

**Board of Commissioners Meeting Minutes**  
**May 17, 2017**  
**Port of Morrow Riverfront Center, Wells Springs Room**  
**Boardman, Oregon**

**Present**

Chair Melissa Lindsay	Kate Knop, Finance Director
Commissioner Don Russell	Richard Tovey, County Counsel
Commissioner Jim Doherty	Roberta Lutcher, Executive Assistant
Jerry Sorte, Administrative Officer	Karen Wolff, Human Resources Director

**Call to Order:** 9:01 a.m. followed by pledge of allegiance

**City and Citizen Comments**

The following Irrigon residents spoke to the Commissioners about maintaining existing County services in Irrigon:

- Barb Huwe – Asked the Board if financial information had been gathered so a decision can be made on retaining services in Irrigon. She asked that County offices remain in Irrigon and be housed under one roof.
- John Wenholz, former County Commissioner – Irrigon needs something to identify itself and the County offices have been an identity for them. He stated he hoped the County Commission has the foresight to leave County offices in Irrigon in a new building.

Commissioner Doherty said while the County may be in the 11<sup>th</sup> hour of procrastinating, it is only in the first hour of gathering information. There have been discussions with the Administrative Officer, Jerry Sorte, about bringing a project manager on board and that's where things stand because staff already has limited time. This will be moved forward but there will be no decisions until the options are laid out, he said.

Mr. Wenholz asked Karen Pettigrew, Boardman City Manager also in attendance, if the property on which the Blue Mountain Community College Building sits is owned by the City of Boardman. She confirmed it is and it would revert back to City ownership if the building is no longer used for educational purposes, which is likely to be the case. Ms. Pettigrew added she plans to let BMCC know any final sale price needs to include what the City of Boardman wants for the land. Mr. Wenholz asked her if Boardman would be willing to sell that property. Her reply was, "Probably."

- Bill Kelly – Stated once the final figures and costs are compiled, the County needs to look into the adverse impact to Irrigon businesses if offices are relocated elsewhere.

**Open Agenda Requests:** Add Board of Commissioners Meeting minutes of May 3, 2017; Discussion on Montague Wind Energy Project with Planning Director, Carla McLane

**Consent Calendar**

*Commissioner Russell moved to approve the following items in the Consent Calendar, noting the Association of Oregon Counties (AOC) dues invoice in the Accounts Payable will be pulled for discussion:*

- 1. Accounts Payable dated May 18<sup>th</sup>; Payroll Payables, Monthlies dated May 2<sup>nd</sup>*
- 2. Board of Commissioners Meeting minutes of April 19<sup>th</sup>, April 26<sup>th</sup>, and May 3<sup>rd</sup>*
- 3. Maternal and Child Health Services Block Award, Subaward #1010448, and authorize Chair Lindsay to sign on behalf of the County*

*Commissioner Doherty seconded. Unanimous approval.*

#### AOC Dues Invoice

Commissioner Russell explained the invoice lists several “voluntary” payments and Morrow County typically has not paid the Public Employees Retirement System (PERS) Alliance Dues since we do not participate in PERS. Brief discussion.

*Commissioner Doherty moved to approve paying the AOC invoice with the exception of \$172.29 for the PERS Alliance Dues. Commissioner Russell seconded. Unanimous approval.*

#### **9:11 a.m. - Public Hearing for the Approved Budget for Fiscal Year 2017-2018**

Chair Lindsay called for abstentions or conflicts of interest – Commissioner Russell: none; Commissioner Doherty: none; Chair Lindsay: none.

#### Staff Report and Summary

Kate Knop, Finance Director

Ms. Knop said there were minor, unforeseen changes since the Budget Committee concluded its meetings. They consisted of:

- A revenue reduction in the Echo Winds Strategic Investment Program (SIP) Fund from \$110,000 to \$50,000
- Health Department, General Fund – Morrow County School District revenue reduction from \$114,245 to \$82,014, a difference of \$32,231
- Victim/Witness Advocate Fund – District Attorney Justin Nelson proposed that position be funded from the General Fund, but the Budget Committee left it grant-funded, as it had been in the past. Ms. Knop said she recommended the Board revisit the issue in July or August when Mr. Nelson may have more information on the grant applications. She said it will be left in the budget as-is with a grant revenue anticipated of \$35,333.

