BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon
(541) 388-6570

FOR RECORDING STAMP ONLY

BOCC MEETING MINUTES

9:00 AM	**WEDNESDAY June 17, 2026**	Barnes Sawyer Rooms Live Streamed Video

Present were Commissioners Phil Chang, Anthony DeBone and Patti Adair. Also present were County Administrator Nick Lelack; Senior Assistant Legal Counsel Kim Riley; and BOCC Executive Assistant Brenda Fritsvold.

This meeting was audio and video recorded and can be accessed at the Deschutes County Meeting Portal website www.deschutes.org/meetings.

CALL TO ORDER: Chair Chang called the meeting to order at 9:02 am.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

ADAIR: Move to approve the agenda as presented
DEBONE: Second

VOTE:	DEBONE:	Yes
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 3 – 0

CITIZEN INPUT:

- Ron Boozell said Juneteenth should be elevated into something larger than July 4th, because it represents freedom for all. Referring to the horrors of what has been

happening and continues to happen in Gaza, he suggested that the County invite Gaza to be its Sister City.

COMMISSIONER ANNOUNCEMENTS:

- Commissioner Adair shared information on the new mandatory rural recycling service, saying that Republic Services and Cascade Disposal have agreed to waive backyard and walk-up service fees for households with special needs. In addition, Republic offers a 25% hardship discount on the new $6 charge, and customers can ask that their recycling carts be removed if they will not be using them.
- Commissioner DeBone reported on a Project Wildfire event held in Sunriver the previous evening to recognize wildfire preparedness efforts and congratulated South Deschutes County residents Les Adams and Monte Dammarell as well as Steven Lord on their work to educate and prepare property owners in wildfire prevention.

CONSENT AGENDA: Before the Board was consideration of the Consent Agenda.

1. Approval of Resolution No. 2026-017 terminating Intergovernmental Agreement #2023-131 and dissolving the Deschutes County Road Agency

Convening as the governing body for the 9-1-1 Service District

2. Approval of Resolution No. 2026-018 terminating Intergovernmental Agreement #2023-131 and dissolving the Deschutes County Road Agency

3. Approval of Resolution No. 2026-016 closing Funds 030, 135, 536, 556 and 715

4. Approval of a contract with Helion Software for assessment and taxation software

5. Approval of an Intergovernmental Agreement with the City of Bend to receive funding for the operations of the Deschutes County Stabilization Center

6. Approval of a contract with CompuNet for Microsoft 365 business application licensing

7. Approval to reappoint Tamara Kuntz, Robert Maimone, Michael Pennavaria, Sandy Storrie and Frances Sittel (alternate) for service on the Deschutes County Dog Control Board of Supervisors

8. Consideration of reappointments to the Bicycle and Pedestrian Advisory Committee

9. Acceptance of resignation of Jim Close from Special Road District 1, and appointment of John Cordell to the vacant position

10. Acceptance to appoint Allan Dulwick to Position 1 and Susan Waddell to Position 2 on the Black Butte Ranch Service District Board

ADAIR: Move Board approval of the Consent Agenda as presented
DEBONE: Second

VOTE:	DEBONE:	Yes
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 3 – 0

ACTION ITEMS:

11. CORE3 project update and potential lease and Memorandum of Understanding with Central Oregon Intergovernmental Council on behalf of the CORE3 project

Kristie Bollinger, Property Manager, introduced the item and said members of the CORE3 project team and Executive Council were present to provide an update and request Board support to proceed with a lease and memorandum of understanding with Central Oregon Intergovernmental Council on behalf of the CORE3 project.

Redmond Mayor Ed Fitch provided background on the proposal for a regional emergency response and training center. He acknowledged Commissioner DeBone's involvement as a former chair of the CORE3 board and thanked Deschutes County for donating land and supporting the project.

Shelby Knight from COIC reviewed the project's current priorities, including site preparation, utility extension, and remediation of legacy environmental conditions. Saying that the property will house administrative offices which can double as space for emergency coordination efforts as needed, she said it will also include a fire training tower. Space has been set aside to address future training needs as the region grows.

Adding that CORE3 involves approximately 28 partners from local, state and federal agencies, Knight said financial investments to date total approximately $35.8 million. She reviewed completed and pending project elements, including the design and construction of improvements to 21st Street and the upcoming

fencing of the site. In the development's first phase, completion of an emergency vehicle operators course and driver skill pad will be prioritized with the aim of meeting immediate training needs.

