



TOWN OF LAKEVIEW

525 N. 1st Street • Lakeview, OR 97630
541-947-2029 General Business 541-947-2952 Fax
www.lakevieworegon.org

AGENDA

**TOWN OF LAKEVIEW
TOWN COUNCIL
WORK SESSION
JANUARY 24, 2012
3:00 P.M.**

- I. **CALL TO ORDER**
 - A. Pledge of Allegiance

- IV. **NEW BUSINESS**
 - A. Geothermal Project Review
 - B. Additional Financial Security for USDA Loan

- V. **EXECUTIVE SESSION**
 - A. ORS 192.660(2)(d)

- IV. **ADJOURNMENT**

Town Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Christy Sarina, 541-947-2029. The Public Law does not require that every proposed item of business be described on the notice. The law requires a reasonable effort to inform the public and interested person, including news media, of the nature of the more important issues (“principal subjects”) coming before the body.

**RE: Town Security**

Thursday, January 26, 2012 1:03 PM

From: "Swires, Pam - RD, Redmond, OR" <pam.swires@or.usda.gov>
To: "Ray Simms" <lakeviewtownmanager@yahoo.com>
Cc: "Darryl Anderson" <darryla@andersonengineering.com>

Ray

The way Portland sees it...with the two Districts' it's a concentration of risk for the RD loan security. If we were talking about a community-wide user base (like water users) then the security is spread over a greater number of "units" and there is far less risk.

An additional assured source of revenue must be identified and pledged for our participation. If the Town is agreeable, we could look at franchise fees. It sounds like there is some concern regarding the dedication of these funds for public safety. ***This security would only be used in the event of a default on the part of one or both of the Districts. The revenue bond would reflect this.*** RD can look at alternative security sources that the Town might propose. For example:

- >GO Bond
- >Assessments
- >Bonds which pledge other taxes
- >Assignment of assure income which will be available for the life of the loan

RD cannot obligate funds until the security has been identified and agreed upon in the Letter of Conditions (obligation of the RD funds).

The Town will have to make a decision, in writing to RD, regarding this additional security prior to obligation of the RD loan. Please do not hesitate to contact me if you have further questions.

Regards,

PAM SWIRES
Community Program Specialist
625 SE Salmon Ave, Ste 5
Redmond, OR 97756
Desk: (541) 923-4358, ext. 137
Cell: (541) 914-6815
Fax: (541) 504-4396

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http://www.rurdev.usda.gov/OR_Home.html

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From: Ray Simms [mailto:lakeviewtownmanager@yahoo.com]
Sent: Thursday, January 26, 2012 10:03 AM
To: Swires, Pam - RD, Redmond, OR
Cc: Darryl Anderson
Subject: Town Security

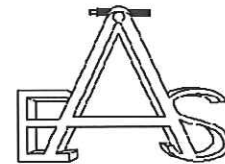
Pam,

I discussed the question of offering the revenue of the water and sewer utility operations of the Town as additional security for the RD loan for geothermal development with John Bogardus, our General Counsel. He, as well as I, believed that the purpose of the revenue bond is to provide that security. I/we need further explanation of why this additional security is requested.

It probably is possible to allow the requested security. However that would be a decision of the Town Council. They would need to see a draft of whatever instrument would be used to effect the security and our legal counsel's input. We would likely also confer with Bond Counsel as well.

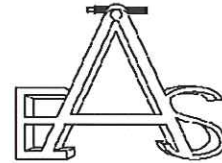
Ray Simms, Manager
Town of Lakeview

**Engineers Opinion of Probable Costs
Barry Well
Lakeview Geothermal Project
Lakeview, Oregon**



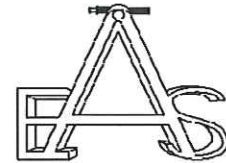
ITEM	DESCRIPTION	UNIT	QUANTITY	COST/UNIT	TOTAL COST
1	Mobilization/Demobilization	L.S.	1	\$50,000.00	\$50,000.00
2	Supply Piping - 4 inch	L.F.	20,000	\$51.00	\$1,020,000.00
3	Return Piping - 4 inch	L.F.	18,200	\$43.00	\$782,600.00
4	Pipe Bedding	C.Y.	6,400	\$12.00	\$76,800.00
5	Backfill Aggregate	C.Y.	2,100	\$25.00	\$52,500.00
6	Pump, Well House, Sitework	L.S.	1	\$150,000.00	\$150,000.00
7	Asphalt Trench Patch	TON	150	\$140.00	\$21,000.00
8	Telemetry and Controls	L.S.	1	\$25,000.00	\$25,000.00
9	New Production Well - 8 inch	L.F.	1,300	\$125.00	\$162,500.00
10	New Re-injection Well - 8 inch	L.F.	1,300	\$125.00	\$162,500.00
11	Bore Under Roads	EA.	4	\$5,000.00	\$20,000.00
12	Power To Site	L.S.	1	\$7,500.00	\$7,500.00
13	Cultural Resources Site Monitor	L.S.	1	\$35,000.00	\$35,000.00
14	Total Construction Costs				\$2,515,400.00
15	Construction Contingency at 10%				\$251,540.00
16	Federal, State, Local Planning Public Involvement				\$5,000.00
17	Preliminary Planning				\$50,000.00
18	Engineering Design				\$188,655.00
19	Contract Administration				\$62,885.00
20	Construction Inspection				\$125,770.00
21	Legal and Administrative Fees				\$12,000.00
22	Permits				\$10,000.00
23	ROW Acquisition (Estimated)				\$25,000.00
24	Hydrogeologist				\$18,000.00
25	Archeologist				\$60,000.00
26	Total Estimated Project Costs				\$3,324,250.00

