

10-21-15

Judge Shaffer called the regular Gilliam County Court meeting to order at 10:07 a.m. The meeting was held at the Gilliam County Courthouse in Condon, OR. Present were Judge Steve Shaffer, Commissioner Michael Weimar and Commissioner Dennis Gronquist. Absent: None.

IN THE MATTER OF ADDITIONS TO THE AGENDA

Estimate for special testing and inspection services for Road Department Warehouse Replacement Project.

Port of Arlington request for funds for the Arlington TV Co-op.

IN THE MATTER OF GORGE TRAINING FACILITY

RUTE Foundation Systems CEO Doug Krause, Port of Arlington Manager/Economic Development Officer Peter Mitchell, Gilliam County energy consultant Brian Skeahan and legal counsel Will Carey were present for a discussion of the Gorge Training Facility, LLC Test Turbine project. The proposal is to build a test turbine in Gilliam County to facilitate renewable energy education. Columbia Gorge Community College will work with Sherman and Gilliam County high schools to develop a Career Technology Education (CTE) curriculum. The Turbine will also be used by RUTE Foundation Systems as a marketing tool for their turbine foundation footer. RUTE Foundation Systems is looking to sign a Memorandum of Understanding (MOU) with Gilliam County to keep research and development of the Test Turbine moving forward. One of the components of making the test turbine viable would be a Power Purchase Agreement (PPA) for energy produced by the turbine with Columbia Basin Electric Co-op. A 20 year PPA with Columbia Basin would generate income and enable the County to pay back the cost of construction of the tower over a ten year period and later create a revenue stream for continued CTE education. Two stipulations from Columbia Basin are that the Turbine be publicly owned and available for education. Krause informed that if the turbine is constructed and the pre-cast foundation footer is well received, RUTE Foundations intends to build a manufacturing facility at Shutler Station Industrial Park that would create up to 30 new jobs. RUTE has a patent pending for a new type of pre-cast foundation footer. Business Oregon and Oregon Best have given RUTE a loan to conduct engineering research with Portland State University to help facilitate a turbine prototype. One of the advantages of using a pre-cast foundation footer would be compression of the construction schedule which would save approximately \$1 million per turbine project in loan servicing. RUTE currently has a Turbine Supply Agreement (TSA) with General Electric (GE). Construction of the turbine is estimated at \$4.2 million. Brian Skeahan presented several different economic scenarios for Turbine revenue depending on the price in the PPA and the turbine's energy output in an average year. Judge Shaffer informed there are \$2.5 million in grant funds

potentially available to help offset the cost of construction. Along with the PPA, securing grants is a key ingredient to making the Turbine project viable. The plan would be to borrow the cost of construction from future Strategic Investment Program (SIP) funds. There was a lengthy general Court discussion of each scenario and possible variables and how they would affect the Turbine's ability to pay off the construction loan. Will Carey drafted a MOU between Gilliam County and RUTE Foundation Systems, Inc. The MOU would not be binding to either party. Other factors moving forward will be where to site the tower, securing the TSA with GE, the conditional use permit with the County for construction of the tower and avian studies. Commissioner Gronquist asked Krause what it would take to move ahead with construction of the manufacturing facility. Krause said it would require just a single order, since an average order is for 50 turbines. Next was a discussion of the two proposed Turbine sites. Members of the Court discussed the pros and cons of siting the Turbine at Waste Management, who would not charge them a fee, or on private land with a land lease of \$10,000/year. Krause said that ultimately where to site the Turbine will be the site with the most favorable overall conditions. He suggested drawing up leases for both sites. Judge Shaffer proposed hiring either a financial consultant, or a project manager with contracting experience to review all aspects of the project to try and further assess project viability. Judge Shaffer suggested hiring Jeff Schott to vet the project. Commissioner Gronquist reiterated he supports moving forward to study the project's viability, but he is not fully on board without more answers. He stressed that while education is an important component, he is still more interested in the manufacturing facility and the jobs that would be generated. He also stressed the importance of the \$2.5 million in grant funds to help buy down the cost of construction. Skeahan agreed the PPA and grant funds are key to making the project viable. Krause said in a worst case scenario, if the County is not able to get any grant money they could loan themselves the entire \$4.2 million and stretch the payments out 20 years. Judge Shaffer said that revenue for education would be a key ingredient in being awarded grants. Commissioner Weimar asked about the date in the MOU to secure the TSA agreement with GE. Krause thought the date was important to have in the MOU to keep the project moving forward from GE's perspective. Judge Shaffer said the two asks before the Court were the MOU between the County and RUTE and funds for a consultant.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to sign the Memorandum of Understanding with RUTE Foundation Systems, Inc; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