Bollinger explained that, because the property is not yet ready to be conveyed to a future ORS 190 entity as contemplated in the 2024 intergovernmental agreement, County and COIC staff have discussed entering into a short-term lease with COIC to allow embarking on Phase 1 construction activities.

Bollinger also described a proposed memorandum of understanding to document existing conditions on the site relative to homeless encampments and to identify responsibilities for the relocation of encampments and clean-up of the vacated sites. She said County staff will coordinate with contractors to manage the necessary on-the-ground work while COIC would fund those activities. Adding that approximately $300,000 has been committed for that work, Bollinger said County staff has already started notifying campers in the CORE3 footprint that they will need to relocate with the goal of having the site ready for construction by mid-September 2026. Bollinger estimated there are approximately 40 encampments and about 65 people in the area.

Commissioner Chang asked whether the $300,000 was intended to cover all clean-up costs or whether a cost-sharing arrangement was anticipated. Bollinger said the intent was for the project proponents to cover the costs, although the parties would need to address any overage if actual costs exceeded the estimate.

In response to Commissioner Chang, Knight said prior discussions about public-private partnerships or private use of the emergency training track have been set aside.

Saying that Deschutes County still holds title to the CORE3 property while COIC and the project partners steward the next stage of its development, Commissioner DeBone acknowledged the current transition period before the property is eventually conveyed to a separate entity. He cited the strong partnership and communication among the agencies involved and stated his support for moving forward.

Responding to Commissioner Adair, Knight said no building construction has yet been funded. Mayor Fitch added that project proponents will likely pursue additional state funding in the 2027 legislative session.

Commissioner Chang advised that project advocacy make clear that CORE3 is not merely a Central Oregon project but rather a state investment in a shared

resource. While the local training functions are important, the resiliency center would support the state in a Cascadia event and other emergencies.

The Board directed staff to proceed with development of the lease and memorandum of understanding for future Board consideration.

12. Oregon State University ARPA Grant Agreement Amendment

Laura Skundrick, Management Analyst, presented a proposed amendment to the American Rescue Plan Act grant agreement with Oregon State University for a student internship program at the Cascades extension campus. Reminding that in April 2022, the Board allocated $750,000 in ARPA funds to OSU for an on-the-job training and education program for future early childhood teachers, Skundrick explained that the requested amendment would make minor language revisions to allow more students to participate and expand the reach of the program with no additional budget impact.

Representing OSU-Cascades, Shannon Lipscomb said the revisions would expand potential student placement sites beyond the OSU-Cascades location to two other partner sites in Deschutes County as well as increase flexibility in the number of hours required of students from a minimum of 20 hours per week to a range of 12 to 20 hours per week. She expected that these changes could result in an additional eight students participating in the program before the grant expires at the end of the calendar year.

Commissioners spoke to the value of the program to the childcare and early learning workforce and to their understanding of why flexibility in student hours was needed.

Christine Pollard, interim chancellor and dean at OSU-Cascades, addressed the planned closure of the on-site childcare facility and said OSU-Cascades hopes to have a new provider in place by the end of summer or early fall.

DEBONE: Move approval of Document No. 2026-434, revising Exhibit A language in the ARPA grant agreement with Oregon State University for the Little Kits Internship program

ADAIR: Second

VOTE:

DEBONE:	Yes
ADAIR:	Yes
CHANG:	Chair votes yes. Motion Carried 3 – 0

13. Public Hearing and consideration of Resolution No. 2026-025 Deschutes County Fiscal Year 2027 Budget Adoption

Cam Sparks, Budget & Financial Planning Manager, presented the FY 2027 Deschutes County Fiscal Year 2027 Budget, sharing that Health Services had identified two changes to the draft budget, both involving added revenues: the Budget Committee's approval of an additional $175,000 General Fund transfer generated $496,648 in matching funds, and Health Services will receive $7,385,813 in state grant revenue to be used to construct a child psychiatric facility.

The public hearing was opened at 9:42 am. There being no one who wished to speak, the public hearing was closed at 9:42 am.

