



BEFORE THE STATE OF OREGON
OREGON HEALTH AUTHORITY
CENTER FOR HEALTH PROTECTION

In the Matter of

Crescent Lake Lodge & Resort Public
Water System

BILATERAL COMPLIANCE AGREEMENT

The Oregon Health Authority, Public Health Division, Center for Health Protection, Drinking Water Services (DWS) and Charles N. Shepard agree to the following:

1. Charles N. Shepard, doing business as Crescent Lake Lodge & Resort, Umbrella Properties, Inc. and Shepard Investment Group, LLC; you are a water supplier (hereinafter “Water Supplier”) as defined in Oregon Revised Statute (ORS) 448.115 and Oregon Administrative Rule (OAR) 333-061-0020. The responsibilities of water suppliers are identified in OAR 333-061-0025.
2. Water Supplier owns and operates the public water system (hereinafter “Water System”), identified by public water system ID# OR4194186 and serving the Crescent Lake Lodge & Resort, located at 22350 Crescent Lake Highway in Crescent Lake, Oregon. The Water System is a transient non-community water system serving approximately 200 people and subject to regulation under ORS 448.115 to 448.290 and OAR 333-061-0005 to 333-061-0272.
3. DWS has reviewed the operation of the Water System pursuant to its authority in ORS 431A.010, 448.150 and 448.255. DWS has determined that water provided by the water system exceeds the maximum contaminant level (MCL) as specified in OAR 333-061-0030 for *E. coli* bacteria. Drinking water with *E. coli* bacteria that constitutes a violation of the MCL represents a potential public health hazard.

E. coli are bacteria whose presence indicates that the water may be contaminated with human or animal wastes. Human pathogens in these wastes can cause short-term effects, such as diarrhea, cramps, nausea, headaches, or other symptoms. They may pose a greater health risk for infants, young children, the elderly, and people with severely compromised immune systems. OAR 333-061-0097.

4. This Bilateral Compliance Agreement (“Agreement”) is entered into between DWS and Water Supplier to address the contamination of the drinking water provided by the Water System. This Agreement establishes the corrective action(s) that Water Supplier must take and the deadlines for completing those actions with the purpose of reducing the contamination in the drinking water below the MCL. The corrective actions and respective deadlines are described in detail below.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Water Supplier is required to meet all the responsibilities for water suppliers described in OAR 333-061-0025.
2. OAR 333-061-0030(4) specifies, in part, that the MCL for *E. coli* applies to all public water systems and is exceeded or violated when an *E. coli*-positive repeat sample follows a total coliform-positive routine sample, or a total coliform-positive repeat sample follows an *E. coli*-positive routine sample.
3. Coliform monitoring reported for the Water System indicates that on November 3, 2023, an *E. coli*-positive repeat sample was reported following a total coliform-positive routine sample reported on October 31, 2023. This constitutes a violation of the MCL for *E. coli* and of OAR 333-061-0030(4).
4. Additionally, one *E. coli*-positive and two total coliform-positive routine samples were reported on November 13, 2023, which also constitutes a violation of the MCL for *E. coli* bacteria.
5. Water Supplier sealed an opening in the wellhead which is believed to have been the source of the *E. coli* bacteria in the water samples described above.
6. Samples reported to DWS on January 19, 2024 and March 5, 2024 indicated the presence of total coliform bacteria and do not allow the violations of the MCL for *E. coli* bacteria to be considered resolved.

CORRECTIVE ACTIONS

Water Supplier agrees to take the following corrective actions and meet the deadlines set out below:

1. Water Supplier shall monitor for coliform bacteria at the Water System every month, according to all the applicable provisions of OAR 333-061-0036(6), beginning at least when the Water System is opened to the public in May 2024.
 - All applicable routine, repeat and source water monitoring shall be conducted at the Water System beginning no later than when the Water System is opened to the public in May 2024.
 - All monitoring shall be reported to DWS within 10 days of the end of the month or following sample analysis, according to the applicable provisions of OAR 333-61-0040(1)(b).
 - Water supplier will have complied with this corrective action and satisfied this Agreement after total coliform bacteria are not present in any routine samples collected from the distribution system at the Water System for two consecutive months.

DWS RESPONSIBILITIES

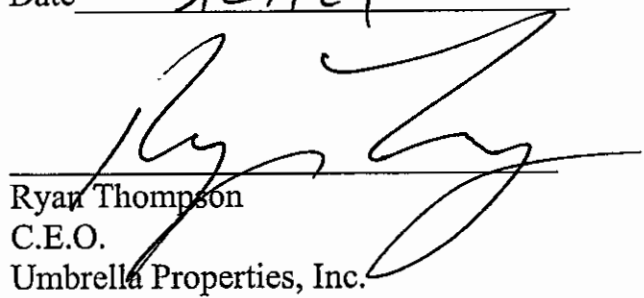
- DWS shall review and approve any corrective action plan or construction plans submitted by Water Supplier within thirty (30) days of receipt. DWS shall approve or require changes to the submitted plans immediately upon completing the review.

GENERAL PROVISIONS

1. Water Supplier satisfies the terms of this Agreement by completing the corrective actions listed above according to the deadlines specified herein.
2. This Agreement does not constitute a waiver, suspension or modification of the requirements of the Oregon Drinking Water Quality Act; ORS 448.115 to 448.285 and administrative rules OAR 333-061-0005 to 333-061-0272, which remain in full force and effect.

3. This Agreement does not relieve Water Supplier of any responsibilities or liabilities established by any applicable federal, state, or local law or regulation.
4. If Water Supplier fails to complete any of the corrective actions listed above or fails to meet any of the listed deadlines, DWS may pursue any enforcement action, which may include assessment of civil penalties or other legal remedies pursuant to ORS 431A.010, 431.155, 448.255 and 448.280. If DWS proceeds with such an enforcement action, Water Supplier will have the right to a hearing.
5. DWS may consider the findings of fact and violations cited in the conclusions of law of this Agreement for purposes of any future enforcement action or sanction involving Water Supplier.
6. Water Supplier is aware of its rights to contest the violations listed in this Agreement in a contested case hearing under the Administrative Procedure Act (Oregon Revised Statutes, Chapter 183) and its rights to judicial review of a final order issued in the contested case. Water Supplier freely and voluntarily waives all rights to a contested case hearing and to all judicial review of the findings of fact or conclusions of law contained in this Agreement in a proceeding brought by DWS to enforce this Agreement.
7. This Agreement may be executed in one or more multiple counterparts, including facsimile, scanned, and electronically transmitted counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

Date 3/27/24



Ryan Thompson
C.E.O.
Umbrella Properties, Inc.

Date 3/27/2024



Samina

Samina Panwhar, Manager
Drinking Water Services
Oregon Health Authority

cc: Russ Kazmierczak, Oregon Health Authority, Drinking Water Services
Lance Lindow, Klamath County Environmental Health