

COLUMBIA COUNTY BOARD OF COMMISSIONERS
BOARD MEETING

MINUTES

January 21, 2015

The Columbia County Board of Commissioners met in scheduled session with Commissioner Henry Heimuller, Commissioner Anthony Hyde and Commissioner Earl Fisher, together with Robin McIntyre, Assistant County Counsel and Jan Greenhalgh, Board Office Administrator.

Commissioner Heimuller called the meeting to order and led the flag salute.

MINUTES:

Commissioner Hyde moved and Commissioner Fisher seconded to approve the minutes of the January 14, 2015 Board meeting and January 14, 2015 Staff meeting. The motion carried unanimously.

VISITOR COMMENTS:

Thelma Bonar, 56734 Way Lane, Warren: She read her comments into the record regarding her initiative for an increase to the aggregate fee, which has not increased in 18 years. The additional revenue generated from the increased fee would help pay for our road improvements and fund our public transit system, Columbia County Rider.

Rosemary Lohrke, 56679 Mollenhour Road, Scappoose: She is here to also talk about Columbia County Rider and how bad this county needs this service. The program is

running out of options to fund this very needed transit system. She asked that, even if the Board is not going to support this initiative, please just stay silent on it.

HEARING: ENERFIN CONDITIONAL USE PERMIT TO DRILL GAS IN PF-80 ZONE:

This is the time set for the public hearing, "In the Matter of the Application of Enerfin Resources Northwest for a Conditional Use Permit to Drill a Natural Gas Well in the Primary Forest (PF-80) Zone".

Robin McIntrye reviewed the purpose of this hearing. For the record, the Board declared no ex parte contacts. Robin then read the pre-hearing statement into the record as required by ORS. She entered County Counsel's hearing file into the record, marked **Exhibit "1"** which includes a list of all contents. At this time, Robin entered the following additions to the record: Planning Commission minutes as **Exhibit "2"**; Email from Bob Houston of DOGAMI as **Exhibit "3"**; Letter from Cable Houston as **Exhibit "4"**; Email from Nancy Whitney dated 11/19/14 as **Exhibit "5"**; Mist-Birkenfeld CPAC meeting minutes as **Exhibit "6"**; Email from Peggy Morgan dated 1/12/15 as **Exhibit "7"**; Letter from Paulette Lichatowich dated 1/12/15 as **Exhibit "8"**; Letter from Larry Erickson dated 1/19/15 as **Exhibit "9"**; Email from Lisa Maloney dated 1/20/15 as **Exhibit "10"**; Email from Sandy Crinklaw dated 1/20/15 as **Exhibit "11"**; Letter from Robert Nicklaus dated 1/19/14 as **Exhibit "12"** and Letter from Evelyn Nicklaus dated 1/19/15 as **Exhibit "13"**.

Glen Higgins, Columbia County Planning Manager, came before the Board to present the staff report dated 1/14/15. After review of the applicable criteria and findings, the Planning Commission and Staff recommend approval of this application with the 18 condition listed in the staff report.

The hearing was opened for public testimony.

PROPONENTS:

Tommy Brocks, Attorney with Cable Huston, LLP., 1001 SW 5th Avenue, #2000, Portland, OR 97204: Tommy first presented the Board with his written presentation, marked **Exhibit "14"**, and turn comments over to Peggy Morgan of Enerfin.

Peggy Morgan, Enerfin Resources, 49774 Road 426, Suite B, Oakhurst, CA 93644:

Peggy began with some history of the field, which was discovered in 1979. To date, there have over 250 wells drilled in the Mist field. Enerfin took over operations in 1995 and since that time, they have drilled a total of 38 wells. Enerfin has conducted or participated in the acquisition of about 47 square miles of seismic data. A lot of that seismic data has been accumulated in the farmland in the Nehalem Valley area. All of Enerfin's operations, whether seismic or drilling, are done under several permits - the Conditional Use Permit through the County, and other permits through DOGAMI, Department of Forestry and the Mist Birkenfeld Fire Department. Further, state agencies such as Water Resources, Department of Agriculture and DEQ must be notified and be allowed to comment prior to the permits being issued by the County and DOGAMI. Once the permit is approved, Enerfin will level the site if necessary, spread out a specific type of fabric and the put 1-2 feet of rock and gravel along the surface. It takes about 2 days to bring in the drilling rig and get it mobilized. Once drilling begins, it is around the clock operations and it takes 5-7 days. Once the well reaches 500 feet, they run a cement casing from the surface down to 500 feet. This effectively seals off and protects all fresh water aquifers. Once the well reaches the total depth, they run an analyst on all aspects of the well and maintain monitoring reports. If the well is a producer, then it is

