

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR COLUMBIA COUNTY, OREGON

In the Matter of the Distribution of )  
Proceeds Under ORS 275.275 )  
[2006 Distribution] )  
\_\_\_\_\_ )

**ORDER NO. 52 - 2006**

WHEREAS, ORS 275.275(1), (3) and (4) and ORS 311.390 govern the distribution of proceeds arising under ORS 275.090 to 275.290 and 275.296 to 275.310, including proceeds from the sale of county lands; and

WHEREAS, ORS 275.275(2), (3) and (4) and ORS 311.390 govern the distribution of proceeds arising under ORS 275.294, including oil and gas rents and royalties; and

WHEREAS, a schedule showing how these proceeds should be distributed, as provided by ORS 275.275 and 311.390, and as provided by the Board of County Commissioners for approved funding requests under ORS 275.275(2)(c), is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, pursuant to ORS 275.275(1)(a)(B), the Columbia County general fund is entitled to reimbursement from the proceeds of the sale of county lands of an amount equal to the penalty and fee described in ORS 312.120 for each property upon which the county has foreclosed a lien for delinquent taxes; and

WHEREAS, pursuant to ORS 275.275(1)(a)(C), the Columbia County general fund is also entitled to reimbursement from the proceeds of the sale of county lands of the costs and expenses incurred in the maintenance and supervision of county-owned properties and in any action to quiet title; and

WHEREAS, a schedule setting forth the penalty and fee, costs and expenses incurred by Columbia County referred to above is attached hereto as Exhibit B; and

WHEREAS, prior to the 2005 legislative session, ORS 275.275(2)(c), provided that the Columbia County general fund was entitled to reimbursement from the proceeds of oil and gas rents and royalties for the administrative expenses incurred under ORS 275.294 in an amount not to exceed 10 percent of said proceeds in any one year; and

WHEREAS, ORS 275.275(2)(c), further provided that, should administrative expenses incurred by Columbia County exceed 10 percent in any one year, the unpaid administrative expenses may be carried forward into succeeding years until the county is fully reimbursed, although not more than 10 percent of the proceeds in any one year may be used for such reimbursement; and

WHEREAS, ORS 275.275, *Distribution of Proceeds*, was amended by the 2005 legislature, said amendments becoming effective January 1, 2006; and

WHEREAS, ORS 275.275(2)(d) now provides that Columbia County may be reimbursed its actual costs and expenses incurred in proceedings arising under ORS 275.294 for: 1) the maintenance and supervision of a lease or conveyance granting rights to explore, explore, prospect for, mine or remove valuable minerals, oil or gas from the lands, 2) the maintenance and supervision of a lease or

conveyance granting rights to conduct underground storage, as defined in ORS 520.005, and 3) litigation resulting from a lease or conveyance described in subparagraph (A) or (B) of this paragraph; and

WHEREAS, schedules setting forth the administrative expenses incurred by Columbia County under ORS 275.294 referred to above are attached hereto as Exhibits C, D and E;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. That the schedules attached hereto as Exhibits A, B, C, D and E be, and hereby are, approved;
2. That the Treasurer is authorized to immediately distribute those amounts set forth in Exhibit "A", Section V, "Distribution to Taxing Districts", to the taxing districts shown therein;
3. That the proceeds to be distributed to the Mist-Birkenfeld and Vernonia Rural Fire Protection Districts for impact costs pursuant to ORS 275.275(2)(c), as set forth in Exhibit A, Section I, Oil & Gas Rents/Royalties, shall be distributed only upon approval of an order for such distribution by this Board.
4. That administrative expenses incurred by the County which exceed the revenues received under ORS 275.294 as allowed under ORS 275.275(2)(d), as reflected in Exhibit A, Section II, if any, shall be carried over to subsequent years until fully reimbursed.

DATED this 28 day of June, 2006.

