

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

In the Matter of Reimbursing the Vernonia Rural)
Fire Protection District Pursuant to ORS 275.275(2))
)
[2007 Distribution – Mist Gas Field Revenues])
_____)

ORDER NO. 115 - 2007

WHEREAS, on December 29, 1994, the Board of County Commissioners adopted Order No. 338-94 which, among other things, authorized the Vernonia Rural Fire Protection District (RFPD) to apply for reimbursement for a portion of their operational costs due to the impaction on the District by natural gas exploration, development, transportation and storage in the Mist gas fields; and

WHEREAS, this reimbursement would be made to the Vernonia Rural Fire Protection District ("Vernonia RFPD") out of the proceeds received from the Mist gas field and pursuant to ORS 275.275(2); and

WHEREAS, on June 15, 2007, the Vernonia RFPD submitted a list of budgeted expenditures for the 2006 - 2007 fiscal year, along with the corresponding percentage which is a result of impaction in the amount of \$30,697.50 certified to be for the costs described above; and

WHEREAS, the Board has reviewed and approved these costs, and the Columbia County Treasurer has verified said costs; and

WHEREAS, the Request for Reimbursement and Certification, the Board's approval and the Treasurer's verification referred to above are attached hereto as Exhibits A, B and C, respectively, and are incorporated herein by this reference; and

WHEREAS, the amount of funds available for reimbursement for impaction at this time is \$121,460.82 and, by prior authorization, Vernonia RFPD is entitled to 34 percent of those funds or its actual costs, whichever is less, under ORS 275.275(2); and

WHEREAS, this matter is now before the Board of County Commissioners for approval of reimbursement in the amount of \$30,697.50, which is the allowable amount of reimbursement for the above-mentioned costs approved pursuant to Order No. 338-94 and Order No. 113 -2007;

NOW, THEREFORE, IT IS HEREBY ORDERED the Vernonia RFPD shall be reimbursed in the amount of \$30,697.50 as their operational costs due to impaction on the district by natural gas

exploration, development, transportation and storage in the Mist gas fields, as described in the attached Exhibit A.

DATED this 27th day of June, 2007.

Approved as to form

By: Sarah Hanson
Office of County Counsel

BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

By: John M. Westward
Chair

By: [Signature]

By: Joe Consiglio
Commissioner
Commissioner

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EXHIBIT A



FIRE COMPANY
Phone: (503) 429-8252

**Vernonia Rural Fire
Protection District**

555 East Bridge Street
PO Box 346
Vernonia, OR 97064



EMS COMPANY
Phone: (503) 429-4600

June 12, 2007

Columbia County Board of Commissioners
ATTN: Cynthia
230 Strand Street
St. Helens, Oregon 97051

COLUMBIA COUNTY

JUN 15 2007

COUNTY COUNSEL

RE: 2006-2007 Impact Request

Dear Cynthia;

We are asking for reimbursement of Impact funds under ORS 275.275 (2) (b). The following amount is being requested for reimbursement of operational costs in the amount of \$ 30,697.50.

Attached you will find a copy of our Operational cost projected out in percentage based on our current budget for the 2006-2007 budget years. You will also find attached a copy of the certificate signed.

I would like to say that we appreciate the Board of Commissioners consideration in this matter.

Sincerely,

Karin Goodman
Secretary/ Bookkeeper
Vernonia Rural Fire Protection District



FIRE COMPANY
Phone: (503) 429-8252

Vernonia Rural Fire Protection District

555 East Bridge Street
PO Box 346
Vernonia, OR 97064



EMS COMPANY
Phone: (503) 429-4600

CERTIFICATE


On behalf of the Vernonia Rural Fire Protection District, we certify that the attached "Exhibit A" is a listing of budgeted expenditures for the 2006-2007 fiscal year along with the corresponding percentage, which is a result of "Impaction" on the district. This "Impaction" is due to the natural gas exploration, development, transportation and storage in the Mist gas fields. It has been determined that a portion of these operation costs are reimbursable under ORS 275.275 (2) (b).

