



Oregon Parks and Recreation Commission

January 27-28, 2009

Estacada/Boring

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1/28/2010 Meeting Minutes

Those attending all or part of the meeting included:

Commissioners Present:

Jim Parr, Chair

Jay Graves, Vice-chair

Robin Risley

Sharon Rudi

Brad Chalfant

Sue Musser

Staff:

Tim Wood, Director

Chris Havel, Communications Coordinator

Roger Roper, Assistant Director, Heritage Programs

John Potter, Assistant Director, Operations

Kathy Schutt, Planning Division Manager

Steve Shipsey, Assistant Attorney General

Vanessa DeMoe, Commission Assistant

Cliff Houck, Property and Resource Manager

Richard Walkoski, Recreation Programs Manager

Jim Morgan, Natural Resources Manger

Wayne Rawlins, Grants Program Manager

Lisa Van Laanen, Assistant Director of Administration

Jenn Cairo, Region 2 Manager

Darin Wilson, Interim Engineering Manager

Tanya Crane, Budget Manager

David Solomon, Safety & Risk Manager

Jan Houck, Water Trails Coordinator

Alex Phillips, Bicycle Trails Coordinator

Brian Silcott, Assistant Director, Oregon Expo Center

Rocky Houston, Trails Coordinator

Visitors Present:

Tyrell Hart, MRA

Bruce Klaw, Stoel Rieves LLP

Susan Allen, Our Ocean

Alan Smiles, Seaside Chamber of Commerce

Gary Barth, Clackamas County

Lynn Peterson, Clackamas County Commission Chair

Steven Croucher, MRA

Forest Bohall, MRA

Chuck Solin, ORTAC

Executive Session

The Commission met in Executive Session to discuss acquisition priorities and opportunities and to consult with legal counsel regarding potential litigation regarding a grant project request. The Executive Session was held pursuant to ORS 192.660(2)(e) and ORS 192.660(2)(h).

Commission Training: Budget Process Overview

Lisa Van Laanen, Assistant Director Administration

Tanya Crane, Budget Manager

Ms. Crane presented the Commission with a comprehensive look at the agencies budget process. She started with facts about biennial budgeting and covered Legislative Session, Budget Building, Fund types, Budget Development Timelines, How a Bill Becomes a Law, and summed it up with the Hard Cold Facts. Ms. Crane provided the Commission with the Budget Process Overview for future reference.

Biennial Budgeting:

- 2 year period
- Odd number years
- July 1st through June 30th
- Currently in the 2009-11 biennium
- Talking about budget building for the 2011-13 biennium

Budget Building

- Agency Request Budget
 - Becomes base budget
 - Add standard inflation
 - Make adjustments through POPS
 - Becomes LAB
 - Submitted to DAS mid to late May
 - Budget book due Sept 1
- Governor's Recommended Budget
 - Takes provided budget and make changes
 - Publishes Gov Rec budget by Dec 1
- Legislatively Adopted Budget (LAB)
- Legislatively Approved Budget (LAB)
 - Comes along if you have a change

The Hard Cold Facts:

- The Legislature gives OPRD a budget limitation
- OPRD must have cash to support that limitation
- If OPRD has more cash than limitation, cash cannot be spent unless we request and are granted more limitation
- If OPRD has less cash than limitation, we can only spend as much cash as we have

Discussion

Commissioner Musser asked about budget notes, how and when do they come to staff's attention. Ms. Crane replied that it would be written into the narrative documentation of the appropriation bill.

Chair Parr asked how connected the E-board is to the Ways and Means. Ms. Crane replied that the membership is routinely similar and often legislators who serve on the E-board serve on the Ways and Means during session.

Commissioner Rudi asked if funds are set aside for potential lawsuits. Ms. Crane replied that the agency has a charge every biennium for the state risk fund.

Commissioner Graves asked if there are areas of the budget cycle that are a heavier work load than others.

Ms. Crane replied that there are definite spikes but most of the cycle is routine. She shared that as an Agency Request Budget is being built there are definite spikes in workload. The month of November can be a spike depending on the changes that they are making as well as the couple of weeks spent at Ways and Means. She said that keeping current forecasts and reporting expenditures to the Executive Team on a monthly basis and revenue forecast on a quarterly basis helps make it a cleaner process.

Commissioner Rudi asked how the budget process is policed. Ms. Crane replied that all of the steps are audited through DAS, they validate that all of the rules have been followed. Anything that is brought to the Commission is tied to the statewide budget tracking system which is audited.

Director Wood said that there is a lot of activity that goes on in the budget process and a lot of the crisis management has gone out of the process, thanks to Tanya and her crew. This process is managed very deliberately and very well by staff.

Commission Workshop: Park System Planning
John Potter, Assistant Director, Operations

Mr. Potter stated that this workshop comes as a follow-up from the Enterprise meeting in September 2009 to help answer a question of how much money do we need long term to fund the park system. He hoped to get input from Commissioners on the overall approach of building a more robust model to better understand what the future needs might be; and to get some input from the Commission on broad alternatives to look at what type of system we might want to have in the future.

Mr. Potter said that the question comes now as we think ahead, what are the Commissions thoughts as to what you want to see from the park system?

Mr. Potter discussed the five broad alternatives with the Commission:

1. Downsize to middle of the road park system/agency
2. Sustain Current offerings with expected degradation in quality over time
3. Grow slightly/downsize smartly and be in the top 20% of the park systems/agencies
4. Sustain current offerings/grow slightly/sustain in top 20% of park systems/agencies
5. Grow to meet demand based on demographics and be an industry leader

Commissioner Rudi asked if OPRD found itself in a position to close parks could the land be sold. Mr. Potter replied that we do have the authority to sell lands. Director Wood added that the sale of property can be limited by many things, including federal funding in the acquisition, deed restrictions, and political implications.