DEBONE: Move approval of Resolution 2026-025 adopting the fiscal year 2027 Deschutes County budget in the sum of $713,869,206 imposing and categorizing ad valorem property taxes at the tax rate of $1.2783 per $1,000 of assessed value and appropriating amounts set forth in the resolution

ADAIR: Second

VOTE:		
	DEBONE:	Yes
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 3 – 0

The Board convened as the governing body of the Countywide Law Enforcement District (District #1).

14. Public Hearing and consideration of Resolution No. 2026-026 Countywide Law Enforcement District (District #1) Fiscal Year 2027 Budget Adoption

Dan Kieffer, Senior Budget & Financial Planning Analyst, presented the Countywide Law Enforcement District (District #1) Fiscal Year 2027 Budget.

The public hearing was opened at 9:46 am. There being no one who wished to speak, the public hearing was closed at 9:46 am.

Commissioner DeBone noted that the Countywide Law Enforcement District provides the foundation for jail operations and other countywide public safety functions for residents inside and outside cities, and said the current taxation rate for the district had been approved by voters approximately 25 years earlier.

ADAIR: Move approval of Resolution 2026-026 adopting the fiscal year 2027 Countywide Law Enforcement District budget in the sum of $65,527,000

imposing and categorizing ad valorem property taxes at the tax rate of $1.2500 per $1,000 of assessed value and appropriating amounts set forth in the resolution

DEBONE: Second

VOTE: DEBONE: Yes
ADAIR: Yes
CHANG: Chair votes yes. Motion Carried 3 – 0

The Board convened as the governing body of the Rural Law Enforcement District (District #2).

15. Public Hearing and consideration of Resolution No. 2026-027 Rural Law Enforcement District (District #2) Fiscal Year 2027 Budget Adoption

Dan Kieffer, Senior Budget & Financial Planning Analyst, presented the Rural Law Enforcement District (District #2) Fiscal Year 2027 Budget.

The public hearing was opened at 9:48 am. There being no one who wished to speak, the public hearing was closed at 9:48 am.

Commissioner DeBone said the Rural Law Enforcement District serves areas outside cities that have their own police services. Noting that the City of La Pine was incorporated after the district was established, he said new development grows the tax rolls, especially as water and sewer service becomes available.

DEBONE: Move approval of Resolution 2026-027 adopting the fiscal year 2027 Rural Law Enforcement District budget in the sum of $22,349,000, imposing and categorizing ad valorem property taxes at the tax rate of $1.5500 per $1,000 of assessed value and appropriating amounts set forth in the resolution

ADAIR: Second

VOTE: DEBONE: Yes
ADAIR: Yes
CHANG: Chair votes yes. Motion Carried 3 – 0

16. Resolution 2026-034 transferring appropriations within the Rural Law Enforcement District (District 2) Fund

Dan Kieffer, Senior Budget & Financial Planning Analyst, explained that Resolution No. 2026-034 would transfer appropriations within the Fiscal Year 2026 Rural Law Enforcement District budget. He said the Sheriff's Office is funded by two districts that collect property taxes and, based on current needs, would

draw more funds from the Rural Law Enforcement District during the current fiscal year without increasing its operating budget. The proposed resolution would draw available contingency funds and deploy them during the fiscal year.

ADAIR: Move approval of Resolution 2026-034 transferring appropriations within the Fiscal Year 2026 Rural Law Enforcement District Budget
DEBONE: Second

VOTE:	DEBONE:	Yes
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 3 – 0

The Board convened as the governing body of the Deschutes County 9-1-1 Service District.

17. Public Hearing and consideration of Resolution No. 2026-028 Deschutes County 9-1-1 Service District Fiscal Year 2027 Budget Adoption

Dan Kieffer, Senior Budget & Financial Planning Analyst, presented the Deschutes County 9-1-1 Service District Fiscal Year 2027 Budget.

The public hearing was opened at 9:52 am. There being no one who wished to speak, the public hearing was closed at 9:52 am.

ADAIR: Move approval of Resolution 2026-028 adopting the fiscal year 2027 Deschutes County 9-1-1 Service District budget in the sum of $31,830,775, imposing and categorizing ad valorem property taxes at the tax rate of $0.3618 per $1,000 of assessed value and appropriating amounts set forth in the resolution
DEBONE: Second

VOTE:	DEBONE:	Yes
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 3 – 0

The Board convened as the governing body of the Deschutes County Extension and 4H Service District.

