

NOTICE OF DECISION

OREGON WATER WONDERLAND UNIT II SANITARY DISTRICT TOWNSITE ACT APPLICATION ENVIRONMENTAL ASSESSMENT

On June 17, 2002, USDA Forest Service, Deschutes National Forest Supervisor made a decision on the "Oregon Water Wonderland Unit II Sanitary District Townsite Act Application Environmental Assessment" to authorize the sale of a 480-acre parcel of National Forest System land located approximately 18 miles south of Bend, Oregon, on the Bend-Fort Rock Ranger District of the Deschutes National Forest, in Deschutes County, Oregon.

The property will be sold under the authority of the Bend Pine Nursery Land Conveyance Act (P.L. 106-526), signed into law on November 22, 2000. The Act authorized the Secretary of Agriculture to sell or exchange tracts of National Forest System land and to use the proceeds for National Forest purposes. The 480-acres to be sold are part of the lands identified in the Act.

This decision is subject to appeal pursuant to Forest Service Regulation, Title 36 Code of Federal Regulation (CFR) Part 215. Any written Notice of Appeal must be fully consistent with 36 CFR 215.14 (Content of an Appeal) and must include reasons for appeal. Any written appeal must be postmarked or received by the Regional Forester, USDA-Forest Service, ATTN: Appeals, P.O. Box 3623, Portland, Oregon 97208-3623, within 45 days of the date of the legal notice appearing in The Bulletin newspaper. The legal notice will appear on June 21, 2002, and appeals must be postmarked or received by August 5, 2002.

For further information or a copy of this decision, refer to the Deschutes National Forest website at www.fs.fed.us/centraloregon (**SEE BELOW**), or contact John Davis at the Bend-Fort Rock Ranger District, Deschutes National Forest, 1230 NE Third St., Suite A-262, Bend, Oregon 97701; telephone 541-383-4714.

**USDA Forest Service, Pacific Northwest Region
Deschutes National Forest
Bend-Fort Rock Ranger District
Deschutes County, Oregon**

**Decision Notice
and
Finding of No Significant Impact
Oregon Water Wonderland Unit II Sanitary District
Townsite Act Application Environmental Assessment**

INTRODUCTION

This Decision Notice and the Environmental Assessment for the Oregon Water Wonderland Unit II Sanitary District Townsite Act Application are available for review from the Deschutes National Forest. The Environmental Assessment (EA) was prepared by an interdisciplinary team and documents the environmental analysis evaluating the proposed sale of National Forest System land to Oregon Water Wonderland Unit II Sanitary District. The two parcels of land considered for conveyance are located on the Bend-Fort Rock Ranger District, approximately 16 to 18 miles south of Bend, and 2 to 4

miles south of Sunriver, Oregon.

Oregon Water Wonderland Unit II (OWW2) is a 1,000-lot rural community in southern Deschutes County, established in 1975. OWW2 is situated between the Deschutes and Little Deschutes Rivers, in an area with very shallow groundwater (depths of 2 feet or less). Existing on-site septic systems are sited in areas with shallow groundwater, existing facilities are aging and failing, and the wastewater storage and irrigation site is too small and inadequate. All of these factors are contributing to water quality degradation and contamination of the groundwater and possibly of nearby rivers. The Oregon Water Wonderland Sanitary District (District) is currently in non-compliance with the Oregon Department of Environmental Quality (DEQ) regulations for wastewater storage and disposal. Land use and environmental rules and regulations have changed since the community was originally platted and approved by the County and the State, and what was approved for sewage and effluent facilities in the early 1970's is not acceptable today.

Acquisition of nearby National Forest System land for a new, larger, and suitable area for treated wastewater storage and disposal would resolve the environmental violation, eliminate the groundwater contamination that is presently occurring, and help improve overall regional water quality in southern Deschutes County. The District would use the property for storage ponds and cultivated grass fields. A circle pivot system would sprinkler irrigate a grass hay crop, using treated effluent. There would be a buffer area of at least 300-feet between any facilities and adjoining lands or roads. In conjunction with this use of acquired land, OWW2's existing sewage treatment plant and collection system would be upgraded and remain on District property.

PURPOSE AND NEED

The primary purpose and need for the land sale is to provide a viable means for OWW2 to resolve their wastewater storage and disposal situation and their environmental violation with DEQ. The District has a need to implement a feasible and economic solution in order to continue to serve the community, meet environmental regulations and requirements of DEQ, and help protect the groundwater quality in southern Deschutes County. In order to accomplish this, the District has an urgent need to acquire adequate property for storage and disposal of treated wastewater.

Because of the lack of storage capacity, the District often has to irrigate in the winter, over frozen ground, or before the growing season when soils are saturated and the water table is highest. Treated effluent is currently being applied at a rate much greater than what DEQ allows because there is not enough land to accommodate irrigation at the proper agronomic rate. In addition, the existing sewer and septic systems are leaking and failing. The current system was approved, designed, and constructed 30 years ago and is not able to meet today's needs for the community or for protection of the environment.