Commissioner Musser commented that to be less than in the top percent of park systems is not acceptable but we also need to respond to the financial situation.

Commissioner Rudi asked what percentage are we now in the nation. Mr. Potter replied part of this study could be to benchmark the department.

Commissioner Chalfant commented that the obligation of the Commission is to be mindful of the challenges and to set objectives, goals and visions that inspire others. He said that the State Parks system

represents the brand that is going to be key to bring business and community to a place that is beautiful and has recreation. Commissioner Chalfant said that it is key to Oregon's future that we maintain this quality of life. He said that we owe it to the citizens of Oregon to chart a vision that looks to grow the system; doing it in a way that we can be proud of and improves the quality of life.

Chair Parr commented that as Mr. Potter mentioned alternative five many agreed. He said that there are many things that are going so well and one of those things is the volunteer program, maybe there is opportunity to expand and increase the ratio of volunteers to paid staff.

Commissioner Graves referred to the closure of parks in other states and asked if we as an agency know what that might mean to Oregon's state parks in regards to tourism.

Mr. Potter encouraged further input from the Commission.

Business Meeting

Welcome

Clackamas County Chair, Lynn Peterson, welcomed the Commission to Clackamas County. She shared that the Clackamas County area was where the first state fair was held. Chair Peterson thanked the OPRD for partnering in the Clackamas River issues and for the continued support on the Cazadero and Springwater trails. She thanked the agency for two additional major areas of support, the Molalla Wild and Scenic designation and the National Heritage designation for Oregon City.

The Commission thanked Chair Peterson for her leadership, vision and support of Oregon State Parks

1. Commission Business

- a) Approval of Agenda (Action)

Item 4a moved to the Consent Calendar, Item 5 (6)

Commissioner Graves moved to approve the January Commission agenda with the change to Item

4a. Commissioner Risley seconded. The motion passed unanimously, 6-0.

- 2. Public Comment:** *This time was provided for the public to address matters **not** included in the agenda.*

Bruce Klaw, MRA legal representative

Mr. Klaw said that he would like to generally reiterate why MRA's application should be approved without further delay and invite the Commission to share with MRA what additional information the Commission requires to grant MRA the application. Mr. Klaw reported that MRA believed that they had satisfied all of the regulatory criteria for grant approval. In addition the application met all of the stated policy goals and demonstrates MRA has a long term commitment to maintenance of the John's Peak area. Mr. Klaw said the John's Peak area is already a location of OHV use and BLM had submitted a letter stating that OHV use will continue in this area regardless of any change in the management plan. Mr. Klaw referenced the April 2009 Commission meeting, stating he believed the ATV Allocation Committee recommended approval of the grant. He asked the Commission provide MRA with what additional steps are necessary for approval and asked if the Commission intends to respond to the petition for reconsideration submitted in November.

Mr. Shipsey stated that he would respond to the last inquiry, whether or not the Commission intends to respond to the petition for reconsideration. For procedural reasons the petition is premature because the Commission has not entered a final order on the grant application. Going forward, the Commission's agenda in March will include an opportunity for invited local and federal government

representatives to update the Commission on aspects of the grant that are of concern to the Commission.

Mr. Klaw said the MRA's view is that the criteria for approval of the grant was set forth in writing in OAR's and in the trails document. Neither of these documents sets forth this additional consideration; MRA believes it is not a relevant consideration as there already is a management plan in place. Mr. Klaw asked that the Commission add to the next agenda a vote on the grant.

Alan Smiles, Seaside Chamber of Commerce

Mr. Smiles gave a brief background of his military service and outdoor experience. Mr. Smiles addressed the Commission with comment provided in his written testimony. His testimony focused on his view of the impact of usage fees on the community and non-profit organizations.

Discussion

Commissioner Risley asked how much the hotel/motel tax is and if it goes to the information center. Mr. Smiles replied the tax is 9%, however the Chamber does not receive room tax dollars.

Director Wood commented that the usage fees are in state rule and this particular rule will be opened for review in the near future for discussion of concerns like Mr. Smiles. Director Wood shared that 10 percent of the gross receipts goes into the Ocean Shores sinking fund to support public safety and activity on the beach.

3. Approval of the November 2009 Commission Meeting Minutes (Action)

Mr. Shipsey will provide minor technical edits after the meeting via email to the Commission Assistant. [The edits have been incorporated in the record]

Commissioner Musser moved to approve the November 2009 Commission minutes with the addition of Mr. Shipsey's edits. Commissioner Risley seconded. The motion passed unanimously, 6-0.

4. Director's Update

a) Director's Expense Report (action)

*item 4a moved to the Consent Calendar, Item 5 (6)

b) Budget Report 2009-11 (information)

Lisa Van Laanen, Assistant Director of Administration

Ms. Van Laanen informed the Commission that the December 1, 2009 state revenue forecast was released November 19, 2009 and it reflected an additional decrease in Lottery Fund revenue for the Department of \$1,015,017. She said that since the close of the legislative session, the Lottery Fund revenue forecast has decreased by \$4,188,787. The Department's budget was built based on a Lottery Fund revenue forecast of \$85.3 million and the current forecast is \$81.1 million. Ms. Van Laanen informed the Commission that the Department prepared a Lottery Fund 10 percent reduction list totaling \$8,653,152, submitted November 9th.

