Board Meeting Minutes

Tuesday, April 22, 2025

Time 2pm

Location of Meeting: Port of Morrow, 2 E Marine Drive, Boardman, Oregon 97818

Board Members: Chairman, Kim Puzey, Port of Umatilla, Vice Chair, John Shafer, Umatilla County, JD Tovey, CTUIR, Jeff Wenholz, Morrow County, Joe Taylor, Port of Morrow

Board Member Alternates: Robert Blanc, Port of Umatilla, Dan Dorran, Umatilla County, Gary Burke, CTUIR, David Sykes, Morrow County, Joel Peterson, Port of Morrow

Staff: Greg Smith, CDA Director, and Emily Collins, Project Coordinator

1. CALL TO ORDER AND INTRODUCTIONS

Aaron Palmquist, Berit Thorson, CC, Christopher Aadland, Dan Hester, Doug Olsen, Griffin Beach, iPhone, Jody Deardorff, John Murray, Kelly Doherty, Kyla, Marty Broadbent, Morrow County Planning, Nic Kotz, Patricia Andreason, Steve Williams, Timothy, Ryan DeGrofft, Scott Ezell, Sue Oliver, Lisa Mittelsdorf, Eileen Hendricks, Josh Burns, Fred Ziari, Jerry Simpson, Brian Lemke, Mike Hughes, Lisa Pratt

2. PUBLIC COMMENT PERIOD (3 Minutes Per Speaker)

A public comment was given by Sue Oliver.

The following items were asked to be added to the agenda by Joe Taylor.

1. Public Records Request Fees
2. Personnel Positions
3. Member Contributions
4. Sale of the 100 Acre Property

A motion to add these items to the agenda was made by Mr. Taylor. Seconded by Mr. Tovey. Motion carried unanimously.

3. CONSENT AGENDA

A. March 25, 2025, Board Meeting Minutes

Motion to approve the meeting minutes with corrections was made by Mr. Wenholz. Second by Vice Chair Shafer. Motion carries unanimously.

B. BEO February – March 2025 Statements

Motion to accept the BEO statements was made by Mr. Wenholz. Second by Mr. Taylor. Motion carries unanimously.

C. CDA QuickBooks February – March 2025

Motion to approve the CDA QuickBooks for February was made by Mr. Taylor. Second by Mr. Wenholz. Motion carries unanimously.

4. INFORMATIONAL REPORTS

A. Fire Service Update

Mr. Smith said, “So board members, if you'll recall, during our February meeting there was a conversation surrounding fire services for the CDA, primarily on the Morrow County side of the line. There was a motion made in February to undo the memorandum of understanding between the Columbia Development Authority and the Boardman Rural Fire Department. In March, we had a further conversation in which I brought a letter from legal counsel saying that the motion made, seconded and passed by the CDA could result in legal ramifications for the CDA. Since that time, you folks directed me to reach out and meet with the Boardman Rural Fire Department folks and the Irrigon Rural Fire Department folks. What we did was we had a meeting between legal counsel to those two entities, along with Elizabeth, Emily and myself. So, at the end of the day, Elizabeth has shared with me that the motion that was made, seconded and passed in February would most likely bring additional litigation or litigation from the Irrigon Rural Fire Department and the Boardman Rural Fire Department. What Elizabeth is recommending you do is retract that motion and allow me to go sit down with both those parties to see if there's another resolution that can be reached. I will read the resolution that I've asked her to draft up for us. Then, Mr. Chair, we can have a conversation. So, it says, whereas in 2023 the Columbia Development Authority entered into a memorandum of understanding with the Irrigon Rural Fire Protection District, and a memorandum of understanding with the Boardman Rural Fire Rescue District, in which CDA received services for fire and emergency service pending annexation into each of these districts. Whereas it was anticipated in the individual MOUs that the Irrigon Rural Fire Protection District would annex the exclusive farm use parcels in Morrow County, and the Boardman Rural Fire Rescue District would annex the port industrial area in Morrow County into their respective districts. Whereas in its February 2025 meeting, the CDA board voted to rescind the ongoing annexation process before Morrow County related to annexation of the port industrial property into the Boardman Fire Rural Protection District. Be it resolved that the February 20, 2025, motion is rescinded and annexation of the port industrial property by Boardman Fire Rescue District should proceed as anticipated in the MOU with Boardman Fire Rescue District. Be it further resolved that the exclusive farming parcels in Morrow County should be annexed, as anticipated by the Irrigon Rural Fire Protection District, and that CDA will convey to the Irrigon Rural Fire Protection District that it should not annex other lands into the district pursuant to ORS478.720 which was a statute enacted following execution of the MOUs in 2023. So effectively what Elizabeth is sharing with us is that in

2023 we entered into two memorandum of understandings. The motion that we made in February would result in a breach of agreement with these two partners."