In the La Pine Basin in southern Deschutes County, contamination of groundwater and surface water from septic tanks and drainfields is a widespread and serious concern. In December 1998, Deschutes County Commissioners signed Ordinance No. 98-085 recognizing that groundwater quality is diminishing due to the cumulative impact from existing on-site septic systems in areas of high groundwater tables and rapidly draining soils. The Commissioners declared this an emergency and signed the ordinance for the immediate preservation of public peace, health, and safety.

The Oregon State Legislature recognized the severity of this type of problem in southern Deschutes County when it authorized a Regional Problem Solving (RPS) Project for that area, and assigned the Oregon Department of Land Conservation and Development to administer the program. The RPS Project addresses the fact that inadequate siting of individual on-site septic tank and drainfield systems are likely to result in polluted groundwater, and that there is a need to find a proactive solution. Deschutes County and the RPS Project identified OWW2 as a promising candidate to help solve groundwater issues, and recognized that they may need National Forest land to go forward with sewer improvement and expansion.

The Forest Service recognizes the local public need for a solution to the OWW2 community's wastewater problem. The Forest Service also recognizes the broader regional public need to reduce groundwater contamination, improve water quality, and protect the long-term health of the watershed. There is an urgent need to resolve the contamination and

environmental problems.

DECISION

I have reviewed the issues, alternatives, and effects documented in the Environmental Assessment and project file. I have considered the public comments submitted during the public review period. I have also considered my responsibilities and authorities pertaining to applicable laws, regulations, and policies. Sufficient information has been reviewed and disclosed in the analysis to make a reasoned choice among the alternatives. Based on this information, I have decided to implement Alternative C, sale of the Section 25 Parcel, with modifications. The following describes my decision:

- 1. Use the sale authority granted under the terms of Public Law 106-526, the Bend Pine Nursery Land Conveyance Act (BPNLCA) for conveying land to Oregon Water Wonderland Unit II Sanitary District.** Subsequent to the District's application to purchase National Forest land under the authority of the Townsite Act, the BPNLCA became law, providing an alternate avenue for conveyance. BPNLCA is the preferred authority because it allows the Forest Service to retain the proceeds of the sale for use in acquiring local administrative offices. The property would be conveyed at market value, under the terms of a Purchase and Sale Agreement.
- 2. Sell to the District only 480 acres of the 520-acre parcel considered in Alternative C.** The Forest Service would retain the remaining 40-acre parcel in federal ownership until it can be considered and analyzed for sale later with the remainder of the Tract C lands identified in the BPNLCA. The 40-acre parcel is attached to the southwest corner of the 480-acre block and is not needed by OWW2. The combination of these two properties in the original 520-acre configuration would not benefit the intended use by OWW2, and selling them separately would very likely provide a greater financial return to the Forest Service. This smaller parcel would have a different zoning designation and could potentially be used for rural residential homesites, not unlike other nearby private lands. Removal of this portion of the parcel would not significantly change the effects analysis.

The conveyance deed will include a restrictive covenant to prevent development and ensure protection of the 7-acre wetland area.
- 3. Issue a short-term temporary special use permit to the District for initial site preparation and construction of the new facilities on the land to be acquired.** The special use permit would be issued for the purpose of expediting the planning and installation of the proposed facilities. This would allow resolution of the serious groundwater contamination problems to move forward without further administrative delays associated with consummating a land sale and conveyance of title. It would help ensure that the District would be able to resolve their environmental violation with DEQ by November 2003, as required by DEQ. Furthermore, it would help ensure that available grants and loans are used and not lost or forfeited due to delays in implementation. A special use permit would not be issued until a binding Purchase and Sale Agreement, describing the terms of a sale, is in place.
- 4. Allow the District up to three years to consummate the purchase of the property.** This will give the District the opportunity to continue to resolve any remaining funding or other issues that they may encounter which could prevent the District from purchasing the property with a single transaction in a timely manner. Any outstanding local requirements for siting or approval with the County or State could also be resolved during this period.

PUBLIC BENEFIT DETERMINATION

I have concluded that this sale of federal land is in the public interest. There are immediate benefits to OWW2 residents by providing this identified low-income community the opportunity to implement an affordable long-term solution for proper waste management. This will allow the District to develop an environmentally sound wastewater storage and disposal system, in conjunction with needed upgrades and improvements to the existing sewage treatment plant and collection system. This will also allow the District to comply with DEQ environmental regulations.

There are immediate benefits to residents and property owners in neighboring areas by eliminating the existing surface and groundwater contamination. There are also regional benefits that extend into the general southern Deschutes County area, in

that this decision implements a solution that contributes to resolving the widespread water quality problem that County and State agencies have been trying to remedy.

This decision to convey the parcel outweighs any benefits of keeping it in federal ownership. This parcel is an isolated National Forest property, nearly surrounded by private land. It is difficult and not cost effective to manage as part of the National Forest system, given its small size and increasing encroachments and unauthorized uses. This land has been identified as being available for disposal under the 2000 BPNLCA. This decision conveys unneeded National Forest land for critical and beneficial community purposes.

