



## Court Agenda

June 6, 2018

### Additions to Agenda

2.6 Intergovernmental Agreement between Oregon Department of Revenue and Sherman County

2.7 Asher Development Purchase Proposal

### 1.0 Appointment Schedule

- 1.1 9:00 a.m. Debbie Hayden – Finance Director – Budget Hearing
- 1.2 9:15 a.m. Debbie Hayden – Finance Director – Supplemental Budget Hearing
- 1.3 9:30 a.m. Carolyn Meece – Business Oregon – Opportunity Zones
- 1.4 10:00 a.m. Jim Winterbottom – The Dalles Disposal – The Dalles Disposal Rates Review
- 1.5 10:30 a.m. Mark Coles – Road Master – Finnegan Creek Bridge
- 1.6 11:00 a.m. Brad Lohrey – Sheriff, Wes Owens – Sherman School District – Intergovernmental Agreement between Sherman County School District and Sherman County
- 1.7 11:30 a.m. Matt McGowan – Payne West Insurance – Insurance Policy Updates
- 1.8 1:00 p.m. Aaron Cook – Biggs Service District – Budget Hearing
- 1.9 1:30 p.m. Carrie Pipinich – Mid- Columbia Economic Development District – Biggs Service District Draft Ordinances
- 1.10 1:45 p.m. Carrie Pipinich – Mid- Columbia Economic Development District – Sherman County Broadband Project

### 2.0 Action Items

- 2.1 Mid-Columbia Economic Development District FY 2019 Intergovernmental Agreement for Local Economic Development Services
- 2.2 DLCD Eastern Oregon Economic Development Planning Project
- 2.3 DLCD Oregon Housing Planning Project

- 2.4 Early Childhood Program Funding Requests
- 2.5 Order: Voiding Undeliverable 2017 Resident Incentive Checks
- 2.6 Intergovernmental Agreement between Oregon Department of Revenue and Sherman County
- 2.7 Asher Development Purchase Proposal

**3.0 Discussion Items**

- 3.1 Commissioner Reports

**4.0 Consent Agenda**

- 4.1 Minutes of April 19, 2018 Work Session
- 4.2 Minutes of May 16, 2018
- 4.3 Claims – May 2018

**5.0 Future Agenda Items**



SHERMAN COUNTY COURT  
REGULAR SESSION  
SHERMAN COUNTY HEARINGS ROOM

MINUTES

JUNE 6, 2018

**Opened Court: 9:04 a.m.**

Present: Judge Gary Thompson, Commissioner Tom McCoy, Commissioner Joe Dabulskis, Administrative Assistant Kayla von Borstel

A quorum was present. No news media was present.

**Additions to Agenda**

- 2.6 Intergovernmental Agreement between Oregon Department of Revenue and Sherman County
- 2.7 Asher Development Purchase Proposal

**1.0 Appointment Schedule**

**1.1 9:00 a.m. Debbie Hayden – Finance Director – Budget Hearing**

Entered Hearing: 9:06 a.m.

Present: Debbie Hayden, Carolyn Meece

Debbie Hayden, Finance Officer, provided Court with a letter from the Budget Committee community members regarding the submitted request by the deputies, for a salary increase for the Sheriff; the request was denied. The Sheriff currently will make \$93,720 during the next fiscal year; the request was made for \$90,000. An approval of the request would mean decreasing his salary.

The resolution for approval was based on the approved budget at the Budget Committee meeting.

**Motion by Commissioner Dabulskis, second by Commissioner McCoy, to adopt the budget approved by the Budget Committee for the 2018-2019 fiscal year in the total sum of \$51,520,484 and imposing the taxes provided for in the adopted budget at the rate of \$8.7141 per \$1,000 of assessed value for operations, and that these taxes are hereby imposed and categorized for tax year 2018-2019 upon the assessed value of all taxable property within the County of Sherman as of 1:00 a.m., July 1, 2018. Additionally to approve appropriations as recommended by the Finance Director and authorized County Court to sign.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

Exited Hearing: 9:10 a.m.