Vice Chair Shafer said, "I have a question. By doing this, would that open us up to a lawsuit by Irrigon Fire?"

Mr. Smith said, "Potentially. Either way."

Mr. Ezell said, "I would like to see the MOU with Irrigon from 2023. I sit on the board, and I'm going to tell you right now it doesn't exist. So, most of your statements doesn't apply correctly because there is no MOU with Irrigon."

Ms. Mittelsdorf said, "But there was a motion and the CDA board did approve the 640 acres going into the Irrigon Fire district."

Mr. Ezell said, "There was no communication with Irrigon Fire with respect to that."

Ms. Mittelsdorf said, "Irrigon Fire was at the meeting, and we approved annexing that into the Irrigon Fire District."

Chair Puzey said, "Greg, you said that subsequent to this motion put together by Elizabeth, if we move second and pass this that there are going to be further conversations with Elizabeth and the legal counsel from each of the two departments that have been described here."

Mr. Smith said, "Yes sir. The one thing I do want to point out is my understanding, if I recollect correctly, is the memorandum of understandings were signed in 2023. The legislation you're referencing is 2024 and these contracts or agreements were already in place."

Vice Chair Shafer said, "I guess my question is, what's stopping us from the counsel sitting down with counsels from both parties before this motion is made? What I mean, what advantage does it give us to do that?"

Chair Puzey said, "Because the retraction subjects us to litigation, and we did that so we, we are now in jeopardy of litigation because of a motion that we made in February. So, this is to retract that, to avoid that."

Vice Chair Shafer said, "Oh, no, I get that, but by doing this motion, when I asked Mr. Smith if that would open us up to litigation from the other side."

Mr. Smith said, “Does it open us up? Potentially. Will it occur? That would be dependent upon the Irrigon Rural Fire folks.”

Chair Puzey said, “So for now, we're in jeopardy of being litigated. The retraction removes that component, but it doesn't mean that we have a clear path forward. That will be dependent upon the conversation that takes place.”

Vice Chair Shafer said, “So pending litigation on either side, no matter which way we go?”

Chair Puzey said, “That is correct. But there's greater certainty without the retraction. That is a given, unless we do the retraction, and then, depending on the mediation or the conversations that take place, however successful that might be. My understanding is that that is a probability, as opposed to a certainty. We have a certainty unless we retract, and if we do the retraction, then we have a probability. That's my understanding.”

Mr. Smith said, “So, we have two memorandum of understandings. There's a disagreement, I understand. They were signed in 2023. The action we took in February is a breach of those memorandum of understandings. Elizabeth is directing us to rescind the action that was taken in February, to take us back to where we originally were, and then navigate with Irrigon and Boardman to see if a resolution can be met.”

Vice Chair Shafer said, “I guess I am still not seeing why we don’t just have a conversation with the two legal counsels now.”

Mr. Smith said, “Because right now we're in a breach of memorandum of understanding, with both Boardman and Irrigon.”

Chair Puzey said, “And our counsel has advised us to move forward in this direction.”

Mr. Tovey asked, “What was the Language of motion that went forward in February?”

Ms. Collins said, “The motion was to rescind the current request to the CDA's Executive Director, in forwarding the question of annexation to Morrow County and put that on hold for now. It's kind of a broad motion, but the background behind it is we had been requested to send requests for our annexation into Boardman Fire to the county. We sent it off to Justin Nelson, and then this motion requested us to rescind it.”

Chair Puzey asked, “Is it your recommendation that we follow Elizabeth’s counsel on this motion?”

Columbia Development Authority

Mr. Smith said, “Yes.”

Chair Puzey said, “So we have a recommendation for follow through with the motion, the language of which you heard by our legal counsel. Is there anyone willing to make a motion in that regard?”

Mr. Smith said, “I do want to share with the board, as you proceed forward, though, on the 11th of April, we had a meeting with both partners, and it's my intent to work with them to find a win, win situation to where both sides feel that they can provide adequate service.”

Vice Chair Shafer said, “I am seeing something in the chat.”

Mr. Collins said, “Yes, it’s from Kelly Doherty. She says, the motion made by Jeff Wenholz did not contain annexation. We need to listen to the audio. The minutes are incorrect. The motion from April 2023, did not have any language to annex.”

Vice Chair Shafer said, “I think we need to hear those minutes before we make any decisions today.”

Mr. Coleman said, “This is Tim Coleman. I represent the Boardman Fire District. Can I speak? I have in front of me the MOU and it says, whereas the CDA Board of Directors approved at its board meeting on April 25, 2023, to request annexation of CDA it’s property in Morrow County and so forth. So, whatever happened orally, it certainly got recorded that it was approved. In the agreement.”

Mr. Smith read the following letter provided to the CDA from Elizabeth.