OTHER ALTERNATIVES CONSIDERED

1. Comparison with Alternative B.

Environmentally, either Alternative B (Vandever parcel) or Alternative C (Section 25 parcel) would be acceptable and suitable for sale to OWW2 for the proposed use. The Section 25 parcel is directly adjacent to the OWW2 community and has the advantage of requiring a much shorter pipeline and no river crossing. Its closer proximity would logically help ensure that frequent observation and proper monitoring and maintenance of the facilities take place. This conveyance would allow the land to remain open and undeveloped, and continue to maintain or improve its value as wildlife habitat. This should also help to improve an area that has a number of problems including encroachments, dumping of household garbage, illegal woodcutting, and development of unauthorized roads and trails.

Selling the 240-acre Vandever parcel would break up the 910-acre parcel that is identified for disposal under the BPNLCA, and splitting it into several smaller parcels may not be beneficial. Since our intent is to later analyze this area again for disposal under the BPNLCA, the Forest Service does not want to potentially devalue this property by removing a 240-acre portion at this time.

2. Potential Sunriver Resort Option.

The major issue regarding other alternatives considered revolved around whether or not an option exists for OWW2's sewage to be piped to Sunriver Resort, treated at Sunriver's sewage treatment plant, and the effluent stored and disposed of by irrigation of the golf course or adjacent land. As noted in the EA and Response to Comments documents, a Sunriver option is not economically possible. While the initial construction costs may be comparable, it is the high monthly service fees and the uncertainty of future cost increases that are beyond the ability of the OWW2 residents to afford.

This alternative is not economically feasible, and therefore not viable, so it was eliminated from a detailed analysis in the EA. If it had been demonstrated to the Forest Service that Sunriver Resort Limited Partnership (SRLP) could have provided OWW2 with a viable private land option, then the Forest Service's environmental assessment process would have terminated or the No Action alternative would have been selected. No federal lands would be involved.

OWW2 has been involved in discussions with SRLP for two years. OWW2 has always been concerned about the projected costs that Sunriver would require, and has asked SRLP to consider a reduction in the connection fee and limitations on future costs in order to make this financially feasible. Subsequent discussions between OWW2 and SRLP only resulted in higher cost estimates. The latest information indicates that Sunriver Resort revised their estimated costs and it would now cost OWW2 1.7 million dollars more to utilize the Sunriver facilities than it would to use the selected National Forest parcel.

OWW2 continued to work with Sunriver Resort and discuss if there were any over looked opportunities to make a Sunriver option viable. State and County representatives were also involved, yet efforts to either lower the costs or provide additional public funds were unsuccessful. USDA Rural Utilities Service (RUS), the primary funding agency for the project, supports the Forest Service's conclusion that a Sunriver option is not possible, and has agreed to go forward with RUS funding for OWW2 for acquisition and use of National Forest land. RUS helps fund improvement projects for low-income communities, and they used the Oregon Economic and Community Development Department's benchmark criteria to help determine what fees the low-income OWW2 residents can afford. 1.75% of the monthly gross income is the recommended amount the

residents should pay for monthly sewer fees, which is equivalent to \$32.80 per month. A facility that is on OWW2 property and using acquired National Forest lands in Section 25 for effluent disposal would have monthly costs of about \$38 per month, which is within reason, according to RUS. This amount was also approved by the voters with the passage of a recent bond measure. On the other hand, the initial monthly service fee for the sewage to be treated at Sunriver would initially be approximately \$52 per month, well above the benchmark guideline of \$32.80. RUS also supports the conveyance of the Section 25 parcel because monthly fees in the future would tend to remain stable or possibly decrease as more users are added to the system, whereas SRLP would raise their fees in the future. Based on these findings, RUS indicates that they would not be able to support an option that is not affordable to the residents. Consequently, RUS could not provide any funds for a Sunriver alternative based on the estimated costs involved. Without RUS funding, a Sunriver option is even more impossible. This confirms that a Sunriver option is not affordable, and therefore, not a reasonable or viable alternative.

3. Comparison with the No Action Alternative.

In short, I did not select the No Action alternative because it would not meet the purpose and need as stated in the EA; it would not remedy the groundwater contamination situation or OWW2's violation with DEQ; and it would adversely affect the residents at OWW2 by not allowing them to pursue an affordable solution to their community's sanitation needs. The current water quality degradation is a documented regulatory and environmental problem. The groundwater contamination problem is a serious issue that needs to be resolved. If it is to be resolved, it will be with the purchase and use of National Forest land.

ISSUES

A number of issues were identified during scoping and addressed during the environmental analysis process. Comments received during the public comment period for the EA did not reveal any significant new issues or effects that would require additional analysis, and did not provide any factual supporting information that was contrary to the analysis. The issues most pertinent to my decision are described below.

Groundwater and Surface Water Quality

This is the driving resource issue and the basis of the need for conveyance of the parcel of National Forest land. Comments expressing concern about groundwater effects suggest that many in the public are not fully aware of groundwater contamination problems. They seem unaware that contamination is presently occurring at OWW2. It is important to understand that this project would improve ground and surface water quality.

