



South Suburban Sanitary District
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Board of Directors
Position 1 - Joe Spendolini
Board Chairman
Position 2 - Vacant
Position 3 - Michael Koger

District Manager/Secretary
Brett Blofsky

SPECIAL MEETING WITH GOVERNORS STAFF
MEETING MINUTES
August 15, 2023 @ 8:00 AM
South Suburban Sanitary District (SSSD) Office

Meeting Called to Order - 8:04 am

Roll Call of Directors: Chairman Joe Spendolini and Director Michael Koger. Also present: Geoff Huntington (Governor's Office), Tom Paul (Oregon Water Resources), Scott White (Klamath Drainage District), Xavier Borja (Regional Solutions), Courtney Crowell (Regional Solutions), Dan Scalas (Adkin's Engineering), Brett Blofsky (SSSD District Manager), Nicki Strain (SSSD Finance Director), Mike Hiatt (DEQ), E. Werner Reschke (State Representative), Emily McIntire (State Representative) and Derrick DeGroot (Klamath County Commissioner).

Chairman Spendolini expressed his sincere appreciation for all those present. He then gave a history on the drought that has been plaguing Klamath County for the past several years.

Director Koger handed out his business cards to those present and explained that he was unable to attend the entire meeting due to his job duties at Kingsley Field.

Chairman Spendolini explained our partnership with the Department of Environmental Quality (DEQ) and the steps we are going to take to ensure the quality of the water that we want to pass on to the refuge. He distributed examples of support letters the District has received regarding HB2765 to those present. He also described the support the HB has received in Salem. He then explained the growing support for the HB with regard to environmental groups as well. Discussion followed regarding the facility plan that would have initially cost 75 million dollars. The new plan would reduce the cost by approximately 35 million dollars if approved by DEQ. Klamath Falls is considered a disadvantaged community therefore, it is important to SSSD to save our citizens money.

There is also an alternative route for the pipeline. Director Spendolini asked Mr. Scalas to explain the alternate pipeline route to those present. Mr. Scalas distributed the alternative plan to those present. The cost would be approximately \$30 million for the pipeline and the pump station. Mr. Hiatt mentioned the challenges with temperature we are facing. The City of Klamath Falls is facing the same issue. Discussion followed regarding the Total Maximum Daily Load (TMDL). There is a current court case related to this. This has been remanded and is currently in the Court of Appeals.

Chairman Spendolini noted that the District's lagoon system keeps our water temperature in compliance with DEQ standards. The nutrient portion is where the expense lies.

Mr. Scalas described the cost estimate and the new route. It would go on private land and we would need to secure easements. The majority however is on State lands.

Chairman Spendolini stated that SSSD's preferred option is to put the water in the river. Representative McIntire explained the District's frustration and the question as to why we wouldn't use the river to transfer the water. The water in Fort Klamath needs to get to the refuge as well. The District will do whatever it needs to do as far as

compliance to use the river instead of piping the water. We need to try to find balance and a solution. This is private water that people have purchased already.

Mr. Huntington suggested that all of the options be put on the table and not just the Legislation. He feels that there was not enough time in Spring 2023 to have all of the questions answered related to HB2765. All of those present agree that we need to find regional solutions. The question is, how can we be more resilient and still stay within the boundaries. He also feels that we are all partners in finding solutions to these issues. He would like to hear the pros and cons of all of the options.

Discussion turned to a potential partnership with the City of Klamath Falls. There has been a lot of discussion regarding this possibility. Chairman Spendolini indicated that he and Director Koger have been in talks with the City of Klamath Falls. There are many obstacles to overcome between the two entities. The City sells and sends their water over to Cogen. The combining of the City and District wastewater would change the District's water content and jeopardize compliance. Chairman Spendolini expressed the District's interest in working with the City but there are many obstacles to overcome.

It was suggested that a list be made of options to be discussed in this meeting along with the pros and cons for each.