BOARD OF COUNTY COMMISSIONERS  
FOR COLUMBIA COUNTY, OREGON

Approved as to form

By:   
Office of County Counsel

By:   
Chair  
By:   
Commissioner  
By:   
Commissioner

S:\COUNSEL\GAS\DISTRIBUTE\ORD 2006.wpd

**EXHIBIT A**

**2006 DISTRIBUTION: REVENUES FROM GAS RENTS/ROYALTIES AND LAND SALES**

<b>I. GAS RENTS/ROYALTIES (June 2005 - June 2006)</b>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
Revenue: Gas Rents/Royalties	\$349,438.44	\$5,386.45	\$354,824.89
Less County Expenses (see Section II)			(\$280,152.59)
Less Mist-Birkenfeld Impact			(\$23,418.44)
Less Vernonia RFPD Impact			(\$12,064.05)
<b>Total Rents/Royalties for Distribution</b>			<b>\$39,189.81</b>
<b>II. COUNTY EXPENSES</b>			
A) County administrative expenses incurred in FY 2004 - 05 [see, Exhibit C]	\$14,226.99		
B) County reimbursed 10 percent pursuant to ORS 275.275(2)(c) in June 2005	(\$13,741.21)		
C) Carry-over from FY 2004 - 05	\$485.78		
D) Carry-over incurred July 1, 2002 thru June 30, 2004 [see, Exhibit D]	\$97,844.93		
E) Total <u>carry-over</u> to be reimbursed to Columbia County in 2006 distribution	\$98,330.71		
F) County administrative expenses incurred in FY 2005 - 2006 (see Exhibit E)	\$83,491.18		
<b>Total County Expenses for Reimbursement</b>	<b>\$280,152.59</b>		
<b>III. LAND SALES</b>			
Land Sales – Revenues		\$9,048.55	\$9,048.55
Less Expenses Reimbursable to County [see, Exhibit B]			(\$4,329.21)
<b>Total Land Sales for Distribution</b>			<b>\$4,719.34</b>
<b>IV. TOTAL FOR THIS DISTRIBUTION</b>			<b>\$43,909.15</b>
<b>V. DISTRIBUTION TO TAXING DISTRICTS</b>			
	<b>2005 - 2006 Tax Rate</b>		<b>Distribution Amount</b>
Columbia County	12.868628		\$43,909.15
Columbia 4-H	0.420366		\$5,650.51
Columbia County 911	3.984719		\$184.58
Columbia Vector	0.792787		\$1,749.66
Gr St Helens Park & Rec	0.792787		\$348.11
Columbia Health	0.667804		\$293.23
	1.856228		\$815.05

Rainier Cemetery	0.090192	\$39.60
Clatskanie Park & Recreation	0.353717	\$155.31
Clatskanie Library	0.291210	\$127.87
Port of St. Helens	0.549578	\$241.32
Scappoose Library	0.406300	\$178.40
Clatskanie, City of	1.106629	\$485.91
Columbia City, City of	0.558708	\$245.32
Prescott, City of	0.002237	\$0.98
Rainier, City of	0.952066	\$418.04
REDCO Special Levy	0.185265	\$81.35
Scappoose, City of	2.954723	\$1,297.39
St Helens, City of	3.042209	\$1,335.81
Vernonia, City of	1.193974	\$524.26
Clatskanie RFPD	1.634672	\$717.77
Mist-Birkenfeld RFPD	0.687682	\$301.96
Sauvie Island RFPD #30	0.024292	\$10.67
Scappoose RFPD	2.815779	\$1,236.38
Columbia River RFPD	10.893909	\$4,783.42
Vernonia RFPD	0.463675	\$203.60
NW Regional ESD	1.117688	\$490.77
St Helens 502 School	19.555831	\$8,586.80
Rainier 13 School	4.882187	\$2,143.73
Scapp 1 JT School	10.015851	\$4,397.87
Scappoose School Debt	0.957845	\$420.58
Clatskanie 6J School	4.592162	\$2,016.38
Vernonia 47 JT School	4.251807	\$1,866.93
Portland Community College	2.777324	\$1,219.50
REDCO	0.642005	\$281.90
Columbia Development Agency	0.589776	\$258.97
Fire Patrol	0.700518	\$307.59
Fire Patrol Surcharge	0.407412	\$178.89
Meadow View Service District	0.012129	\$5.33
Beaver Drainage District	0.078226	\$34.35
Clatskanie Drainage District	0.014484	\$6.36
Columbia Drainage District	0.011123	\$4.88

Deer Island Drainage District	0.066785	\$29.32
John Drainage District	0.005275	\$2.32
Magruder Drainage District	0.023198	\$10.19
Marshland Drainage District	0.026600	\$11.68
Midland Drainage District	0.041381	\$18.17
Rainier Drainage District	0.040516	\$17.79
West Rainier Edr	0.002526	\$1.11
Sauvie Island Drainage District	0.021460	\$9.42
Scappoose Drainage District	0.309942	\$136.09
Woodson Drainage District	0.008105	\$3.56
Westland Drainage District	0.018754	\$8.23
Clatsop Diking District	0.007982	\$3.50
Mobile Home Ombudsman	0.018981	\$8.33
John Improvement Surcharge	0.004778	\$2.10
<b>Totals</b>	<u>100</u>	<u>\$43,909.15</u>