The proposal to purchase National Forest land for effluent storage and disposal would allow OWW2 to eliminate their existing sources of surface and groundwater contamination. It would allow OWW2 to abandon their 4-acre irrigation field for a much larger and suitable site that will properly accommodate the wastewater irrigation needs. It would allow the removal of a large number of on-site septic tank and drainfield systems, which produce high concentrations of nitrate and which are currently contaminating groundwater. This will also ensure that contaminated groundwater no longer has the potential to enter the rivers or degrade the values of the Upper Deschutes Wild and Scenic River corridor.

There would be no degradation of groundwater quality due to spray irrigation. This project would help protect and improve the aquifer. Treated effluent would be put to a beneficial use for irrigation of a grass hay crop. Irrigation would be managed so that the rate of irrigation would be less than or equal to the rate of nitrate uptake by the crops. During the winter months, effluent would be contained in lined ponds until it could be used for irrigation during the summer months.

Effects on Private Property

Many commenters expressed a perception that the sale of the property for the proposed use would adversely affect other private lands, both close and at a greater distance away. It is common for us to receive "not in my backyard" comments from individuals who would otherwise not be interested in a particular project if it were proposed for another location. Commenters in this case were no exception, as it appeared that people with interests in properties closer to the Vandeventer parcel opposed its sale and use by OWW2, yet seemed to support the selection of the Section 25 parcel, and vice versa. As noted in the Response to Comments, the environmental analysis did not show that there would be any adverse effects to

private properties.

Contrary to opinions expressed in many of the comments, it is more likely that the conveyance would have a beneficial effect on nearby private lands, particularly because of the improvement in groundwater quality. A sale would produce a change in ownership and a change from the current management, but there would be no significant adverse effects to the environment or nearby properties. There would be a great beneficial effect of improving groundwater quality and reducing the contamination, which is to everyone's benefit.

Based on comments and concerns from the public, OWW2 volunteered to modify their proposed site plan so that all facilities would be located more in the interior of the parcel. (Refer to the revised site plan - attached below). This effort demonstrates that OWW2 is interested in working with neighbors to help alleviate their concerns. This will ensure that facilities are at least 300 feet from major roads and private lands, and further assure that there would be no significant effects to neighboring properties or to traffic on South Century Drive, Big River Drive, or Foster Road.

Proposed Facilities

Although the EA explained that the raw sewage and solid mater would continue to be collected and treated on OWW2 property, many commenters apparently think that a "sewage treatment plant" is planned for the acquired National Forest land. All raw sewage and solid material will remain at the facilities on the District's private property, and only treated wastewater will be piped to the new parcel. The facilities proposed are similar to others nearby, including those located in Sunriver and La Pine. These are facilities that have been operated successfully, and that provide a needed public purpose. The Sunriver facility is located on land that was recently acquired from the Forest Service, and the La Pine facility is on land that was acquired in the 1980's from the Bureau of Land Management.

Treatment Levels

Another issue of interest to many of the commenters is the level of treatment that the effluent will receive. In general, the levels of required treatment are based on the intended use and location of use of the effluent. For example, if treated effluent is to be used to irrigate forest land or a grass hay crop, Level I is all that is needed. If the effluent is used to irrigate a golf course, then a higher level is required, as higher levels have fewer restrictions on public access and less restrictive setback requirements. OWW2's proposed facilities, including effluent storage and irrigation, will be under the jurisdiction of DEQ and will meet all regulatory requirements. The environmental analysis has shown that there would be no significant adverse effects from OWW2's intended level of treatment, and that it is appropriate for this location and use. There is no regulatory or environmental need for DEQ to require a higher level of treatment.

Odor

Concerns about possible odor are understandable. Most odors, however, are associated with raw sewage and solids, and not with properly treated effluent. As described in the EA, as long as the ponds are operated and maintained to keep them sufficiently aerated, the treated effluent will be odor free. Proper processing allows any organic materials to be converted to biological material and settle out. With the removal of organic material, there would be no odors from the effluent, and irrigation with the treated effluent will not create odors. By locating all facilities at least 300 feet from the parcel boundary and roads, there is further assurance that neighbors or the public would not be affected by odors. It would be more logical to be concerned that existing facilities at OWW2 have a greater potential to produce offensive odors because they do not properly treat, store, or irrigate with the effluent at the current time.

Wildlife

Many commenters noted that Section 25 provides habitat for wildlife, especially deer and elk. The environmental analysis shows that there would be no significant adverse effects to any species, and that habitat would actually be improved. Some hiding cover would be lost, but approximately 100 acres of high quality forage would be created by the conversion to an irrigated grass field. Restricted public access and an overall decrease in human activity and potential harassment, in addition to the improved forage conditions, would provide a more desirable site for wildlife and would tend to increase wildlife use.

Section 25 is within a high priority deer migration corridor, as identified by ODFW. Minimal disruption of existing migration routes and displacement of animals are expected from the facilities. Existing migration patterns would continue, as a large portion of the parcel conveyed would remain open or undeveloped. The parcel would continue to provide open space but would have an added benefit of improving forage habitat. Further development of nearby private lands would make Section 25 more critical for migration of deer and elk in the future. The value and integrity of the property as open space and for migration habitat would be maintained or improved. Hunting would not be allowed, which would also make the site more desirable for the animals.

