

Judge Shaffer called the regular Gilliam County Court meeting to order at 10:03 am. The meeting was held at the Arlington City Hall, Arlington, OR. Present were Judge Steve Shaffer, Commissioner Dennis Gronquist and Commissioner Michael Weimar. Absent: None.

IN THE MATTER OF REVISIONS TO THE AGENDA

Additions to agenda:

Under Work Session addition to the schedule Arlington TV Co-Op \$150,000 grant match request and JDRT Group funding request. Under Action Items add discussion on new lease at Shutler Station Industrial Park.

IN THE MATTER OF OSTER PROFESSIONAL GROUP LETTER REGARDING AUDITORS PEER REVIEW

Bob Armstrong and Mitch Saul presented Oster Professional Group's side of their 2013 failed peer review by the International Association of Certified Public Accountants and as such is required to be the subject of an industry Peer Review every three years by a certified peer reviewer in an industry self-policing effort. Armstrong has dealt with this multiple times over his 25 years with the firm. The process is a certified peer reviewer reviews a sampling of the firm's audits and reviews their internal policies and procedures including the standards the industry must adhere to. While the firm passed their 2014 peer review, this review was performed out of sequence and performed in response to state Oversight Board's failed 2013 Peer Review. The firm accepts responsibility for the failed review and has taken significant steps to insure that this won't happen again. The 2013 review was the fourth review performed by the same certified peer reviewer the Oster Group had contracted with the past 12 years and the firm's first fail. The problem was with a particular type of audit, single audits, which are compliance audits out of the Burns office. Single Audits are not financial statement audits, but rather compliance audits of companies that receive and spend \$500,000 or more in federal dollars in a fiscal year. The peer reviewer has three options: Pass, Pass with Deficiencies, or a Fail. In 2013 Oster Group received a Pass with Deficiencies. Oster Group's letter to the State Oversight Committee stated that they were shocked by the reviewer's results and firmly disagreed with the finding and cited unfair treatment. Oster believes the Oversight Committee interpreted the tone of Oster's response letter as critical and decided to throw the book at them. Armstrong admitted they felt blindsided by the report and emphatically disagreed with the Reviewer's findings. In response the Oversight Committee instructed the Reviewer to change his audit result to a Fail, citing a deficiency called tone-at-the-top, a lack of confidence in the firm's owners. After the revised Fail issuance, Oster then submitted a second letter addressing the Fail which was accepted with two stipulations: one a recommendation of eight hours of continuing education for all employees related to documentation issues. The other stipulation was the next single audit performed out of each office has to be reviewed by an independent reviewer. Oster will hire an independent CPA to perform a Pre-Issuance Review prior to presenting any single audits to a client. Oster vigorously responded by scheduling 16 hours continuing education in May of 2014. The Peer Reviewer was pleased changes implemented by Oster and submitted his findings to the Oversight Committee. The Oversight Committee changed the Fail to a Pass. However, the process took seven months, tarnished their reputation and due to state regulations they could not reveal their pass

status until they received the Oversight Committee's letter in February of 2015. In addressing Oster's relationship with Gilliam County, Oster could not report the Pass when they provided Gilliam County with their 2015 letter of engagement. The only time a firm has to reveal a peer review is with a letter of engagement but Oster hadn't yet received their Pass letter at the time they sent out the engagement letter. Oster wants to preserve their County contract, didn't intend to be misleading and were simply complying with the State's non-release policy. Armstrong said that Oster hopes to regain Gilliam County's confidence in the firm, is willing to submit to transparencies and agreed to peer review acceleration to 2016 in order to get the 2013/2014 failed review off the books.