cemented and cased. If it's not a producing well, it's just filled with cement. She understands there is some concern about the drilling fluid so it is important to note that it is 96% fresh water and a clay that is naturally produced in this area. There are no hazard materials or poisonous substances in the drilling mud. In conclusion, Enerfin has been out in the mist fields for over 20 years and drilled 38 wells. They recognize the cultural complexity of this area and very aware of what they need to do to protect those assets.

Tommy Brocks first noted that this is not the first well that's been drilled next to or adjacent to a farm and the maps provided show prior drill sites in the area and the proposed drill site. Under the CCZO, there is no dispute that the activity here is a permitted use, so basically just talking about the Conditional Use and some of the impact criteria. Broadly, they agree with the staff report but he wanted to touch on a few of the impact criteria for clarification. In CCZO Section 1503.5(c) it asks if the characteristics of the site are suitable for the proposed use. The answer is yes and, all things being equal, this is an ideal site because it's flat, easily accessible and basically the only area in the 160 acre quarter section they can drill due to limitations of the river, highway and near by residences. Section 1503.5(e) asks whether the proposed use will alter the character of the surrounding area. Again, Enerfin has experienced drilling in the farm land and the valley and the character of that area has remained intact. The impacts that have been mentioned are the visual and/or noise. As the map will show, there is already some significant screening and buffering between the drill site and the nearest home. However, Enerfin will put up additional screening if needed. Tommy continued with the other criteria and how those are being met. Enerfin already has a long track record of complying with county requirements and being a good neighbor. He touched on three

conditions he would question: **Condition #4**, which requires coordination with ODFW, this is already been done so a condition does not need to be included; **Condition #5** similar concern regarding fire safety, just basically the way the language reads; **Condition #14** regarding water quality, pond and potential impacts. Staff is requiring testing. Enerfin has a very high level of comfort that this has no impacts to ground water and DOGAMI is already charged with protecting the environment, so basically already done. Although Enerfin has no concerns with testing the water, communicating with the fire department and the neighbors, they are not sure what they're testing for and feels it should not be a condition of approval. Tommy asked that the record be left open for a period of time for any rebuttal and waived the 30 day time period.

Larry Erickson, 53070 NW Manor Drive, Scappoose: He believes that most of the people that live in our county are concerned about 2 things - environmental quality and the livability of the county. In his research, he found that Enerfin has been around this county for many years, they have over 200 wells, with no adverse effects. He can only assume that with the extraction of gas, it somehow brings money into our community. He wanted to mention that natural gas is considered by the State of Oregon to be green energy. He would like to see this permit approved.

Mark Nelson, 50607 Elder Avenue, Scappoose: He is currently unemployed but working to fix that. It is his opinion that commerce, production and manufacturing need energy and from he hears, gas is a very clean source of energy. We need to do what we can to balance the environment with saving jobs in our county. He is very much in favor of this.

Fred Yauney, Apple Valley Road, Scappoose: He is in favor of this application, in favor of industrial development in our county. There are a lot of people in our county that don't have jobs and we need to what we can to bring in jobs and increase our tax base. He supports this application.

OPPONENTS:

Nancy Whitney, St. Helens: She just heard testimony from the Enerfin attorney that they have a very high level of confidence with their drilling procedures. She would ask if they also have a very high level of insurance to cover any mishaps in that area and what are the ramifications if that insurance fails. Who will carry the burden? We already have severe concerns with the crude oil being moved through the county by companies that are totally under insured.

Olin Younger, 69432 Fishhawk Road, Birkenfeld: He is on the Board of Directors for the Vernonia Health District. Anne Parrot with Public Health is working to design a plan on how to deal with a major disaster in this county. This will be different from the one the county has. He has 3 points he wants to address on this application. 1) the location of this drill site is in an established flood plain, too close to the Mist-Birkenfeld fire station and the West Oregon Electric substation. As we all know, well fires, explosions and pipe ruptures happen. It would be tragic should something happen and the emergency responders couldn't get to their equipment to fight the fire. 2) He and his wife have entered into an agreement with Nehalem Valley Watershed Council, replanting his area

along the Nehalem River, Beaver Creek and Fishhawk Creek. They are down river of this proposed well and a lot of things move downstream and there could be silt, chemicals, etc. finding its way to his property. 3) Those who live in the Nehalem Valley truly love it and all of the outdoor activities it allows for. None of them want to be told what they have to do with their land. They are stewards of the land and need to protect it. He would ask that the Board deny this application.

