons per year or 0.28 acre-ft/year. If 880 houses can be connected to the Sunriver sewerage facility, enough water would be available to replace the ground or surface water now being for that irrigation.

5. Provide data and information on the associated project and the project's sources of water supply:
- The location of the associated project. (Include the basin, county, township, range and section.)

Again, much of the details requested in this question will be determined in the feasibility study. The areas of interest, however, are in the Deschutes Basin, Upper Deschute subbasin in Deschutes County. Townships of interest are T20S, R9E and T20S, R10E.

- b. The name(s) and river mile(s) of the source water and what they are tributary to, if applicable.
The Deschutes River and Little Deschutes River at approximately RM 192

- c. Environmental flow needs and water quality requirements of supply source water bodies and water bodies downstream of associated and/or affected return flows.

Minimum Instream Water Rights for the Deschutes River

From Little Deschutes River (RM193) to Spring River (RM190) 400 cfs for supporting aquatic life and minimizing pollution.

From Spring River to North Canal Dam (RM165) 660 cfs for supporting aquatic life and minimizing pollution.

From North Canal Dam to Round Butte Reservoir (RM119) 250 cfs for supporting anadromous and salmonid fish rearing.

From Pelton Dam (RM) to Columbia River (RM 0.0) 3500 cfs for supporting recreation, aquatic life and aesthetics.

The Oregon Department of Environmental Quality (DEQ) protects the Deschutes River for salmonid and anadromous fish, recreation, aesthetics and drinking water to list a few of the recognized beneficial uses that require high quality water. To protect these uses, DEQ has adopted water quality standards. Currently, portions of the river downstream of the study area do not always meet water quality standards for dissolved oxygen, pH, and chlorophyll a. The sewer project would reduce return flows to the river. However, return flow to the Deschutes River from existing septic systems in the Spring/Fall River areas are likely contributing nutrients that cause algal growth that, in turn, cause the dissolved oxygen, pH, and chlorophyll a problems in the Deschutes River downstream from Spring River.

- d. Reliance on return flows by downstream water right holders.

Reduction of return flows by replacing septic systems in the identified areas will not adversely affect downstream water rights. While in-stream water rights are not always met, the potential improvement in water quality should offset a minor reduction in flow.

V. Match Funding Information

Applicants must demonstrate a minimum dollar-for-dollar match based on the total funding request. The match may include a) secured resources, b) previously expended resources, and/or c) pending resources. For secured funding, you must attach a letter of support from the match funding source that specially mentions the dollar amount shown in the "Amount/Dollar Value" column. For pending resources, documentation showing a request for the matching funds must accompany the application. For resources that have been previously expended, the expenditure must have occurred on or after July 1, 2005. Resources expended prior to July 1, 2005 are not eligible for match purposes.

The Type of matching funds may include:	The Status of matching funds may include:
<ul style="list-style-type: none"> The value of in-kind labor, equipment rental and materials essential to the planning study provided by the applicant or partner*. 	<ul style="list-style-type: none"> Secured funding commitments from other sources.
<ul style="list-style-type: none"> Cash is direct expenditures made in support of the planning study by the applicant. 	<ul style="list-style-type: none"> Associated and documented expenditures for the planning study from non-program sources incurred on or after July 1, 2005.
	<ul style="list-style-type: none"> Pending commitments of funding from other sources. In such instances, Department funding will not be released prior to securing a commitment of the funds from other sources. Pending commitments of the funding must be secured within 12 months from the date of the award.

*"Partner" means a non-governmental or governmental person or entity that has committed funding, expertise, materials, labor, or other assistance to a proposed planning study. OAR 690-600-0010.