Ms. Van Laanen stated that due to prudent spending, it is projected that there will be approximately \$3.3 million in unanticipated Lottery Funds carried over from the 2007-09 biennium. These funds are available to offset the current revenue decline. She shared that during November and early December, an updated Other Fund revenue forecast was completed by budget staff. This forecast indicates that the Department is showing an increase

over budget in RV fees and Park User Fees. Most other sources are currently expected to be as budgeted. Revenue generated at the Oregon Exposition Center is currently lagging behind projections. Ms. Van Laanen said the Department will appear at the January 2010 Joint Committee on Ways and Means with four items:

- request retroactive permission to apply for *two* federal grants
- report on fees waivers for the period September 1, 2008 thru August 31, 2009
- annual report related to the Oregon State Fair Foundation

c) Draft Legislative Concepts

Director Wood shared the following Legislative Concepts being proposed and developed by staff that will be presented to the Commission for approval at the March 2010 meeting. Director Wood explained that Legislative Concepts are changes that the agency might request to statute; if the Legislative Concept has a financial impact a program option package (POP) would be built to be put into the budget to accommodate the change for statutory requirement.

- Establishment of a fund or open expenditure limitation that will permit the department to expend revenue it has earned through operations of the Oregon Exposition Center (OEC) and State Fair. This provision will allow the OEC to respond quickly to business opportunities without having to seek increased expenditure limitation from the Legislative Emergency Board. This may be accomplished within the budget process as a program option package.
- Establishment of a fund or open expenditure limitation that will permit the department to expend revenue it earns through its business accounts and merchandise sales without having to seek increased limitation through the Legislative Emergency Board. This change will provide flexibility needed to expend funds to achieve the purposes of the business accounts and to replenish stock. This may be accomplished within the budget process as a program option package.
- Modify existing statute to permit the Commission to adjust rates bi-annually through rule-making as an exemption to Senate Bill 333(1995), codified as ORS 291.050 to 291.060. Currently most rate changes require legislative approval.
- Additional modifications may be necessary to the state's recreational immunity provision which protects the agency from liability for accidents which occur on department properties. An emergency modification is being undertaken in the February special session of the legislature (HB 3673). However, more extensive modification may be necessary and is beyond the scope of the special session.
- Establish The Oregon Main Street Program in statute. Currently, this program does not have the permanence that statutory recognition would provide.
- Modify existing statute to permit the department to recoup the department's costs for evaluating and enforcing the provisions of the ocean shores and scenic waterways.
- Modify statute created in last legislative session (ORS 390.565) that established terms of service for members of the ATV Advisory Board. This technical correction would remove term limits from the board's agency representatives and require them to be appointed by the agency director.
- Modify existing statute (ORS 358.575) that lists the Oregon Economic and Community Development Department (OECDD) as a member of the Heritage Commission and replace with a member from the Oregon Tourism Commission (Travel Oregon). Oregon Tourism Commission has assumed the related duties previously held by OECDD.
- Clarify the vehicle classification system for off-highway vehicles and other recommendations, particularly those that improve safety as directed in last session's Senate Bill 578.

- LC that will come from DSL on the national heritage program that will transfer the program to OPRD.

Discussion

Commissioner Chalfant asked if a LC is the right action for the Main Street program. Director Wood stated that we need to take direction from the Governor's office. He said that we have had the program for three years now and it has made incredible connections into small communities; getting it into statute gives it some permanence.

d) Recruitment for Assistant Director of the Exposition Center

Director Wood reported that the recruitment was successful and introduced Brian Silcott. Mr. Silcott, the newly appointed Assistant Director of the Oregon Exposition Center, said that he is excited about the new position and has high expectations for himself; the biggest thing that he has learned is that he has a lot to learn. He added that he has tremendous support. Mr. Silcott said that as far as the actual operations at the OEC, the focus will be to put efforts into preparing for the state fair, while at the same time, starting to look towards the future. He is looking at the Blue Ribbon report in two ways; existing markets and what we can do with minor investment and what we currently have. The other is capital investment, ultimately generate new revenue and furthers the mission of Parks and Recreation rather than being an economic draw on the agency.

Discussion

Commissioner Graves asked how long he expects that process to take. Mr. Silcott explained the process is ongoing; beginning with non capital investments working with what is already available and come up with recommendation. Mr. Silcott said that he will be evaluating the State Fair and its affect on operations. By doing this he will be able to better forecast a plan for facilities and to significantly increase revenue.

Commissioner Chalfant asked how much of his time is focused on the fair versus the larger picture; are there dedicated staff looking solely at the expo center? Mr. Silcott replied that more resources will be necessary; there are people on staff that have a great deal of interest and knowledge with the Expo center. He said that a position dedicated to the Expo may be necessary; we do not know exactly what that looks like yet.

Mr. Silcott said that he will put his time into the fair, however 90 percent of his time will be looking at the Oregon Exposition Center as a whole.

Commissioner Rudi asked if Mr. Silcott had thought of spending anytime in the community introducing himself. Mr. Silcott replied, that is specifically what we will be doing in the short term marketing plan; time will be dedicated to getting the information out in this manner.

e) Biennial/Annual Report Outline

Mr. Potter said that staff is developing a biennial or possibly annual report and will be looking for Commission feedback. He said that the report will focus on the financial position and performance of the department in key areas. He explained that the intent is to provide Commissioners, Legislators and interested parties with a succinct view of the department from a business perspective. Mr. Potter said that the thought was to structure the report looking at it from customer perspective, financial perspective, business priorities and staff perspectives.

