

12-21-2016

Judge Shaffer called the regular Gilliam County Court meeting to order at 10:00 a.m. The meeting was held at the Arlington City Hall in Arlington, Oregon. Present were Judge Steve Shaffer and Commissioner Michael Weimar. Commissioner Dennis Gronquist was absent.

IN THE MATTER OF PERMANENT FUNDING FOR NORCOR

Wasco County Youth Services Director Molly Rogers presented an analysis of proposed funding of Northern Oregon Corrections (NORCOR). Rogers discussed the feasibility of creating a permanent tax rate for the NORCOR region in order to establish a base level of funding for NORCOR. Rogers said that Gilliam County taxpayers would pay an average of \$26/year for every \$100,000 of assessed value. Commissioner Weimar noted that the final payment of current bonds occurred during the current fiscal year and would be removed from the tax rolls in 2017. He noted that voters in the south end of the County are concerned about needs of the school district, and that a new tax might be “hard to sell.” Gilliam County Treasurer Nathan Hammer briefly discussed the proposal, noting that the impact on individual taxpayers would vary somewhat depending on the tax code area, and Commissioner Weimar responded that the impact on taxing districts and individuals must be considered. Rogers said that the NORCOR Board of Directors will take a vote soon whether or not to move forward in order to be ready for the May election.

IN THE MATTER OF APPOINTMENTS TO COUNTY PLANNING COMMISSION

The Court acknowledged letters of interest from Sandy McKay and Jane Campbell, regarding their willingness to fill vacant positions on the Gilliam County Planning Commission.

MOTION by Judge Shaffer, second by Commissioner Weimar, to appoint Sandy McKay and Jane Campbell to four year terms on the Gilliam County Planning Commission. Weimar – Yes; Shaffer – Yes; **Motion Carried.**

IN THE MATTER OF AGREEMENT FOR BUILDING INSPECTION PROGRAM

Motion by Judge Shaffer, second by Commissioner Weimar, to approve a Memorandum of Agreement for Building Inspection Program with the Oregon State Building Codes Division. Weimar – Yes; Shaffer – Yes; **Motion Carried.**

IN THE MATTER OF EOVA LETTER OF SUPPORT

The Court discussed a proposed letter in support of an RFQ the Eastern Oregon Visitors Association (EOVA) is submitting to Travel Oregon. Commissioner Weimar proposed, and Judge Shaffer agreed, that a phrase regarding political action be removed from the letter. The sentence will now read, “EOVA gives Eastern Oregon a strategic planning voice at the table with various state agencies.”

Motion by Commissioner Weimar, second by Judge Shaffer, to submit a letter to support application by the Eastern Oregon Visitors Association (EOVA) to qualify to be

the Regional Cooperative Tourism Program manager for the eleven-county region of Eastern Oregon. Weimar – Yes; Shaffer – Yes; **Motion Carried.**

IN THE MATTER OF ARLINGTON TV COOPERATIVE FIBER PROJECT UPDATE

Arlington TV Coop Board Member Alan Cunningham and employee John Neys provided a fiber project update and a grant expense report. Cunningham reported that headhouse construction is 85 percent completed and that delivery of essential services should be ready early in the first quarter 2017. Commissioner Weimar requested an updated budget, which Cunningham agreed to provide. Cunningham invited the Court to schedule a time to tour the facility when they hold their next Court meeting in Arlington.

IN THE MATTER OF WASTE MANAGEMENT QUARTERLY REPORT

Waste Management Senior District Manager Alan Anderson provided a quarterly report, including site updates, construction projects, employee/community engagement and community outreach program. He reported that volumes at Columbia Ridge Landfill are up 14.9 percent vs. 2015, while volumes at Chem Waste Management are down 32.8 percent. The Company is reviewing the possibility of contributing a gas chromatograph to the County Grain Lab, as well as fire equipment to North Gilliam Fire District. A temporary diversion plan is in place for Riverbend Landfill, which would require hauling 10 to 15 loads to Columbia Ridge Landfill per day through February. Anderson also noted that the Company is studying improved ways to cover gondolas in a manner that is economical while meeting environmental concerns expressed by the public.

IN THE MATTER OF COTTONWOOD CANYON STATE PARK UPDATE

Cottonwood Canyon State Park Manager Tom Peterson provided a Park update. Peterson reported that campsite usage is up substantially and day use continues to be steady at Cottonwood and J.S. Burres Parks. Volunteer programs have been successful with more than 4,000 volunteer hours, accounting for new benches, trails, improved tent sites and planting of hundreds of new trees. Judge Shaffer suggested that an annual Emergency Management meeting with Gilliam and Sherman County officials may not be enough, and Peterson agreed that bi-yearly meetings should be scheduled.