Ms. Knop said moving forward, the concern remains the General Fund Unappropriated Ending Fund Balance went from \$2,981,155 in 2016-2017 to \$1,968,393 in 2017-2018, a reduction of \$1,013,165. Administrative Officer Jerry Sorte said the budget now will be tight, leaving \$300,000 for unforeseen events and expenditures.

Commissioner Doherty suggested using money from the Building Improvement Fund to pay for the Public Works building addition. Mr. Sorte estimated \$200,000 is available there and using it for that purpose might free up additional funds going forward into the fiscal year.

Ms. Knop reviewed the funding going to Roads, and noted the total budget for Roads is \$8,180,000, which is \$2,000,000 more than two years ago. Commissioner Russell said the intent was to fund Roads as much as possible and he believed that was accomplished.

Chair Lindsay called for proponents to speak.

- Justin Nelson – After Budget Committee meetings were concluded, he understood he was to come to the Board to report the results of grant applications and what they will or will not fund. He said his office needs a \$45,000-50,000 transfer to the General Fund to pay the remainder of the Victim/Witness Advocate salary. That's the amount that might come in to backfill that position, he said.

Chair Lindsay called for the following:

Opponents: No response

Rebuttal: No response

General comments: No response

Chair Lindsay stated the hearing would remain open throughout the BOC meeting.

### **Business Items**

#### Meeting with Representatives of Naval Air Station Whidbey Island

Captain Geoffrey Moore, Commander

Kent Mathes, Range Program Manager

Kim Peacher, Community Planning & Liaison Officer

Chief Sean Merrill, Fire and Emergency Services

Mike Bianchi, Natural Resources Officer

Captain Chris Bassett, U.S. Army

Major Russ Gibson, Oregon National Guard

Capt. Moore said the Naval Weapons Systems Training Facility (NWSTF) in Boardman continues to be vitally important to the Navy's operational capabilities. He said there is a constant need for training and this Range and its airspace allow them that opportunity.

Introductions were conducted and the following agenda topics were discussed –

1. NWSTF Boardman Mission Overview
2. Fire Management Initiatives and Update
3. NWSFT Facilities Improvements Update
4. Cultural Resources Management Update
5. Boardman to Hemingway Transmission Line Project and Idaho Power Company Update
6. Range Installation Compatible Use Zones Study

#### Fire Management Initiatives

Chief Merrill reported there are six sailors assigned to Boardman full-time who are fully trained firefighters. The firefighting equipment there includes six trucks; two 1,500 gallon water tanks with two more to be added for resupplying the trucks; and a leased tractor and disk to cut fire

breaks. He said mutual aid agreements of various types have been entered into with the Oregon Military Department, Hermiston Fire Department, and Yakima Army Training Center. A good working relationship exists with the Boardman Rural Fire Protection District and its Chief Marc Rogelstad, he said.

Commissioner Doherty asked about the possibility of reintroducing livestock grazing to a western portion of the Range in order to keep fuel loads down. Capt. Moore said there are several factors and competing desires there, such as safety considerations from unexploded ordnance, integrated plans, two cultural resources, etc. Kent Mathes added the conservation areas and federal land management requirements make some things difficult to pursue.

Commissioner Russell brought up the subject of reimbursement to the taxing districts when they fight fires on the Range. He said reimbursement used to take place but doesn't any longer. He asked if the reimbursement issue could be revisited. Chief Merrill explained reimbursements were through the Federal Emergency Management Agency (FEMA), not the Navy, and they stopped about 12 years ago. Capt. Moore offered to be of assistance and support in navigating the FEMA paperwork process.

Upon further questioning by Senator Ron Wyden's Field Representative Kathleen Cathey, about mutual aid agreements vs. reimbursement to taxing districts, Chief Merrill said the government cannot contract out essential functions and it's been decided firefighting is an essential function. Carla McLane, Planning Director, asked if the FEMA rule could be changed. Ms. Cathey said the Navy has come far in the last few years in being more of a partner, but when we run into things like this, it feels like the "same old, same old." Capt. Moore responded they would look into the reimbursement process.

