WASCO COUNTY BOARD OF COMMISSIONERS
REGULAR SESSION / AGENDA  WEDNESDAY, SEPTEMBER 17, 2014
LOCATION: Wasco County Courthouse, Room #302
511 Washington Street, The Dalles, OR 97058

**Public Comment:** Individuals wishing to address the Commission on items not already listed on the Agenda may do so during the first half-hour and at other times throughout the meeting; please wait for the current speaker to conclude and raise your hand to be recognized by the Chair for direction. Speakers are required to give their name and address. Please limit comments to five minutes, unless extended by the Chair.

**Departments:** Are encouraged to have their issue added to the Agenda in advance. When that is not possible the Commission will attempt to make time to fit you in during the first half-hour or between listed Agenda items.

**NOTE:** With the exception of Public Hearings, the Agenda is subject to last minute changes; times are approximate – please arrive early. Meetings are ADA accessible. For special accommodations please contact the Commission Office in advance, (541) 506-2520. TDD 1-800-735-2900.

9:00 a.m. **CALL TO ORDER**

*Items without a designated appointment may be rearranged to make the best use of time. Other matters may be discussed as deemed appropriate by the Board.*

- Corrections or Additions to the Agenda
- Administrative Officer - Tyler Stone: Comments
- **Discussion Items** (Items of general Commission discussion, not otherwise listed on the Agenda) VSAC ByLaws, Manufacturing Day Proclamation, Treasurer’s Report
- **Consent Agenda** (Items of a routine nature: minutes, documents, items previously discussed.) Minutes: 8.12.2014 Special Session, 8.20.2014 Regular Session, 9.3.2014 Regular Session

9:30 a.m. **Integrated 3-D Enterprise Zone** – Dan Durow/Erin Stone

10:00 a.m. **EDC Quarterly Report** – Carrie Pipinich

10:15 a.m. **Court House Painting Project** – Fred Davis

10:25 a.m. **CIS Contract** – Monica Morris

10:35 a.m. **Case Management System** – Elizabeth Osborne/Paul Ferguson

**NEW / OLD BUSINESS**

**COMMISSION CALL / REPORTS**

**ADJOURN**

At 9:00 a.m. Chair Hege opened the Regular Session of the Board of Commissioners with the Pledge of Allegiance. The following additions were made to the Discussion List:

- Boat House
- Town Hall Flyer
- BOCC Email

**Discussion List – VSAC ByLaws**

Ms. White reminded the Board that VSAC Chair Donna Lawrence had attended a previous Board session and explained that through an oversight, the ByLaws adopted in February had set the VSAC membership at an even number rather than the preferred odd number which would prevent deadlocks. She had notified the Board that the Committee intended to correct that by amending the bylaws. Ms. White added that they made a change to the language indicting that the Veterans’ Service Officer has ex-efliccio standing.
Mr. Stone announced that this change will create an opening on the committee. He announced that Ms. Lawrence plans to retire from the Committee at the end of the year. Ms. White will work with VSAC to advertise both positions. He said that Mark Fortin has already taken over the duties of Chair.

{{{{Commissioner Runyon moved to approve the VSAC ByLaws. Chair Hege seconded the motion which passed unanimously.}}}}

Kathy Ursprung, Port of the Dalles Marketing and Communications Specialist, provided and reviewed hand-outs for the Board (attached). She said they are working to develop tours of local manufacturers for that day.

Ms. Ursprung announced that to help existing businesses, they are establishing a marketing grant program for local business people to attend trade shows, use interpretive services, etc. Qualifying businesses must be located within the scenic area or Port District.

Ms. Ursprung went on to say that they are working to revive a regional general wetlands permit process which will include surveys of 300 acres, a protocol study and the reconstitution of a Wetlands Permit Advisory Committee. Once the preliminary processes are complete, they will seek a General Wetlands Permit which will help to streamline wetlands permitting for businesses.

Commissioner Runyon noted that Regional Solutions has talked about watching this project for permitting process implications throughout the State. Ms. Ursprung observed that the permitting process should not be holding up progress – permit decisions should be based on merit.

Chair Hege read the Manufacturing Day Proclamation into the record:

WHEREAS, an estimated 840 people in The Dalles and Wasco County are employed by manufacturing firms; and

WHEREAS, the average annual salary nationally for manufacturing
workers is more than $77,000; and

WHEREAS, each manufacturing job creates 2.9 more jobs in other sectors and each dollar of goods produced generates an additional $1.43 for the economy; and

WHEREAS, the existing shortage of qualified workers available to fill manufacturing jobs is expected to grow as Baby Boomers continue to retire.