Judge Shaffer expressed pleasure with Mitch Saul and the firm in response to the transitions of the County Treasurer over the past 16 months and is extremely pleased with the great customer service Oster has had in response to the failed peer review. Saul restates the point that Oster never meant to cover up the review results, but rather was complying with state law and further, that the deficiencies were in isolated single audits that don't pertain to the work Oster does for the County and won't cost the County additional money due to new compliance policies. Armstrong noted that the Peer Review is public information and the Professional Association of CPA's posts their members peer reviews on their web site. Commissioner Weimar states that the County at one time had a USDA grant which could have resulted in the need for a compliance audit so the government's rules could have resulted in a bad audit for Gilliam County. Armstrong agrees and states that the Fail has cost the firm approximately \$17,000 and untold reputational damage and will not happen again.

Motion was made by Judge Shaffer, seconded by Commissioner Weimar, to retain Oster Professional Group as Gilliam County's auditing firm. Discussion: Judge Shaffer stated requests for proposals may be issued for the 2016-17 fiscal year. Bob Armstrong welcomes being involved in that process. Judge Shaffer expressed that Mitch Saul and his group, always do a good and thorough job from his perspective. Shaffer: Yes, Gronquist: Yes, Weimar: Yes. **Motion carried.**

IN THE MATTER OF EXECUTIVE SESSION

Judge Shaffer declared the meeting to be in Executive Session pursuant to ORS 192.660 (2) (g) trade negotiations. Separate minutes were taken and will be filed in the office of the County Clerk.

IN THE MATTER OF WEED CONTROL OFFICER STAFF REPORT

Don Farrar, Weed Control Officer, presented his staff report which included the following:

- County roads are finished as of March 13, have completed all of the bare ground treatments for the winter.
- ODOT roads are also finished as March 13, have completed all of bare ground treatments for the winter. This was the final year of ODOT's 25% reduction plan at 5% per year. New contract with ODOT will cost the taxpayers more, but they will use less product.
- Weed Dept. is a month ahead of where they were last year on roads.

- Had a meeting with BLM regarding their Juno GPS system. They have had problems with it throughout the state, so BLM came up with a couple of other ways to do their reporting. Farrar discussed the problem with the BLM and asked if they could use the County's spray map system and send directly to them. BLM is discussing it and are leaning that way since theirs hasn't worked very well.
- Weed control funding is up a little bit. They don't have the final figures yet, but it should be in vicinity of \$10,000-\$12,000.
- BPA funding, just signed a five year contract with them for \$3,500/year to treat the areas under their power lines.
- Union Pacific Rail Road training: It has taken a year, but Farrar is now certified as is the truck. He has passed all the safety courses, has the tags and is waiting on signed contract, which should bring in another \$3,500 or so.
- Seeding: They have been seeding whenever they can, but are about out of grass seed, so they will have to stop soon.
- Had a meeting on March 17 at Cottonwood Canyon State Park with Oregon State Parks and Recreation. They have one more year of funding for them. That will be about \$8,500, up from about \$6,000 last year.
- Courthouse lawns and park lawns have been fertilized and will have a treatment in April. The County needs a new fertilizer spreader as the old one went through the fire.

Farrar asked if anyone has any questions and states that he will get started on the Industrial Park this weekend, weather permitting. They will also do the space between the tracks.

IN THE MATTER OF PUBLIC HEARING ON THE WEED CONTROL SPECIAL ASSESSMENT

This being the time and place advertised Judge Shaffer opened the Public Hearing at 11:00 on the Weed Control Special Assessment, Public Ordinance 2015-01. There wasn't anyone listed to testify, Hearing was left open for a period of time to give the public time to arrive.

As of 11:10 no one had arrived to testify, so Judge Shaffer closed the public hearing.

Motion by Commissioner Weimar, seconded by Commissioner Gronquist, to approve Ordinance No. 2015-01 for Weed Control Special Assessment in the amount of \$48,602. Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF TIG SUPPORT AGREEMENT FOR PHONE SYSTEM

Gilliam County has a Cisco-based converged network and IPTEL system that provides voice services. Support Agreement with Technology Integration Group (TIG) details agreement to cover remote and

onsite technical support and maintenance for the IPTEL system in the amount of \$1800, the same amount as last year.