IN THE MATTER OF PORT OF ARLINGTON QUARTERLY REPORT

Port of Arlington Manager/Economic Development Officer Peter Mitchell provided a Port of Arlington Quarterly Report, including development of the Marina and RV Park, and development of river access on the north side of Island Park. Mitchell also reported on industrial development at Shutler Station, noting that Waste Management is adding 5,000 feet of rail, which benefits the entire region. The transfer station is one of the most active rail yards in Oregon with over 24,000 cars annually. He noted that the wind industry is alive and well in Gilliam County, and there is evidence for demand for a storage and repair facility to support the industry, with the need for maintenance growing as the turbines age. Regarding the Ag Lab, Commissioner Weimar asked to see numbers, and also inquired how many farmers are currently using the lab for sample testing. Mitchell said the facility is still “bleeding red ink,” and use of the lab by local farmers has increased to around 14 farmers. Judge Shaffer asked about the condition of the Arlington Motel, noting prior complaints that the building and rooms

were badly dilapidated. Mitchell responded that the new owner has made considerable improvements in quality, with a “remarkable improvement.” Lastly, Mitchell discussed the potentially substantial financial impact created by the marijuana industry.

IN THE MATTER OF PUBLIC HEARING: ORDINANCE NO. 2016-03

Judge Shaffer opened a public hearing at 1:05 p.m. to receive public comments and consider an Ordinance creating a governmental entity by intergovernmental agreement known as Oregon Association of County Engineers and Surveyors (OACES).

Testimony was received from Mac Stinchfield of the Times-Journal, who requested confirmation that the Court’s job is to issue support or non-support for the agreement. Legal Counsel Will Carey responded in the affirmative that the Court must decide to accept the Ordinance or not.

Testimony was also received from Les Ruark of Rock Creek, who requested confirmation that by joining the organization, the County is officially approving of the Ordinance. Ruark also commented that he is supportive of Gilliam County’s participation, which he believes will provide Roadmaster Dewey Kennedy with more flexibility. Commissioner Weimar responded that the Ordinance basically formalizes a process that is already in place.

With no further public comments, Judge Shaffer closed the Public Hearing at 1:25 p.m. and opened the matter to discussion by Court members. There was no further discussion.

Motion by Commissioner Weimar, second by Judge Shaffer, to approve Ordinance 2016-03, creating a governmental entity by intergovernmental agreement known as Oregon Association of County Engineers and Surveyors (OACES). Weimar – Yes; Shaffer – Yes; **Motion Carried.**

IN THE MATTER OF PUBLIC HEARING: REVISED SIP AGREEMENT

Judge Shaffer opened a public hearing at 1:25 p.m. to receive public comments and consider an agreement negotiated by Gilliam County to provide a community service fee and other requirements under the Strategic Investment Program (SIP), and to consider adoption of a Resolution requesting that Oregon Business Development Commission exempt a wind project from property taxes under SIP and consider all objections and comments on the matter.

Rock Creek resident Les Ruark requested a rundown of the hearing procedure, which the Court responded will proceed as follows:

1. Information provided by Brian Skeahan, Community Renewable Energy Association (CREA) Director;
2. Information provided by Brian Walsh, Senior Business Developer at Avangrid Renewables;

3. Clarification of legal aspects by County Legal Counsel Will Carey;
4. Public Comments.

Brian Skeahan provided testimony that approval of Avangrid's request for modification of the Montague SIP agreement provides the County with a good opportunity to facilitate a new wind project, noting that there hasn't been a lot of new development since the 2006-2009 boom period. He commented that the project is unique because unlike traditional projects that involve a developer and a utility, the Avangrid project involves a developer and a retail customer. Skeahan said that according to the draft SIP agreement, the minimum revenue provided to the County during the 15-year Facility/Project Exemption Period is proposed at \$5,925/megawatt annually for Phase I and II, down from the original amount, \$8,927. The Local Improvement Payments as proposed will be a total of \$3 million dollars for Phase I and a total of \$1 million dollars for Phase II. CREA payments as proposed will increase from \$100 to \$150 per megawatt annually during the 15 year exemption. Decreases, Skeahan explained, are due to changes in market conditions, including significant reduction in gas prices.

Brian Walsh offered testimony that Avangrid Renewables has developed Leaning Juniper I, Pebble Springs and Leaning Juniper 2a and 2b, and is now hoping to develop the Montague Wind Project. He noted that Avangrid has been active in the community and has employed several Gilliam County residents. He said that Avangrid is anxious to complete the project, with an estimated construction start date of September 14, 2017.

Will Carey said that a complete description of the Strategic Investment Program (SIP) can be found in ORS 285C.600-620. He explained that if the County approves the Resolution, the next step is to request a hearing before the Oregon Business Development Commission, which would provide another opportunity for public comment. If the Commission approves, the project can proceed.