NOW, THEREFORE, we, the Wasco County Board of Commissioners, hereby proclaim October 3, 2014, and the first Friday of October every year to be:

“MANUFACTURING DAY”

in Wasco County and encourage all residents to join in this observance.

{{Commissioner Runyon moved to approve the Manufacturing Day Proclamation. Chair Hege seconded the motion which passed unanimously.}}

Chair Hege reported that earlier this morning, he had signed off on a mortgage held by the County and had delivered a check for over $23,000 to the County Treasurer.

Discussion List – Boat House

Mr. Stone explained that the County no longer has a use for the boat house. He stated that the Port could use it to store their barge; they are asking that the County surplus the house and give it to them. He said other choices would be to keep the boat house or sell the boat house – the assessed value is $6,800; market value is $10,000. He added that it will also give the Port some office space to have a presence on the marina. He stated that he has negotiated with the Port to allow the County to have limited use of the building should a future need arise.

Commissioner Runyon asked if the Sheriff’s boat is currently docked at the boat house. Mr. Stone replied that the Sheriff’s boat is trailered after each use. Commissioner Runyon asked how long it has been since the County has used the
boat house. Mr. Stone responded that the boat house is in disrepair and has not been used for a while. Commissioner Runyon asked how much it would cost to repair the boat house. Mr. Stone stated that he does not have that information.

Chair Hege asked if the County pays rent to the Port for the spot on the marina. Mr. Stone said that he thinks not but will try to find out. Chair Hege stated that it will make a difference to him regarding any decision to give or sell the boat house to the Port. Ms. Morris said that she believes the County has paid something.

Chair Hege stated that he believes the County should move forward in some way but would like more information; any money that results from the effort should go to law enforcement.

**Discussion List – Town Hall Flyer**

Ms. White distributed a flyer (attached) announcing the Board’s Town Hall meeting scheduled in Tygh Valley. She explained that the Tygh Valley organizers had asked for a flyer to distribute throughout their community; she is looking for Board approval to provide the flyer to the organizers.

***The Board was in consensus to send the Town Hall flyer to the Tygh Valley organizers for distribution throughout their community.***

**Discussion List – BOCC Email**

Ms. White explained that she had taken the idea of a central BOCC email address to Information Systems and they had requested more details. She explained that if there is a central email that distributed all incoming messages to all three Commissioners, anything sent to “all users” would come to them twice. Mr. Stone expressed some concern that citizens using the joint email might get three differing replies.

After brief discussion, Chair Hege said he would take on the job of exploring this further with Information Systems to determine if it would be practical.

**Agenda Item – Integrated 3-D Enterprise Zone**

Mr. Stone disclosed that this is his wife’s business and stated that he has not been party to any discussions with the City of The Dalles; he joined the audience for the
remainder of the discussion.

City of The Dalles Economic Development Specialist Dan Durow reviewed his staff report included in the Board packet. He explained that he encourages businesses to apply for the 4-5 year abatement; if a business cannot meet those requirements, they default to the standard 3-year abatement without penalty.

Mr. Durow went on to explain that Integrated 3-D has proposed a creative alternative to the standard fee. Rather than paying the fee directly, they will provide a series of classes in the fourth and fifth year of the abatement. Three classes, one each in the junior high, high school and college, would be held each year and the students would be able to complete a 3-D project. The fee for Integrated 3-D would have been approximately $3,330 per year; the estimated value of the classes is between $9,000 and $15,000 per year – a significantly higher value to the community.

Integrated 3-D Co-owner Matt Garrett stated that this is emerging technology and they are working with the Port to develop manufacturing in the region. He added that the classes will expose local youth to the opportunities available in manufacturing. He said that as the business grows, there will be some shop-level positions; for now, there will be a strong engineering arm that will easily meet the salary requirements.

Mr. Durow said that it has been their process to seek comment from the School District on tax abatement applications. However, due to an oversight, the School District only yesterday afternoon received this application for review; he has not received their feedback. He explained that there is not a deadline for this application and no threat of losing the designation; therefore, if the Board would be more comfortable waiting for School District feedback, there is no reason to rush. He added that the City Council will consider the application next Monday.