Director Wood added that this would be a business report and the numbers would be based on the comprehensive annual financial report.

5. Consent Calendar (Action; unless otherwise noted)

- a) Approval of Delegated Authority Report
 1. Contracts
 2. Natural Resources
 3. County Opportunity Grant Requests
 4. Heritage Grants
 5. Best Practices
 6. Director's Expense Report *item 4a moved to the Consent Calendar, Item 5 (6)

Commissioner Chalfant moved to approve the Consent Calendar. Commissioner Rudi seconded. The motion passed unanimously, 6-0.

6. Rulemaking (Action)

- a) Adopt Special Assessment of Historic Property Program; OAR chapter 736, division 50
Roger Roper, Assistant Director of Heritage Programs

Mr. Roper presented the Commission with the final rules that reflected the changes deemed necessary to clarify the statute related to the Special Assessment of Historic Property program, as modified by SB 192 during the 2009 legislative session. He told the Commission that public hearings were held on December 8th and 9th in Salem and Portland, respectively, and written comments were accepted through close of business on December 10th. No one attended the hearing in Salem, and only one person attending the hearing in Portland. Mr. Roper explained that two relatively minor changes were made to the proposed revised rule based on input received from the two parties who provided written comment; most of the changes to the existing rule are the result of the removal of the sections that duplicate statutory language. The Commission did not accept comment on this agenda item prior to its action because the public comment period had closed.

Commissioner Graves moved to adopt the Special Assessment of Historic Property Program. Commissioner Risley seconded. The motion passed unanimously, 6-0.

- b) Adopt Marine Reserve and Marine Protected Area Rules; OAR chapter 736, division 29
John Potter, Assistant Director of Operations

Mr. Potter said that pursuant to the requirements of House Bill 3013 (2009), on September 17, 2009, OPRD requested and received Commission authorization to initiate rulemaking. He explained that HB 3013 requires not only OPRD but also the Department of State Lands (DSL) and the Oregon Department of Fish and Wildlife (ODFW) to develop administrative rules, the three agencies coordinated their rulemaking efforts. This was done in several ways:

- OPRD and DSL formed a single Rulemaking Advisory Committee to assist in the development of, and comment on their proposed rules; and
- OPRD, DSL, and ODFW worked to ensure consistency in each set of rules, and held combined public hearings/meetings in Salem (10/20/2009), Port Orford (10/21/2009) and Otter Rock (10/22/2009).

Mr. Potter informed the Commission that three hearings had a combination of 85 attendees (Salem: 29, Port Orford: 21, Otter Rock: 35), with concerns primarily regarding limiting souvenir collection of driftwood, fossils and agates from beaches within a marine reserve and OPRD rules needing to be more comprehensive and consistent with DSL and ODFW rules.

Comments also indicated the need to provide clarity on enforcement and civil penalties, and ensure consistency with Indian Tribal gathering rights. Mr. Potter said that most, if not all concerns, were addressed in the rule. The Commission did not accept comment on this agenda item prior to its action because the public comment period had closed.

Discussion

Commissioner Chalfant asked if the tribal representatives expressed satisfaction that their issues had been resolved. Mr. Shipsey replied that DOJ worked with DSL, OPRD, the ODFW Commission and the Confederated Tribes of Siletz Indians to address the tribes' concerns and they are satisfied with the rules.

Commissioner Chalfant moved to adopt Marine Reserve and Marine Protected Area Rules. Commissioner Graves seconded. The motion passed unanimously, 6-0.

Public Comment

Susan Allen, Our Ocean

Ms. Allen thanked the Commission. Ms. Allen stated that she wanted to introduce herself and ensure she is available for any questions. She was there to express support and appreciated the transparency of the process; she commended the work of agency staff, specifically Laurel Hillman and Jeff Kroft (DSL) and looks forward to working with OPRD in the future.

- c) Request to begin rulemaking for OAR chapter 736, division 15; Reservations
Richard Walkoski, Recreation Programs Manager

Mr. Walkoski stated that OPRD will implement a new central reservation program in the spring of 2010. He explained that division 15 contains a number of sections pertaining to the reservation system, and as the Field Implementation Team reviews the new reservation system some of those rules may need to be modified. Mr. Walkoski said because of the time required to open the rulemaking process and posting of notifications, staff is asking permission to open the sections of the division 15 which pertain to reservations. Any rule changes necessary to accommodate the new system can then be brought back to the March commission meeting for adoption prior to the new system go-live.

Mr. Walkoski stated staff also requests a correction to the Day Use Parking Permit section of the division 15 rules. He informed the Commission that in a past rulemaking process for division 15 the name of Ecola State Park was unintentionally omitted from the list of Day Use Fee parks. Ecola State Park will be added back to the list of Day Use Fee Parks in OAR 736-015-0030.

Commissioner Chalfant moved to approve the request to begin rulemaking for OAR chapter 736, division 15; Reservations. Commissioner Risley seconded. The motion passed unanimously, 6-0.

- d) Request to begin rulemaking for OAR 736-010-0055; Hunting regulations applicable to Oregon Parks and Recreation Department
Jim Morgan, Natural Resources Manager

Mr. Morgan presented the three specific park properties for consideration and discussed the recommended hunting regulation changes:

1. Cottonwood Canyon State Park; temporary hunting consistent with ongoing practices allowed by previous landowner. This would recognize current practice and carry it through until the master plan can be implemented.