Motion was made by Commissioner Gronquist, seconded by Commissioner Weimar, to approve the annual Support Agreement with TIG in the amount of \$1,800. Shaffer – Yes; Gronquist – Yes; Weimar – Yes, **Motion carried.**

IN THE MATTER OF JUVENILE DIRECTOR REQUEST TO APPLY FOR OREGON YOUTH DEVELOPMENT COUNCIL GRANT

Judge Shaffer stated that Juvenile Director request to apply for Oregon Youth Development Council Grant is in the amount of \$50,000 with no required match. Some of the things that Director uses this grant money for is the OYCC Summer Employment Program administered by the County, tutoring that is utilized at the school, a school counselor who spends two days a week in Arlington and two days a week in Condon; a sharing arrangement that has worked out very well. It appears that the Development Council will be getting full funding.

Motion by Commissioner Weimar, seconded by Commissioner Gronquist, to approve the Juvenile Department request to apply to Oregon Youth Development Council, Oregon Dept. of Education for a \$50,000 grant. Shaffer – Yes; Gronquist – Yes; Weimar – Yes; **Motion carried.**

IN THE MATTER OF GILLIAM COUNTY PLANNING COMMISSION APPOINTMENT

Michelle Colby resigned from the Planning Commission when she moved to the Planner position. Wayne Johnson sent correspondence expressing his interest in filling the vacancy on the Planning Commission.

Motion by Commissioner Gronquist, seconded by Commissioner Weimar, to approve the appointment of Wayne Johnson to the Gilliam County Planning Commission. Discussion: Commissioner Weimar asked if the vacancy on the Planning Commissioner was advertised. It was not however depending on the circumstances the Court has appointed committee members in positions that have not been advertised. It was noted Johnson has previously served on the Planning Commission. Commissioner Weimar stated he feels Johnson is the type of person who will take the entire County into consideration but has some concern that the vacancy was not advertised. Vote: Judge Shaffer – Yes; Commissioner Gronquist – Yes; Commissioner Weimar – Yes; **Motion carried.** (Appointment is four year term to expire 12-31-18.)

IN THE MATTER OF THE CONSENT AGENDA

Motion was made by Commissioner Gronquist, seconded by Commissioner Weimar, to approve the February 4 County Court minutes and the February 11 special session minutes. Judge Shaffer – Yes; Commissioner Gronquist – Yes; Commissioner Weimar – Yes; **Motion carried.**

The February 4 executive session minutes were tabled.

IN THE MATTER OF SHUTLER STATION INDUSTRIAL PARK LEASE AGREEMENT

Commissioner Gronquist reported Glen Becker of WindWave, the company laying the high speed cable line through Arlington, approached him requesting a short lease, no more than an acre along the east side of Highway for a month or two. Legal Counsel Will Carey has drawn up a contract. Rate is \$750 for the first acre and \$400 per acre after that. Shaffer stated he thinks the lease rates should be revisited at a later date based on the sites location within the Industrial Park. There was discussion of doing that moving forward. It was the consensus of the Court to proceed with the short term lease with Windwave.

IN THE MATTER OF WASTE MANAGEMENT QUARTERLY REPORT

Waste Management Representatives were present for quarterly report. Alan Anderson handed out their Quarterly Report and an article by Metro on Landfills: How Landfills Manage Waste as a Resource.

First there was a discussion of the Quarterly Report financials.

- Columbia Ridge numbers for the first two months of 2015 are down 2.8%, but they expect rates to rebound, with the numbers for the first couple of weeks of March looking good. Overall, year over year, Columbia Ridge was up 6.9% and they are projecting about the same for 2015.
- 2014 was not a good year for the Chem Waste site down 48.9% with the year to date down 41.9% vs 2014. However last year at this time was special project business and this year is shaping up to be more normal business with a number of special projects in the works, but none have firmed up yet.

