

Board of Commissioners Meeting
October 3, 2012

Present: Commissioner William D. Rosholt
Commissioner Steve McClure
Commissioner Mark D. Davidson

Call to Order

Chairman Rosholt called the meeting to order at 9:00 a.m. and began with the Pledge of Allegiance. All three Commission members were present.

Public Comments

None.

Elected Official, Department Head & Employee Comments

None.

Consent Agenda

The September 11, 13 and 20, 2012 Claims Journals and the September 13 and 19, 2012 Public Works Claims Journals were presented for approval. **Commissioner McClure moved approval of the Consent Agenda as presented. Commissioner Davidson seconded. Motion carried unanimously.**

Administrative Matters

Shelley Burgess, Administrative Officer, presented the Gekeler Slough project, stating that quotes had been requested for the removal of sediment and debris from the Gekeler Slough under the permit that had been obtained. Two quotes were received, one from Mike Becker, and one from Rogers Asphalt. The decision was made to utilize both bids, using different types of equipment from each contractor. This seemed the most efficient use of the contractors due to the short time window and upcoming possible weather situations. The finish date is scheduled for October 15, 2012. Commissioner McClure stated that Rogers Asphalt had equipment better suited to the smaller confined areas, and Mike Becker's equipment would be good for the open spaces. They are being paid an hourly rate and he believes this will stay within the budget and be completed by the projected finish date. Commissioner Rosholt asked if the City of La Grande would be contributing to the project, which Commissioner McClure stated that they are and he is pleased with the City helping out, stating they are a good partner in this project.

Commissioner Davidson moved for the authorization of the expenditure of funds for the Gekeler Slough. Commissioner McClure seconded. Motion carried unanimously.

Shelley also stated that a recent issue regarding burning has come up. The annual fire season is traditionally July 1 through September 30, but this year, due to the dry conditions, the county fire chiefs decided to extend the fire season through October 15, 2012. By doing so, it impacts the field burning season, which is under county ordinance, running from July 15 through September 30 each year. This leaves a two week period where the smoke management program is completed, but no burning allowed. The county has received inquiries as to whether or not it would be appropriate to extend the opportunity for field burning and the smoke management program through October 15,

2012. Attorney Brent Smith reviewed the ordinance and stated that the Board of Commissioners have the authority to extend the season for an additional two weeks. Shelley presented Resolution 2012-13, In the Matter of a Resolution Authorizing the Extension of the 2012 Field Burning Season, for consideration. **Commissioner McClure moved approval of Resolution 2012-13, In the Matter of a Resolution Authorizing the Extension of the 2012 Field Burning Season. Commissioner Davidson seconded. Motion carried unanimously.**

Meeting was adjourned until the 9:30 a.m. appointment.

UCEDC Quarterly Update

Dan Stark, Executive Director of Union County Economic Development Corporation, 102 Depot Street, La Grande, presented a quarterly update. One project involved business recruitment and a mail campaign with follow-up phone calls. Over 3,300 postcards were mailed out. Of those, 461 businesses in specific counties in California and Washington received follow-up phone calls. Of these calls, approximately 3% indicated a marginal to medium interest in continued follow-up. The steering committee for this project will be meeting soon to discuss ways to improve on this type of project in the future. Commissioner Rosholt questioned how the 461 businesses were identified for further contact. Dan Stark stated that California and Washington were targeted and then refined by utilizing sub-industries, including wood products, general manufacturing, and recreational vehicle related transportation.

In August, Dan attended the International Woodworkers Fair. He worked this show with the Boise Cascade particle board representatives. He was able to visit with a number of companies that utilize their product or that may have in the past. His goal was to identify those companies that utilize the product in their manufacturing and bring them closer to the source of supply. He was also able to obtain a refined list of companies throughout the country that utilize Boise Cascade particle board and will prepare marketing materials to be sent out.