2. La Pine State Park; waterfowl hunting restricted shooting area on an island; conflicting with neighboring use.
3. Cape Blanco; petitioned by neighbors and ODFW to participate in controlling an elk herd that is seeking refuge on OPRD property and damaging private property. Suggest adopting this only under specific parameters; neighbors take the lead in the public process, ODFW Commission adopts, clear methodology and commitment to evaluating the efficacy. Mr. Morgan stated that this is a youth only hunt.

Commissioner Risley asked Mr. Morgan to explain what a youth hunt is. Mr. Morgan said the hunt is restricted to ages 14-17 years of age. The youth are mentored by Master Hunter participants. The Youth Hunt program is to encourage the hunting tradition into the future generations.

[Commissioner Musser stated, for the record, that she would abstain from the discussion and vote related to the Cape Blanco as an owner of lands adjacent to the state park.]

Commissioner Chalfant commented on Cottonwood Canyon. He said that he fully supports hunting on the property but questioned the need to be more specific about the hunting regulations in the parking area. Director Wood said the parking area will definitely need to be delineated from the hunting area; it will be clarified in the rule.

Commissioner Graves asked for more information on Cape Blanco. Mr. Morgan replied that the herd is 28 and expanding and 4 neighbors have made contact with OPRD. Mr. Morgan added that this type of management is not normally beneficial to the operation of State Parks. In this case we will be another stakeholder and ODFW will have responsibility for the program and will hold a public hearing in May.

Commissioner Graves moved to adopt the temporary rule for OAR chapter 736, division 10; Hunting Regulations for Cottonwood Canyon State Park. Commissioner Rudi seconded. The motion passed unanimously, 6-0.

Commissioner Chalfant moved to approve the request to begin rulemaking for OAR chapter 736, division 10; Hunting Regulations. Commissioner Graves seconded. The motion passed unanimously, 5-0. Commissioner Musser abstained.

7. FIP (Action)

- a) Yaquina Bay Purchase Approval – CXT Pre-built Restroom

Action Requested: Commission approval for the purchase from CXT Inc. in the amount of \$ 189,027.08.

Commissioner Graves asked about the garden area at Yaquina Bay that produced and donated 300 pounds of produce. He asked if it was a pilot project and if it was happening in other parks. Chris Havel replied it has been going on for 15 years and works with kids in elementary school to prepare, plant and harvest. It started with one child looking for a service project and has grown into many volunteers of all ages. Richard Walkoski added that there are some smaller interpretive efforts across the state including heritage gardens and orchards; one of which is Champoeg with a heritage garden that sells produce and uses the proceeds for the Friends Group for interpretation efforts. Commissioner Graves stated that he encourages this type of project in State Parks and is proud to see such efforts taking place.

Commissioner Graves moved to approve the Yaquina Bay Purchase Approval – CXT Pre-built Restroom. Commissioner Risley seconded. The motion passed unanimously, 6-0.

b) Seal Rock Purchase Approval – CXT Pre-built Restroom

Action Requested: Commission approval for the purchase from CXT Inc. in the amount of \$ 189,027.08.

Commissioner Chalfant moved to approve the Seal Rock Purchase Approval – CXT Pre-built Restroom. Commissioner Musser seconded. The motion passed unanimously, 6-0.

c) Exposition Center Solar Project
John Potter, Assistant Director Operations
David Solomon, Safety & Risk Manager
Brian Silcott, Assistant Director Oregon Exposition Center

Mr. Potter announced that Bob Reitmajer has taken a position with another agency and Darin Wilson will be the Interim Engineering Manager for 6 months. He stated that because Mr. Wilson is new to the position, Mr. Solomon, Mr. Silcott and himself would present this item.

Mr. Potter introduced the project to the Commission. He shared that staff are very passionate about this project and it is a very team orientated project. Mr. Potter reported that staff had brought an update to the Commission in April 2009 and would return to the Commission upon receipt of responses to the Request for Proposal (RFP). Mr. Potter shared that he came to the Commission to recommend this project because of the passion of staff but was also conflicted because Mr. Silcott has just entered into his position at OEC. Mr. Potter explained that he asked Mr. Silcott to take time to work with staff to understand what the project was about and flexibility would be built into the agreement such that it would not hinder future plans for the OEC. Mr. Silcott commented on his outlook on the project. He initially had concerns but had lengthy conversations with staff and is fairly comfortable at this point.

Mr. Potter stated that he asked Mr. Solomon to put together the pros and cons of going forward with this project. Mr. Solomon gave an overview of the intent to award to a third party power developer, Solar City. He discussed the proposed locations of the panels with the Commission. Mr. Solomon said that Solar City proposed the configuration driven by two primary considerations, south facing solar exposure and access to the two feeders that PGE maintains for the site. Mr. Solomon gave a brief summary of the proposal comparison received in response to the RFP. He highlighted the project concerns and benefits. Mr. Solomon stated that he was very confident this project can go forward

Commissioner Chalfant asked why we would not immediately move forward with this project. Mr. Silcott replied this was difficult for him. If he was purely looking at it from a business decision without a master plan it would be a poor business decision. He said that while there are reservations there is a lot more at stake than just generating revenue and there has been work done and will be ongoing work that will make it a positive project for the OEC.

Commissioner Graves said that he loves the idea and it is an exciting project but is surprised at how quickly it was moving. He asked what the drawbacks would be to waiting for the next meeting to approve the project. Mr. Solomon replied that there are several current aspects

that the Commission should consider; the RFP process, implementation for 2010 State Fair and the availability of tax credits.

Mr. Potter reported that House Bill 3543 (2007) passed gearing us towards reducing our emissions throughout the state to 10 percent below 1990 levels by the year 2020; also the Governor's Oregon Renewable Action Plan requires state agencies to meet 25 percent of their total electricity needs using renewable energy sources by this year. Mr. Potter said that the OEC is the largest user of electricity in the system providing a great opportunity for meeting the Governor's plan.