Site & Company Updates:

- Safety – No injuries at either site. Adding additional Safety Committee Focus.
- Employee Appreciation dinner held at County Fire Hall in early February.
- Metal recycling report is ongoing.
- Hiring – Seeking up to 2 employees for Equipment Operator/Laborer
- Host Agreement – Host Agreement with Gilliam County expires on December 31, 2015. What is the County's preference regarding work on the Host Agreement? Judge Shaffer will send a letter of engagement to Alan Anderson.
- Community Engagement: WM will be stepping up their community involvement in this year to be a better partner and employer. Would welcome County Court feedback.
- WM has an NOV (Notice of Violation) pending with DEQ (Department of Environmental Quality). WM is in violation for a 30 gallon drum of hazardous waste into their Chem Waste site that shouldn't have been put there. It's sitting under a pile of asbestos, so after much discussion it was decided that the best outcome would be to leave it there. That is pending and the letter to that effect should be issued in the next 60 – 90 days.

Judge Shaffer informs WM that Gilliam County has been approached by Columbia Gorge Community College, and will meet with them next week to partner on the construction of a unique wind turbine to be used to educate high school students by giving them hands on experience. Judge Shaffer sees locating it on the WM site would be able to incorporate teaching about their waste to gas process and wonders if WM would be interested. Alan expresses WM interest going forward. Jackie Lang interjected that this might fit nicely with WM's Community Engagement effort, contribute to workforce readiness and they could work cooperatively with various Chambers of Commerce and Community Colleges with Internship possibilities and what types of training are most needed from an industry perspective. Anderson asked if the County is involved in the funding of the new mechanical wing at Arlington High School. Judge Shaffer said yes the County has contributed about \$350,000. Anderson expressed WM's interest in being involved in both projects.

Jackie Lang, Senior Communications Manager presented:

- WM has been named to the "Most Ethical Companies" list for the 8th time.
- New sustainability report tells the WM story and reports on progress related to increasing recycling, generating renewable energy and reducing their carbon footprint.

Dean Kampfer: WM Liason to Metro Presented Metro Updates.

- Metro is going through its roadmap process – Where will WM garbage go after 2019 and what will they do with it? What alternatives might there be for types of waste to end up some other place than in the ground.
 - Food Waste – 18% of waste – looking for companies who can do food waste processing
 - Transfer system design
 - Management of discards – Alternative technologies inquiry -
Landfill, Combustion, Gasification, Anaerobic Digestion, Refuse derived fuel

Metro will be putting out a likely 60 day RFP – Request for Work – and will be looking for companies who process waste in alternative ways.

- Let's Talk Trash: May 5 – "Ignoble Rot" Food Scraps as compost and energy

Gilliam County's film, Let's Talk Trash was impactful and sent a good message to Metro and has paved the way for the County to have more collaboration going forward. WM has also used the film in other outreach efforts. There was a back and forth discussion on the use of alternative waste processing.

DEQ and impending SB-245 legislation won't impact reduction goals, but if passed SPB-245 would increase disposal fees from the current \$1.24/ton to: \$1.92/ton. General discussion of how such a large

increase in disposal fees will limit the ability to be competitive with the state of WA and cost WM an additional \$3.5 million and cost the Gilliam County jobs.

Lang suggests to the Court that they might want read the Metro article because it discusses that Waste Management isn't the only company with landfills in the area and this year Metro is considering options and choices for where to send the regions garbage after 2019 and specifically about possible other landfill locations, not just Columbia Ridge. Lang asks if the County has thought about how it might invite the Metro Council to a County event show community life and to help put a human face and personality of the County in a fuller way. The Court and WM discuss possible ideas toward that end in both Arlington and Condon. Judge Shaffer introduced Gilliam County's new Community Development director, Rachel Weinstein, who will be helping with these sorts of little projects.

Judge Shaffer thanked Waste Management for their presentation.

IN THE MATTER OF COLUMBIA HILLS MANOR

Columbia Hills Manor Board members present were Tiah Devin, Nancy Proctor and Alcenia Wright.