Boardman to Hemingway (B2H) Transmission Line Project

Jeff Maffuccio, Idaho Power Company, Facility Siting Coordinator

Mr. Maffuccio said a Record of Decision from the Bureau of Land Management is expected by June 30<sup>th</sup>. He said he can send copies to the Navy and is eager to work with them on the application. Idaho Power can help fund the Navy's efforts on the easement processes, he added. Mr. Maffuccio said Idaho Power is contacting landowners whose land is crossed or impacted by the project to explain the purpose of the project, its need, and how it supports economic development in Oregon. The visits are not to negotiate right-of-way agreements, he said. If anyone hears any concerns or issues from individuals, Mr. Maffuccio asked that they be directed to him.

**Break:** 10:18 a.m.    **Resume:** 10:33 a.m.

Montague Wind Power Facility Request for Amendment #3: Expedited Review

Carla McLane, Planning Director

Ms. McLane explained the Board was appointed as a Special Advisory Group on this project and the Planning Director was designated to make comment on the Board's behalf. The Oregon

Department of Energy requested expedited comment on Amendment #3 regarding turbine selection. The project is in Gilliam County but Morrow County is involved because the project abuts the County line. After discussion, the Board agreed Ms. McLane will notify ODOE that Morrow County has no comment at this time.

#### Strategic Investment Program (SIP) Negotiating Team Discussion

As the Board was awaiting the arrival of the representatives from Vadata Inc., Ms. Pettigrew asked the Board if it planned to hold an Executive Session today. Commissioner Russell explained the County has not yet named a negotiating team and doesn't even know if it will enter into a SIP negotiation. He said if it does, he'd suggest the members of the negotiating team be the General Manager of the Port of Morrow (POM), one County Commissioner, the Administrative Officer and the Assessor/Tax Collector. Discussion took place on the pros and cons of naming County Counsel as a member of the negotiating team.

#### Vadata Inc. and Strategic Investment Program Discussion

Mike Grella, Amazon, Economic Development Director, Infrastructure Global Expansion  
Alexei Alexandrov, Amazon, Senior Economist  
Brigit DuBois, Amazon, Senior Manager – Property Tax  
Lloyd Chee, Amazon, Corporate Counsel  
Hanish Patel, Associate, Eversheds Sutherland (international law firm)

Commissioner Russell began by asking Mr. Grella why the conversation shifted to SIP agreements when past agreements have been through the Enterprise Zone. Mr. Grella said they'd like to look at the Long-Term Rural Enterprise Zone program because it offers more certainty for them and the taxing jurisdictions. In addition, he said their goal is to streamline compliance and administration of the program in both Morrow and Umatilla Counties.

After discussing the many things that need to be taken into consideration by all parties when reaching an agreement, Mr. Grella said they anticipate the creation of 100-300 new jobs with Amazon in this region in the next five years. However, the biggest constraint is whether or not the talent is here to operate those data centers, he said. Why pay someone to relocate here when local kids could have jobs waiting for them, he asked. He said lengthy conversations were held with BMCC about where it does well and where more investment is needed, such as electrical engineering courses.

When Chair Lindsay asked which type of agreement Amazon is seeking, Mr. Grella said they're completing applications for both options and are ready to move in either direction. He said he would like the County and POM to come to a consensus on the type of agreement.

Commissioner Russell said his preference is to craft an agreement that is fair to Amazon and the County, while at the same time, continues to encourage Amazon to invest capital dollars in this region and employ people in this region. He pointed out the difference between the two types of agreements - in SIP agreements the POM doesn't have an influence on how the money is spent,

it is determined by the County Commissioners; whereas in Enterprise Zone agreements, it's up to the members of the Enterprise Zone which consists of representatives from the County Commission, Port of Morrow Commission and the City of Boardman.