18. Public Hearing and consideration of Resolution No. 2026-029 Deschutes County Extension and 4H Service District Fiscal Year 2027 Budget Adoption

Cam Sparks, Budget & Financial Planning Manager, presented the Deschutes County Extension and 4H Service District Fiscal Year 2027 Budget.

The public hearing was opened at 9:54 am. There being no one who wished to speak, the public hearing was closed at 9:54 am.

DEBONE: Move approval of Resolution 2026-029 adopting the fiscal year 2027 Deschutes County Extension and 4H Service District budget in the sum of $1,088,737, imposing and categorizing ad valorem property taxes at the tax rate of $0.0224 per $1,000 of assessed value and appropriating amounts set forth in the resolution

ADAIR: Second

VOTE:
DEBONE: Yes
ADAIR: Yes
CHANG: Chair votes yes. Motion Carried 3 – 0

The Board convened as the governing body of the Sunriver Service District.

19. Public Hearing and consideration of Resolution No. 2026-030 Sunriver Service District Fiscal Year 2027 Budget Adoption

Cam Sparks, Budget & Financial Planning Manager, presented the Sunriver Service District Fiscal Year 2027 Budget.

The public hearing was opened at 9:56 am. There being no one who wished to speak, the public hearing was closed at 9:56 am.

ADAIR: Move approval of Resolution 2026-030 adopting the fiscal year 2027 Sunriver Service District budget in the sum of $15,899,116, imposing and categorizing ad valorem property taxes at the tax rate of $3.4500 per $1,000 of assessed value for operations and $0.4700 per $1,000 of assessed value for local option tax and appropriating amounts set forth in the resolution

DEBONE: Second

VOTE:
DEBONE: Yes
ADAIR: Yes
CHANG: Chair votes yes. Motion Carried 3 – 0

The Board convened as the governing body of the Black Butte Ranch Service District.

20. Correction of Black Butte Ranch Service District Budget Week Publication Error

Cam Sparks, Budget & Financial Planning Manager, described a correction to an error in the notice published to advertise the Black Butte Ranch Service District

Budget Committee meeting, saying that Oregon local budget law requires publication of notice in the newspaper and on the County website. The Fiscal Year 2027 Black Butte Ranch Budget Committee meeting notice was posted on the County website on April 30, 2026, within the required timeframe. A newspaper notice was scheduled to run in The Bulletin on May 6, 2026, for the May 12 meeting, also within the required timeframe, but the notice was erroneously not published.

Sparks said under the Oregon Department of Revenue local budget manual, failure to publish notice within the required timeframe is a correctable error. She explained that the provided staff memorandum and her testimony as budget officer adequately serve as the required notice to the governing body so the error can be acknowledged and corrected.

Commissioner Chang asked whether the notice was ever published in the newspaper, and Sparks said it was not. The Board acknowledged receipt of the correction.

21. Public Hearing and consideration of Resolution No. 2026-031 Black Butte Ranch Service District Fiscal Year 2027 Budget Adoption

Dan Kieffer, Senior Budget & Financial Planning Analyst, presented the Black Butte Ranch Service District Fiscal Year 2027 Budget.

The public hearing was opened at 10:01 am. There being no one who wished to speak, the public hearing was closed at 10:01 am.

DEBONE: Move approval of Resolution 2026-031 adopting the fiscal year 2027 Black Butte Service District budget in the sum of $3,540,762, imposing and categorizing ad valorem property taxes at the tax rate of $1.0499 per $1,000 of assessed value for operations and $0.7800 per $1,000 of assessed value for local option tax and appropriating amounts set forth in the resolution

ADAIR: Second

VOTE:	DEBONE:	Yes
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 3 – 0

The Board reconvened as the governing body for Deschutes County.

22. Public Hearing and consideration of Resolution 2026-033 increasing and transferring appropriations within the Fiscal Year 2026 Deschutes County Budget

Cam Sparks, Budget & Financial Planning Manager, explained that the Fiscal Year 2026 budget requires adjustments to account for changes that occurred after the budget was originally approved. She specified the reasons for the needed adjustments, including to recognize higher-than-budgeted Transient Lodging Tax revenue and to increase appropriations for personnel due in part to compensation changes resulting from the Phase 1 wage equity project.

The public hearing was opened at 10:05 am. There being no one who wished to speak, the public hearing was closed at 10:05 am.