Judge Shaffer recommended the Court amend the motion regarding Columbia Hills Manor Independent Living Facility property tax exemption passed on 11/5/2014. The exemption was based on ORS 307.515 – 307.523, but needs to be modified to 307.515 – 307.548 to include non-profit corporation low income housing.

Motion by Judge Shaffer, seconded by Commissioner Gronquist, to amend the ORS reference in motion on November 5, 2014 regarding property tax exemption from ORS 307.515-307.523 to ORS 307.515-307.548. Shaffer – yes; Gronquist – yes, Weimar – yes. **Motion carried.**

Columbia Hills Manor Board Members reported that they have complied with the requirements to comply with ORS 307. Columbia Hills Manor needed 51% of the taxing districts to agree to allow Columbia Hills Manor to be property tax exempt. They presented to the Arlington City Council and the Council agreed to the exemption. Having the County Court sign off is the final piece to receive their tax exempt status. Judge Shaffer, Commissioner Gronquist and Commissioner Weimar reaffirmed their agreement; the process is now complete. Columbia Hills Manor Board Members informed the County Court that they and Arlington City Council need to file their tax exemption paperwork to the County Assessor by April 1. Durfey noted Columbia Hills Manor needs to provide the Court with current resident income verification in order to facilitate the paperwork.

Columbia Hills Manor Board Members reported the Manor is now full and they have a waiting list. Cascade Management, their management company, has come around with how to best manage an eight-room facility, as opposed to much larger facilities they typically manage. The Board wants the facility to feel homey and Cascade's live-in on site manager is reported to be amazing. She puts on group activities every week, encourages potluck dinners, decorates around holidays, etc. The Manor has two gardeners, an exterior landscaper and an indoor garden manager, who is a resident with an array of maintenance skills and has proven to be useful in helping out in other ways as well.

The Board is still looking for a site for their proposed Senior/Community Center. They have considered three or four locations, but due to zoning restrictions there are limited options within Arlington. Columbia Hills Manor has several plans that have been drawn up over the years based on varying topography of the ultimate site. They decided March 17 to hire an architect to walk them through the pros and cons of each of the proposed sites and on cost analysis. One big issue in finding a downtown site will be adequate parking. For every four people of approved occupancy they will need to provide one parking space. They are currently looking to have a capacity for 300 people so that would be 75 parking spaces. The Columbia Hills Manor Board will come back to the Court when they have chosen their actual site and are ready to take the next step, or, when they come back next year for the rest of their committed funding; whichever comes first.

IN THE MATTER OF CORRESPONDENCE REGARDING EXPANSION OF THE FIREARMS PURCHASE BACKGROUND CHECK SYSTEM

Discussion of a proposed bill requiring expansion of background checks at gun shows and through private gun sales. The bill comes in response to the assassination of US Senator Gabby Gifford from AZ. There have been several resolutions coming from other counties reaffirming their commitment to the Second Amendment stating with respect to the expansion of background checks for firearms purchases. The Court received correspondence a person requesting that Gilliam County issue such a letter. Judge Shaffer decided to bring this issue up as a discussion item so that the County Court can decide what approach Gilliam County wants to take on the issue. About half of Oregon counties have declared a formal policy on the issue. Shaffer stated that he believes the Second Amendment itself does a good job of protecting gun owner's rights and that the world has changed and now beyond the muzzle loading guns referred at the time the amendment was written. Shaffer mentioned that with the advent of evolving technology perhaps these changes forces will bring with them the need for policy changes to deal with that. Shaffer stated that he had a conversation with Sherriff Bettencourt who believes that there are already enough laws in place with respect to background checks, that if they were enforced such a bill would not be necessary. Commissioner Gronquist stated that he has given a lot of thought to the issue and isn't categorically opposed to additional background checks at gun shows or for private gun sales and he doesn't necessarily see this legislation as an attempt to take away everybody's guns. Arlington Mayor Jeff Bufton stated that he is not in favor of the proposed legislation. As a member of Mayors Against Illegal Guns stated the organization has questions about the language in the bill and feared that would open Mayors up to liability issues around mitigation issues and also thinks that simply enforcing existing laws would solve the problem. All agree to discuss the issue further at their next meeting. Nathan Hammer expresses that he too is in objection. Shaffer will bring a letter to the next County Court meeting after reading about the issue at greater length.