Dated this 12th day of June 2007

VERNONIA RURAL FIRE
PROTECTION DISTRICT



Steve Weller, Board Chairman



Paul Epler, Fire Chief

COST OF OPERATION RELATED TO IMPACTION

Prior to the development of the natural gas fields in Columbia County, the Vernonia Rural Fire Protection District operated with a fairly comfortable line of equipment and personnel, for the purpose of providing fire protection to it's citizens. Our line of equipment included the following; a 1974 Class "A" pumper, and a light duty salvage and rescue vehicle. Our abilities to provide in the urban interface for wildland fires were little to none. Training was also very limited due to lack of funds and other resources.

When natural gas was being explored and production soon to follow. Mist Birkenfeld along with Vernonia saw the need to seek ways to offset the additional cost to the districts for additional services that would be needed as a result of natural gas. The risk of a major incident increased as a result of the continued increase in the number of producing and active gas fields. Legislative action was taken and the implementation of the "Impact Fund" was the result.

Since the start of Impact Fund distribution, Mist Birkenfeld and Vernonia have used those funds to upgrade apparatus, replace, or to outright purchase equipment. All of which would be called upon in the event of a gas related emergency. This has worked very well as a means to obtain this very necessary equipment to provide adequate services. It has been an effective tool for small fire districts such as ours to fund these projects.

As we have seen over the course of the years, the funding from the gas royalties has diminished a great deal, as production of gas has slowed. However, this last spring and summer there was much work done in our area on upgrading the local gas lines, and there was one fatality in which we did respond on, due to construction. Thus our readiness must not decrease, and our response capability must remain intact, and we must also continue to improve our equipment and our department as factors continue to change. We, the district, have realized a need for the day-to-day operations of the fire district that is a directly related to the production, storage, transportation, or exploration for natural gas or oil within the boundary of our fire district.

Thus, we have decided to request reimbursement for such costs based on a percentage of our annual operating budget, and have given you a break down of our cost of operation on the following page.

COST OF OPERATION

The equipment needed to operate within our current ISO rating of 5 in our city area and class 8-9 in our rural area is: Two Class "A" pumpers, (E451, E454), one 2000 gallon pumper / tender (E452), one 1000 tender (WT456). We also have available trained volunteers to operate this equipment (current roster of 26).

The equipment we would need to have an adequate defense for any type of gas related emergency could include all of the above mentioned equipment as well as some additional, all based on the severity and duration of the incident. Equipment needed would be three foam units, currently we have two, the second one was completed in the summer of 1999. Also needed would be special rescue equipment (rope rescue equipment), in the event of an entrapment on a job site or production site.

A year ago this last spring the district appropriated a bond in the amount of \$320,000 in order to obtain the resources to upgrade the needed equipment, which would be needed in the event of the major incident related to natural gas. At the end of June we received a new engine that includes a pumper with compressed air foam capabilities (\$230,000). Our rescue has been upgraded, to include radios for an upgraded command system (\$38,000) and our utility chassis has been changed over from a 2x4 to a 4x4. A cost of about \$10,000, which will come out of the board budget because it does not fall under the guidelines appropriated for the bond. The above mentioned equipment will give the district adequate defense for any type of gas related emergency, but we will also have long range plans to keep our equipment upgraded as the community and the need for response grows.

Our department would also be one of Mist Birkenfeld's first lines of Mutual Aid in a gas related emergency, both for resources and manpower. Our department has devoted much time and energy to see to it that we are able to provide improved services for our citizens. We have been able to provide one full time staffed position as well as one part time staffed position (for secretarial and bookkeeping purposes) and maintain an active roster of 26+ volunteers over the years. Cost in keeping and maintaining both equipment and staff for these types of emergencies is substantial. Responses to a transportation incident or exploration site are only a couple of the many types of responses that are likely to be required.