Match Funding Source (if in-kind, briefly describe the nature of the contribution)	Type (✓ One)	Status (✓ One)	Amount/ Dollar Value	Date Match Funds Available (Month/Year)
<i>Deschutes County</i>	<input checked="" type="checkbox"/> cash <input type="checkbox"/> in kind	<input checked="" type="checkbox"/> secured <input type="checkbox"/> expended <input type="checkbox"/> pending	\$62,595	January 09
<i>Sunriver. Expended funds for evaluating costs of relocating and expanding sewage treatment plant.</i>	<input type="checkbox"/> cash <input checked="" type="checkbox"/> in kind	<input type="checkbox"/> secured <input checked="" type="checkbox"/> expended <input type="checkbox"/> pending	\$60,000	January 09
<i>Oregon Department of Environmental Quality</i>	<input type="checkbox"/> cash <input checked="" type="checkbox"/> in kind	<input checked="" type="checkbox"/> secured <input type="checkbox"/> expended <input type="checkbox"/> pending	\$4,800	January 08
	<input type="checkbox"/> cash <input type="checkbox"/> in kind	<input type="checkbox"/> secured <input type="checkbox"/> expended <input type="checkbox"/> pending		
	<input type="checkbox"/> cash <input type="checkbox"/> in kind	<input type="checkbox"/> secured <input type="checkbox"/> expended <input type="checkbox"/> pending		
	<input type="checkbox"/> cash <input type="checkbox"/> in kind	<input type="checkbox"/> secured <input type="checkbox"/> expended <input type="checkbox"/> pending		
	<input type="checkbox"/> cash <input type="checkbox"/> in kind	<input type="checkbox"/> secured <input type="checkbox"/> expended <input type="checkbox"/> pending		
	<input type="checkbox"/> cash <input type="checkbox"/> in kind	<input type="checkbox"/> secured <input type="checkbox"/> expended <input type="checkbox"/> pending		
	<input type="checkbox"/> cash <input type="checkbox"/> in kind	<input type="checkbox"/> secured <input type="checkbox"/> expended <input type="checkbox"/> pending		
	<input type="checkbox"/> cash <input type="checkbox"/> in kind	<input type="checkbox"/> secured <input type="checkbox"/> expended <input type="checkbox"/> pending		

VI. Project Planning Study Schedule

Estimated Project Duration: January 1, 2009 to April 1, 2010

Place an "X" in the appropriate column to indicate when each element (key task) of the project will take place.

Project Planning Study Element (Key Tasks)	2009				2010				2011 & Beyond
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	
<i>Identify potential reuse applications and determine feasibility and costs of providing recycled water to these uses.</i>			X						
<i>Determine the feasibility and costs for relocating and expanding the Sunriver sewage treatment plant.</i>		X							
<i>Determine those areas south of Sunriver to be served by extension of sewers.</i>	X								
<i>Determine the costs of sewer extension to identified areas.</i>		X							
<i>Develop and apply criteria for practicability of using sewers instead of on-site systems to potential sewered areas.</i>	X								
<i>Identify mechanisms for appropriately dividing costs between Sunriver and the areas to be served.</i>				X					
<i>Identify sources and mechanisms for financial assistance for design, construction.</i>				X					
<i>Identify possible types of municipal governments to be responsible for operating and maintaining the sewage collection systems.</i>			X						
<i>Prepared final report.</i>				X					

VII. Project Planning Study Budget

Section A

Please provide an estimated line item budget for the project planning study. An example would include: labor, materials, equipment, contractual services and administrative costs.

Line Items <i>Note: Administrative costs may not exceed 10% of the total funding requested by the Department.</i>	Unit Number (e.g. # of hours)	Unit Cost (e.g. hourly rate)	In-Kind Match	Cash Match Funds	OWRD Grant Funds	Total Cost
Identify potential reuse applications and determine feasibility and costs of providing recycled water to these uses.	107	\$143.46		\$7,675	\$7,675	\$15,350
Determine the feasibility and costs for relocating and expanding the Sunriver sewage treatment plant.	440	\$150.00	\$50,000	\$8,035	\$8,035	\$66,070
Determine those areas south of Sunriver to be served by extension of sewers.	69	\$155.00	\$1,800	\$4,465	\$4,465	\$10,730
Determine the costs of sewer extension to identified areas.	638	\$117.00		\$37,530	\$37,530	\$75,060
Identify mechanisms for appropriately dividing costs between Sunriver and the areas to be served.	49	\$150.00		\$3,685	\$3,685	\$7,370
Identify sources and mechanisms for financial assistance for design, construction.	57	\$150.00	\$600	\$3,985	\$3,985	\$8,570
Identify possible types of municipal governments to be responsible for operating and maintaining the sewage collection systems.	57	\$150.00	\$900	\$3,835	\$3,835	\$8,570
Prepare final report.			\$1,500	\$9,115	\$9,115	\$19,730
Administrative Costs			\$10,000	\$16,572	\$16,572	\$43,146
Total for Section A			\$64,800	\$62,498	\$127,298	\$254,596
Percentage for Section A			25	25%	50	100%

Section B

If Grant amount requested is \$50,000 or greater, you **MUST** complete Section B. Elements (key tasks) in Section B should be the same as the elements (key tasks) in Section VI (Project Planning Study Schedule).