IN THE MATTER OF CONDON DOLLARS FOR SCHOLARS ANNUAL REPORT

The Court acknowledged receipt of the Condon Dollars for Scholars Annual Report. Judge Shaffer noted they received a Special Projects Grant last year and expressed pleasure with how Dollars for Scholars allocated the funds.

IN THE MATTER OF THE GILLIAM COUNTY TREASURER'S REPORT

Treasurer Nathan Hammer presented the Treasurer's report and presented on the County's loans and leases in arrears. Treasurer Hammer first presented on the Liberty Theater loan and where the loan currently is in process. The County Court will be talking to Don James at their next Court meeting regarding the status of his loan. Hammer presented and discussed the method his office proposes to use in the collection of interest accrued due to late loan payments. The Nana's Kitchen loan is in default. The Court discussed suspending the loan until a time when Ellen Stump can resume payments.

Hammer presented the County's monthly Expenditure Report and discussed providing the Court with this summarized format of the report reducing the length of the report from the current 50 page report to 4 or 5 pages summarizing the information by year-to-date and percentages of budgets spent instead the detailed report. Commissioner Gronquist stated that he would prefer the new condensed version. Commissioner Weimar informed Hammer that since he supervises the Weed and Road Departments he would need more detailed information on those particular divisions. Judge Shaffer stated that he already receives a full report monthly so the shorter report would work in between quarterly reports for him.

Hammer informed the Court that there is a business leasing property at the Shutler Station Industrial Park which is more than one acre, but they only making their lease payments on one acre. The Court told Hammer to continue billing the lease at the correct acreage. Hammer told the Court that the portion they are not paying is \$946.80 per month.

The Court acknowledged receipt of letter from Bill and Carolyn Gubser informing the Court they will enter into a 12-month lease/option agreement on the Gubby's Drive-in with Vicki and Chuck Ackerman. Gubser's want the Court to know that during the lease period they will continue to own the Drive-in and will therefore be responsible for the lease payments. Treasurer Hammer said he reviewed the loan covenants and informed the Court that the lease is legal under the terms of the loan, but the Gubser's are indeed responsible for their loan payments during the lease period. Commissioner Weimar inquired about a previous County loan on the restaurant in Condon, it was noted that loan has been paid in full.

The Court thanked Treasurer Hammer for his report.

IN THE MATTER OF ANDERSON PERRY & ASSOCIATES TECHNICAL MEMORANDUM ON SHUTLER STATION DRY BLENDING PLANT WATER QUALITY TREATMENT ALTERNATIVES

Anderson & Perry completed an analysis of the water quality issues at the dry blending plant at Shutler Station Industrial Park and have provided a technical memorandum outlining three treatment alternatives. Judge Shaffer explained Anderson Perry's recommendation is Alternative #2 which is installation of a water softening/sediment filtering unit/pex piping. He noted there are differing opinions

on whether it's the water or the copper piping in combination with the water that has caused the problem and it's his understanding that pex piping will solve the problem. Alternative #2 is an estimated cost of \$135,000 to \$145,000. The Court members were in agreement with proceeding with Alternative #2. Judge Shaffer said next step is to approve Anderson Perry & Associates as project managers and authorize them to put out requests for proposals. Discussion followed on the cost for Anderson Perry & Associate's work on the project. It was noted the agreement for the analysis and technical memorandum was a not to exceed cost of \$4,000. The memorandum was delivered in draft form to allow the County Court to decide on which of the three options they want. Alternative #2 selected. Anderson Perry will finalize the memorandum. Commissioner Weimar asked about the cost for Anderson Perry to proceed. Judge Shaffer said it is his understanding their cost is included in the estimate of \$135,000 to \$145,000. For clarification, Judge Shaffer will follow up to determine whether or not the Anderson Perry expenses are included in the estimate or if they are an additional cost. Commissioner Weimar suggested if not included in the estimate provided, the expense for Anderson Perry work should come back to the Court for a decision.