William Allen, 175 N. 1st St., St. Helens: Just to note, there is no such thing as clean energy, it's just less polluting. The incidents of casing failures around the country is almost criminal. His primary concern is with cumulative well development. He read from the Planning Commission staff report where it states that cumulative presence of existing wells and roadways within the Mist gas field has already impacted the area, reducing its value as prime habitat - however, that language was stricken in the staff report to the Board. William researched the DOGAMI database and plotted all of the wells from 1998 to 2013 - 39 permitted. His point is that every well is an impact and he found scarfed out land from pre-existing wells from the 1980's. How many wells "minimal" impact wells will it take before we start looking at the big picture. Mr. Allen presented his ariel map with an overlay of permitted wells and well sites still visible with a 10.5 x 7.7 mile area, marked as **Exhibit "15"**.

Elizabeth d'Aubigne, 69432 Fishhawk Road, Birkenfeld: She is adding her testimony to her husbands (Olin Younger). She is looking at this as a moral and environmental perspective. Those who live in Birkenfeld chose to because it's a beautiful and peaceful area. They live there will sacrifice - no gas station, no post office, no store, but they do it

because they love it out there. Just because there have been no negative effects or impacts by the gas wells so far doesn't mean that something can't happen in the future. Also, there has been no discussion on how the gas will be transported from the site, except that it will be by pipeline under the river and under the total control of the federal government. Do we want to take that risk if something were to happen. She would urge the Board to look at this from a perspective of - is it right for the community.

Maggie Payton 16747 Timber Road, Vernonia: She has lived there for the past 25 years. She is a founding member of the Upper Nehalem Watershed Council and over the past 20 years she has dedicated her life to understanding what a watershed is and what effects the quality of the watershed. She is deeply concerned with the watershed and the safety of those who live there and there are already so many issues effecting the Nehalem watershed. She understands this well is going down about 2,000 feet and will drill through the Nehalem River aquifer. Although that is supposed to be protected by a casing, Oregon is due for a very large earthquake. If that should happen in the flood plain, it would liquify everything. Her biggest concern is the weak link with the aquifer. She has other concerns with the lack of state oversight and that they cannot adequately respond to local issues. Maggie entered the Cascadia Newsletter with earthquake information, marked as **Exhibit "16"**.

Sam Semerjian, 12439 N. Hwy 202, Mist: He lives next to this proposed well location. As for putting out a gas fire, Joe Kaczenski with the local fire department has stated that they cannot put out a gas fire. *Commissioner Heimuller clarified that no fire department could put out a gas fire, even if the pond was the size of the county. Gas fires are dealt*

with by professionals trained for gas fires. Sam continued - He has lived on his property for many years and raised his children there. The family loves the area and the tranquility of the outdoor space. He has a concern with drilling in a flood plain. He questioned how these applications are dealt with because it appears they are basically rubber stamped. He clarified that he has no problem with gas wells, he uses gas for utility purposes at his home. When he is home, he spends a lot of time outside. He doesn't mind the log trucks so much, but he doesn't want to be outside listening to the hiss of the gas well, that is only 200 feet from this property.

Joe Semerjian, 12439 N. Hwy 202, Mist: He has been attending the hearings on this application for some time now. After looking at the maps of where the river, pond, and creek is, the well is going to be situated right in the middle of all of that. To be told that this well location is ideal, sounds preposterous. He has lived in Mist-Birkenfeld for the past 15 years - he doesn't cringe much at the site of log trucks, clear cuts, or wells being dug. He would just ask that at what point do we allow wells to be dug in such precarious locations and will that someday become a normality.

John Richard, 20055 NW Paulina Drive, Portland: He doesn't live in Columbia County but spends most of his recreational time here. He picks mushrooms on Sam's property. He heard the Enerfin attorney say that there are no worries because they have the wildlife issue taken care of and there is no mention of the federal guidelines for digging the pipeline across the river, if that's what they intend to do. Sam has already said he is not against the well, but if the Board decides to approve this application, they do so with conditions that would mitigate his concerns. John has worked in many areas of

government over the years and, personally, he wouldn't approve any of this application until he saw that all of those who operate at the higher level have done their due diligence. This is where the rubber meets the road.

