

February 14, 2026

Submitted By: Dan Scalas, P.E. & C.W.R.E.

On Behalf Of: City of Chiloquin

Testimony in support of: Senate Bill 5701: Relating to the failing wastewater treatment plant and subsequent replacement for the City of Chiloquin, Oregon.

Submitted to: Joint Ways and Means Subcommittee on Capital Construction

Dear Co-Chairs Girod, Nosse, and members of the committee, My name is Dan Scalas and I am representing the City of Chiloquin, Oregon as the Contract City Engineer. I am submitting this testimony in support of SB 5701 on behalf of the City of Chiloquin. The City of Chiloquin is located at the confluence of the Sprague and Williamson Rivers, provides water and wastewater services to 770 residents, of which more than 53% are Native American. The City's existing wastewater treatment plant (constructed in 1976) discharges treated wastewater directly into the Williamson River, which is home to the C'waam and Kaptu (Lost River and Shortnose Sucker). Both species are federally listed on the endangered species act and are culturally significant fish to the Klamath Tribes. Additionally, the river is now home to the return of Chinook salmon.

The City's wastewater treatment plant has been out of compliance with its discharge permit since 2003 and subsequently an MAO (Memorandum of Agreement and Order) was issued by DEQ in 2007. The City has been working towards replacing the treatment plant since 2007. Currently, the treatment plant is experiencing emergency failures including multiple blower failures and chlorine contact chamber deterioration. In 2016 DEQ also issued a new NPDES permit which has new limits for phosphorus and temperature which the current plant was never designed to treat. The proposed replacement for the plant is to utilize a lagoon system and irrigation to farm crops with the effluent, so that the wastewater no longer discharges into the Williamson River.

The City has encountered challenges that have setback the construction and made funding difficult to obtain. The City fought through 3 rounds in the Land Use Board of Appeals that set the project back 3 years but received final land use approval in 2024. The plans and specifications are approved by DEQ, and the City is ready to construct. However, due to the current financial state of the City, they are having difficulty securing the remaining funds (\$4.2M) to construct the project. The estimated cost of construction is \$8.1M, of which \$3.8M is secured: \$2.1 from Indian Health Services (Federal Funds) and \$1.6M from Business Oregon (\$910,00 loan, \$750,000 loan forgiveness of State funds). The residents currently pay \$51.28 per month for sewer services (not including the increase to repay the Business Oregon loan). The City's affordability index is \$36.10, so the residents really cannot take on more loan.

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The treatment plant is truly on its last legs, and a catastrophic failure is looming. Last month we thought these fears had come true when both plant blowers failed within a week, one motor failure and the other a compressor failure. Luckily, City staff was able to scab the two blowers together to keep the plant running, but there is no backup or redundancy. I respectfully encourage you to partner with the City of Chiloquin, the Klamath Tribes and regional residents of greater Chiloquin in providing the final funding gap to complete their project.

Respectfully,

A handwritten signature in black ink that reads "Dan Scalas". The signature is written in a cursive style with a large, stylized 'D' and 'S'.

Dan Scalas, P.E. & C.W.R.E.

City Engineer



City of Chiloquin Wastewater Treatment Plant

The City of Chiloquin is requesting **\$4.3 million** to close the remaining funding gap for a **thoroughly planned, shovel-ready wastewater treatment plant** required for DEQ compliance and public health protection.

Project Snapshot

- **Total Project Cost:** \$8.1 million
- **Funding Secured:** \$3.8 million
 - **Indian Health Services (Federal): \$2.1 million**
 - Business Oregon (State): \$1.6 million
- **Funding Gap:** \$4.2 million
- **Status:** Ready to break ground

Why This Project Is Urgent

- The city is operating under a **DEQ Mutual Agreement and Order (MAO) since 2007**
- The existing plant cannot meet original permit discharge requirements due to age.
- The **existing wastewater plant cannot meet new DEQ permit discharge requirements**
- The plant is **50 years old and beyond its useful life**, and requires constant emergency fixes
- In **January, both blowers failed**, placing the system at immediate risk
- **This is a compliance and public health necessity, not an optional upgrade.**

Environmental Protection

- The current system **discharges directly into the Williamson river which contains Klamath Tribes culturally significant Lost River and Shortnose Sucker as well as Chinook Salmon**
- The new lagoon-style system will **discharge through irrigation**
- This eliminates direct river discharge and significantly reduces environmental risk

Equity and Tribal Impact

- **Over 53% of Chiloquin residents are Tribal members**
- The majority are members of **The Klamath Tribes**
- The project directly serves a **historically underserved rural and Tribal community**

Project Readiness

- Land for the facility has already been **purchased**
- Engineering and planning are complete
- A **four-year delay caused by a LUBA appeal** has been fully resolved
- **DEQ is preparing to issue the public notice for the project permit**

Chiloquin has done the work, secured half the funding, cleared legal hurdles, and is ready to build.

We need a state partner to help finish the job.



The Klamath Tribes Tribal Council

February 12, 2026

To Whom It May Concern,

On behalf of The Klamath Tribes, we write to express our strong support for the City of Chiloquin's request for funding to build its new wastewater treatment plant project.

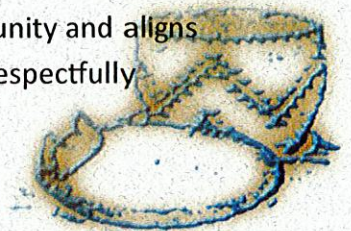
The City of Chiloquin serves a community where more than half of the residents are Tribal members, many of whom are members of The Klamath Tribes. As such, the condition of the city's core infrastructure, particularly wastewater treatment, directly and significantly affects the health, well-being, and quality of life of Tribal families.

The City of Chiloquin is currently operating under a Mutual Agreement and Order with the Oregon Department of Environmental Quality, and its wastewater treatment plant no longer meets modern regulatory standards. The aging facility has experienced critical failures and continues to pose risks to public health and the environment.

The environmental benefit of this project is of critical importance to The Klamath Tribes. The existing system discharges treated waste water directly into the Williamson River, as well as the current treatment plant is in very close proximity to the river, there is deep concern for a catastrophic failure due to the aged condition of the equipment resulting in an un-treated discharge of raw sewage in to our pristine river. While the proposed lagoon-style treatment facility will discharge through irrigation, it is over a mile from the river, eliminating direct river discharge. Protecting water quality is critical to Tribal values, cultural practices, and long-term stewardship of natural resources. This includes protecting culturally significant species such as the Lost River and Shortnose Suckers, as well as the newly reestablished Chinook Salmon, which are vital to Tribal culture, history, and ecological restoration efforts.

This project represents an essential investment in a rural, Tribal-serving community and aligns with shared goals of environmental protection, public health, and equity. We respectfully

501 Chiloquin Blvd. – P.O. Box 436 – Chiloquin, Oregon 97624
(541) 783-2219



encourage support for the City of Chiloquin's request for the remaining funding needed to complete this critical infrastructure project.

Thank you for your consideration and for your continued support of Tribal and rural communities.

Sincerely,

A handwritten signature in black ink, appearing to read "William E. Ray Jr.", with a stylized flourish at the end.

William E. Ray Jr.
Chairman
The Klamath Tribes