**1.2 9:15 a.m. Debbie Hayden – Finance Director – Supplemental Budget Hearing**

Present: Debbie Hayden, Carolyn Meece

Entered Hearing: 9:10 a.m.

Debbie Hayden, Finance Officer, stated more revenue was received than anticipated; in order to spend the funds a supplemental budget was required.

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to approve the resolution summary of proposed budget changes appropriating \$60,000 to the County School per Capita Fund, \$21,281 to the CAMI Fund, and \$52,647 to the DA-VWAP Fund for the Fiscal Year beginning July 1, 2018, and authorize County Court to sign.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

Exited Hearing: 9:12 a.m.

**1.3 9:30 a.m. Carolyn Meece – Business Oregon – Opportunity Zones**

Present: Carolyn Meece

Carolyn Meece, Business Oregon Regional Development Officer, was asked to speak on Opportunity Zones. Carolyn shared some background of recent events in Business Oregon. Recently they have gone through reorganization in hopes to make the organization stronger. Carolyn's region serves Hood River, Wasco and Sherman Counties. Carrie Pipinich, Mid-Columbia Economic Development District, submitted a proposal to Business Oregon on Sherman County Fiber to the Cities on behalf of the County. Carolyn has also been working on a private project on ways to help small non-traded sector businesses in rural communities.

There are 86 opportunity zones declared in Oregon; however, funds for Opportunity Zones are not secured in Oregon. Sherman County as a whole has been designated as an Opportunity Zone. Opportunity zones have varied responses depending on the person asked as there are many unknowns; Carolyn presented information compiled from multiple sources to the best of her ability. Currently the United States Treasury has not attached any regulations. Opportunity zones were identified in the Tax Cuts and Jobs Act of 2017 with purposes to use Federal tax incentives to draw long term investments to business that continue to struggle; this is a way to invest private capital into public projects. This is done by taking capital gain funds and placing them into a project; the longer the funds are held there, the less taxes would have to be paid on the capital gains. Capital gains would need to be invested within 180 days from the time of sale. If the funds are held for 10 years it falls under permanent exclusion. Commissioner McCoy inquired what types of projects qualified; Carolyn responded the project needed to be large in scale and provide significant improvement to the area such as repowering wind turbines, a big housing project, or building in the Rufus Industrial Park. County Court asked if building a 911 Center would qualify; Carolyn would inquire and report back. Currently it is unknown what entity would have approval authority for such projects.

The idea is to utilize private sector funds into distressed communities, however, risks still remain on which way investors direct their funds. There are three ways money can be invested: 1) Direct investments by high net worth individuals; 2) Active fund managers taking advantage tax free appreciation of assets in Opportunity Zones; 3) Passive Funds being a group of investors. There are three tax incentives for investing in low-income communities: 1) Temporary Deferral – a temporary deferral of inclusion in taxable income for capital gains reinvested into an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the opportunity zone investment is disposed of or December 31, 2026; 2) Step-Up in Basis – a step –up basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in Opportunity Fund is held by the taxpayer for at least five years and by an additional 5% if held for at least seven years, thereby excluding up to 15% of original gain from taxation; 3) Permanent Exclusion – a permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.

Judge Thompson spoke with David Brown, Obsidian Finances, who is interested in the finance pieces of Opportunity Zones. The County's role in Opportunity Zones will be to publicize the potential for Opportunity Zones for private companies to take action. There are many unknowns until the regulations are set at the end of summer 2018.