The irrigated grass and storage ponds would improve habitat for other wildlife as well, including waterfowl and birds. This could provide wildlife viewing opportunities to neighboring residents or those traveling through the area on Foster Road. Habitat for a variety of species could improve further with some management of the property. Any perimeter fencing would be to ODFW and County specifications and designed and sited to not interfere with wildlife migration or movement.

Visual Quality

The proposed siting of the facilities would exceed all setbacks required by local ordinances or regulations. The scenic resource analysis in the EA has shown that there would be little visual impact from the facilities. Buildings and other structures would be kept to a minimum, as only a small maintenance building is planned. The ponds and irrigated grass fields would change the site to a more agricultural setting but retain its sense of open space and rural landscape. The remainder of the property would remain essentially as it is. OWW2 has offered to use a different type of fencing around the ponds instead of chain link, in an effort to make the facilities more visually appealing yet still meet regulations, even though they would be more than 300 feet from roads or adjacent lands. Landscaping and existing vegetation would be used to further screen and buffer the facilities.

Environmental Justice or Social Disparity

Executive Order 12898 directs each federal agency to make achieving Environmental Justice part of its mission by addressing effects of its activities on minority and low-income populations. A presidential memorandum emphasizes the need to consider and disclose these effects during an environmental analysis. The memorandum clarifies that the order is also intended to promote nondiscrimination in federal programs substantially affecting human health and the environment.

The purpose of my decision to sell land to OWW2 is to provide for proper waste disposal facilities for OWW2 residents and to improve water quality by helping to resolve existing groundwater contamination problems. This would help promote and provide for the health and safety of the residents of OWW2, as well as other residents and resources in the vicinity and in the larger Deschutes Basin area. In 1997, USDA Rural Utilities Service identified Oregon Water Wonderland Unit II as being a low-income community. My decision to implement Alternative C would help the community and benefit this low-income population. It allows the needed facilities to be constructed and operated within the budget approved by the voters, and at rates that residents can afford. As described previously, this is supported by USDA Rural Utility Service and is within their ability to fund.

Alternative A, the No Action alternative, would disproportionately and adversely affect this low-income community by denying a viable and affordable solution to their sanitation and environmental needs. Their ability to use their own property would be adversely affected, and the value could decline due to the lack of acceptable sewage disposal facilities.

With no other option available to OWW2, selection of the No Action Alternative would mean that OWW2 would continue to be in violation with DEQ and subject to fines and civil penalties. Sunriver would still not be an option, unless the low-income residents relinquished or sold their property to others who could afford the higher sewer rates that would be imposed by SRLP. In that case, the No Action alternative would also have the adverse effect of driving these low-income residents from their homes and land.

Agency Support for the Project

Both the State of Oregon and Deschutes County encourage the use of reclaimed treated wastewater for beneficial purposes

and have rules and regulations to help make the use possible. With competing water uses and increasing demands for groundwater, the ability to reuse wastewater should continue to be encouraged and expanded.

DEQ agrees that the proposed improvements and upgrades to the OWW2 system are imperative to protecting surface water and groundwater in the vicinity. Water quality protection is the underlying purpose for the project. The need to meet DEQ standards is what prompted the need for the project several years ago. DEQ has given OWW2 until November 2003 to remedy their environmental violation. Although DEQ sees the benefit of a regional system for the area and would support OWW2's use of the Sunriver system, they are aware it has not been shown to be feasible. DEQ has expressed their support of Section 25 as the best implementable option. The proposed modifications to the site plan and relocation of ponds and irrigated grass fields have received DEQ's support.

Deschutes County demonstrated its support to OWW2 and for the potential use of National Forest land early in the process in a 1999 Memorandum of Understanding between the Board of County Commissioners and the Deschutes National Forest, related to continued cooperation to implement the goals of the Regional Problem Solving (RPS) Project for Deschutes County. The Memorandum of Understanding (MOU) establishes actions and processes by which the participants are to implement agreed upon solutions to the County's RPS goals and solutions, in accordance with Oregon's RPS statute. The RPS Project required the collaboration of local, state, and federal agencies to identify and resolve significant land use problems. The MOU notes that inadequate sites for individual septic systems in this area have the potential to affect groundwater and surface water and can potentially threaten the Upper Deschutes Wild and Scenic River and State Scenic Waterway. The RPS Project identified a variety of possible solutions for this and other issues.

The County and Forest Service mutually agreed to support the expansion of existing developed sewer systems or installation of new systems to help manage waste collection and disposal in an environmentally acceptable manner in order to protect the quality of the groundwater and the Deschutes River. The County and the RPS Project stakeholders identified OWW2 as a promising candidate to help solve groundwater issues. Furthermore, it was recognized that OWW2 is a suitable candidate to go forward with a proposal for sewer improvement and expansion, but they may need National Forest lands to help accomplish this. A sale of land or issuance of a special use permit are two of the possible methods identified for consideration to enable the use of National Forest land. Deschutes County and the Forest Service agreed to support and assist in efforts to identify suitable National Forest lands for expansion of the OWW2 sewer system, if there are no reasonable alternatives on private land.