In response to Commissioner Adair, Sparks said although lodging tax revenue is expected to come in higher than budgeted, the proposed appropriation is set high enough to ensure adequate authority for pass-throughs to Visit Central Oregon and transfers to the Fair and Expo Center.

ADAIR: Move approval of Resolution 2026-033 increasing and transferring appropriations within the FY 2026 Deschutes County Budget
DEBONE: Second

VOTE:	DEBONE:	Yes
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 3 – 0

23. Public Hearing: FY 2027 Deschutes County Fee Schedule and consideration of Board adoption

Laura Skundrick presented the FY 2027 Deschutes County Fee Schedule, saying that upon Board adoption, it will take effect on July 1, 2026.

The public hearing was opened at 10:07 am. There being no one who wished to speak, the public hearing was closed at 10:07 am.

DEBONE: Move approval of Resolution No. 2026-020 adopting the FY 2027 Deschutes County Fee Schedule
ADAIR: Second

VOTE:	DEBONE:	Yes
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 3 – 0

24. Temporary limited transfer of use of County-owned property adjacent to SE 21st Street in Redmond from lessee Mountain View Community

Development to Jericho Road, and authorization to MVCD to contract with Jericho Road for temporary use of the property for homeless outreach services

Kristie Bollinger, Property Manager, presented the request for temporary limited transfer of use of County-owned property adjacent to SE 21st Street in Redmond from lessee Mountain View Community Development to Jericho Road, and an associated request to authorize MVCD to contract with Jericho Road for temporary use of the property for homeless outreach services.

Bollinger explained that following the City of Redmond's decision to close the Desert Rise site where Jericho Road and other service providers have historically provided services to the homeless community, Jericho Road asked that it be allowed to continue providing services using County-owned property which is currently leased to MVCD. The proposed arrangement would be temporary and would need to be revisited once MVCD embarks on construction of its permanent supportive housing project.

Eleanor Bessonnette of Jericho Road said the proposed site was selected because it best meets access needs for both service providers and those needing services.

Rick Russell of Mountain View Community Development shared the planned construction schedule for the permanent supportive housing project and said Jericho Road could likely use part of the property which is leased to MVCD through the remainder of the calendar year, with future availability uncertain after that.

County Administrator Nick Lelack spoke to significant topics of discussion among staff and partner organizations, sharing that he and Bollinger recently met with Redmond Fire Chief Herrera and Deputy Chief Miller regarding demands on Redmond Fire's services, the strain on resources, and the need to improve access in East Redmond. Lelack said the County remains committed to partnering with Redmond Fire and other organizations to address these matters.

Commissioner Adair said the green zone, as designated, is too large and she would prefer that individuals be directed to a much smaller area that is closer to existing and planned services. She stressed that the area needs to be easier for emergency responders to access, particularly during dry summer conditions.

Commissioner Adair asked about capacity at Oasis Village and the number of dog runs at the managed camp, saying that having sufficient pet accommodations may affect the successful use of the camp.

Commissioner Chang said if the County wants more people in a compact space with closer access to services and emergency services, it may want to consider expanding the managed camp. Noting that the recent point-in-time count showed a 19% decrease, he credited efforts to provide transitional housing, shelter facilities and supportive services with helping to reduce homelessness.

Commissioner DeBone said he would have preferred taking a different approach such as establishing a long-term visitor area to help resolve ongoing problems related to unsanctioned long-term encampments, saying these include fire starts, illegal drug use, and lack of human dignity.

ADAIR: Move to authorize staff to provide written consent for a temporary limited transfer of use of County-owned property adjacent to SE 21st Street in Redmond from lessee Mountain View Community Development to Jericho Road, and further authorize MVCD to contract with Jericho Road for temporary use of the property for homeless outreach services

DEBONE: Second

VOTE:		
	DEBONE:	Yes
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 3 – 0

25. La Pine Basin All-Lands Partnership Charter

Lauren Street, Community Wildfire Protection Supervisor, presented a proposal that the County join the La Pine Basin All-Lands Partnership in support of wildfire preparedness coordination. Explaining that the partnership was formed to enhance wildfire resilience in South Deschutes County and northern Klamath County through strategic collaboration among community-based organizations, federal partners, state partners, tribal partners and local agencies, she said it aims to maximize resources, align mitigation strategies, and improve wildfire resilience across the La Pine Basin. Joining the partnership would not commit the County to expend funds or resources beyond meaningful engagement through meetings and other activities to advance the partnership's goals and decision-making processes.