**EXHIBIT B**

**LAND SALES: EXPENSES INCURRED BY COLUMBIA COUNTY -- FY 2004 - 2005**

**REIMBURSABLE UNDER ORS 275.275(1)**

**1) ORS 275.275(1)(a)(B) -- Penalty & Fee Under ORS 312.120**

[Five Percent (5%) Penalty Plus Cost of Title Search (\$100 each)]

DEEDED	TAX ACCOUNT NO.	PENALTY/FEE	AMOUNT
October 2004	01-08 3222-014-11000	\$106.06	
	04-02 4403-022-02411	\$101.94	
	01-06 4313-040-01200	\$198.23	
	<b>TOTAL PENALTY/FEE</b>	<b>\$406.23</b>	<b>\$406.23</b>

**2) ORS 275.275(1)(a)(C) -- MAINTENANCE AND SUPERVISION OF PROPERTIES**

**a) SUPERVISION OF PROPERTIES BY STAFF**

Cynthia Zemaitis, Paralegal / Natural Resources Administrator	57.7 hours x \$32.56 per hour	\$1,878.71	
John Knight, County Counsel	8.8 hours x \$61.05 per hour	\$537.24	
	<b>STAFF TIME</b>		<b>\$2,415.95</b>

**b) MAINTENANCE OF PROPERTIES**

7329-000-00400	Reynolds Land Surveying, rock quarry	\$1,250.00	<b>\$1,250.00</b>
----------------	--------------------------------------	------------	-------------------

**c) EXPENSES INCURRED**

02-08 5235-000-03200	Rinker/Howard, Recording Fees, County Clerk	\$31.00	
05-10 8330-000-00200	Jerry Gann, Recording Fees, County Clerk	\$26.00	
02-08 5210-010-00299	Jean Cheek, Recording Fees, County Clerk	\$26.00	
01-08 4234-030-00200	Carpenter Trust, Recording Fees, County Clerk	\$31.00	
01-08 3222-014-11000	Columbia Hills Dev Co, Recording Fees, County Clerk	\$26.00	
01-08 3222-014-11000	Publication, Notice of Private Sale, <i>The Chronicle</i>	\$30.03	
04-01 4405-014-13800	City of Vernonia, Recording Fees, County Clerk	(\$27.00)	
02-08 5235-014-00300	Huntzinger, Recording Fees, County Clerk	\$88.00	
04-01 4405-014-13800	City of Vernonia, Recording Fees, County Clerk	\$26.00	

TOTAL REIMBURSABLE EXPENSES

\$257.03

\$257.03

TOTAL REIMBURSABLE TO COLUMBIA COUNTY from Land Sales Revenues

\$4,329.21

VERIFICATION

Pursuant to ORS 275.275(5), I have reviewed the above administrative expenses incurred by Columbia County for which reimbursement is sought from proceeds arising under ORS 275.090 to 275.290 and 275.296 to 275.310, and hereby verify that, to the best of my knowledge, they represent actual costs incurred in the maintenance and supervisor of County lands. The Board of County Commissioners has determined these costs to be reimbursable under ORS 275.275(1)(a)(C) and for which distribution has been authorized in Order No. 52 -2006.

Dated this 27<sup>th</sup> day of June, 2006.

COLUMBIA COUNTY TREASURER

By: 

Ruth Baker, Treasurer

**EXHIBIT C**

**MIST GAS FIELD: ADMINISTRATIVE EXPENSES INCURRED – FY 2004 - 2005**

**I. COUNTY STAFF TIME**

STAFF	HOURS	HOURLY RATE	TOTAL
Cynthia Zemaitis	160.5	\$30.48	\$4,892.04
John K. Knight	13.8	\$61.05	\$842.49
Tony Hyde	94	\$48.14	\$4,525.16

**II. EXPENSES**

Jay Evans, Consultant	\$2,687.50
Bert Mueller, Landswoman	\$1,279.80

**III. TOTAL EXPENSES** **\$14,226.99**

**VERIFICATION**

Pursuant to ORS 275.275(5), I have reviewed the above administrative expenses incurred by Columbia County for which reimbursement is sought from proceeds arising under ORS 275.294, and hereby verify that, to the best of my knowledge, they represent actual costs incurred in the administration of the Mist gas field and natural gas exploration, development, production and storage in the Mist gas fields. The Board of County Commissioners has determined these costs to be reimbursable under ORS 275.275(2)(d) and for which distribution has been authorized under Order No. 52 -2006.

Dated this 27th day of June, 2006.