#### **1.4 10:00 a.m. Jim Winterbottom – The Dalles Disposal – The Dalles Disposal Rates Review**

Present: Jim Winterbottom

County Court asked for some clarification from Jim Winterbottom. The Dalles Disposal, on the rate increase proposed, as a rate increase was approved at a previous Court session. Jim stated the previous rate increase proposed was for the Waste Management landfill portion, and the current rate increase proposed was for The Dalles Disposal, which is the hauling company. The Dalles Disposal bills the individual constituents as the rate payers for dumpsters and truck drivers to transport waste to Waste Management.

The Dalles Disposal requested a rate increase for operations. The Dalles Disposal requested 85% of the West Coast CPI rate used, due to their efficiency. A 32 gallon can will the increase by \$0.52 per month, and a 2 yard dumpster will increase by \$0.12 - \$1.03/month depending on pick up frequency.

**Motion by Commissioner McCoy, second by Judge Thompson, to approve a 2.11% increase in The Dalles Disposal fees for annual operational costs to be effective July 1, 2018.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

#### **1.5 10:30 a.m. Mark Coles – Road Master – Finnegan Creek Bridge**

Present: none

Mark Coles, Road Department, was unable to attend Court. County Court discussed the memo and proposal provided. Mark was only able to obtain one bid for the Finnegan Creek Bridge. Other businesses contacted did not have enough time in their schedules to take on the task. Mark was asking Court to approve the bid received in order to move forth with the project.

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to accept Oregon Transportation Professionals proposal quote up to \$283,000 for the preliminary Engineer Phase, right of way phase, and construction engineering phase of the Finnegan Creek Bridge.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

**1.6 11:00 a.m. Brad Lohrey – Sheriff, Wes Owens – Sherman School District – Intergovernmental Agreement between Sherman County School District and Sherman County**

Present: Brad Lohrey, Wes Owens, Matt McGowan

The Safety Committee has worked hard on the Safety Program, has reviewed the Intergovernmental Agreement (IGA) between Sherman County School District and Sherman County along with each attorney, and are ready to move forward. If for some reason the program doesn't work, it can be revoked at any time. The IGA, to be put in place for insurance purposes, designates armed staff as special deputies, who can then be insured as such through the County. A survey taken, showed 29 of the 39 school staff members were willing to be trained and armed; training will take place alongside Sherman's full time deputies. There are not a set number of special deputies as it will vary from year to year on who the Sheriff's Department feels is adequate. Sargent Burgett went through instructors training so he may teach special deputies with limited duties.

Matt McGowan, Payne West Insurance, spoke on behalf of the insurance company; he supports the program. He stated the School and the Sheriff's Office will each have some liability when it comes to this program, which is why the agreement was required. The School will assume the majority of the liability; the County is only liable during active threat situations. He explained there will be a \$2,000 premium charge to the County, and a \$1,500 premium charge to the School per special deputy; the School will compensate the County the special deputy insurance premiums.

**Motion by Commissioner Dabulskis, second by Commissioner McCoy, to approve the Intergovernmental Agreement between Sherman County School District and Sherman County to collaborate in implementing the Joint Sherman County School District's and Sherman County Sheriff's Office Safety Plan, and authorize Judge Thompson to sign.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

**1.7 11:30 a.m. Matt McGowan – Payne West Insurance – Insurance Policy Updates**

Present: Matt McGowan, Jenine McDermid

Matt McGowan, Payne West Insurance, presented the insurance renewal packet for review of CIS (City County Insurance); the insurance package is built specifically for Cities and Counties. Page 3, General liability has a \$5,000,000 occurrence limit which also includes drone coverage. Insurance companies are least profitable in Employment Practices Liability; in order to soften this loss, Payne West has enacted some deductibles. The County would be responsible for first \$15,000 of any settlement and must use the insurance's attorneys, and if there are two or more incidents, the rates will increase. Drone coverage is pilot specific to Rod Asher. Changes since last year included the addition of two special deputies. Page 4, Automobile Coverage has an ongoing list of all additions and subtractions of County vehicles. Page 5, Property Coverage was the largest change from 2017 due to the Courthouse Addition; building value increased from \$8,000,000 to \$15,000,000 with a total