Responding to Commissioner Chang, Street said based on discussions to date, the partnership's geographic scope could extend from the Three Rivers and Sunriver areas south to Crescent and include federal and private lands, with an emphasis on cross-boundary work.

Commissioner Chang spoke to substantial fuels reduction work which has already occurred on federal lands near La Pine and cited recent fires where treated areas greatly assisted in helping to contain the spread of a fire.

Commissioner DeBone stated that he would abstain from voting on this proposal because his wife does consulting work for the Newberry Regional Partnership, which is referenced in the materials and connected to the partnership.

ADAIR: Move approval of Document No. 2026-0442 to join the La Pine Basin All-Lands Partnership in support of wildfire preparedness coordination.
CHANG: Second

VOTE:	DEBONE:	*(abstained)*
	ADAIR:	Yes
	CHANG:	Chair votes yes. Motion Carried 2 – (1) – 0

26. Groundwater Protection Funds / Opportunities for Investment

Peter Gutowsky, Community Development Director, introduced a request from NeighborImpact for funding from sales proceeds of County-owned land in La Pine's Newberry neighborhood to be used to enhance groundwater protection in southern Deschutes County.

Gutowsky described the two Community Development Department funds relevant to the discussion, as follows: Fund 296, which receives groundwater partnership funds that can be allocated to assist with septic retrofits, low-interest loans and related activities; and Fund 297, which receives proceeds from designated land sales and allows for their transfer into Fund 296 for allocation.

Commissioner DeBone suggested that the County consider pairing groundwater-related infrastructure efforts with incentives for neighborhoods to bring roads up to County standards for maintenance. Saying that the addition of water, sewer and road infrastructure could change the character and functionality of an area, he noted that such work would likely require a policy discussion and was not immediately feasible given current construction costs and other constraints.

Discussion ensued regarding the cost of bringing roads up to County standards and the fact of a County-approved moratorium on accepting additional roads for maintenance by the County.

Commissioner Chang said while the County has previously indicated openness to adding roads to the County's maintenance system if brought up to County standards, the cost of making such improvements is a significant hurdle.

Commissioner Chang spoke to NeighborImpact's septic replacement program, saying it protects groundwater by serving residents who may not otherwise be able to replace or upgrade septic systems, and also helps preserve affordable housing for those who could be at risk of losing their homes. He expressed concern about the slow pace of septic conversions in the area between Sunriver and La Pine, saying that 6,000 standard septic systems remain in shallow groundwater areas while only 5% of the needed conversions have been accomplished to date. He encouraged considering whether proceeds from Newberry neighborhood land sales could be used to leverage additional state or federal resources to accomplish larger-scale projects. Although he did not want to abandon the NeighborImpact program and was hesitant to commit $450,000 at the current time, he stated his openness to considering some level of investment to ensure sufficient resources to meet the demand.

Andrew Spreadborough said NeighborImpact's work in this arena is scalable based on available funding. He described NeighborImpact's efforts to preserve affordable housing and help lower-income homeowners with repairs and said the waiting list of those seeking a loan is approximately 63 households, including 13 projects with a septic component and eight projects with a well component. Seven of the septic projects and seven of the well projects are in South Deschutes County. The program's septic fund balance is approximately $18,000, which is not enough to fund a full septic replacement.

Commissioner DeBone stated his support for a $150,000 contribution at this time if resources allow.

In response to Commissioner Adair, John Cox, Lending Director for NeighborImpact, said it would cost approximately $200,000 to fund the seven South County septic projects on the waiting list.

Todd Cleveland, Onsite Wastewater Manager, said Fund 296 has approximately $38,420 to allocate for rebates of $3,750 each for property owners who repair or upgrade septic systems to nitrogen-reducing systems. 163 rebates have been issued since the program was created in 2010.

Commissioner Chang questioned whether the rebate amount was sufficient to accelerate voluntary conversions. Cleveland acknowledged that the rebate likely functions more as a discount for people who already need to replace or repair their systems. He explained that the $3,750 amount was originally determined to meet roughly 50% the cost of a treatment unit in 2008 and that a comparable amount now would likely be between $5,500 and $6,000.