COLUMBIA COUNTY TREASURER

By: \_\_\_\_\_

*Ruth Baker*  
Ruth Baker, Treasurer



**EXHIBIT D**

**MIST GAS FIELD: ADMINISTRATIVE EXPENSES – JULY 1, 2002 thru JUNE 30, 2004**

The administrative expenses incurred by the County in fiscal years 2002-2003 and 2003-2004 have been estimated; any expenses incurred exceeding the statutory 10 percent taken in each of those fiscal years is to be carried forward starting with the June 2005 distribution until the County has been fully reimbursed. CZ 27-Jun-05

**TOTAL EXPENSES EXCEEDING REIMBURSEMENTS July 1, 2002 THRU June 30, 2004 – TO BE CARRIED FORWARD UNTIL COUNTY IS FULLY REIMBURSED:** **\$97,844.93**

**FY 2003 - 2004**

**I. COUNTY STAFF TIME**

STAFF	HOURS	HOURLY RATE	TOTAL
Cynthia Zemaitis	597.7	\$26.83	\$16,036.29
John K. Knight	110.1	\$60.65	\$6,677.57
Tony Hyde	105	\$47.75	\$5,013.75

**II. EXPENSES**

Jay Evans, Underground Storage Expert/Consultant	\$78,440.01
Bert Mueller, Landswoman	\$2,547.30
Allen & Crouch, Reservoir Engineers	\$385.00
Vern Newton, Geologist	\$323.90
Misc. – postage and meeting expense	\$93.19
<b>TOTAL EXPENSES</b>	<b>\$109,517.01</b>
<b>COUNTY REIMBURSEMENT – STATUTORY 10 PERCENT – Jun 2004</b>	<b>(\$3,867.76)</b>
<b>COUNTY REIMBURSEMENT – STATUTORY 10 PERCENT – Dec 2003</b>	<b>(\$17,764.17)</b>
<b>FY 2003 - 04 CARRY-OVER</b>	<b>\$87,885.08</b>

**FY 2002 - 2003**

**I. COUNTY STAFF TIME**

STAFF	HOURS	HOURLY RATE	TOTAL
Cynthia Zemaitis	137.8	\$25.78	\$3,552.48
John K. Knight	28.7	\$57.85	\$1,660.30
Tony Hyde	16	\$44.89	\$718.24

**II. EXPENSES**

Jay Evans, Underground Storage Expert/Consultant	\$20,137.38
Allen & Crouch, Reservoir Engineers	\$6,132.50
Vern Newton, Geologist	\$1,312.18
<b>TOTAL EXPENSES</b>	<b>\$33,513.08</b>
<b>COUNTY REIMBURSEMENT – STATUTORY 10 PERCENT – Jun 2003</b>	<b>(\$6,463.48)</b>
<b>COUNTY REIMBURSEMENT – STATUTORY 10 PERCENT – Dec 2002</b>	<b>(\$17,089.75)</b>
<b>FY 2002 - 03 CARRY-OVER</b>	<b>\$9,959.85</b>

**VERIFICATION**

Pursuant to ORS 275.275(5), I have reviewed the above administrative expenses incurred by Columbia County for which reimbursement is sought from proceeds arising under ORS 275.294, and hereby verify that, to the best of my knowledge, they represent actual costs incurred in the administration of the Mist gas field and natural gas exploration, development, production and storage in the Mist gas fields. The Board of County Commissioners has determined these costs to be reimbursable under ORS 275.275(2)(d) and for which distribution has been authorized under Order No. 52 -2006.

Dated this 27<sup>th</sup> day of June, 2006.

COLUMBIA COUNTY TREASURER

By: Ruth Baker  
Ruth Baker, Treasurer

**EXHIBIT E**

**MIST GAS FIELD: ADMINISTRATIVE EXPENSES**

**FY 2005 - 2006**

**I. COUNTY STAFF TIME**

<u>STAFF</u>	<u>HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
Cynthia Zemaitis	330.0	\$32.56	\$10,744.80
John K. Knight	73.2	\$62.75	\$4,593.30
Tony Hyde	23.8	\$50.33	\$1,197.85

**II. EXPENSES**

Jay Evans, Consultant	\$66,892.53
Cynthia Zemaitis, Mileage	\$26.70
Tony Hyde, Mileage	\$36.00

**III. TOTAL EXPENSES** \$83,491.18

**VERIFICATION**

Pursuant to ORS 275.275(5), I have reviewed the above administrative expenses incurred by Columbia County for which reimbursement is sought from proceeds arising under ORS 275.294, and hereby verify that, to the best of my knowledge, they represent actual costs incurred in the administration of the Mist gas field and natural gas exploration, development, production and storage in the Mist gas fields. The Board of County Commissioners has determined these costs to be reimbursable under ORS 275.275(2)(d) and for which distribution has been authorized under Board Order No. 52 -2006.

Dated this 27<sup>th</sup> day of June, 2006.

COLUMBIA COUNTY TREASURER

By: 

Ruth Baker, Treasurer