Our additional equipment requirements must be maintained for complete readiness, as well as have trained staff to operate this equipment. Complete and up to date records must be kept on all equipment and personnel. As we have demonstrated, over 20% of our operation is based on readiness for gas related incidents.

It can be argued that while the cost is due to readiness, the community benefits by having this additional equipment and trained staff for the purpose of Impaction incidents. With adjustments for this, the cost of maintaining a state of readiness is at least 15% of general operation.

COST OF OPERATION

The following is a listing of budgeted expenditures for the 2006-2007 fiscal year and the corresponding percentage, which is a result of "Impaction".

<u>2006-2007 Budget</u>	<u>Total Budget</u>	<u>15% Impaction</u>
Personal Services	\$ 107,550	\$ 16,132.50
Materials and Services	\$ 67,300	\$ 10,095.00
Capitol Outlay	\$ 7,000	\$ 1,050.00
Contingencies	\$ 5,800	\$ 870.00
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Sub Total	\$ 187,650	\$ 28,147.50

Note: The amount of impact funds will affect the number of years our new equipment will be in service.

		<u>20 year depreciation</u>	<u>15% Impaction</u>
Engine	\$230,000	\$ 11,500	\$ 1,725
Wildland Interface	\$ 50,000	\$ 2,500	\$ 375
Rescue	\$ 38,000	\$ 1,900	\$ 285
Box Conversion	\$ 12,000	\$ 600	\$ 90
Utility Change over	\$ 10,000	\$ 500	\$ 75
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Total	\$340,000	\$ 17,000	\$ 2,550

Total amount requested for reimbursement \$ 30,697.50.

EXHIBIT B

COLUMBIA COUNTY



OREGON

Board of Commissioners

230 Strand Street, Rm 331, St. Helens, Oregon 97051-2096 *Ph: 503-397-4322 *Fax: 503-397-7243

Commissioner Rita Bernhard
Commissioner Anthony Hyde
Commissioner Joe Corsiglia
Jan Greenhalgh, Board Secretary
Janet Wright, Commissioners' Assistant

(bernar@co.columbia.or.us)
(hydet@co.columbia.or.us)
(corsigj@co.columbia.or.us)
(greenhj@co.columbia.or.us)
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MEMORANDUM

TO : Ruth Baker, Treasurer

FROM : Board of Commissioners

DATE : June 25, 2007

RE : Review and Determination Regarding Vernonia Rural Fire Protection District's June 15, 2007, Request for Reimbursement, Certificate and Cost Bill

The Board of County Commissioners has reviewed the June 16, 2007, request for reimbursement, certificate and cost bill submitted by the Vernonia Rural Fire Protection District for a portion of their operational costs incurred due to the impact on the district of natural gas exploration, development, transportation and storage in the Mist gas fields. The Board has determined that the documentation is adequate and that the operational costs incurred meet the requirements for which the Board originally approved reimbursement, under ORS 275.275(2), in Order No. 338-94.

The Board hereby requests that you verify the cost bill sought for reimbursement, as required by ORS 275.275(2), and sign and return the attached verification document to the Office of County Counsel.

Thank you.

S:\COUNSEL\GAS\IMPACT\VERN\2007\TREAS MEM.wpd

COLUMBIA COUNTY

*Office of the Treasurer
Ruth Baker*

*Columbia County Courthouse
St. Helens, Oregon 97051*

VERIFICATION

Pursuant to ORS 275.275(2)(b), I have reviewed the attached June 15, 2007, request for reimbursement, certificate and cost bill submitted by the Vernonia Rural Fire Protection District and hereby verify that, to the best of my knowledge, they are for a portion of the operational costs incurred due to the impaction on the district of natural gas exploration, development, transportation and storage in the Mist gas fields. The Board of County Commissioners has determined these costs to be reimbursable under ORS 275.275(2)(b) and for which distribution has been authorized in Order No. 338-94 and Order No. 113 - 2007.

Dated this 26th day of June, 2007.

COLUMBIA COUNTY TREASURER

By: 
Ruth Baker