Commissioner Rudi asked if the legislators decide to close the OEC what happens to this project; is it written into the contract language. Staff replied that it is written into the contract.

Commissioner Rudi asked about producing more electricity than is used. Mr. Solomon said that PGE uses an annual plan, on an annual basis we will always use more than we need.

Mr. Potter stated that the request was for Commission approval to enter into a Power Purchase agreement and a Site License agreement with Solar City for solar photovoltaic (PV) power generation at the OEC, he added a request that if approved it be contingent on staff working out the contractual requirements necessary for Mr. Silcott to integrate the project into his operations.

Chair Parr stated that there was more discussion to be heard.

Commissioner Musser asked about the 4H barn; had discussion taken place about tearing it down. Director Wood replied that the building that was torn down was the 4H dormitory not the 4H barn.

Commissioner Chalfant made a motion to approve.

Chair Parr stated that staff enthusiasm was in front of common sense. He said that he appreciated the fact that Mr. Reitmajer had pushed this project forward and that it was a project of merit, supportive of local business and solar power.

Chair Parr noted his dissatisfaction with the presentation of the agenda item. He stated that in the brief there was not a description as to the project location, the brief attachments noted in the brief were not attached and the April update of this item was not listed on the brief. Chair Parr stated that it was difficult to respond to handouts given at the meeting, additionally he did not feel that staff statements corresponded with brief items

Chair Parr stated that he would love to see a fantastic solar application and love to see OPRD as the cutting edge and as a showcase to other agencies. Chair Parr said that he would like to see a Business Plan and a Master Plan. He stated that he cannot support the project now and is disappointed that the project was brought in this manner. He said that it is the wrong cycle and wrong year.

Commissioner Graves asked what was meant by wrong cycle and wrong year. Chair Parr explained that there is the Business Plan and the Master Plan and other decisions needed to be able to understand where these facilities should be and how it is going to affect the overall operations of the OEC.

Commissioner Chalfant suggested that staff have a chance to speak to the concerns and questions brought by Chair Parr. Mr. Solomon apologized for the procedural concerns. He

stated that he was under the impression that the Commission had given the agency good direction to move forward with the project; that the RFP and the evaluation of the proposals was where the agency wanted to be at this time. He shared his major concern being the window of opportunity, stating that OPRD could delay and choose to fund this type of project with agency funds.

Chair Parr replied to Mr. Solomon's comments stating that it would be a shame to lose the relationships of the contractors and private business, however staff will now have a clear message to take when the time is right.

Director Wood said that he understood all of the concerns and good issues were brought to the table. He stated that staff had come to the Commission and gave an update on this project last year and again in April. He said there were several pieces in motion at the same time, the opportunity to make investments in solar related projects is here right now and is creating the urgency without the advantage of having a Site Plan or Master Plan final. Director Wood said that staff were working in the direction that they thought the agency was headed. He said we are lucky to have Mr. Silcott on board, and understood time needs to be given for opportunities he may come up with in terms of a business plan.

Commissioner Musser asked if we were to postpone until March would the offer go away. Commissioner Chalfant added that the BETC is likely to be scaled back significantly in the Special Session. If that happens that would likely remove one of the primary subsidies moving this project and noted that this issues is creating the urgency. Mr. Potter agreed that is one of the aspects, another is that we need to finalize things with the vendor within a certain timeframe .

Director Wood stated that we have two suggested actions; vote on the project today as is or defer for more detailed analysis and come back at the March meeting with a detailed report and presentation, understanding the risk that the contractor may back out and the BETC may become unavailable.

Commissioner Chalfant said that one of the challenges that the OEC has is that there is a lot of process and regulations surrounding the operations. He stated that it is regrettable that we did not have this discussion earlier and he would defer to Mr. Silcott. Commissioner Chalfant said that if Mr. Silcott would be charged with this project, he would like to know his comfort in operating quickly, making business decision rather than taking an extended period of time with the full business plan. He asked Mr. Silcott if he had any comment.

Chair Parr stated that he was a little protective of Mr. Silcott's position, being new to the agency.

Mr. Silcott said that he was comfortable responding. He stated that his initial reaction to the project was 'no.' He said that a fair amount of time was spent discussing this project with staff. He said the reality is that over 20 years the agency can save between \$200,000.00 and \$400,000.00. Mr. Silcott shared that even if panel relocation costs created a zero savings the other benefits of the Solar Project remain. He said this is the kind of business decision the agency needed to make.

Chair Parr stated that if he understood correctly, what was being asked was approval to enter into negotiations, would staff come back to us again with the negotiated deal and ask for approval or would staff go forward with the contract after the negotiations.

Director Wood replied that in the normal course of action, if the Commission approves the award of the contract OPRD enters into negotiations and awards the contract. He added that the Commission can put contingencies on the approval.

Commissioner Graves asked how much the incentive is from BETC and is there another option, can there be a meeting in four weeks prior to the end of Special Session.

Mr. Potter said the deal might not occur if BETC is not available. Director Wood said that a conference call can be scheduled to revisit this item.

The Commission and staff discussed a possible motion to defer a decision until a conference call is scheduled, in the interim staff would gather more information to be discussed at the teleconference.

Commissioner Chalfant asked if he could withdraw his motion and the Commission not take any action allowing conversation between staff and Solar City. Staff could then bring back information to the Commission for further discussion. Mr. Potter explained he believed the intent to award must be given before any conversations can happen.