REBUTTAL:

Tommy Brooks would ask that the Board allow him to submit his rebuttal in written form, if they are planning to hold the record opened. He would agree to push the time limit out more if needed.

With no further testimony coming before the Board, Commissioner Hyde moved and Commissioner Fisher seconded to close the hearing but leave the record open to allow written testimony only to 2.4.15, then one additional week for rebuttal 2.11.15 and one additional week for closing arguments 2.18.15, with deliberations to be held on March 11, 2015, at or after 10:00 a.m. The motion carried unanimously.

CONSENT AGENDA:

Commissioner Heimuller read the consent agenda in full. Commissioner Fisher briefly commented on Item (E) and noted that this matter has been discussed a number of times over the past several months with the Road Department. With no changes/additions, Commissioner Fisher moved and Commissioner Hyde seconded to approve the consent agenda as follows:

- (A) Ratify the Select to Pay for week of 1/19/15.

- (B) Reappoint Margaret Magruder to the Columbia County Budget Committee for a (3) year tem.
- (C) Amended Order No. 47-2014, "In the Matter of Reimbursing Public Agencies In Columbia County for the Cost Impacts of the Hood-to-Coast Relay and Returning Remaining Deposit [correcting scrivener's errors]".
- (D) Order No. 2-2015, "In the Matter of the Petition by John Breninger to Name a New Private Road, located off of Nehalem Highway North near Vernonia, "Ridge Mill Road" .
- (E) Order No. 3-2015, "In the Matter of the Proposed Vacation of an Unnamed Platted Right-Of-Way at the South End of Flint Drive, Scappoose, Oregon".

AGREEMENTS/CONTRACTS/AMENDMENTS:

- (F) Public Services Contract by and between Columbia County and Consolidated Food Management dba Turnkey Corrections Northwest for Commissary Services in the Columbia County Jail.
- (G) Addendum No. 1 to Hazard Mitigation Grant Program (HMGP) Contract 4055.0014 with the Oregon Office of Emergency Management and authorize the Chair to sign.
- (H) Amendment #11 to the Oregon Health Authority 2013-2015 Agreement #142058 for the Financing of Public Health Services and authorize the Chair to sign.

The motion carried unanimously.

COMMISSIONER HEIMULLER COMMENTS:

No comments.

COMMISSIONER HYDE COMMENTS:

Commissioner Hyde had the pleasure last Wednesday night, sitting as a judge for the senior projects at the Vernonia High School. He has been doing this since the mid 1980's and is very encouraged with the intelligence of these students.

On Thursday, he was in Salem to testify in front of the Oregon Transportation Commission in regards to projects in Columbia County. He sits on the Final Review Committee for the Connect Oregon grants and they were asked to reconvene to consider \$8 million in projects. There was a unanimous vote from the review committee for their #1 project to be the Port Westward dock improvements. So he was in Salem to testify in favor of that.

On Friday, he chaired the Regional Preparedness Disaster Organization. This is a 5 county emergency management homeland security organization. They went over a lot of management issues with regards to that organization.

COMMISSIONER FISHER COMMENTS:

Commissioner Fisher heard a person testify today that if there is an oil disaster that happens locally, then the rail company and oil companies just bail out and there is no insurance for that. This is totally incorrect - both the rail company and the owner of the product being transported is liable. There was a rail disaster several years ago in North Dakota and Commissioner Fisher spoke with the Mayor of that town who said they had absolutely no problem at all getting the rail company to take care of the costs involved.

Another comment was made about the lack of staffing in our government agencies. He agrees with that, counties and local governments and public agencies are also understaffed. Most of that is because we lack an industrial and economic base that supports the taxes that provide these services.

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There was no Executive Session held.

With nothing further coming before the Board, the meeting was adjourned.

Dated at St. Helens, Oregon this 21st of January, 2015.

NOTE: A tape of this meeting is available for purchase by the public or interested parties.

BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

By: _____

BOC Minutes

1/21/15

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Henry Heimuller, Chair

By: _____

By: _____

Jan Greenhalgh

Anthony Hyde, Commissioner

By: _____

Board Office Administrator

Earl Fisher, Commissioner