property limit of \$22,549,147. Pages 6, Special Limits are built into the policy for the County's benefit and cannot be deleted. Page 7, Equipment and Property Breakdown was for any damages to the equipment in the buildings. There was also \$250,000 in blanket Crime Coverage for all employees including computer and transfer fraud. Page 8, Cyber liability in the event the County systems are hacked or private information on file was stolen. CIS has a very limited Pollution Liability policy, so yearly they recommend to gain a policy larger in size for pollution as seen in the packet due to large farms. Page 9, gives a competitive overview of the policy premiums from the expiring year and the proposed year.

Jenine McDermid, Clerk, has been working with Microsphere to create a plan on internet security trainings to be implemented within the next few months. Commissioner McCoy suggested that trainings take place twice a year and asked if the insurance company could provide trainings; Matt responded not free of charge, however there were many companies that could be recommended.

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to approve PayneWest 2018- 2019 insurance renewal for \$162,978.41**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

1.8 1:00 p.m. Aaron Cook – Biggs Service District – Budget Hearing

Present: Aaron Cook, Carrie Pipinich, Debbie Hayden

**Motion by Commissioner Dabulskis, second by Commissioner McCoy, to enter into Biggs Service District Board of Directors.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

Entered Hearing: 1:05 p.m.

Aaron Cook, Biggs Service District (BSD) Administrator, presented a draft budget to the Biggs Service District Board of Directors; the final will be approved at the next meeting. Aaron combined many items from years past into one fund as they were not needed; the major fund BSD has is Sewer. BSD has a long term contract with CH2M Hill to handle all operations, which has been going well. Aaron budgeted for any unforeseen maintenance to the Sewer system. This upcoming fiscal year will be the last of the contract (Amendment 10). Once expired, a new contract will need to be discussed to start in 2019-2020. Commissioner McCoy stated the new contract will need to include the new water system; Aaron responded correct, and he did some forecasting in the budget with the Water fund. He used the Sewer fund, and Rufus' Water budget as a guideline. It was asked if the City of Rufus would be interested in running BSD water System; Aaron replied possibly, and stated he had no specific figures, and he estimated high on the operations cost as a failsafe. In regards to budget changes, he was unsure what the Union Pacific fund was for, and it has not been used. He assumes the fund was for a right of way during the sewer system construction, which has been completed. Aaron did not see the need for the fund, and included the money into the Water fund and the equipment reserve, in the event the funds ever needed to be used. He combined the funds instead of keeping them separate to streamline the budget.

The Board inquired why the beginning fund balance had increased significantly since last year. Aaron explained it was \$240,000 in what he believed were Special District funds paid to BSD by the County. Previously, Aaron would call Debbie Hayden, Finance Officer, for money transfers to pay expenses; now, all of the money has