Members of the Court discussed possible consultants and how much money to budget for them. Commissioner Gronquist advocated for a financial consultant and thought it premature to hire a project manager. Judge Shaffer agreed, but had concern about public contracting rules.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to hire a financial consultant with a cap of \$10,000 to help the Court put the project together; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF PIONEER DEVELOPMENT BUSINESS FAÇADE PROGRAM

Pioneer Community Development Corporation (PCDC) Executive Director Kim Farrar was present to tell Members of the Court about PCDC's new Business Façade Improvement Program. PCDC has dedicated \$25,000 they had in their rental housing loan program for façade improvements in Arlington, Condon and Lonerock. In Condon, the program is designed to serve businesses outside of the Historical District which have already been served by the City of Condon. PCDC will provide an 80% grant to a business with a 20% match up to \$5000. PCDC would consider serving businesses adjacent to municipal boundaries if they have funds remaining after city businesses have been served.

IN THE MATTER OF WI INC. AGREEMENTS

Members of the Court resumed discussion of WI Construction Inc. end of lease remaining balance owed to Gilliam County. Judge Shaffer reported that WI Jack Ingram and Gene Williamson agreed in writing on the end of lease amount. Ingram said they can pay the \$31,000, but would like to negotiate a settlement on the remaining amount. Commissioner Gronquist thought the Court should have WI pay the \$31,000 and come back to the Court with suggestions on how to settle on the remaining amount. Members of the Court discussed possible options and agreed to have Judge Shaffer call Ingram and ask him to pay \$31,991.30 by November 15, 2015 and see what other proposals he might have for how to address the balance. If Ingram doesn't agree Carey advised having Ingram sign the promissory note he has drawn up. Members of the Court agreed to allow WI to continue using the batch plant for the Fire Hall and Road Shop projects in Condon.

IN THE MATTER OF DRAFT MARIJUANA ORDINANCE

Legal counsel Will Carey provided a draft marijuana ordinance for Members of the Court to consider. The ordinance includes an emergency clause that would make the Ordinance effective immediately upon adoption. A public hearing is required prior to adoption of the ordinance. Members of the Court discussed how to proceed on the Ordinance as written. Commissioner Gronquist requested information regarding potential restrictions in relation to medical marijuana if the ordinance is adopted as presented.

IN THE MATTER OF PUBLIC HEARING GILLIAM COUNTY TRANSPORTATION PLAN

This being the time and place advertised, Judge Shaffer opened the Public Hearing to receive testimony on the proposed 2015 Gilliam County Transportation Plan. After the Hearing the Court will vote on the adoption of Ordinance No. 2015-02 to delete the 1999

Transportation System Plan and adopt the 2015 Transportation System Plan; declaring an emergency. Judge Shaffer asked for an explanation of the emergency provision in the Ordinance. Colby introduced Planning Consultant, Dan Meader, with Tenneson Engineering Corporation to answer the question. Meader informed that without an emergency provision an approved ordinance would not go into effect for 90 days. Ahead of opening the Hearing, Meader walked the Court through the Hearing procedures. He informed this is a legislative hearing, rather than a judicial hearing, so the Court will be acting as lawmakers in consideration of Ordinance 2015-02. There will be a presentation by Casey Berg of Kittelson & Associates; Meader informed he had been part of the team in preparing portions of the new Plan. Michael Duncan with the Oregon Department of Transportation (ODOT) was also present for the Hearing and would speak ODOT's perspective after Berg's presentation. There would then be room for public comments. Berg stated the objective of the new plan is to address transportation issues going forward in the next 10 to 20 years. The Plan has been designed to build consensus among the cities, Gilliam County and ODOT to assist ODOT in prioritizing funding. The goals reflect mobility, safety and economic development. Kittelson worked with a public advisory committee, of which Commissioner Weimar is a member, which involved meetings and workshops intended to give residents the ability to provide input. They also worked with trucking companies and Waste Management on economic development issues to try and avoid future bottlenecks associated with growth. Projects were broken out in near-term and medium/long term projects prioritized around need and were developed with Road Master Dewey Kennedy. Judge Shaffer asked why Devil's Butte has been designated as a minor collector. Kennedy said that would happen if there was significant future development at Cottonwood Canyon State Park. A near-term project looked at rail issues at Shutler Station with Union Pacific and Watco and those issues are being addressed currently. One possible long range project of interest to community members is a shared use pedestrian/bike path. A feature of the path might be bike hubs for rest and shade. Hubs are something ODOT is working on in the Columbia River Gorge in a public/private partnership model. In the discussion of more expensive and/or pedestrian projects in the Plan, one avenue the County could explore for funding could be 90%/10% federal matching grants. The Lonerock Bridge might be one of those projects. Kennedy informed the bridge is deteriorating faster than anticipated and the load was recently decreased to 10 tons. Next to testify was Michael Duncan who informed that ODOT had several layers of input in the Plan. There was input from Salem on issues like standards and regulations. Duncan participated on a regional basis providing feedback on technical issues and acting as a liaison to the Bend office and at the district level. He also appreciated all of the local input and is pleased with the Plan as well as the process and wholeheartedly recommended adoption. Judge Shaffer asked for public testimony; there being none the Public Hearing was closed.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to adopt Ordinance No. 2015-02 amending the Gilliam County Comprehensive Plan repealing and deleting the 1999 Transportation System Plan and adopting the 2015 Transportation