OWW2 has spent a great deal of time and effort in pursuing potential private land options, most notably, a Sunriver option. Even with the help of various State agencies and Deschutes County, it could not be demonstrated that a Sunriver option is possible to implement. The costs of going to this privately owned sewer system are well beyond what the low-income OWW2 residents can afford. This has been substantiated by the Rural Utilities Service, based on income and expense guidelines. Sunriver Resort is a for-profit corporation, whose goal of profit making appear to be at odds with providing and affordable solution to OWW2's environmental problems. Neither OWW2, SRLP, the County, the State, nor the Forest Service has been able to help make this an affordable and viable solution for OWW2. Sunriver Resort's fees are above what the residents can afford; OWW2 is limited by the funds that are available to them and by the terms of the voter-approved ballot funding measure; and there are no additional County, State, or Federal public funds available to give to Sunriver Resort to offset the costs they propose to charge in order to make this affordable to the residents. Therefore, the Forest Service has determined that there are no reasonable private land alternatives available.

Deschutes County should also be able to reach this same determination and proceed with efforts to support and assist OWW2 in the use of the Section 25 parcel. The individual MOUs completed by the County with OWW2 and with the Forest Service recognize that County support will be given to the District's need for facility expansion. Again, the acquisition of National Forest land for expansion is identified in both MOUs as an option "if there are no reasonable alternatives on private land." The County and State have indicated that there would be administrative processes and approvals needed for the OWW2 project to be compatible with local land use laws and regulations. The County has also indicated that if a special use permit is granted while lands are in federal ownership, existing uses are "grandfathered" and

accepted by the County when the land converts from National Forest land to private ownership. The Forest Service's previous experience in similar situations for Sunriver Resort and the City of Sisters demonstrated that the County and State are supportive of the use and acquisition of National Forest land to help resolve groundwater contamination and community sewage disposal problems. In both of these cases neither the County nor the State expressed any opposition to the conveyance or issuance of a special use permit, and were helpful in assisting the proponents acquire needed land use and siting approvals.

The State has expressed the common goal of helping OWW2 obtain affordable monthly sewer rates and a manageable and sustainable system. Once the County and State review the financial information, I am confident that they would be able to make the determination that there are no other reasonable alternatives on private land and take needed administrative actions to help make OWW2's proposed use compatible with applicable land use designations. This would allow the groundwater pollution problems to be resolved and fulfill the County's promised obligation to assist OWW2 in acquiring National Forest lands. Part of this obligation includes assisting OWW2 in planning efforts and completion of land use applications to allow the expanded sanitary facility, as stated in the December 8, 1999 MOU between the Board of County Commissioners and the OWW2 Sanitary District.

PUBLIC INVOLVEMENT

A Notice of Public Scoping letter was mailed to more than 1,000 addresses on March 7, 2001. These included addresses in Oregon Water Wonderland Unit II, addresses near the Vandeventer site, known interested parties, and others on existing Forest Service mailing lists. News articles about the project were published in local newspapers, and the proposal has been listed in the Schedule of Projects published by the Deschutes and Ochoco National Forests and Prineville District BLM.

On June 4, 2001, a Supplemental Scoping letter was mailed to about 230 addresses within 1/4 mile of Section 25 to inform them that the Section 25 parcel was being considered as an alternative, and to provide these residents an additional opportunity to comment. The Forest decided to extend the comment period until July 20, 2001 in conjunction with scoping efforts occurring concurrently with the proposed sale of the Bend Pine Nursery property in Bend. The total scoping period was 136 days in length, and comments continued to be accepted beyond the July 20th date. As a result of these extended scoping efforts, comments from 95 letters, faxes, emails, or personal contacts were received and used to help define issues and guide the environmental analysis.

On November 9, 2001, copies of the Environmental Assessment were sent to those who requested one, or otherwise made available for public review. A Notice of Public Comment Period was mailed to more than 1,200 addresses, published in the Bend Bulletin newspaper, and posted to the website for the Deschutes National Forest. Forty-six individuals, groups, or agencies provided comments, which were categorized and responded to in the Forest Service's Response to Comments documents prepared in April 2002.

FINDING OF NO SIGNIFICANT IMPACT

I have determined that implementing this decision and conveying 480 acres of National Forest land out of federal ownership for the described community need is not a major Federal action that would significantly affect the quality of the human environment; therefore an Environmental Impact Statement will not be prepared. This determination is based on the site-specific environmental analysis documented in the Environmental Assessment and supporting documents which describe direct, indirect, and cumulative impacts of this decision. This determination is also made with consideration of past, present, and reasonably foreseeable future actions on National Forest System land and other ownership's within potentially affected areas that could have a cumulatively significant effect on the quality of the human environment.