IN THE MATTER OF WORK SESSION: CATEGORIZE 2015-2016 FUNDING REQUESTS

The subject of this work session is the allocation of the requests for funds in the 2015-16 fiscal year. Judge Shaffer presented the following to the County Court. The Court decided on SIP funds that \$3,400,000 will go to debt service; \$600,000 will be used for balancing the General Fund; \$1,100,000 for livability and quality of life; \$502,000 for infrastructure (from SIP); \$502,000 for economic development (SIP); \$377,000 to strategic reserve fund. On the next page is a breakdown of the previous page, \$1,221,000 for livability and quality of life, that includes the \$90,000 available from the Host Fees: \$1,003,890 (includes \$501,150 Host Fees & \$502,740 SIP) for Infrastructure available for country roads, capital projects and bridges; \$1,170,940 for economic development (\$668,200 Host Fees and \$502,740 SIP). Judge Shaffer explained the spreadsheet presented includes funding requests by categories, adjustments can and will need to be made as there is a deficit in the infrastructure category. \$1,242,500 to balance the General Fund.

Spreadsheet handout out shows requests and categories:

The following are listed under quality of life category; Arlington Childcare \$100,000, Arlington Community Pre-School \$34,500, Condon Childcare \$80,000, South Gilliam County Health Center \$200,000, Arlington Public Schools, college program \$50,000, Arlington Public Schools expansion of PTE programs \$218,000, Condon Public School \$50,000 for college program and \$350,000 operational funds, Arlington Public Library \$20,000, Arlington HELP \$6,500, Condon Community Food Pantry \$11,000.

The following are listed under infrastructure; Gilliam County Fire Services \$60,000, USDA Wildlife Services \$67,134, OSU Extension program \$101,047. The red numbers reflect Host Fees and are listed under infrastructure category; County Road Fund \$372,650, County Capital Projects \$102,800, County Bridge Fund \$25,700. Also in red/Host Fees is \$90,000 for Special Project Grants listed in livability/quality of life category.

Pioneer Community Development Corp \$50,000 and Port of Arlington \$800,000 requests are listed under Economic Development.

New requests from the Gilliam County Soil and Water Conservation District for \$50,000 and Arlington Community Co-op, \$1,000,000 are under Infrastructure; Oregon State Parks Foundation request for \$50,000 is under Economic Development.

There was a general discussion about the logic of the requests and categories ahead of the upcoming budget discussions. The various categories have been modeled by the Host Fee Ordinance.

Discussion of the Arlington TV Co-op request for \$1,000,000 to implement their proposed fiber optic project. If granted, that would leave Infrastructure \$850,000 in the red. Gilliam County has previously promised the Co-op a \$150,000 in grant matching funds. There was a general discussion with Port of Arlington EDO Peter Mitchell about various grant monies that might be available to the Co-op going forward. Mitchell stated that the federal government has a big initiative to bring internet capabilities to rural America and they are setting a new standard of 25 megabytes. If this initiative becomes law, it will force all of the providers to upgrade their infrastructure. The Co-op would like to get out ahead of the law. The \$150,000 matching funds would be spent to bring head house infrastructure and internet capability to Arlington and to a portion of Gilliam County. US Cellular has a cell tower in Arlington that they installed high speed fiber optic to. The Co-op allowed US Cellular the right of way through their territory and as a result they now have about a \$65,000 fiber run done for free. They have tied that run into their head house which has improved their TV quality immensely for the accounts affected. There was discussion on the pros and cons of having/not having high speed internet throughout the County and the impact that would have on future economic development. Mitchell's point of view is that young people won't move here without it, while Commissioner Gronquist expressed that even if the County has it, it won't be a big enough draw to bring people to the area. Mitchell pointed out that by bringing high speed fiber optic capacity to the County that the County is laying the infrastructure for the future. Mitchell pointed out that the ESD building in Condon is the one building in town with high speed internet and that it's fully occupied including people like Nicole and Jeff Schott and Liz Farrar who couldn't work in Condon without it, so those are three jobs that Condon wouldn't otherwise have. He also pointed out that Farrar would like to be able to work in a neighboring community, but can't due to lack of internet.