been transferred into the Sewer fund for planning the Water fund, which will need to be a separate account due to United States Department of Agriculture (USDA) requirements. There are no beginning balance funds reflected in the budget as no funds have been received and have yet to be determined for the Water system. Aaron stated there were not many changes between the proposed budget and budgets from previous years, with the exception of a slight increase to the Sewer Fund due to a new customer. Commissioner McCoy stated the Sewer revenue was less than the contract, and inquired as to what made up the difference; Aaron replied funds transferred to BSD by the County. Commissioner McCoy stated the BSD Board of Directors needed to know what type of funds these were. Aaron has never known the account balance of the funds he was receiving; any time money was needed, a call was made to Debbie and the funds were transferred the next day. Judge Thompson sought out Debbie, for some clarification on where these funds come from. Debbie stated the \$240,000 funds transferred to BSD was comprised of Special District tax dollars from the BSD Reserve Account, and \$512,000 of that was committed by the County to reimburse BSD for payments made to Anderson Perry & Associated relating to the Water System Project. Carrie Pipinich, Mid-Columbia Economic Development District (MCEDD), stated the Water System needed to have its own account and the water expenses need to come from that account. The Board stated the Reserve account was not listed under Revenue and it needed to be; Aaron was unaware of the Reserve account. There was some confusion among those present on numbers found in the budget relating to why BSD was operating at a loss when it never has before; the expenditure contract was proposed for \$90,000, however, the revenue was proposed at \$61,000. Debbie stated she was unfamiliar with the BSD budget. The Board reported there should be additional revenue sources for BSD that need to be listed, such as tax revenue; Aaron stated he was unsure as last year's budget was prepared by the previous Administrator, Jeff Holiday. Debbie asked if Aaron had a current expenditure/revenue report; he did not as he goes by the checking account. The Board was concerned as previously the beginning fund balance, as stated by the Administrator, was \$135,000; if funds transferred were for reimbursement, the balance should not increase to \$240,000 as indicated. The Board stated there was an error and Aaron's figures needed to be recalculated. Debbie stated she would look for past budgets to know what the current balance was in order to formulate a beginning fund balance, and to see what the tax revenue would be. Audits for BSD were inquired on; Aaron had been told by the previous Administrator, BSD audits were handled by the County. No audits have been completed to anyone's knowledge as BSD is a separate entity from the County. An audit is required for the USDA grant. BSD took a recess in order for Aaron and Debbie to research past budgets and come up with proper budget figures.

Recessed Hearing: 1:35 p.m.

Re-Entered Hearing: 2:47 p.m.

In regards to budget expenditures under Personnel Services, a proposed raise was included as the Administration fee currently is set to \$3,000 per year stipend from BSD to Rufus; Aaron raised the fee to \$12,000 per year. MCEDD asked if that was to support the Sewer and the Water Systems; he replied the Sewer System only. The Board inquired as to why the increase was so significant; Aaron responded the work for BSD has grown and there is a surplus of \$66,000 after the proposed raise in the budget. The Board stated MCEDD was to be hired to manage the BSD Water System Grant; Aaron reported he was unaware of that decision. BSD Board did not support a \$12,000 salary increase, however, would allow for a \$500 increase to which the contract will be amended to reflect the change. During the recess, Aaron gathered some information to answer some of the Board's concerns. The BSD Sewer Fund had been paying all costs associated with the Water System Project starting in 2015 through present day; the payment of \$240,000 was reimbursement from the County for these costs as the County had \$512,000 dedicated to the Water System Project. Aaron also stated the taxes shown in the budget were incorrect; taxes were \$60,000 per year plus \$1,500 in interest, which was another source of revenue that was not included in the budget. Aaron assured the County that BSD is breaking even and not running at a loss. The Reserve Fund is where the BSD tax amount from the LGIP funds are deposited; when BSD runs low on funds, a transfer is made from the Reserve Fund to the savings account. Brief discussion held on scheduling an auditor due to grant requirements, as there have been no audits made for BSD.



Aaron stated there was not a Water Fund as it does not exist yet, however, he estimated for one in anticipation the system would be running during the next fiscal year. The Board informed Aaron that he should not be underestimating the grant money for the project, and there are numbers within the grant paperwork to use for the water budget. Regarding water expenses, there are none, however, he mirrored the Sewer expenses due to familiarity for when the system is running. Expenses were estimated high as it included contingency, maintenance repairs, equipment, supplies, licensing, permitting, insurance, and personnel.

Aaron presented the Board with the CH2M Hill Amendment No. 10 of \$85,449 for approval; in the budget Aaron increased the amount to \$90,000. It was explained by the Board it is a fixed contract and the budget should reflect the number shown in the amendment. BSD Board asked Aaron to reevaluate his numbers for estimated expenses as there was no validity to the majority presented; Brad Baird, Anderson Perry & Associates, included budget numbers in his reports on the Water System that Aaron should use. The Board reminded Aaron to include the Water System revenue to his updates, and asked Carrie to provide him with the projected fees.