Chair Parr stated that Commissioner Chalfant withdrew his motion.

Mr. Shipsey suggested that the motion be tabled on Item 7c until such time additional information is provided by staff; this information will be provided within 30 days at a teleconference meeting.

Motion to table action on Item 7c until such time as additional information has been provided by staff; meeting to occur within the next 30 days so that a decision can be made to accept or deny the contract.

Mr. Potter asked for some clarification on the specific information the Commission would need to have at the Teleconference meeting. Director Wood and Commissioners listed the following items:

- Profitability, what does \$200,000 savings mean over time
- What are some of the intangible benefits of the project
- Potential relocation of panels
- Ground array location
- Maintenance cost of the facility as a result of installation on the roof
- Possible value of sponsorships, can it be sold to a competitor at a future date
- Assess future of BETC
- Potential of ownership change of State Fair
- Business plan

Mr. Silcott stated that his position was created largely at the recommendation of the Blue Ribbon Panel. A large feature is being nimble and making business decisions what we are doing here is giving staff a laundry list of things that are time consuming and at any point the right business decision might be to go ahead with the project; weighing the benefits and the risks. If the business decisions are going to be made by answering all of the questions to the Commission we are actually slowing things down more instead of speeding the process up. There are risks, some may be large scale risks that the Commission have concerns about, however some questions are for staff to take care of.

Commissioner Musser said that if the Commission was to approve this now, the questions that were posed could be worked out in the process and staff would be free to end the deal. She said that we have to have the confidence in staff to take care of it.

Commissioner Musser made a motion to approve.

Chair Parr clarified that Commissioner Musser intended to approve the item as it was presented.

Commissioner Musser stated that after learning what she had learned and after the conversations she felt better and had the confidence in staff to handle it and go forward.

Director Wood shared that he wanted the Commission to feel comfortable with their decision. He said he would respect any decision made and would like each Commissioner to be comfortable in their decision.

Commissioner Graves stated that with the additional information he was more open minded with the idea of going forward. He shared that knowing that staff is going to look at all of the questions raised and probably many more through the negotiation process and have the ability to stop the process, he said he could be more comfortable with it.

Commissioner Chalfant seconded the motion.

Chair Parr called for a final vote:

Commissioner Musser; yes
Commissioner Chalfant; yes
Commissioner Risley; yes
Commissioner Graves; no
Commissioner Parr; no
Commissioner Rudi; no

Failed Motion

Commissioner Graves said that he does not have a huge discomfort with this project but would like some time to process the information and have an opportunity to discuss it further. Other Commissioners agreed.

Director Wood proposed that the Commission revisit this item two weeks from now, in the interim staff will determine the negotiation details and provide the Commission with more detail and information regarding the project. The action can take place at this time.

Mr. Shipsey advised that with a failed motion, to have further conversations regarding this item there needs to be a motion to table the item for a future time.

Commissioner Chalfant moved to approve that Item 7c be tabled until a special meeting of the Commission. Commissioner Graves seconded. The motion passed unanimously, 6-0.

8. All-Terrain Vehicle Advisory Committee Terms

Chair Parr informed the Commission that this item had changed to an information item and will be coming back to the Commission as a Legislative Concept at the March meeting.

9. Heritage Programs Report (Information) **Roger Roper, Assistant Director Heritage Programs**

Thompson's Mills Water Issue

Significant problems related to the diversion of water from the Calapooia River for the mill are coming to a point of resolution after 150-plus years of mill operation. Over the past few years, OPRD has been working closely with the Calapooia Watershed Council, natural resources management agencies, and neighbors to come up with a solution for a variety of problems, primarily fish passage issues and flooding of land along the river.

The issues are very complex, as is the solution. In general, most of the water currently diverted to the mill, which has the primary water right, will be kept in the natural channel by removing diversion structures. Water will be pumped into the millrace upstream (either from the river or a well) in order to maintain the photogenic millpond setting, provide water for fire control, and to allow for occasional water-powered operation. Currently, low water levels in the summer months prevent water-power demonstrations at the mill, so this change could actually enhance the visitors' experience. These changes will not affect the mill operation or its appearance. Some history-minded folks have expressed concerns about how this will affect the historic integrity of the mill, but OPRD staff are confident that the mill's historic significance will not be compromised.

OPRD will relinquish a substantial portion of its water rights as part of this process, but it will also no longer have the headaches of trying to manage the water to the extent it has in the past. Overall, this solution will serve the department well, both in terms of park operations and in its role as a "good neighbor" with others who have an interest in a healthy water system on the Calapooia.

Discussion

Commissioner Chalfant asked about the statement, "OPRD will relinquish a substantial portion of its water rights." Director Wood replied that the plan is that they will be returned instream, a portion will be retained so that the agency always has claim to the first water right in Oregon.

Chair Parr asked if there will be levels year around that would allow us to demonstrate the function of the mill; and is that a benefit.

Mr. Roper replied that there would be water levels to allow us to demonstrate the mill and it would be a side benefit, the real benefit is fish passage.

Heritage Survey Underway

The Oregon Heritage Commission is launching a comprehensive statewide survey to determine the "state of heritage" in Oregon. How many heritage organizations are there? What are their budgets and staffing levels? What are their greatest needs and challenges? How do they compare with their counterparts in other states? These and many other questions are being addressed in the survey, which is being conducted in-house with the assistance of temporary employee. Results will be compiled by the end of February, and a final report with recommendations on "where we go from here" will be available in March/April.