I have found the context of the environmental effects of this decision is limited to the local area and is not significant. I have also determined the severity of these impacts is not significant, considering the following ten factors of intensity:

1. The analysis considered both beneficial and adverse effects. (EA Environmental Effects Section IV, pages 14-37).

2. There are no known adverse impacts to public health and safety. There will be a beneficial effect of improving regional water quality and sanitation for the OWW2 community. (EA, Water Resources effects, pages 31-32).
3. There will be no significant adverse impacts to unique characteristics of the geographic area such as proximity to historic or cultural resources, wetlands, wild and scenic rivers, floodplains, prime farm lands, old growth forests, range and forest land, or ecologically critical areas. A restrictive deed covenant will ensure protection of the small wetland area. The decision will help ensure that the features and water quality of the Upper Deschutes Wild and Scenic River are maintained or improved. (EA pages 35-37).
4. The effects of implementation of this decision are not likely to rise to the level of scientific controversy as defined by the Council of Environmental Quality. There has been no scientific dispute or controversy concerning the existing water quality and sanitation problems or the remedy that conveyance of the Section 25 property would help provide. The EA provides factual information to support the decision.
5. Based on previous similar actions in the area the probable effects of this decision on the human environment are well known and do not involve unique or unknown risks. Recent land conveyances from the Forest Service to Sunriver Resort and the City of Sisters for similar reasons and similar uses support this conclusion. OWW2's facilities would use accepted technology and designs appropriate for this situation. (EA pages 11-13).
6. This action does not set a precedent for future actions which may have significant effects, nor do these actions represent a decision in principle about a future consideration.
7. This decision is made with consideration of past, present, and reasonably foreseeable future actions on National Forest land and other ownerships within potentially affected areas that could have a cumulatively significant adverse effect on the quality of the human environment. I find there to be no such cumulative significance.
8. Field surveys for sites eligible for listing in the National Register of Historic Places have been completed. There are no eligible historic or archaeological sites on this parcel. Conveyance will not contribute to the loss or destruction of significant scientific, cultural, or historic resources.
9. As described in the Environmental Assessment and documented in the project records, this action will have no adverse impact to any threatened or endangered species of animal or plant. (EA pages 33 and 35).
10. This action does not threaten to violate Federal, State, or local laws or requirements imposed for the protection of the environment. This decision will help resolve OWW2's existing environmental violation imposed by the Oregon Department of Environmental Quality for wastewater storage and disposal. This decision will help improve and protect water resources. (EA pages 1-2 and 31-32).

OTHER FINDINGS

This decision is consistent with the direction contained in the 1990 Deschutes National Forest Land and Resource Management Plan and amendments.

This decision is consistent with National Forest strategic goals and emphasis areas. This decision meaningfully contributes to accomplishments for land health and community benefits, including clean water and enhanced community capacity. This decision responds to four of the six top priorities for the Pacific Northwest Region: clean up the water, contribute to community vitality, provide services and benefits for people, and reduce the intensity of wildfire.

This decision is in compliance with Executive Order 12898 "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations". No minority or low-income populations would be disproportionately adversely affected with the selected alternative, but a low-income population would be adversely affected with the No Action alternative.

This decision is consistent with similar decisions made previously for the Deschutes National Forest authorizing land conveyances to other local communities (Sunriver and Sisters) for similar purposes of wastewater or sewage management.

This decision is within the authority given the Forest Service by the Bend Pine Nursery Land Conveyance Act (P.L. 106-526).

The conveyance complies with Executive Orders 11988 and 11990 which address floodplains and wetlands. The parcel is not within a floodplain and does not meet the criteria for Executive Order 11988. The 7-acre wetland area within the parcel would not be affected by the conveyance. A protective covenant will be included in the conveyance deed, and OWW2 has no future plans to develop the wetland and is planning to keep the wetland as a natural area. The existing trespass violation by the neighboring property owner will be resolved by the Forest Service and the area will be restored prior to conveyance of the property.

Irreversible and irretrievable commitments of resources are minimal and do not include impacts to timber production, wildlife habitats, or soil production. The decision is consistent with the interim Inland Native Fish Strategy because conveyance would help improve regional water quality which would have a beneficial effect on aquatic species.

An investigation has been made, and there are no known hazardous waste locations on the parcel.

Other than the protective covenant for the 7-acre wetland site, it has been determined that no other restrictions are needed to protect public resources.

ADMINISTRATIVE REVIEW AND APPEAL PROCEDURES

This decision is subject to administrative review (appeal) pursuant to 36 CFR 215.7. Any written notice of appeal of this decision must be fully consistent with 36 CFR 215.14 and must include the reasons for the appeal. A written notice of appeal must be filed with the Regional Forester within 45 days of the date legal notice of this decision appears in The Bulletin newspaper (Bend, Oregon). File a notice of appeal with:

Linda Goodman, Acting Regional Forester
ATTN: Appeals
USDA Forest Service, Pacific Northwest Region
P.O. Box 3623
Portland, Oregon 97208-3623

Further information about this decision can be obtained from Alice Doremus at the Deschutes National Forest Headquarters, 1645 Highway 20 East, Bend, OR 97701, telephone 541-383-5580.