It was proposed the Water Fund will have \$454,000 contingency and \$115,000 of contingency in the Sewer Fund; the Board asked Aaron to reevaluate these numbers as they were significantly higher than they should have been.

The Board instructed Aaron to update the spreadsheets with corrected numbers to Kayla von Borstel, Administrative Assistant, to distribute appropriately.

**Motion by Commissioner McCoy, second by, Commissioner Dabulskis, to approve CH2M Hill Amendment No. 10 for Biggs Service District 2018-2019 Sewer Operation Services in the amount of \$85,446, and authorize the Biggs Service District Board Chair to sign.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

**Motion by Commissioner Dabulskis, second by Commissioner McCoy, to approve the total taxes by permanent rate of \$4.0061.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

**Motion by Commissioner McCoy, second by, Commissioner Dabulskis, to approve Biggs Service District 2018-2019 Sewer and Water budget total in the amount of \$2,857,400.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

Exited Hearing: 3:18 p.m.

**1.9** 1:30 p.m. Carrie Pipinich – Mid- Columbia Economic Development District – Biggs Service District Draft Ordinances

Present: Carrie Pipinich

Carrie Pipinich, Mid- Columbia Economic Development District, discussed Biggs Service District (BSD) draft water ordinances she composed, with County Court as part of the grant requirements for the BSD Water System Project. She used multiple surrounding cities' ordinances as templates to comprise the draft. She sought County input, and will be sending the draft to County Counsel for further review. The templates did not appear to have a hookup deposit requirement; she inquired if that was something the Board should implement for new customers with the impending water system to recoup some of the costs. Discussion held on having a hookup fee versus a refundable deposit. All references to fees and rates throughout the ordinance packet were set to be by resolution of the BSD Board. BSD Board concluded to have a non-refundable hookup fee for new customers; existing customers will be grandfathered in. All hookups will be metered as required by the United States Department of Agriculture (USDA) grant, and consumers will be billed according to usage; average usage is 7,500 gallons per Equivalent Dwelling Unit (EDU). Discussion held on how to structure where meters would be placed, and who would be responsible for which meters. BSD Board agreed upon one meter per building; if one building has more than one business, it will be the building owner's responsibility to allocate usage by business. Language was added to the ordinances, which follows suit of the sewer system, a \$100 late charge will be assessed with 12% interest for non-payment; if the District so chooses, the bill may be sent to the County, to be set as a lean and paid by taxes. Discussion held on who would make the call if there were ever situations that required restricted water use due to contamination; it was concluded the water system operator will notify the BSD Board of Directors, who will make the final determination during a public hearing until further notice. It was stated finding an operator for a rural area may be a challenge as many are retiring and with few replacements. CH2M Hill is currently contracted to run the sewer system. It was suggested that Aaron inquire the cost associated with running both systems. Carrie will update packet material with discussion feedback, and will make a new draft available for review.

One final piece to be put in place for USDA grant requirements is an audit for BSD; Carrie will work on obtaining three quotes for the District. USDA also asked that a resolution be made in Court for the interim financing supplied by the County for the water system project to be paid back by USDA after project completion. Brief discussion held on interim financing.

Bond Counsel had some concerns on two resolutions made around the formation of the District that had different legal descriptions. Carrie was awaiting response from the District's attorney regarding Bond Counsel's questions on the description discrepancy. Kayla von Borstel, Administrative Assistant, stated Judge Thompson and herself spoke with former Judge, Mike McArthur, on the situation. He stated he did not remember as to why there were two separate resolutions and descriptions, with the exception that he believed there may have been a mistake in the first one, so a second corrected version was adopted at a later date. The latter of the two he considers the correct version. Judge Thompson stated, the original document should have been cancelled, and should be done at a later date. USDA will work with the County and BSD by allowing Legal Counsel to charge on a per hour basis until a Request For Proposal is advertised, and long term Legal Counsel is retained.