“Greg, I reviewed CDA’s Memorandum of Understanding (“MOU”) with the Boardman Fire Rescue District (“BFRD”), the Irrigon Rural Fire Protection District’s (“IRFPD”) February 14, 2025, Notice (the “Notice”), the February 2025 board meeting recording, and relevant Oregon statutes. Based on the facts presented, CDA’s motion to pause efforts to annex its land into the BFRD service area at the February 2025 board meeting likely constitutes a breach of its MOU with BFRD and exposes CDA to damages claims.

The CDA entered into the MOU with BFRD after passing a motion to have BFRD provide fire and emergency services to the CDA. Under the terms of the MOU, BFRD has been providing free fire protection services to CDA since August 31, 2023. These free services were offered to provide protection until CDA’s annexation into BFRD. BFRD approved annexation shortly after the MOU was entered into, but despite its efforts to complete

it, the official annexation has not yet occurred. This delay does not appear to be of BFRD's own making. In the interim, CDA continues to receive free emergency and fire services – as provided for in the MOU.

Meanwhile, IRFPD became interested in providing services to the CDA. Its Notice indicates an intent to annex CDA land as a result of its currently-unannexed status. ORS 478.402 allows for a 90-day window of time in which landowners can voluntarily agree to IRFPD's annexation, else be subject to IRFPD's decision to not provide services or provide services at three times the normal cost. The 90 day window is currently ticking, and we understand that IRFPD now intends to annex the same property that BFRD has been seeking to have annexed pursuant to the MOU with CDA.

The MOU evidences a mutual goal of BFRD annexing CDA land. BFRD's free services include fire marshal duties, responding to fires, rescues, and hazardous materials incidents, and providing fire prevention services and paramedic ambulance services. This is not altruism; under the MOU, after annexation, BFRD would receive compensation in the form of assessments based on tax valuations from the land it annexes. Thus, BFRD has a clear, calculable expectation of future tax collections. BFRD has performed its obligations, and, without annexation, CDA will be "unjustly enriched" by receiving the benefit of free services without performing its side of the bargain – that is, by allowing BFRD to complete the annexation process initiated and required of BFRD and CDA in the MOU.

There are two theories of contract recovery that BFRD could use to sue CDA and win monetary damages:

- The first is expectation damages: damages that put a party in the position it would have been in had the breach not occurred. For BFRD, that could be the true value of tax dollars it would have received as a result of annexing portions of CDA's land.
- The second theory is reliance damages: damages that put a party in the same position it would have been in had the contract not been entered into. For BFRD, this could allow for recovery of the true cost of all services rendered to CDA households and lands over the last 18+ months.

CDA may be unaware of the position that it has put itself into. At its February 2025 board meeting, a motion was passed to affirmatively pause receiving Morrow County's approval on the BFRD annexation (the "Motion"). Unfortunately, this Motion would likely be seen as an affirmative breach of the MOU. In essence, the Motion acts as an implicit approval of IRFPD's annexation efforts, as IRFPD's Notice only granted a 90-day window for landowners to consent to annexation before threat of losing service. Once IRFPD's annexes the lands, it will not be possible for CDA to comply with the terms of its MOU with Boardman, opening CDA to lawsuit and damages discussed above. Rather

than pushing forward and honoring the MOU, this Motion puts CDA in the position of stalling BFRD's annexation.

Based on testimony from the February 2025 board meeting Boardman may be willing to split annexation of CDA land with IRFPD. I would encourage CDA to consider working cooperatively with IRFPD and BFRD to amend the MOU by agreeing to expedite annexation of those parcels BFRD still desires in exchange for a mutual release of all liabilities and damages. Otherwise, if IRFPD annexes all parcels, CDA's delay opens it up to a straightforward claim for breach and exposure to damages.

I further recommend that CDA expeditiously rescind the motion passed at the last board meeting and request Morrow County's expedited review of the petition for annexation into the BFRD. Further, CDA should notify IRFPD that it does not wish to have its property annexed into its district. Rather, CDA should request that IRFPD hold off on any annexation or limit its annexation to agreed-upon areas. These steps are necessary to defend against a breach of contract claim that BFRD might otherwise make."

Chair Puzey asked, "Is there anyone willing to make a motion based on what we received from legal counsel?"

Mr. Wenholz said, "Based on the advice of legal counsel I will make a motion to approve the resolution to proceed with the fire district annexation. The one change I think we should make in there is in the second whereas in the Boardman we have BFSD, it should probably be BFRD."

Chair Puzey said, "It has been moved. Is there a second?"

Mr. Taylor said, "I will second for discussion."

Vice Chair Shafer said, "I just want to hear the original recording."

Mr. Blanc said, "Which takes precedence, audio or approved written minutes?"

Mr. Taylor said, "I think the written minutes would."

Mr. Smith said, "I would just caution you. Our legal counsel is giving us advice."

Mr. Tovey said, "So the first resolve just resends the annexation and so we basically start back at ground zero. And then the second resolve directs us to move forward. So, when was that agreed to? On the be it further resolve. It said, should be annexed as

anticipated. CDA will convey to BRFD. Has that been negotiated? Has that been negotiated and finalized with the fire districts?"