System Plan and declaring an emergency; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF GILLIAM COUNTY SOIL AND WATER CONSERVATION DISTRICT

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to approve the Gilliam County Soil and Water Conservation District request for budgeted funds in the amount of \$50,000 in fiscal year 2015-16; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF GILLIAM COUNTY FIRE SERVICES

Motion by Commissioner Weimar, seconded by Commissioner Gronquist to approve the Gilliam County Fire Services request for budgeted funds in the amount of \$60,000 in fiscal year 2015-16; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF ARLINGTON COMMUNITY PRESCHOOL

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to approve the Arlington Community Preschool request for budgeted funds in the amount of \$34,000 in fiscal year 2015-16; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF CONDON COMMUNITY FOOD PANTRY

The Condon Community Food Pantry is requesting \$6000 of the \$11,000 in budgeted funds to pay their insurance premium and upcoming seasonal energy costs.

Motion by Commissioner Weimar, seconded by Commissioner Gronquist to grant the request for budgeted funds to the Condon Community Food Pantry in the amount of \$6,000 in fiscal year 2015-16 leaving a balance of \$5,000; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF COURTHOUSE FIRE SUPPRESSION CHANGE ORDER

Before the Court was a change order to replace a louver on the Courthouse roof used to protect water pipes from freezing. The change order was in the amount of \$5,622 and will be paid with grant funds from the Oregon Justice Department.

Motion by Commissioner Weimar, seconded by Commissioner Gronquist to accept change order No. 6 in the amount of \$5,622 for Courthouse Fire Sprinkler System Project; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF ROAD SHOP ESTIMATE FOR MATERIALS AND TESTING

GN Northern, Inc. submitted an estimate for testing and inspection services. They based their estimate on:

- Three site visits for compaction testing
- Three concrete/rebar inspection trips, including 4 concrete cylinders cast each visit
- 2 post installed anchor visits
- 1 high strength inspection visit

The estimate is \$5,881.70.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to accept the GN Northern estimate for materials testing and special inspection services for the Gilliam County Road Department Warehouse project in the amount of \$5,881.70; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF ROADMASTER STAFF REPORT

Roadmaster Dewey Kennedy presented his staff report.

- The Road Department filled the 2 vacant employee positions for the road department and crusher. Brandon Fruitts was hired for the equipment operator position and David Ireland was hired for the crusher laborer; both are working out well.
- Summer chip seal projects have been completed: Rhea lane, Rattlesnake, Cedar Springs Lane and project for the City of Arlington. All projects have been swept and striped.
- Crack sealing: Crews put out almost 26 pallets of crack seal blocks on roads, bridges and city streets in Arlington.
- Realigned a corner on Ferry Canyon just above Jordan Maley's place. The corner was sharp and narrow so they sloped the banks and moved the ditch over 14 feet, improving the line of sight and widening the road. They rebuild the shoulders and will widen the asphalt next summer.
- Road Shop update: the contaminated soil has been hauled to Waste Management. The foundation pads have been formed and the steel rebar has been placed. The building inspector should sign off on the forms and the first concrete pour should be October 22nd. The steel building components have been delivered and are staged o the vacant lot next to Tom and Ann Greiner's home.