**1.10** 1:45 p.m. Carrie Pipinich – Mid- Columbia Economic Development District – Sherman County  
Broadband Project

Present: Carrie Pipinich, Aaron Cook

Carrie Pipinich, Mid- Columbia Economic Development District (MCEDD), briefly went over her memo provided on the Sherman County Broadband Project. The packet discussed the impact broadband will have on the cities and community, and an overview of the process the County has gone through since last spring starting with the city meetings. Three Request for Proposals (RFP's) were received; the Review Committee ranked the proposals and asked to meet with the top candidate, GorgeNet. They provided several different options; however, the Committee was interested in the option that allowed fiber to the home in the four cities (Grass Valley, Moro, Wasco, Rufus) and Biggs Service District. No one expressed interest in owning the system, so a

partnership with GorgeNet would be needed. GorgeNet will pay half of the total cost to build the project, while the public will need to match those funds. Public contribution would be \$303,689.94; discussion was held on possible ways of the public supplying their half of the match funds through fees, possible grant dollars through the Regional Infrastructure Fund (RIF), and loans. A RIF application was submitted for \$200,000; discussion was held on if in the event grant dollars were not awarded, who would make up the remaining match, the County or the Cities. The current match amount thus far is approximately \$50,000 between the County and the few Cities who have committed. Carrie asked the Court what type of support they would like to provide to the project such as a loan to the Cities, or if the County would like to provide additional investment into the project as an economic development opportunity. Judge Thompson disagreed and stated it would be an economic development for the County as GorgeNet is interested in spreading high speed internet to not just the Cities, but to individual residents outside of city limits as well. Quality internet availability in homes has become a requirement to many who are looking to relocate and purchase homes.

GorgeNet has proposed a monthly rate of approximately \$50; they will also offer phone service as well, which has been stated to be cheaper than competitors. GorgeNet has stated they would like to start implementation this fall with the hope of 60 days of construction per city; not all cities have given final approval of commitment currently.

The most cost effective way to improve service within the County would have been for Century Link to upgrade some of the system; they received the RFP and chose not to act.

The Review Committee will hold a joint meeting with the County, Cities and GorgeNet to inform the public on June 27, 2018 to be held tentatively at the Wasco Event Center.

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to approve the County Court moving forward with the Sherman County Broadband Project, and to fill the expense gap if the Regional Infrastructure Fund grant is not received, and contingent upon coming to an operating agreement with GorgeNet.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

## **2.0 Action Items**

### **2.1 Mid-Columbia Economic Development District FY 2019 Intergovernmental Agreement for Local Economic Development Services**

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to approve an Intergovernmental Agreement between Mid-Columbia Economic Development District and Sherman County in the amount of \$40,000 for the provision of local economic development services effective July 1, 2018, to June 30, 2019, and authorize Judge Thompson to sign.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

### **2.2 DLCD Eastern Oregon Economic Development Planning Project**

**Motion by Commissioner Dabulskis, second by Commissioner McCoy, to approve the Department of Land Conservation and Development (DLCD) Request for Assistance for the cities of Rufus, Wasco, Moro, and Grass Valley, in the Eastern Oregon Economic Development Planning Project.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

### **2.3 DLCD Oregon Housing Planning Project**

**Motion by Commissioner Dabulskis, second by Commissioner McCoy, to approve the Department of Land Conservation and Development (DLCD) Request for Assistance for the cities of Rufus, Wasco, Moro, and Grass Valley, in the Oregon Housing Planning Project.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

### **2.4 Early Childhood Program Funding Requests**

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to approve Early Childhood Education funding for 2018-2019 fiscal year as follows: Little Wheats \$26,666.67; Sherman County Child Care Foundation (ABC Huskies Child Care) \$26,666.67; Sherman County Preschool \$26,666.67.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