Mr. Smith asked, "Can you ask that question one more time?"

Mr. Tovey said, "It says, be it further resolved the exclusive farm use parcel in Morrow County should be annexed as anticipated by IRFPD and the CDA will convey to the IRFPD that it should not annex other lands into its district pursuant to ORS478."

Mr. Smith said, "So the 640 acres is supposed to go to Irrigon Fire."

Mr. Tovey asked, "As a part of the original MOUs?"

Mr. Smith said, "Right."

Chair Puzey called for a vote on the motion. Mr. Wenholz – Aye, Mr. Taylor – Nay, Chair Puzey – Aye, Vice Chair Shafer – Nay, Mr. Tovey – Abstained. Motion failed.

Mr. Tovey said, "I abstained because I feel like I don't know enough about what the implications are of the vote."

Mr. Wenholz said, "What I heard summarized is that if we do not pass this we are almost guaranteed a lawsuit, if we do pass this, there is a possibility of a lawsuit."

Vice Chair Shafer asked, "Is there a lawsuit on both sides of the table?"

Mr. Ezell said, "No. It is a negotiation between us, and Boardman Fire and you guys are at the tail end of this."

Mr. Smith said, "Board I will just remind you, in 2023 we entered into memorandums of understandings with both parties. Our legal counsel is advising us to unwind the action in February and if we listen to our counsel, it is then to direct me to work with both fire districts to reach resolution. But we need to unwind what we did."

Mr. Wenholz said, "For what it's worth I feel that if you don't listen to legal counsel, you open yourself up to a far greater liability."

Mr. Smith said, "So board at some point we need to have a conversation about do no more damage, and this is a real conversation that needs to occur. Our legal counsel has directed us to unwind what occurred, and we are explicitly going against our legal counsel. I do not recommend we do that."

Columbia Development Authority

Mr. Tovey said, “My question was the timeline on this. And second, I haven’t read those MOUs. I haven’t seen those MOUs. Now we are having a question of whether or not those exist. I am inclined to trust that they do exist, but there is a statement that they do not exist. I have not read those, I have not seen those. So, I guess maybe, I am willing to have a meeting. A zoom work session with legal counsel to walk us through all of this and have an opportunity to review those documents. I still feel like it’s a tangled web that I don’t fully understand. So, I am inclined to support legal staff if they untangle the web and went through it all, but there is also a divided board on it too.”

Vice Chair Shafer asked, “Can we see the MOU?”

Mr. Taylor said, “JD, my board asked for the previous resolution. That is why I am voting no.”

Vice Chair Shafer asked, “Was the MOU for insurance purposes or for fire protection?”

Mr. Taylor said, “Both I am sure.”

Chair Puzey asked, “Do you want to go into executive session, Greg?”

Mr. Smith said, “I don’t know how much more I could do. I read the attorney’s letter.”

Chair Puzey said, “John, JD, I encourage you to vote affirmatively and follow the advice of legal counsel. Otherwise, I don’t know what kind of predicament we are going to be in.”

Vice Chair Shafer said, “Without seeing the MOU and the audio, I can’t say yes.”

B. BRAC Reinvestment Requirements Update

Mr. Smith said, “So, during our previous meeting it was request that I bring clarity to what the 7-year requirement is. We had a conversation with the BRAC and let me be very clear with what they shared with us. Each of the five members, including the CDA, any and all economic gain of the sale or lease of property must be reinvested back into the CDA properties for 7 years. With that said, should a private transaction occur separate from the 5 parties or the CDA, should that occur, and then should there be economic gain that follows off of that private transaction, then that is outside of the reinvestment commitment.”

Vice Chair Shafer said, “Say that last part again.”

Mr. Smith said, “Should one of the 5 partners or the CDA, receive economic gain from the sale or lease of property, those proceeds must be reinvested back into the property. Should there be economic gain from a private entity, then those proceeds do not have to be reinvested back into the property. So, the best example of that is, should one of the partners of the CDA sell a parcel of property, and should the owner of that property then sell it, those proceeds then from the resale are not obligated to come back onto the CDA. The reason for the 5 partners is BRAC believes each of you are an extension of the CDA.”

Vice Chair Shafer asked, “Would you forward that email out to the board?”

Mr. Smith said, “There is no email, I had a telephone conversation.”

Mr. Tovey said, “If any one of us receive lands from the CDA, because we are partners of the CDA, any proceeds from those lands have to go back to the CDA.”

Mr. Smith said, “Yes.”

Mr. Tovey said, “Even after it has all been transferred to any one of the 5 members of the CDA. So then once it’s transferred and that third party, private individual outside of the 5 parties, for the CDA would then be able to hold on to that during the 7 years?”