To add a project to the inventory of potential conservation opportunities, please provide the following information for each conservation project.

This is a <input checked="" type="checkbox"/> Capital Conservation Project <input type="checkbox"/> Programmatic Conservation Project	
Project #/Name	South Deschutes County Reuse Project
Project Description	Determine feasibility of reusing effluent obtained from sewerred areas with substandard septic system.
Estimated Future Savings	2.45 acre feet per year for every 880 homes that are sewerred.
Seasonality	Irrigation season savings.
Estimated Future Costs	To be determined by feasibility study.
Implementation Schedule	Not determined.
What are the barriers to implementation, e.g. funding?	Feasibility and funding.
This is a <input type="checkbox"/> Capital Conservation Project <input type="checkbox"/> Programmatic Conservation Project	
Project #/Name	
Project Description	
Estimated Future Savings	
Seasonality	
Estimated Future Costs	
Implementation Schedule	
What are the barriers to implementation, e.g. funding?	

- Include this form with your application -



Board of County Commissioners

1300 NW Wall St, Suite 200 • Bend, OR 97701-1960

[541] 388-6570 • Fax [541] 385-3202

www.co.deschutes.or.us

board@co.deschutes.or.us

Tammy Baney

Michael M. Daly

Dennis R. Luke

September 2, 2008

Mr. Bob Rice
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301

RE: SB 1069 Grant Application
South Deschutes County Reuse Project

Dear Mr. Rice:

Sunriver Environmental, LLC (SELLC) has submitted an application for a Senate Bill 1069 Grant to conduct a study to determine the feasibility of collecting, treating and reusing sewage effluent from developable, non wetland properties in the South County currently not connected to a sewer system. This area is immediately south and west of Sunriver in Deschutes County. The grant application is for a feasibility study with a total projected cost of \$254,595. We are a co-applicant with SELLC on this grant application and are strongly supportive of the potential benefits that we believe this study will demonstrate.

As you may know, Deschutes County has adopted an ordinance requiring property owners in the South County area to utilize a sewer, nitrogen reducing septic systems, or other nitrogen reducing wastewater treatment technology, which will reduce potential contamination of groundwater. The local groundwater is the primary drinking water source for residents in Sunriver communities and South County residents.

This letter serves as the commitment by Deschutes County to provide up to \$62,500 of the local funding match for the Senate Bill 1069 Grant Application submitted to your agency by SELLC. Deschutes County is also seeking grant matching funds from potentially benefiting neighborhood associations. SELLC will contribute \$60,000 in in-kind match that has already been expended. Details are provided in the application.

We urge the Oregon Water Resources Department to award us this grant. Residents of Sunriver and the South County are understandably concerned about the best way for them to protect their drinking water source. Collecting sewage before it enters groundwater and treating it so it can be reused for beneficial purposes appears to be an ideal solution that expands water availability, but also serves to prevent groundwater contamination.

If you have questions about this letter, please contact Tom Anderson, Director, Deschutes County Community Development Department at (541) 385-1704.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
DESCHUTES COUNTY, OREGON



DENNIS R. LUKE, Chair



TAMMY (BANEY) MELTON, Vice Chair



MICHAEL M. DALY, Commissioner



Oregon

Theodore R. Kulongoski, Governor

Department of Environmental Quality

300 SE Reed Market Road

Bend, OR 97702

(541) 388-6146

Fax: (541) 388-8283

Eastern Region

Bend Office

August 28, 2008

Mr. Terry Penhollow
Sunriver Environmental, LLC
P.O. Box 3699
Sunriver, OR 97707

Re: Letter in Support of Grant Proposal to study feasibility of Sewer Extension and Enhanced Water Reuse.