IMPLEMENTATION

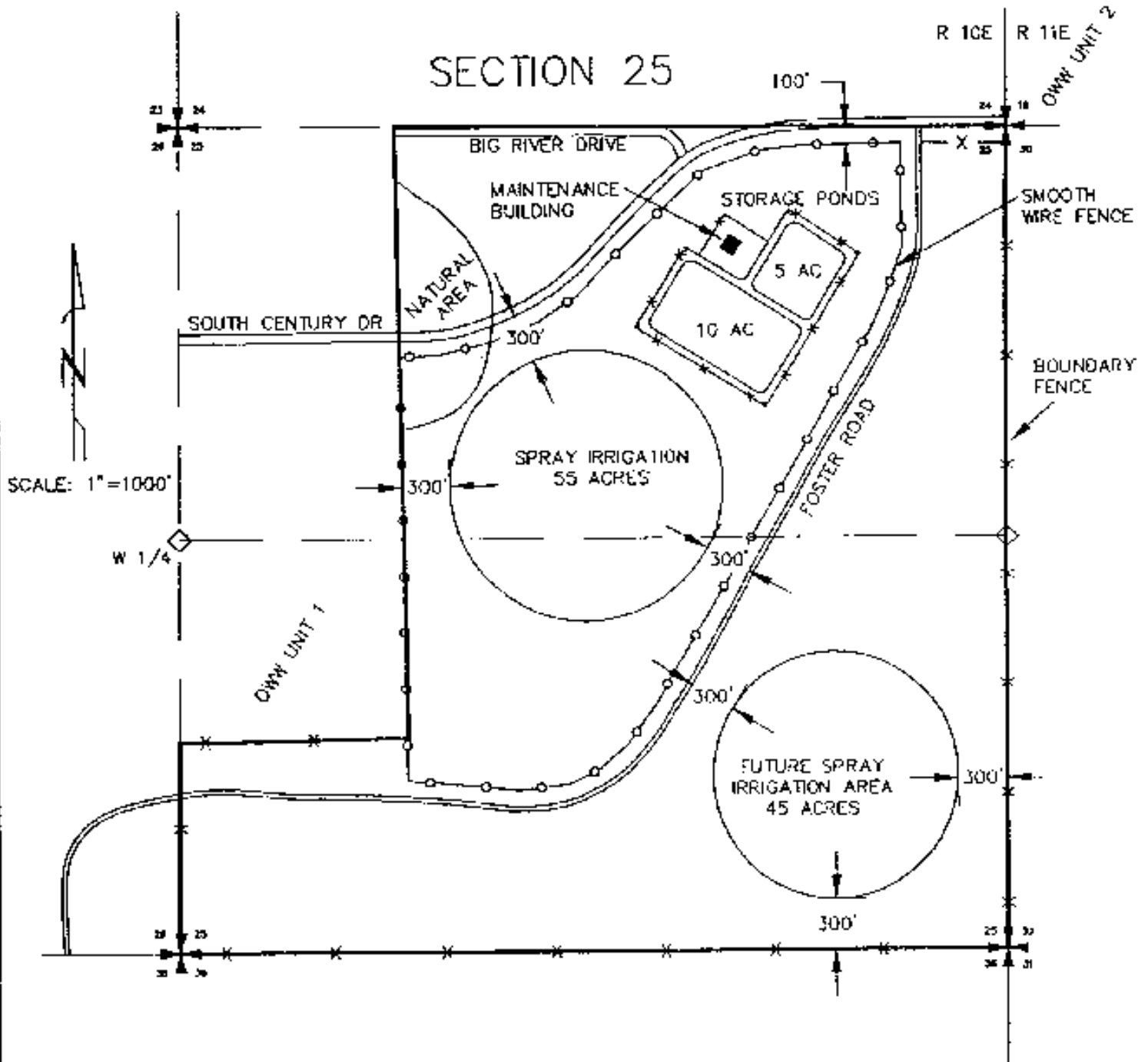
If no appeal is received, implementation of this decision may occur on, but not before, 5 business days following the close of the appeal filing period. If an appeal is received, implementation may not occur for 15 days following the date of appeal disposition.

/s/ Leslie A. C. Weldon
LESLIE A. C. WELDON
Forest Supervisor

June 17, 2002
Date

REVISED DRAFT OREGON WATER WONDERLAND UNIT 2 SANITARY DISTRICT RECLAIMED WASTE WATER STORAGE AND IRRIGATION SITE

SECTION 25



THE ENGINEERING INC

TYE ENGINEERING, INC.

725 NW HILL, BEND, OREGON 97701 (541) 389-6959

DATE: APRIL 2002

SCALE: 1"=1000'

DRAWN BY: P.A.T.

DWG #: 476-07G

[Deschutes and Ochoco National Forests Website](http://www.fs.fed.us/centraloregon/manageinfo/nepa/documents/bendfort/wonderland/oww2dn.html)

<http://www.fs.fed.us/centraloregon/manageinfo/nepa/documents/bendfort/wonderland/oww2dn.html>

Last Update: 6/20/02

R.A. Jensen