Mr. Smith said, “Yes. Now the one area that creates a gray area is we still have a parcel of property that is in the process of being cleaned up. So, the question is, when does the 7-year period begin. The army is telling us they believe that 7-year reinvestment period begins after that.”

Mr. Tovey asked, “So we haven’t even started the 7-year period yet?”

Mr. Smith said, “That is correct.”

Vice Chair Shafer said, “If a Port decided to sell 100 acres, do those proceeds go back to the CDA then? Or will they get to stay with the Port?”

Mr. Smith said, “They would stay with the individual partner, but they must be reinvested back into the CDA properties. So, if Umatilla County received $100, you would have an obligation to reinvest it back into that portion of your real estate.”

Mr. Taylor asked, “Is there a difference between net dollars and gross dollars?”

Mr. Smith said, “We didn’t get into that conversation.”

Mr. Blanc said, “In addition to John’s question, the next step would be, you get that $100 and let’s say you reinvested $50, and that 7-year period expires, what happens to that other $50?”

Mr. Smith said, “I did not explore that question. So, each of you are obligated as you receive your properties to reinvest it back during that period of time.”

Mr. Tovey asked, “Any proceeds the CDA members get, you said have to be reinvested into the CDA?”

Mr. Smith said, “I’m sorry, into the properties. So, each of the partners, should you choose to divide the properties out, you need to reinvest it back into the CDA properties. However, based upon the properties you have interest in, I assume that is where you would want it to go. There would be nothing that would prohibit you from taking your dollars and putting it into here, although, I don’t think that is realistic.”

Chair Puzey asked, “Any other questions on that?”

Mr. Smith said, “Let me just repeat that one more time. So, after a conversation with the BRAC office, any proceeds from the sale of property need to be reinvested back into the CDA’s properties. And so, each of you are considering an extension of the CDA for the purpose of the 7-year time period. And just to be really candid, the BRAC said the reason that 7-year won’t start until that final piece is transferred is they don’t want us to say forget it, we don’t want it and move on.”

5. INFORMATIONAL REPORTS WITH POSSIBLE WORK SESSION

C. Administration

Chair Puzey said, “I want to change the order on some of this. First of all, item C, administration. Is that something we can do in an open session?”

Mr. Smith said, “I believe so.”

Chair Puzey said, “Would you go ahead with that one.”

Mr. Smith said, “Sure. As it stands right now with the Port of Morrow being our fiscal agent, our ability to financially stay afloat is limited. As of right now we have just under $9,000 in a checking account. So, in order for us to meet our financial obligations we need some form of revenue stream. Whether that’s member contributions, whether

that's, well at this point member contributions, we have no ability to financially proceed forward. We do have outstanding financial obligations to the Port of Morrow as I shared either here or in the budget committee. We have financial obligations to our legal counsel. We have financial obligations to our engineers of record. And as of right now we do not have an income stream to meet those."

A. Budget Committee Update

Chair Puzey said, "The next item I want to bring back is item A. These are the items that Mr. Taylor ask that we add to the agenda."

Mr. Taylor said, "The first one on there was Public Records Requests. In our budget we have $97,000. In the past we discussed that and said let's not charge for those, but that is $97,000 in Public Records Requests to attorneys so, I think we should establish a fee going forward. I don't have a number for it or anything like that, but I think we need to revisit that."

Vice Chair Shafer said, "Historically what we have done is we have gone back to each of our entities policies and procedures and bring them forward to see what we like and don't like. Is that something that we can still do?"

Mr. Smith said, "The State of Oregon has a very simple template for public records requests. It is straightforward and simple, and it allocates the cost appropriately."

Chair Puzey said, "Why don't we just do that then."

Mr. Smith said, "The one issue you folks have to be prepared to navigate is our legal counsel charges pretty hefty by the hour and quite often the folks requesting public records requests don't want to pay that fee. And that is the legal counsel we have been using for however many years."

Mr. Taylor said, "I am okay using the state template."

Vice Chair Shafer said, "I don't know what that is."

Mr. Tovey said, "I was going to suggest a motion that directs staff to bring back a proposed public records request policy for the next meeting for consideration and approval."

Mr. Smith asked, "So do you want me to bring our existing policy?"

Mr. Tovey said, “Just a recommendation for a new policy.”

Mr. Wenholz said, “I’ll second that motion.”

Vice Chair Shafer asked, “Could we also see the current policy?”

Chair Puzey said, “It’s been moved and seconded that you are going to bring back some policies for us to consider.”

Mr. Smith said, “I am going to bring back our current policy and the standard state template.”

Chair Puzey called for a vote. Motion Carried Unanimously.

Chair Puzey said, “The next item is personnel positions. We need to be able to have a team to go forward once we are able to direct the team to sell and lease property. A lot of activity can go on, and as we were looking at the budget previously, some of us had a question as to whether or not that was going to be adequate to be able to go forward.”