Columbia River Highway "Enhancements"

Two of OPRD's generic parking areas—one at Mitchell Point and one at Latourell Falls—are slated for upgrades to make them more functional for visitors and more compatible with the historic highway's design aesthetic. OPRD is working closely with the Historic Columbia River Highway Advisory Committee to ensure that new rock walls and other features enhance the look and "feel" of the highway setting without mimicking the historic features too closely and thereby create a false sense of history.

The HCRHAC recently shared a number of historic photos of the Latourell Falls area with OPRD; copies of two of those photos are attached.

Discussion

Commissioner Graves asked about the statement, “without mimicking the historic features too closely.” Mr. Roper explained that the preservation community has learned over time that if you do it too closely you create a false sense of what is real. You need to be subordinate and complimentary.

Other Items of Interest

- Archives - Mr. Roper pointed out the historic photos that were attached to the agenda brief and explained that Heritage Programs does have an historic photo and document archive.
- State Hospital – Mr. Roper clarified that our role is to give advice and keep the peace
- Willamette Falls Locks – significant scenic property, locks will be opened Jan 31st
- Canon Update – canons were delivered to Texas A&M University last spring. Mr. Roper shared recent photos of conservation work. Updates can be seen on the OPRD web site. The cost of preservation is \$45,000.00

10. Real Estate (Information)

- a) Update on past regular session agenda items
Cliff Houck, Property and Resource Management

Mr. Houck gave a brief update to the Commission on the following three real estate items:

1. Sale/Army Corps of Engineers (Wyeth) (November 19, 2009)

Negotiations were concluded with the Army Corps of Engineers; OPRD sold property which will allow the construction of a railroad overpass accessing OPRD lands as well as providing a list of significant construction items in anticipation of park development. OPRD will be obligated in the future to complete mitigation work as outlined in a letter of “no future action” from DEQ. The Corps has offered to allow OPRD to request a change order under their construction bid amounts to perform the required mitigation work.

2. Acquisition/ODOT (Banks-Vernonia Trail) (November 19, 2009)

OPRD completed a transaction with ODOT which cleared title to the remaining 2.38 acres of the Banks –Vernonia Trail. OPRD transferred the needed right of way for the Sellers Road Banks Trailhead project to Washington County (Commission action July 16, 2009). Completion of this transaction provides for a federally funded (\$1,230,000) project to move forward that will construct ½ mile of paved trail, a trail bridge crossing of Dairy Creek, Banks Trailhead parking lot, and realignment of Sellers Road. This project will complete the pavement from the City of Banks to L.L. Stub Stewart State Park. The project is scheduled for a February 11, 2010 letting with construction to start after June 1, 2010 and completion by September 2010.

3. Acquisition of the Price Property (Beaver Creek Initiative) (November 19, 2009)

The property acquisition of the 25 acres of wetland and upland property known as the “Price property” closed on November 30th and is now in the possession of OPRD.

11. Recreational Trails Program Report (Information)

Rocky Houston, Alex Philips and Jan Houck

Richard Walkoski, Recreation Programs Manager, introduced the Recreation Trails staff. He told the Commission that Jan Houck will be retiring and Alex Philips will be double filling in her position.

Mr. Houston, accompanied by fellow trails staff, presented the Commission with a trails report highlighting the major trails programs, including two new categories, scenic and regional. Mr. Houston recognized Chuck Solin, ORTAC’s Chair, as being present and introduced him to the Commission.

Highlights from the Trails Program Overview:

2009 Completed Trail projects

- Iwetemlaykin
- Cazadero
- Illinois Forks
- OC& E State Trail
- OR Coast Trail
- LL Stub Stewart

Scenic Bikeway Program

- Formed a Committee
 - Developed handbook
 - Opened up for applications
- Secured funding
 - Secured grant from Cycle Oregon and money from ODOT
- Willamette Valley Scenic Bikeway
 - 1st Scenic Bikeway
 - fully connected bikeway, signs, turn by turn opportunity

Commissioner Chalfant asked if there are free ride trails being planned, if so how are liability issues being dealt with. Mr. Houston replied yes, staff has looked at Stub Stewart to have a free ride section. He added that partners build the trails and take responsibility through a long term Adopt a Park agreement. In the agreement there is a management plan that addresses all of the options and issues of liability.

Water Trails

- Rogue River Water Trail
 - 1st planning meeting concluded
- Sandy River Water Trail
 - Trail completed 2009
 - Trail guide being worked on
- John Day River

Trail Grants

- Gave out over \$4 million in grants for trails in 2009
 - 1.6 RTP
 - 2.4 Lottery
 - Totaling 35 grants

2010 Trail Priorities

- Banks Vernonia
 - \$1.2 million for trailhead project, future undercrossing project
 - Final 3.5 miles paving to the Columbia County line
- CZ
 - construct 1.17 miles of trail
 - repair washout
- RR Greenway Trail
 - Sardine Creek TE Grant for trail development
- OC&E Trail
 - improve 13 miles of trail
- Oregon Coast Trail

- completing Connection Strategy
- install new way-finding signs
- construct new portion of OCT at sunset bay state park
- Cove Palisades

- Revision of Trail Standards
 - Working with Mark Davison in the Planning Division to update the Trail Standards

Mr. Houston shared information about an upcoming Water Trails Conference and a half -day session at the ORPA annual Conference.

12. Commission Planning Calendar (Information)
Cottage Grove – March 17-18 2010

Wed 17th visiting parks Lowell, Dexter, Elijah Bristow

March 18th – Meeting

Phil Ward – Water Resources presentation

State Budget Training

Move Laws & Rules training to May meeting

Meeting adjourned at 3:07 p.m.