Mr. Grella said he informed Lisa Mittelsdorf, POM Economic Development Director, and Ms. McLane that Amazon had no intention of negotiating in separate rooms and making separate agreements. We plan to be above board and transparent. If we are put in a position to choose, we will, but the goal is to provide long term growth plans and a strategy to promote sustainable growth and talent, he said. When pressed by Chair Lindsay, he said they are seeking an agreement that mirrors a SIP but has some elements of an Enterprise Zone agreement but with additional community service payments if we exceed a certain level of expansion. Additional discussion.

Mr. Sorte said the County needs a few weeks to discuss this, to which Mr. Grella agreed.

*Commissioner Russell moved to approve the formation of a Strategic Investment Program negotiating team with the members to be:*

- 1.) One member of the Morrow County Board of Commissioners*
- 2.) The Administrative Officer of Morrow County*
- 3.) The Morrow County Assessor/Tax Collector*
- 4.) General Manager of the Port of Morrow*
- 5.) County Counsel of Morrow County if the group feels it is necessary*

*Commissioner Doherty seconded.*

*Commissioner Russell amended the motion to designate Commissioner Melissa Lindsay as the member representing the Morrow County Board of Commissioners. Commissioner Doherty seconded the amended motion. Commissioner Russell clarified this negotiating team is established for this negotiation only. Unanimous approval.*

#### Financial Controls Recommendations

Jerry Sorte, Administrative Officer

Mr. Sorte said he met with Ms. Knop and Treasurer Gayle Gutierrez and it was a very productive meeting. Topics ranged from manual check management to coordination of review of journal entries. He said Ms. Knop and Ms. Gutierrez will meet again and then provide an update to the Board on June 7<sup>th</sup>. Ms. Knop said the information presented on June 7<sup>th</sup> will be an overview of the timeline and policies she and Ms. Gutierrez are coordinating.

#### **Project Manager Request for Proposals**

Commissioner Doherty asked the timetable for bringing in a project manager. Mr. Sorte said he is working with Public Works on the Project Manager Request for Qualifications or Request for Proposals process. Outside help is needed to complete the planning processes, manage the preparation of bid documents and other tasks once a decision is made by the Board. Doing so will move the project forward, he said.

*Commissioner Doherty moved to allow the Administrative Officer to craft the direction and principles of what is needed for a Project Manager and move forward to bring one on board. Commissioner Russell seconded. Discussion. Unanimous approval.*

### **Commissioner Reports**

- Commissioner Doherty said Kimberly Lindsay, Community Counseling Solutions Executive Director, asked the Board to consider signing a resolution in support of the Stepping Up Initiative, which is a national effort to reduce the number of people in the criminal justice system due to mental illness.
- Commissioner Russell said he attended the Oregon Public Utilities Commission Public Comment Hearing on the PGE 2016 Integrated Resource Plan in Portland. He said many people were in attendance, especially from the Sierra Club whose members wore t-shirts with “100% renewable yesterday” slogans. He said he sat next to a woman who was distributing literature on how to get their message out via social media and what buzz words to use. He said he had a conversation with her about the double standard the Department of Environmental Quality has in treating eastern Oregon differently from the Willamette Valley. He also discussed with her that residents in eastern Oregon would never tolerate the frequent discharge of sewer waste into rivers like Portland does. He said she basically said it wasn’t a big problem to continually dump human sewage into the Willamette River. He said he believed the people at the hearing do not understand that the types of energy they advocate aren’t reliable and will lead to rolling blackouts. Commissioner Russell said PGE representatives were pleased to have representation from Morrow County. He also said PGE temporarily suspended natural gas options in Morrow County and is looking at renewables, possibly solar and wind energy. Commissioner Doherty said it appears the potential for Carty 2 and 3 no longer exists and other companies like Idaho Power are looking at projects from Washington State. Commissioner Russell said California is ahead of Oregon in renewable standards and their electric rates are substantially ahead of ours, as well. He said his son is a California resident, lives in a modest home, and has an \$800 electric bill each month.

**Chair Lindsay continued the Public Hearing for the Approved Budget for Fiscal Year 2017-2018 until June 7<sup>th</sup> at 9:00 a.m. at the Bartholomew Building Upper Floor Conference Room, Heppner, in order to allow input from south County residents.**

**Adjourned:** 12:33 p.m.