Vice Chair Shafer asked, “Do we still have an open position or has that been filled?”

Mr. Smith said, “It is open. We have two excellent, excellent, candidates. I just held off as we are uncertain on our financial position.”

Chair Puzey said, “We can’t hire them if we can’t pay our bills and we have $8,000 in our bank account.”

Mr. Taylor said, “I think there was also some discussion of on our budget, are those titles correct, or are they appropriate.”

Mr. Smith said, “So let me share with you how we go to where we were. Initially you have the Director and the Administrative Assistant. Then for a period of time, up until conversations of the land distribution, we found ourselves in a situation where we were wrapping up the transition of the real estate transfer from the US Army, but in addition to that we were also receiving inquiries from industry. We were also receiving inquiries about historical information and tours. Suddenly this workload started rolling in and so I needed a project coordinator. That is when Emily was hired. Then when the motion was made to transfer the property and litigation started, within 30 days, that activity stopped. And so, I am anticipating when Umatilla County and the rest of you iron though this, that activity is going to commence again.”

Chair Puzey said, “So the question in the budget meeting was, do we have enough money to fund the team. I just want us to be prepared for the onslaught of business.”

Mr. Wenholz said, “I may have a little bit of a difference of opinion. If the property is transferred to the different entities, won’t they be getting requests from those people that are interested. Maybe the role of the CDA staff may be on a different level of what they are doing. They won’t be marketing and showing the property, it will be the individual property owners.”

Chair Puzey said, “It is rare that I push back, but because we’re still involved in the Federal Government, it’s the CDA team that would be interfacing with them.”

Vice Chair Shafer said, “Well I am having a hard time right now increasing that number when we are being told we don’t have any money.”

Mr. Wenholz said, “That is kind of the angle I was going.”

Mr. Puzey said, “Item number three is member contributions which speaks to that.”

Mr. Taylor said, “With this budget, $264,515 is what our budget says our contribution will be. It’s going to change a little bit, but this is the invoice we all got in the packet. If we go on the assumption that is just what we’re going to have to be to make this budget work, can we get that in quarterly payments and not this one invoice right now.”

Chair Puzey said, “And if we were to do some land sales and leases then we have a mechanism to reimburse people.”

Mr. Smith said, “Most definitely. We have an immediate need for cash, and I’m looking to you to address that immediate need. I am also looking at you folks to allow your staff to aggressively move forward with the sale of 100-acre parcel of property in which the five of you agree what that parcel would be. With those proceeds we could reimburse the Port of Morrow, we could reimburse the other members should you choose, then we could take the remaining proceeds and cash flow probably 3-4 years. When I say cash flow for the next 3-4 years I mean no longer seeking member contributions.”

Mr. Taylor said, “I’ll put the reminder out there, there are still members here who haven’t paid previous contributions.”

Vice Chair Shafer said, “I think that is going to be resolved so I’d prefer if we didn’t have that conversation.”

Mr. Taylor asked, “You’re confident in that?”

Vice Chair Shafer said, “100% confident.”

Mr. Wenholz said, “Do we have a timeframe of when that might be. Not to be disrespectful, but we heard that 30 days ago.”

Vice Chair Shafer said, “Well I heard back from our attorneys yesterday and we haven’t had a chance to talk with our attorneys on the proposal, but Kim correct me if I’m wrong, but we are pretty close.”

Mr. Blanc said, “I’ll agree to that, we are close.”

Mr. Taylor said, “I wrote down who’s property are we going to sell. John brought up earlier that there was a proposal for the Port of Morrow to donate 100 acres, but it could be any member. I just want to make sure that is an option everybody is aware of.”

Vice Chair Shafer said, “Actually I was looking at the minutes from last month and I’m going to read it, the amended motion is as follows, I move that we authorize Kim Puzey as board chair to implement Resolution 2025-01 and allow the sale of 100 acres on the Morrow County side of the property after Umatilla County lifts it’s lis penance. So, we have already identified it is on the Morrow County side, we just don’t know exactly where.”

Mr. Taylor said, “Going forward, maybe that client may look at something on the Morrow County side, but he sees something on the Umatilla County side and says, I just got to be here in Umatilla County. Is that not an option to do that?”

Chair Puzey said, “I don’t think that motion precludes a conversation on either side of the property.”

Mr. Taylor said, “I would agree with that. I just want it to be open that it is an option to look at other pieces of property.”

Vice Chair Shafer said, “We already had this discussion that they wanted the piece on the Morrow County side. We had this discussion.”

Mr. Tovey said, “That came up when John asked if you have somebody in mind right now. At some point, I don’t remember what the conversation was, but Greg said, I have somebody who wants a piece of property.”

Mr. Smith said, “We have two companies, one who has made it very clear they want to offer on a piece of property. We have a second company that shared with me that they would like to be part of that conversation. Whatever is ever offered, they would like to have a chance to counteroffer that price.”