### **2.5 Order: Voiding Undeliverable 2017 Resident Incentive Checks**

**Motion by Commissioner Dabulskis, second by Commissioner McCoy, to approve the order to void returned resident incentive checks for 2017.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

### **2.6 Intergovernmental Agreement between Oregon Department of Revenue and Sherman County**

**Motion by Commissioner Dabulskis, second by Commissioner McCoy, to approve the intergovernmental agreement between Oregon Department of Revenue and Sherman County, for \$60 per hour with a total of 38 hours per year, for Oregon Department of Revenue to perform map maintenance and cartographic activities, and authorize County Court to sign.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

### **2.7 Asher Development Purchase Proposal**

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to accept the Asher Development purchase proposal for lot 1204, made by Derrick and Lana Mauritson, in the amount of \$34,200, and authorize the additional two lots in the subdivision to be advertised for sale in the amount of \$34,200.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

### **3.0 Discussion Items**

#### **3.1 Commissioner Reports**

Commissioner Dabulskis – Attended meeting with Representative Greg Walden office staff; tried to call in on Farm Bill conference call; housing discussion in Madras; Sherman graduation who thanked County Court support.

Judge Thompson – Attended meeting with Representative Greg Walden office staff; Mid-Columbia Economic Development District (MCEDD) budget and business meeting; Frontier TeleNet budget and business meeting; Oregon Energy Summit; Portland General Electric PGE; Mid-Columbia Housing Authority annual meeting; Vestas; working with Department of energy on the Golden Hills project; after Court will attend MCEDD executive; will attend Community Renewable Energy Association (CREA) at the end of the week; will attend NaCo in July, Sherman is only allowed one vote, Commissioners agree for Judge Thompson to cast vote on behalf of the County; On Aug 22-23, 2018 there will be a Statewide Economic Development Coastal Summit in Lincoln City.

Commissioner McCoy – Attended meeting with Representative Greg Walden office staff; housing discussion in Madras; met with Brian Brandenburg, Northern Oregon Regional Correctional Facility (NORCOR) who is resigning; will attend NORCOR board meeting next week.

### **4.0 Consent Agenda**

#### **4.1 Minutes of April 19, 2018 Work Session**

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to approve the Work Session minutes of April 19, 2018, as presented.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

#### **4.2 Minutes of May 16, 2018**

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to approve the minutes of May 16, 2018, as presented.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

**Abstain: 0**

#### **4.3 Claims – May 2018**

**Motion by Commissioner McCoy, second by Commissioner Dabulskis, to approve the Claims for the month of May 2018 as presented.**

**Vote: 3-0**

**Yes: Dabulskis, McCoy, Thompson**

**No: 0**

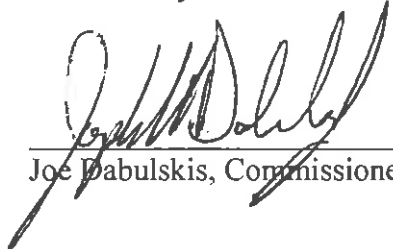
**Abstain: 0**

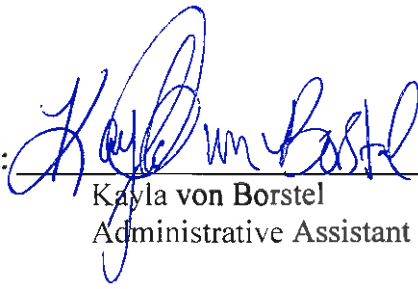
Being no further business before the Court, the meeting was adjourned at 4:22 p.m.

Sherman County Court

\_\_\_\_\_  
Gary Thompson, Judge

  
\_\_\_\_\_  
Tom McCoy, Commissioner

  
\_\_\_\_\_  
Joe Dabulskis, Commissioner

Attest:   
\_\_\_\_\_  
Kayla von Borstel  
Administrative Assistant