Judge Shaffer met with WindWave, the company hired to bring the fiber optic cable from the north part of the Gilliam County to The Dalles in order to connect with the main line that runs north and south along HWY 197 that connects Oregon with California. This has enabled Google to locate data centers in Oregon. WindWave is asking Gilliam County for money to lay portions of dark fiber within the County. Shaffer stated that he sees the need to get high speed capability to Gilliam's Industrial Park, Arlington and Condon School Districts, police and fire departments as well as County health clinics as soon as possible. Shaffer stated his vision that WindWave could run the main lines and then internet companies and providers such as the Co-op, could take it from the main line and through arteries to specific businesses and residences. This would provide Gilliam County with additional fee revenue similar to what the Rural Technology Group pays in fees currently in rural internet fees. Mitchell states that there

are existing USDA grant funds for Emergency and 911 infrastructure development that the County could apply for 2015. Shaffer suggests that the location of the head house should be where it would best serve Gilliam County and that might be the Industrial Park, but no one will know until the County sees the big picture. Arlington School Superintendent Hunking agrees that high speed internet will be critical for bringing additional educational opportunities to Arlington schools. He was approached by WindWave who informed him that they could have cable lines to the school for high speed internet to the school within two weeks. Hunking informed the Court that his job is to do what's best for Arlington Public Schools, and while he wants to be a team player in getting high speed internet to the greater County, but that getting fiber optic capability needs to happen in a timely fashion, and not in two or three years. Commissioner Gronquist expressed that if getting this high speed internet is that important to the schools, then the County should make that a priority. Commissioner Weimar referred to a recent article in, The East Oregonian reporting that Eastern Oregon Telecom will be bringing high speed internet 8000 businesses and homes in Hermiston and suggests that Mitchell contact them to inquire about their source of funding since they are also a co-op. Weimar thinks that it would also be a good idea to have a professional building in Arlington with high speed internet similar to what Condon has.

Judge Shaffer brought up a letter of request from the John Day River Territory (JDRT) for a funding request for \$4000. Shaffer and Commissioner Gronquist stated that this has been handled through Community Development in the past and will fall under Rachel Weinstein's umbrella as the new director of Community Development. The Court discussed how these types of project should be funded, through departments or through the general fund.

Roadmaster Dewey Kennedy stated he has 50,000 tons of asphalt that has to be ground up, which would provide another 24 miles of roads that Gilliam County could pave.

Does the County Court want to pass a resolution at the next meeting addressing the allocation of SIP funds for the upcoming budget process?

IN THE MATTER OF COURT MEMBER REPORTS

Public Health met with all emergency agency personnel on topics related to the Ebola outbreak.

Judge Shaffer informed that the director of NORCOR, Jim Weed, has resigned effective June 10th. The NORCOR Board is working hard on creating a new funding method for NORCOR. The model they currently use is based on bed use occupancy accrued over a five year period where counties pay proportionally by number of beds used. This is going to raise the cost for Gilliam County going forward to an estimated annual increase of \$15,000, which all agreed is unacceptable.

IN THE MATTER OF NEXT MEETING

The next regular meeting of the Gilliam County Court will be held April 1, 2015 beginning at 10:00 a.m. at the Gilliam County Courthouse, Condon, Oregon.

It appearing to the Court there was no further business to be conducted at this time and no additional matters to be considered Judge Shaffer adjourned the meeting.

GILLIAM COUNTY COURT

By _____
Steve Shaffer, Judge

By _____
Dennis Gronquist, Commissioner

By _____
Michael Weimar, Commissioner

Rachel Weinstein & Leanne Durfey – Recorders