Mr. Tovey asked, “Is there a 100-acre parcel that has been created, and does it have legal access?”

Mr. Taylor said, “No.”

Mr. Smith said, “I should have been clearer on that, and I stand corrected. In terms of having an agreement in place, I think we could have that completed. It’s going to take time to have it surveyed and all that. I should have been clearer on that.”

Mr. Taylor said, “I’m good on that then.”

Mr. Smith said, “Staff is still unclear then. So, we have 100 acres. Is this wherever a company chooses?”

Mr. Taylor said, “Not on the Morrow County side, no.”

Mr. Smith said, “You guys need to give me direction on what you think is the appropriate 100 acres. Because I need to be more definitive with somebody.”

Mr. Taylor said, “Well it doesn’t say that in our motion but that was the discussion. That you would work with the Port of Morrow to get that piece. We’re just waiting for Umatilla County to settle.”

Mr. Smith asked, “So we are still good on that conversation?”

Vice Chair Shafer said, “The motion does state 100 acres on the Morrow County side of the property. That is what it states.”

Mr. Smith said, “I think I understand.”

Mr. Taylor said, “As far as the budget goes, I think it fits on our agenda. There is $9,000 in the account. The Port of Morrow is still paying the payroll and Lisa; you gave me this letter. So, this is today, it is signed by Lisa. The Port of Morrow resigns as fiscal agent of the Columbia Development Authority. CDA Staff has been paid through February 18th, 2025. The Port is willing to continue payroll through the next pay ending, which is May 2nd, 2025, but requests other arrangements be made to take over payroll the following

day. With that added on, employment takes a while to get out of. There are still things that go on after you're done with employment."

Ms. Hendricks said, "This is the direction I was required to give by the board, to offer that date. Our attorney said unless another arrangement was made. So, if you need us to keep doing it I guess we would be conducive to that. But I don't really see an issue as long as their payroll is picked up by someone. Or by the CDA itself. It has come to the time when you need to make up your minds what you are doing."

Mr. Taylor said, "And Greg you have said before that you have some feelers out there when it comes to payroll companies."

Mr. Smith said, "I do. We do have an issue we need to discuss in Executive Session as it relates to that."

Mr. Tovey said, "Question on the member contributions, so the $280,000 is for 2026. Now we have talked about a $500,000 deficit to Port of Morrow for the current budget, and so I have to ask my board for money. I think we have an obligation on the IGA, but I guess my question is how is that being settled on the existing deficits we have?"

Ms. Hendricks said, "The papers that were given, the grant total is at the top. Page five tells you who still owes what for their 20% of the match. So those are the items outstanding on the grant. The other $500,000 are expenses we paid outside of the grant. But they are definitely right, if you are going to make other payroll arrangements there needs to be some other cash flow."

D. Rules of Procedure for Meeting Agendas and Operations

Mr. Wenholz said, "So this was a request from Commissioner Gus Peterson that tuned into one of our last meetings. His first question was how does someone get something on the agenda for the CDA? I said I would assume a board member would bring it to either the Executive Director, or the Board Chair. His request to me was to bring forward, as an example, what Morrow County has recently adopted as rules of procedure for operating the board meetings. And that addresses how you get things on the agenda. The order of things that are done and things like that. Again, this was only included as an example of what we are doing. Just something for consideration."

Mr. Smith said, "I did have a chance to go through this, and I think there are a lot of policies and procedures that we should be following."

Mr. Wenholz said, “Again this is just a recommendation of a template to follow. Obviously I’d be open to whatever the board would like to do.”

Mr. Tovey said, “Mr. Chair we have had this conversation, and I have only been on the board for 18 months now, but we had this conversation before because I had sent over, to Debbie at the time, an executive management policy and a board procedures code. I had sent both of those over about a year ago. It was the exact same conversation. We don’t have any fiscal management policy, or an executive management policy that defines the relationship between the executive director of the board and the board procedures. We just don’t have any. We have the IGA and we have been operating under the IGA. So I agree, but it just reminds me that we had this conversation over a year ago.”

Mr. Smith said, “So can I take what JD and Jeff have provided, try to blend this in and bring it back next month?”

Chair Puzey said, “That would be great.”

Mr. Tovey said, “I move for the Director and CDA staff to bring us recommendations on board procedures and policies at the next meeting.”

Second by Mr. Wenholz. Motion carried unanimously.

B. Proposed Motions from JD Tovey

Chair Puzey said, “I want to talk about your proposed motions in executive session. So, if you don’t mind I am going to go to for the good of the order. Then we can have an executive session.”

6. FOR THE GOOD OF THE ORDER

Mr. Wenholz said, “I do have one that falls in for the good of the order. Before the meeting Emily handed me a stack of checks to sign. If I add them up in my head they are about $15,000. So when we talk about the $8,000 in the account are we taking these out?”

Ms. Collins said, “It is.”