**Engineers Opinion of Probable Costs
Hammersley Well
Lakeview Geothermal Project
Lakeview, Oregon**



ITEM	DESCRIPTION	UNIT	QUANTITY	COST/UNIT	TOTAL COST
1	Mobilization/Demobilization	L.S.	1	\$50,000.00	\$50,000.00
2	Supply Piping - 6 inch	L.F.	22,100	\$53.00	\$1,171,300.00
3	Return Piping - 6 inch	L.F.	19,500	\$45.00	\$877,500.00
4	Pipe Bedding	C.Y.	7,000	\$12.00	\$84,000.00
5	Backfill Aggregate	C.Y.	2,300	\$25.00	\$57,500.00
6	Asphalt Trench Patch	TON	650	\$140.00	\$91,000.00
7	Pump, Well House, Sitework	L.S.	1	\$150,000.00	\$150,000.00
8	Telemetry and Controls	L.S.	1	\$25,000.00	\$25,000.00
9	New Re-injection Well - 12 inch	L.F.	700	\$140.00	\$98,000.00
10	Bore Under Roads	EA.	3	\$5,000.00	\$15,000.00
11	Power To Site	L.S.	1	\$25,000.00	\$25,000.00
12	Cultural Resources Site Monitor	L.S.	1	\$35,000.00	\$35,000.00
13	Total Construction Costs				\$2,629,300.00
14	Construction Contingency at 10%				\$262,930.00
15	Federal, State, Local Planning Public Involvement				\$30,000.00
16	Preliminary Planning				\$50,000.00
17	Engineering Design				\$197,197.50
18	Construction Contract Administration				\$65,732.50
19	Construction Inspection				\$131,465.00
20	Legal and Administrative Fees				\$20,000.00
21	Permits				\$10,000.00
22	ROW Acquisition (Estimated)				\$25,000.00
23	Hydrogeologist				\$18,000.00
24	NEPA Process				\$50,000.00
25	Total Estimated Project Costs				\$3,489,625.00

**Engineers Opinion of Probable Costs
 Utley Well
 Lakeview Geothermal Project
 Lakeview, Oregon**



ITEM	DESCRIPTION	UNIT	QUANTITY	COST/UNIT	TOTAL COST
1	Mobilization/Demobilization	L.S.	1	\$50,000.00	\$50,000.00
2	Supply Piping - 6 inch	L.F.	28,200	\$53.00	\$1,494,600.00
3	Return Piping - 6 inch	L.F.	22,200	\$45.00	\$999,000.00
4	Pipe Bedding	C.Y.	8,400	\$12.00	\$100,800.00
5	Backfill Aggregate	C.Y.	2,800	\$25.00	\$70,000.00
6	Asphalt Trench Patch	TON	400	\$140.00	\$56,000.00
7	Pump, Well House, Sitework	L.S.	1	\$150,000.00	\$150,000.00
8	Telemetry and Controls	L.S.	1	\$25,000.00	\$25,000.00
9	Bore Under Roads	EA.	3	\$5,000.00	\$15,000.00
10	Power To Site	L.S.	1	\$7,500.00	\$7,500.00
11	Cultural Resources Site Monitor	L.S.	1	\$35,000.00	\$35,000.00
12	Total Construction Costs				\$2,952,900.00
13	Construction Contingency at 10%				\$295,290.00
14	Federal, State, Local Planning Public Involvement				\$30,000.00
15	Preliminary Planning				\$50,000.00
16	Engineering Design				\$221,467.50
17	Construction Contract Administration				\$73,822.50
18	Construction Inspection				\$147,645.00
19	Legal and Administrative Fees				\$20,000.00
20	Permits				\$10,000.00
21	ROW Acquisition (Estimated)				\$25,000.00
22	Hydrogeologist				\$18,000.00
23	NEPA Process				\$50,000.00
24	Total Estimated Project Costs				\$3,894,125.00