TOWN OF LAKEVIEW RESOLUTION NO. 1154

AN RESOLUTION CONCERNING THE TOWN OF LAKEVIEW BARRY WELL GEOTHERMAL HEATHING SYSTEM UTILITY IN THE SOUTH INDUSTRIAL AREA OF LAKEVIEW OUTLINING AND RECONFIRMING THE ECONOMIC OPPORTUNITY FOR PRIVATE BUSINESSES, AND COUNTY BUSINESSES IN THE LAKE COUNTY INDUSTIRAL PARK TO HOOK INTO THE RETURN HEAT BEFORE RETURNING TO THE BARRY GEOTHERMAL WELL.

WHEREAS, on June 3, 2011, the Town of Lakeview ("Town) outlined the Town applied for a USDA, Rural Development loan to construct the Barry Well geothermal heath system to provide hot water and space heating for the needs of the 5 school facilities and the hospital facilities; and

WHEREAS, the Barry Well geothermal resource was also made available to the County owned and privately owned property and buildings in the south industrial areas; and

WHEREAS, the Town is defining the areas in the south industrial area, specially all private and county businesses located on South M Street between South 9th Street and Kadrmas Road, in Lakeview, Oregon; and

WHEREAS, Exhibit A ("Exhibit A") will be part of this resolution; and

WHEREAS, former Town Manager, Ray Simms outline of the use of the Barry Well Geothermal will be Exhibit B ("Exhibit B") and will be part of this resolution; and

NOW THEREFORE BE IT RESOLVED, the Lakeview Town Council hereby approves this area to be available to those located in the heretofore mentioned geographic area for the economic development and betterment of the Town of Lakeview.

ADOPTED by the Lakeview Town Council during its regular meeting on the 29th of June 2023 when the Fiscal Year 2023-2024 budget was unanimously approved and adopted.

THE TOWN OF LAKEVIEW RESOLVES as FOLLOWS:

1. The Town hereby adopts the geographical area in the south industrial park, both private and county owned businesses have access to the Barry Well return geothermal heat.

Adopted by the Town of Lakeview Town Council on August 22, 2023.

_____<u>5</u> In Favor ______0 Opposed

Town of Lakeview, Oregon

Raymond Turner, Mayor

Dawn Lepori, Town Recorder

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Exhibit A



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Exhibit B

Ray Simms 6/3/2011 10:16 AM Geothermal in Lakeview Area

Geothermal in Lakeview Area

Within the last month the Town of Lakeview has applied to USDA, Rural Development for a \$3.715 million loan to construct the geothermal heating system that will provide the hot water and space heating needs of the 5 school facilities and the Hospital facilities, all within the Town of Lakeview. The resource will also be available to the County owned and privately owned property and buildings in the south industrial area. Negotiations with the Health District regarding a service agreement are in the final stages. The project is projected to be operational by September 2012

This project has been supported by a \$40,000 feasibility study grant from the State of Oregon, a \$100,000 USDOE grant to the South Central Oregon Economic Development District to prepare the environmental assessment and by a \$1,000,000 ODOE ARRA grant for retrofit work in the schools.

A \$200,000 HUD appropriation for geothermal development (2006 by Senator Wyden and supported by Senator Smith and Congressman Walden), the loan, and a Business Energy Tax Credit, (pass through) will pay for the construction of the system. In addition, the Town will have invested between \$75,000 and \$100,000 in legal, environmental, engineering and lease costs to get to this point.

The project is expected to cost less than the amount requested by the loan application. However it has been recommended we asked for excess loan capacity. Although the ARRA funds originate with the Federal Government, and are of great benefit to the Schools, the Town has not been able to secure significant grant funds for construction of the system. The Town appreciates your continued effort to identify funding for this project that could reduce the final costs. This is not only an important renewable energy project but, an important air quality project as well. Lakeview has been and is likely to again be an EPA air quality "Non-Attainment" area.

The Town has also completed feasibility studies on a Downtown Geothermal Heating system and power generation using possible excess capacity. These were funded by a \$40,000 grant from ODOE. Other energy related projects for the Town include an energy efficiency ARRA project for pumps and motors in lift stations, \$110,000 and a solar emergency back-up power supply for our Emergency Service Building, \$24,500.