- Fall grading started October 12th. The blades are past Condon and are working their way north.
- The crusher is completing crushing base rock, road rock and chip seal rock at the Trail Fork quarry. They will move the plant to the Ajax quarry within the next 2 weeks to produce road rock for the Road Department and ODOT. The road rock will be used for Ajax, Devils Butte and Hay Creek. The chip rock for ODOT will be used to finish their chip seal project from Condon to Wasco. 6000 cubic yards of the rock produced for ODOT will be repayment for the stacker belt, truck belt and gen set the Road Department received from ODOT surplus.
- The Road Department did the last project that was needed on the Lonerock Grade. The Crew blasted a rock point below the stockpile area and softened the corner. Kennedy experimented with Earth Bind on the surface of the grade to see how a hard surface would perform through the Lonerock winter and if the road would require extra maintenance. The road was no worse than any other part of the Lonerock Road and better than Erickson Grade. Kennedy asked the Court to consider providing funds to either pave the grade the rest of the way to Lonerock or do a triple chip seal mat. Kennedy provided estimates for both projects. The paving estimate is \$507,216, triple chip seal: \$298,586.
- Kennedy talked to Don Farrar about a north end building. The Weed Dept. needs a warm place to stage the spray truck during the fall and winter and Road Dept. needs a place for the sander and grader. The Road Department got moved out of the MCP building they have used for the past 2 years and don't have any cover for north end equipment.
- The Road Department lease on the 966 front end wheel loader has expired. Kennedy asked the Court's approval for a new lease to replace the Loader. The Road Department has had a repeating 5 year lease with both the loader and crusher. Kennedy said he piggybacks with another county which negates the need for three proposals. Leanne Durfey asked Kennedy to provide documentation for the file.

Motion by Commissioner Weimar, seconded by Commissioner Gronquist to approve the lease for replacement of the 966M Caterpillar Wheel Loader in the amount of \$374,958.44.; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF THE CONSENT AGENDA

Motion by Commissioner Gronquist, seconded by Commissioner Weimar to approve the consent agenda; 10-7-15 Court meeting minutes and 10-7-15 Executive Session minutes; Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF GORGE TRAINING FACILITY TOWN HALL MEETINGS

Regarding the Gorge Training Facility, Judge Shaffer said that as the project progresses he would like to hold town hall meetings at both ends of the County to provide information and gather public input on the Turbine project.

IN THE MATTER OF TOWN HALL MEETING FOR DRAFT MARIJUANA ORDINANCE

The Court resumed discussion of whether to opt out of all marijuana activity in Gilliam County. Commissioner Weimar asked if the decision the Court makes now would be binding and was informed it would be. Commissioner Gronquist said he would like more information on medical marijuana. Commissioner Weimar agreed. There was discussion of whether to adopt the ordinance as written or make changes ahead of scheduling a public hearing. After a lengthy discussion members of the Court agreed to table the discussion until the November 4th County Court meeting to clarify issues surrounding medical marijuana.

IN THE MATTER OF THE PORT OF ARLINGTON REQUEST FOR FUNDS

The Port of Arlington requested one third of granted funds for the Arlington TV Co-op. Port of Arlington Manager Peter Mitchell informed the request to disperse the grant funds in payments of thirds came from his Board of Directors at the October 2015 board meeting in Condon. Members of the Court thought that to be a reasonable request.

IN THE MATTER OF CONNECT OREGON GRANT

Commissioner Gronquist asked Port of Arlington Economic Development Officer Peter Mitchell for an update on the Connect Oregon Grant for rail at Shutler Station Industrial Park. Mitchell informed he has asked Watco to update the cost of the project, but he has yet to hear back from them. It's a \$350,000 project with a 30% match requirement so the match from the County Court would be \$105,000. However, Mitchell informed that some of that match could be from in-kind materials and services. There was a general Court discussion of the process and leveraging a combination of cash and in-kind services to strengthen the grant application. Members of the Court agreed it was an important grant to apply for.

IN THE MATTER OF DEPARTMENT OF FISH AND WILDLIFE WOLF DELISTING

The Oregon Department of Fish and Wildlife (ODFW) is soliciting comments in support of delisting wolves from the endangered species list. Sandy McKay District Manager of the South Gilliam County Soil & Water Conservation District informed that Wasco County has come out in support of delisting wolves. He informed Wasco County's reason for recommending delisting is that wolf populations have reached their objective under the

endangered species act and wolf control should be turned over to local jurisdictions. Commissioner Weimar informed he is on the Gilliam County Wolf committee. The three options before the Court were: 1. Delist wolves for all of Oregon; 2. Delist wolves only in eastern Oregon; or 3. No Action – do not delist. The Court discussed the pros and cons of the three options. The Court decided to write a letter in support of choosing option number two.

IN THE MATTER OF SCHEDULING A COURT MEMBER WORK SESSION

Judge Shaffer informed that there are a number of employment vacancies within the Courthouse and suggest he and the Commissioners meet for a work session to discuss them. Commissioner Gronquist suggested Members meeting ahead of County Court. Members agreed to meet November 4th. It was agreed Members would hold a work session at 8:30 ahead of County Court.