Vice Chair Shafer said, “When it is all said and done, who is doing the roads. The maintaining of the roads. I don’t think our road department has had any input on what the standards are for maintenance levels or anything like that.”

Columbia Development Authority

Mr. Ziari said, “We had a meeting with Port of Morrow and Port of Umatilla a couple of months back.”

Vice Chair Shafer said, “So Umatilla County has been involved?”

Mr. Ziari said, “Port of Umatilla and Port of Morrow were involved. The county road department was not involved in that.”

Chair Puzey said, “It was specifically related to the dates from the grant from HB2017. So ODOT was there, I was there because of the chair, not because of the Port, and Fred was there with folks from over in La Grande. So, it was an ODOT meeting to make sure we kept up with the dates on the legislation. That is as far as the conversation went.”

Mr. Ziari said, “Our intent is waiting for your agreement. We are ready to go for RFP. We will have your road department, Port of Morrow, the Tribe, and Morrow County involved in the selection, the policies and procedures, all of that would be at the table. That was our intention and once we get that going.”

Mr. Smith said, “I wanted to share my reluctance at this point to proceed forward with those road projects. Given our fiscal situation. We have got folks ready to pull the trigger and I’ve got a commitment to our partners to not proceed until I know everything is secured and I’ve not put them in jeopardy.”

Vice Chair Shafer said, “Are we in jeopardy of the state calling back those funds?”

Mr. Smith said, “Most definitely.”

Mr. Taylor said, “What kind of timeframe is that?”

Mr. Ziari said, “If we delay it a lot further, we will be in jeopardy. It takes time for the RFP to select people and complete construction. If we can get the go ahead this week/next week, we are fine.”

Mr. Taylor said, “You are talking weeks, we aren’t going to be in another meeting for a month.”

Mr. Smith said, “We have got two partners who each have resources to bring to the project. One of them we need to make sure that they are in no responsible for the financial obligation of this.”

Chair Puzey said, “Anything else for the good of the order?”

Mr. Smith said, “I just want to share with you, time is of the essence. I don’t have the resources to proceed, and could these dollars get called back? Most definitely. Just know what is at stake and I’m not going to commit our partners until we have the financial resources to proceed.”

7. EXECUTIVE SESSION

A. Potential Litigation

The CDA may hold an executive session meeting for the permissible reason(s) stated below under ORS 192.660(2). Representatives of the news media and designated staff and other persons shall be allowed to attend the executive session. All other members of the audience will be asked to leave the room or the CDA board may adjourn to another meeting room. The public virtual Zoom Meeting link will be closed during the executive session as permissible executive session meetings are not subject to HB2560.

Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No decision will be made in this executive session. At the end of the executive session, we will return to open session and welcome the audience back into the room in-person and open the public virtual Zoom Meeting link again.

A. For the Purpose of Consultation with Counsel Concerning the Legal Rights and Duties of a Public Body with Regard to Current Litigation or Litigation Likely to be Filed – ORS 192.660 (2)(h).

Members of the board and representatives of the media moved into an executive session. Since Chair Puzey left the meeting immediately following executive session, Vice Chair Shafer welcomed everyone back into the open session. No action was taken during the executive session.

Vice Chair Shafer said, “We still have item number 5B, the proposed motions from Mr. Tovey.”

Mr. Tovey said, “Okay so after some discussion on these, I want to state that the purpose of these was originally as a direct response to the loss of the OLDCC Grant. One of the challenges that I felt was we as the Columbia Development Authority didn’t take appropriate actions. The Port of Morrow was the fiduciary. They took their portion of responsibility and did the response, OLDCC came back and said there was some challenges with your responses to OLDCC comments. Even after the loss of the OLDCC Grant, I was still concerned that we as the CDA, who were the beneficiary of the OLDCC Grant had not taken appropriate actions in order to

maintain the OLDCC Grant, or try to win the OLDCC Grant in the future. So, these motions that I crafted were directly linked to the compliance issues that Michael Wilson, the Deputy Director of Compliance from OLDCC. They were designed to directly respond to those. Under further discussion though, I think we are on a different path in trying to have a more universal kind of completion or resolution of these things. Including job descriptions, or executive management policies, or any other kind of operational agreements here for the organization. So, I am more than happy to table these for now. With the expectation that they will be included in some future universal fix as an organization."

Vice Chair Shafer said, "I appreciate that. Any other comments?"

Mr. Taylor said, "No, I think we are good."

Vice Chair Shafer said, "We do want to set a special meeting to discuss item 4A Fire service Update. We will have a Zoom meeting a week from today at 1 pm. And that will be an online virtual meeting."

Mr. Taylor moved to adjourn the meeting. Second by Mr. Wenholz. Vice Chair Shafer – Aye, Mr. Taylor – Aye, Mr. Wenholz – Aye, Mr. Tovey – Aye. Motion carried.

8. ADJOURN