Mr. Penhollow:

I am writing to express the support of the Department of Environmental Quality (Department) for your proposal to study the feasibility of collecting, treating and reusing sewage effluent from currently unsewered areas of southern Deschutes County near Sunriver Resort. We see this as a great opportunity to capture residential wastewater for beneficial reuse as well as virtually eliminating significant sources of nitrogen and other pollutants that threaten groundwater in the area.

As you know, the Department and Deschutes County have been jointly studying the role of onsite wastewater disposal in groundwater pollution in southern Deschutes County. Results of these studies have demonstrated a significant risk to groundwater quality from current and future residential development in this area. The Department has been clear throughout this process that providing sewer service where feasible would be preferable to enhanced onsite treatment for controlling groundwater pollution. Given the proximity of Sunriver to a relatively large area that will likely develop in the near future, and Sunriver Environmental's long history of effective wastewater treatment and reuse, we believe this represents one of the best opportunities for effective reuse of wastewater while also protecting groundwater in the Upper Deschutes Basin.

The Department has also stated that we are in a position to provide some technical assistance as the proposed project takes shape. If you would like to talk about this letter or the proposal, please call me at (541) 388-6146 ext. 251.

Sincerely,

Eric Nigg
Eastern Region Water Quality Manager
Bend Office

Cc: Joni Hammond
Mike Kucinski
Deschutes County Commissioners



UPPER DESCHUTES RIVER NATURAL RESOURCES COALITION
P. O. Box 3042 • Bend, Oregon 97707 • <http://www.udrnc.org>

To : Oregon Water Resources Department

As we go into the 21st century, we all know that water is going to become a more precious commodity than it is right now. All over the world we are seeing the need for conservation and protection of our water resources. We in Oregon are among the lucky few to have relatively clean and abundant water, but we must be diligent at protecting it as development and populations increase.

Sunriver Resort has always been a leader at protecting its environment. It is a Destination resort that was designed to blend and fit in to the existing surroundings, with as little impact to those surroundings as possible. Sunriver is now attempting to be a leader in the most effective use of effluent water. With the diminished availability of water rights that exist today in Deschutes County, and the increased demands of development, this leadership role should be supported and encouraged.

Deschutes County has mandated that septic systems in the South County area be substantially upgraded to reduce and prevent groundwater contamination from nitrates. Sunriver's upgrade of their treatment system may allow them to treat and reuse sewage collected from some of the outlying communities, thus helping to eliminate the groundwater contamination, while increasing the amount of effluent they would have for reuse, and decreasing the need for the use of ground or surface water. It is a win-win situation for all.

The Upper Deschutes River Coalition, a group of 19 neighborhoods to the south and west of Sunriver, is in support of Sunriver's feasibility study of reuse options that needs to be done before this project can move forward. Please approve their application for a Senate Bill 1069 grant to conduct a reuse feasibility study. It really is an opportunity to demonstrate how the effective treatment and reuse of sewage can be an effective tool in water conservation.

June Ramey, Watershed Committee

P O Box 3577
Sunriver, OR 97707

August 26, 2008

Mr. Dick Nichols
Newton Consultants, Inc.
521 SW 6th Ave, Suite 100
Redmond, OR 97756

Dear Mr. Nichols:

I have been a resident of the Spring River Neighborhood located near Sunriver for 10 years. My volunteer activities include senior road commissioner for the Spring River Special Road District for 6 years and President of the Upper Deschutes River Coalition (www.udrc.org) for 3 years.

Given the passage of the local rule by the Deschutes County Commissioners allowing the expansion of sewage treatment facilities in South Deschutes County, I totally support the need for a comprehensive feasibility study to expand reuse of wastewater from sewage collected in the greater Sunriver area.

I am concerned about the long-term stability of our watershed impacted by nitrates. We need to address these issues in partnership with the Sunriver Resort's plan to upgrade or build a larger sewage treatment plant east of the railroad and south of Cottonwood. It would be wise and prudent to treat and reuse sewage that would otherwise contaminate the only drinking water readily available in the area.

We have many neighbors in our area who feel the same way. A meeting of 50+ neighbors on Wednesday evening at the Deschutes River Recreation Homesite Community Center, with you in attendance, showed a significant support for the study. All people in attendance raised their hand to support initiation of the feasibility study.

Please call me if I can continue to help in this important project to improve the safety of our watershed.

Sincerely,

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

Carl Jansen
541/593-2777
carlj@searchna.com