County Treasurer Nathan Hammer testified that the agreement is favorable for the company, which would pay 7 percent of the value as opposed to personal property tax. He also reiterated that the price of wind turbines has decreased, largely due to reductions in price of natural gas. Will Carey commented that the County would have less control over depreciation without a SIP agreement.

Les Ruark commented that he has strong concerns about the process, and asked that his comments be recorded at this level so they will be on record at the Oregon Business Development Commission. He also asked how soon the record will be available, and the Court said the minutes should be ready in approximately seven to 10 days. He requested a copy of the statement of procedures, and then asked for the title of Brian Skeahan, which was provided (Community Renewable Energy Association [CREA] Director). Ruark asked how CREA originated, and Will Carey responded that the entity was initially formed by Hood River, Sherman and Gilliam Counties. Carey said that currently, CREA consists of 12 counties that "must constantly do battle with the big power companies." Ruark asked if CREA assists the County Court with the SIP agreement, and Judge Shaffer answered in the affirmative. Carey also explained that 25 percent of the value goes on the tax rolls. In rural areas, the taxable portion of a project's market value starts at \$25 million. Ruark

asked if the Community Service Fee is negotiated, and Carey responded that the fee is set by law and is divided between taxing districts. Ruark then asked why the Court is in such a hurry to meet the Dec. 31 deadline, and Carey responded that the next Oregon Business Development Commission meeting is slated for the end of January and that it takes time to schedule and prepare a hearing. To this, Ruark expressed concern about the window of opportunity for the public to comment on the exemption, and about “upfront disclosure.” He said that more time would allow the public to examine and decipher the information, and to offer meaningful comments that would help the Court to make a decision. Will Carey noted confidentiality requirements by statute, saying that information is released when documents are signed, to which Ruark responded that he isn’t trying to gain access to confidential information, but attempting to ensure a window of opportunity.

In his comments, Brian Walsh said that timing is critical because the tax credit is being phased out, with a 20 percent reduction every year. He said that the situation is unique and acting quickly will make the economics work; if the project doesn’t go forward, there will be no tax revenues. Ruark asked if approval today locks in anything that can’t be undone, and Walsh responded nothing is instituted without approval of the Oregon Business Development Commission.

With no further public comments, Judge Shaffer closed the Public Hearing at 2:25 p.m. and opened the matter to discussion by Court members.

Commissioner Weimar asked when the project would begin, and Brian Walsh said that groundbreaking is scheduled to take place in September, 2017. Commissioner Weimar noted that he “looks favorably” on the project, and that he feels comfortable with the way previous SIPS have worked, and that there have been no concerns expressed by other taxing districts.

Judge Shaffer agreed there are uncomfortable difficulties with the process and that transparency that can be tricky, noting that the County is legally required to protect the interests of the developer. He told Les Ruark that he would be happy to consider legislative changes in the future.

Commissioner Weimar reiterated that there is a short window of opportunity, and Judge Shaffer said that if the County ratifies the agreement, it goes to the OBDC, and then meetings are held with taxing districts.

Regarding Commissioner Weimar’s prior comments about lack of pushback from taxing districts, Mac Stinchfield commented that, “it may be because nobody knew.”

Motion by Commissioner Weimar, second by Judge Shaffer, to enter into a Strategic Investment Program Agreement with Montague Wind Power Facility, LLC; an Oregon Limited Liability Company. Weimar – Yes; Shaffer – Yes; **Motion Carried.**

Motion by Commissioner Weimar, second by Judge Shaffer, to approve Resolution No. 2016-19 in the matter of requesting that the Oregon Business Development Commission exempt the Montague Wind Power Facility, LLC, from property taxation under the Strategic Investment Program. Weimar – Yes; Shaffer – Yes; **Motion Carried.**

Motion by Judge Shaffer, second by Commissioner Weimar, to approve the Second Amended and Restated Permitted Assignee Agreement between Gilliam County and Pebble Springs Wind, LLC for Pebble Springs Facility and First Amended and Restated Permitted Assignee Agreements between Gilliam County and Leaning Juniper II for Leaning Juniper IIa Project and Leaning Juniper IIb Project. Weimar – Yes; Shaffer – Yes; **Motion Carried.**

IN THE MATTER OF CONSENT AGENDA

The County Court agreed to table the Consent Agenda, including Dec. 7 regular Court meeting minutes.

IN THE MATTER OF THE NEXT COURT MEETING

The next Gilliam County Court meeting will be held on Wednesday, Jan. 4, 2017 beginning at 10:00 a.m. at the Gilliam County Courthouse in Condon.

It appearing to the Court that there was no further business to be conducted at this time and no additional matters to be considered, Judge Shaffer adjourned the meeting at 2:45 p.m.

GILLIAM COUNTY COURT

By _____

Steve Shaffer, Judge

By Absent _____

Dennis Gronquist, Commissioner

By _____

Michael Weimar, Commissioner

Mary H. Dyer/Recorder