Representative McIntire recapped all of the ideas and again stated that the preferred option would be to discharge into the river. The refuge is covered by water rights. This was discussed at length. Chairman Spendolini referenced the former plan design and the land that was purchased to accommodate this plan. There was a lot of opposition from the public related to this option. That design also followed the OC&E trail and there are a lot of contaminants. Discussion followed regarding the cost and the various issues with this option. The District does not feel that this plan is a viable option. It was generally agreed that this was a poor plan.

Representative McIntire clarified how she understands what the goal of the District is. Mr. Hiatt explained the implications and the process of sending the water to the Klamath river. There are various permits that would be required. There are also complications of getting this water into the canal and the water would cross State lines. California is willing to accept this due to the need for water. Chairman Spendolini explained that the canals that are connected. Mr. Hiatt stated that there are a lot of entities that would need to be in agreement. The discharge point would be in Oregon. Piping the water would not benefit the refuge. Ms. Crowell had questions regarding how the water would get to the refuge at this point. Clarification followed regarding where KDD would put the water when there is no demand. It would have to be pumped over to the canal. It makes the most sense to continue discharging and would also save the most money. There would need to be more infrastructure regardless of which option is selected.

Chairman Spendolini explained that \$4.6 million is spent by the citizens to the City of Klamath Falls. They then spend another \$4 million to the District to treat the water. Discussion followed on how this works in other parts of the State.

Mr. White feels that we are all here to solve the problem. There are a lot of Endangered Species Act (ESA) implications to consider as well. Discussion followed regarding the Federal system for the management of where the water is going to touch. If water is available at the end of the year, it can be sent to the refuge. Discussion followed regarding the requirements and the challenges. Once the water is in the river it becomes part of the river. There is a biological opinion

once the water is put in the river. There could potentially be a 'water fight' once it becomes part of the river. Piping would present the same issues.

Representative Reschke explained the Purple Pipeline Project at the Tualatin river. A water right holder is authorized to reuse the water that they discharge. SSSD would have the right to do the same thing but it would only be within the boundary of the District. Municipalities have a lot of flexibility to serve within their district. Discussion followed regarding how this has worked in other districts in the past. Chairman Spendolini asked for clarification on how this would work with the City of Klamath Falls. Discussion followed regarding the boundaries and if they would need to be changed. Representative McIntire referenced ORS538 regarding Withdrawal of Certain Waters from Appropriation. There are a few examples of this being utilized in Klamath Falls already. Medford uses this as well. Chairman Spendolini asked if ORS538 could be a model for SSSD to go by. The District would still be subject to junior water rights. If there is no senior water right holder down stream then there should not be an issue. Discussion followed on how the various local tribes feel about this. It was generally agreed that the group does not have to foresee every single potential issue.

It was then suggested that SSSD could file for water rights. KDD has year-round water rights. Discussion followed regarding flow meters and how this would work for the District. Chairman Spendolini stated that he has been following the flow rate. It is approximately ½ a percent and is not measurable. This water makes a huge difference to the refuge and KDD as well. Mr. White stated that KDD owns all of their own infrastructure and has water rights. He foresees 100% of the water going to the refuge. They will exercise their rights to beneficial use. Mr. White explained that KDD is in litigation at this time. The United States is suing KDD for the way they used their water. The land is covered by two separate water rights. Discussion followed regarding the contents of the lawsuit. The Bureau of Reclamation claims that KDD is in breach of contract.

The pipeline option is a certainty of where the water will go. KDD is worried about what to do with the water if they don't need it at the time they receive it. KDD is also looking to extend the north canal to the refuge. If they have that in place then this is a non-issue. It would take approximately two to three years for the canal extension to be completed. KDD would then be able to take water year round for irrigation.

Discussion turned to the sucker fish and other species that need the water and are considered a priority.

Meeting Adjourned - 9:22 am.

ATTEST:

Brett Blofsky

Chairman Joe Spendolini

Date