Commissioner Adair asked about new treatment systems and whether a system capable of greater nitrate reduction would soon be available. Cleveland said a new Fuji Clean system which is expected to start being installed locally is estimated to achieve approximately 84% nitrate reduction.

Commissioner Chang proposed allocating $100,000 from Fund 297 to NeighborImpact in response to the funding request, with additional funding to be considered if and when Newberry neighborhood land sales closed. Noting that the current choice is between offering additional rebates or more non-conforming loans, he preferred offering the latter because the loans would assist households experiencing difficult financial situations and thus help preserve affordable housing.

Commissioner DeBone supported allocating $100,000 as proposed. Commissioner Adair said if the anticipated land sale closes, the Board should discuss this issue again in November.

The Board directed staff to return with a formal item allocating $100,000 from Fund 297 to NeighborImpact for the septic program and to return after any Newberry neighborhood land sale with additional groundwater investment options.

Commissioner DeBone stated his support for discussing an increase of the $3,750 rebate which no longer covers half of the cost to replace a system.

Commissioner DeBone then spoke to prior discussions regarding groundwater protection, including the pursuit of a Goal 11 exception and whether well tests should be done every 10 years. He said it will be important to offer meetings for the community to explain information, answer questions, and align the public and agencies. Commissioner Chang said he supported pursuing additional work, including opportunities related to Senate Bill 1154, and said the groundwater quality area of concern process could support community engagement, agency coordination, and identification of additional data needs.

Commissioner Chang also requested that, alongside any analysis of a domestic water supply feasibility study, staff consider the potential cost of providing undersink filters for kitchens and bathrooms as a more targeted and potentially less expensive way to ensure clean drinking and cooking water where needed. Commissioner DeBone asked who was consuming contaminated water. Responding that he would not identify individuals but had received information that indicated concern, Commissioner Chang suggested that an analysis look at whether filters could provide a more surgical and cost-effective approach than new community water systems in certain circumstances.

At 11:38 am, Chair Chang recused himself from the discussion and action of the next item, and exited the dais. Vice Chair DeBone assumed control of the gavel.

27. Final Decision for a Commercial Activity in Conjunction with Farm Use (Winery) in the Multiple Use Agricultural Zone (Lava Terrace Cellars, 20520 Bowery Lane)

Nate Miller, Associate Planner, reviewed the background of application for a commercial activity in conjunction with farm use in the MUA zone at 20520 Bowery Lane (Lava Terrace Cellars), reminding that the Board had held the final public hearing on a modification of the application on February 25 and approved the modified application during deliberations on March 25. A draft decision prepared by the applicant's legal representative has been edited and reviewed by staff and County legal counsel.

Vice Chair DeBone thanked staff for the final work product and said he had no proposed edits to the decision as presented.

In response to Commissioner Adair, Miller confirmed that at a future time, the applicant could seek extension of the condition which would require that the commercial activity be initiated within two years of the final decision date.

Noting that the applicants had already spent years in the process, Commissioner Adair said the decision includes 25 conditions of approval and that production would be less than 1,500 cases of wine annually.

ADAIR: Move approval of final decision for file nos. 247-22-000464-CU, 466-SP, 018-A, 25-734-MA (a commercial activity in conjunction with farm use / winery in the Multiple Use Agricultural Zone—Lava Terrace Cellars, 20520 Bowery Lane

DEBONE: Second

VOTE:	*CHANG:*	*(recused)*
	ADAIR:	Yes
	DEBONE:	Acting Chair votes yes. Motion Carried 2 – (1) – 0

OTHER ITEMS: None

A lunch break was announced at 11:44 am. The meeting resumed at 1:00 pm. In Commissioner Chang's absence, Vice Chair DeBone chaired the remainder of the meeting.

EXECUTIVE SESSION:

At 1:00 pm, the Board, with the exception of Commissioner Chang, recessed into Executive Session under ORS 192.660 (2) (h) Litigation and ORS 192.660 (2) (d) Labor Negotiations.

The Board exited Executive Session at 2:47 pm and directed staff to proceed as discussed.

ADJOURN:

Being no further items to come before the Board, the meeting was adjourned at 2:47 pm.

DATED this 30th day of Sept. 2026 for the Deschutes County Board of Commissioners.

PHIL CHANG, CHAIR

ATTEST:

ANTHONY DEBONE, VICE CHAIR

RECORDING SECRETARY

PATTI ADAIR, COMMISSIONER