Another project involves working with the La Grande Business Park. Informational signs will be placed showing the park layout as well as the pricing on each of the lots. He stated that the Oregon State Police has sent out an additional request for proposal. Commissioner McClure asked if there is any discussion regarding a crime lab. Dan stated that this second proposal does not include the crime lab.

Work continues on their website, which is linked with Union County and the City of La Grande. Dan is hoping by the end of October that three additional segments will be operational.

Another item being explored is developing a 501(c)3 subsidiary organization of UCEDC to be used for project development. UCEDC is a 501(c)6, which makes it difficult to obtain relationships with grant foundations and other organizations. Most of the larger economic development groups have a 501(c)3 component.

In the near future, UCEDC will be having a meeting with Oregon Trail Electric as part of the industrial land strategic planning with regards to energy delivery to potential new industrial business properties.

Recruitment of new businesses continues and Dan currently has a few informational packets out to businesses interested in the business park. Commissioner Davidson stated that he is encouraged by the cooperated efforts with UCEDC and Boise Cascade. He agreed that this is a mutually beneficial relationship which is vertically integrating Boise Cascade's supply chain as well as the potential of adding jobs to the community.

Timber Industry Presentation

Lindsay Warness, Forest Policy Analyst for Boise Cascade, 1917 Jackson Street, La Grande, came to present to the Board of Commissioners an update on what is going on in the eastern Oregon timber industry. Unfortunately, if the lumber mills can't obtain the timber supply needed to maintain infrastructure, then it creates a potential for mill closures. This includes Boise Cascade as well as Blue Mountain Lumber, located in Pendleton. Currently, over 75% of the forested area in northeast Oregon is federal land, and of that approximately only 20% is producing the timber used by mills. There has been a significant drop in federal timber harvest since 1986 resulting in lower timber outputs. One significant reason is due to the listing of the spotted owl.

Since 1990, 17 mills have closed in Eastern Oregon, resulting in a loss of over 1,200 family wage mill jobs. Today there are only five mills that remain open in this area. Of those five mills, only one mill is operating at full capacity, and the others are at 67% or below. If all the mills were operating at capacity, this would create approximately 275 jobs. Commissioner Davidson asked what industry volume would be needed for all five area mills to function at capacity? Lindsay stated that 275 to 300 million board feet is needed – preferably saw logs. For 2012, northeast Oregon has received approximately only 1% of their supply from the Wallowa Whitman National Forest, no supply from the Umatilla National Forest, and approximately 3% from the Malheur Forest. The majority of the current wood supply comes from Hancock Forest Capital through a supply agreement with Boise Cascade, but an additional wood supply is needed. If the local federal forests would allow an increase in cutting of three times the current harvest, this could create a sustainable supply to allow operation at capacity.

The Commissioners agreed that this creates a very bleak picture. Commissioner Rosholt asked how long Boise Cascade would be able to sustain operations at the current levels? Lindsay stated that there has not been a time limit placed on this, as it depends on many factors, including fuel prices and availability of wood in other areas. The biggest concern is the outcome of the contracted wood received through Hancock Forest Capital, as the current agreement ends December, 2014. There are contract negotiations in process to extend the agreement, but terms have not yet been agreed to. Even if the contract is extended, they still would need the local federal forests to increase the amount of timber cut.

The Malheur mill is staying open an additional six weeks, but it is not long enough. Lindsay stated that what happened in Malheur County is not that far of a stretch for Union County. If one mill were to close, this would create a compelling impact in Union County, as the number of jobs lost would be significant. Commissioner Davidson stated it is sad that a closure notice is required for elected federal officials to move to action in increasing the federal forest log supply. There is nearly 800 million board feet that grow annually on the three local forests with 350 million feet of wood dying each year, creating an ineffective management of the forest with a large potential for devastating forest fires.

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A short discussion followed regarding forest planning, employment, forest fires and budget constraint stipulations.

The meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Annette Powers
Department Specialist
Union County Commissioners & Emergency Services