IN THE MATTER OF CORRESPONDENCE

Court Administrator Leanne Durfey said Library Board resignations have been received from K'Lynn Lane and Dawn Parm. The Court will advertise for new members. One of the Board members asked if a person had to be 18 years old to serve on the Board. There is nothing in their bylaws about age so Board Chair Kim Farrar is asking for advice from the Court. There was a brief Court discussion of options. It was decided to wait and see what applications come to the Board before making a decision.

The Court received an email from Nancy Snider with CIS regarding insurance on the Arlington car. If the car is primarily driven by a non-county employee the County is opening themselves up to liability risk. She advised the County create a lease agreement with the Port of Arlington for use of the Arlington car and make auto insurance one of the requirements. Members of the Court discussed whether to donate a County car to the Port and if so, should they provide an additional car for use in Arlington. Members of the Court decided to table the issue until the next meeting.

IN THE MATTER OF COURT MEMBER REPORTS

Commissioner Gronquist and Darryl Houghtelling attended a pre-construction meeting on the Water Quality Improvement Project at Ardent Mills.

Commissioner Gronquist referred to a recent West Rail track inspection. He noted the wood ties do not belong to Gilliam County. He notified Josh at Waste Management, they should notify Union Pacific of a repair issue.

Commissioner Gronquist will meet on October 22nd with Road Master Dewey Kennedy and possibly Alan Anderson from Waste Management to discuss the Cedar Springs Road

Agreement. The current agreement is expired and he and Waste Management would like to get a new agreement in place while they negotiate the Host Fee Agreement. The Road Agreement is supposed to be an 80% to 20% with Waste Management paying 80% and the County paying 20% for Cedar Springs Road maintenance. Commissioner Gronquist is interested in finding out when and how much Waste Management have paid for road repairs on Cedar Springs Road. The Cedar Springs e Road Agreement with Chem Waste is a \$50,000 annual payment.

Judge Shaffer attended a NORCOR meeting in The Dalles. He is on their Efficiency and Revenue Generation committee. They are looking at how to modify a portion of the Juvenile facility to house mental health detainees. Mental health detainees bring in more money than juvenile detainees. The mental health section will need to look less like a prison and more like a home living facility. The Oregon Youth Authority has been running the juvenile portion of the prison for two months under their TOOLS program, but have been losing money and will close down November 1, 2015. NORCOR is in discussion with a company from Bend called J Bar J to operate the juvenile section. NORCOR is working to decide how many beds to allocate for juveniles and how many for mental health detainees. Judge Shaffer said the decision will probably be made based on be based on combination of need and the cost per juvenile. Judge Shaffer said he is believes the reduction from 24 to 12-16 beds would be adequate, but is opposed to a reduction to eight beds.

Judge Shaffer met with Jordan Maley and Monica Mitchell with the Extension Service. Mitchell is interested in growing her 4-H program. They think they can grow her program with funds they currently have in reserve from January 2016 through the end of the County's fiscal year. Mitchell will finalize and present her proposal to the Court on December 2nd.

Commissioner Weimar reported he attended latest ACT meeting where there was continued discussion of *ConnectOregon* VI Enhance Non-Highway Program. There were six possible projects discussed so he expects the process to be very competitive.

IN THE MATTER OF OTHER ISSUES

The Times-Journal Publisher Mac Stinchfield asked Members of the Court if the funds the Court is considering using for the RUTE Foundations project would in any way diminish funds available for fiber optic projects in the County. Judge Shaffer explained that Strategic Investment Program (SIP) are divided into categories, infrastructure, livability and economic development, so the funds that the County would use for the RUTE project are not those the County would use for fiber optic. The majority of the funds the County had for fiber optic in the 2015-16 fiscal budget were awarded to the Arlington TV Co-op, but the County will allocate additional funds in fiscal 2016-17 for fiber. To fund the RUTE project the County would borrow SIP funds in reserve and then pay themselves back with proceeds from the Purchase Power Agreement with Columbia Basin Electric Co-op.

IN THE MATTER OF THE NEXT COURT MEETING

The next Gilliam County Court meeting will be held on November 4, 2015 beginning at 10:00 a.m., at Gilliam County Courthouse in Condon.

It appearing to the Court there was no further business to be conducted at this time and not additional matters to be considered Judge Shaffer adjourned the meeting at 3:17 p.m.

GILLIAM COUNTY COURT

By _____

Steve Shaffer, Judge

By _____

Dennis Gronquist, Commissioner

By _____

Mike Weimar, Commissioner

R. Weinstein/Recorder