Commissioner Runyon stated that he believes they should wait for comment from the School District. He said that he thinks it is a great project, but everyone should have the opportunity to weigh-in before moving forward.

Chair Hege said that he likes the proposal for education – it will be exciting for the students and it is an interesting approach that adds value for the community. He said
he looked forward to seeing them back at the next Board session for a final decision.

### Discussion List – Boat House, Continued

Chief Deputy Sheriff Lane Magill stated that his department has gone from four boats to two – a drift boat and then new OSMB boat. He said that they really don’t need the boat house as the boat is pulled out of the water when not in use. He said that moorage cost $597.80 for this fiscal year and increases an average of $40 per year. He added that there are some upcoming maintenance issues that will have to be addressed in the next 3-5 years.

Chief Deputy Magill said that the Port will make better use of the boat house. He noted that he is not opposed to a reciprocal use agreement, but doesn’t foresee a circumstance in which it would be used.

Chair Hege asked Chief Deputy Magill if he would recommend giving or selling the boat house to the Port. Chief Deputy Magill replied that it is an asset and should be sold. He added that if it were a private agency, the County would have to go out to bid but with the Port, we will be able to do a direct sale.

Chair Hege agreed that the boat house should be surplussed and sold. He asked Chief Deputy Magill to bring it back before the Board when he is ready.

### Agenda Item – EDC Quarterly Report

MCEDD Project Manager Carrie Pipinich reviewed the report included in the Board packet. Further discussion ensued regarding the broadband projects to increase access especially in the more rural southern portion of the County. Ms. Pipinich reported that along with a Google Community Grant she is also working with QLife on that project.

Commissioner Runyon pointed out that Regional Solutions is also supporting the effort and noted that the Maupin library is not connected. Ms. Pipinich said that they hope to leverage the Google grant money to get capital investment through the State to the areas where the greatest benefit can be found.

### Agenda Item – Courthouse Painting Project

Facilities Manager Fred Davis reported that this project was targeted two fiscal years
ago but they have had difficulty locating a vendor. He stated that during the budget process, the budget team had tried to estimate the cost of the project which turned out to be far below the real cost. He stated that he has received two quotes: D.R. Masonry bid at more than $94,000; Adams bid at $63,712.

Mr. Davis said he had been in touch with BOLI to make sure the project would be compliant. He said that BOLI had commented that the washing of the building in preparation for the painting could be classified as routine maintenance separate from the painting project and therefore the painting project would come in below the $50,000 trigger for BOLI wages. He added that there is lead paint which will require special handling for removal. He stated that they will use a self-leveling primer and then apply two coats of high-grade finish that will provide the best durability. Mr. Davis said that although there will be budgeting challenges to complete the project, the south and west sides of the building cannot be put off.

Further discussion ensued regarding the details of the work to be done. Chair Hege asked Ms. Morris to address the budget challenge. Ms. Morris said that when learning of the budget shortfall for this project, Mr. Davis had asked if there is other funding available. She stated that the Capital Reserve Fund is available. She stated that the project could be split between fiscal years, but she recommends doing it all at once. She added that in the future, more effort should be made to make a more accurate projection for budgeting.

Mr. Stone stated that he is also opposed to splitting the project as it will cost more to do so and the project needs to be done.

{{Commissioner Runyon moved to approve the Wasco County Contract for the Purchase of Services – Courthouse Exterior Clean/Paint Project for a total of $62,712 pending review by County Counsel. Up to $22,000 of funding for the project is to come out of General Fund and the remainder from Capital Reserve. Chair Hege seconded the motion which passed unanimously.}}

Agenda Item – CIS Contract

Ms. White reported that County Counsel had expressed mild concern about the contract and asked District Attorney Eric Nisley to share those concerns with the Board. Mr. Nisley stated that the Board could sign the contract as-is but he would
like to see termination language included in the contract allowing either party to terminate with proper notice. Ms. White explained that she had spoken to CIS regarding the additional language. She said that CIS was willing to look at the additional language but had pointed out that the contract included language saying that if the County did not pay, the contract could be terminated by CIS which allows both parties the option to terminate the contract.

Ms. Morris stated that if the County accepts the service, we will pay half now and they will do the evaluation, which is a look back, and send a report in May or June when the County will be invoiced for the second half of the payment. They will complete the process again in two years at no additional cost.

{{Commissioner Runyon moved to approve the GASB 45 Actuarial Services Agreement with addition of a termination clause to be worked out between CIS and County Counsel. Chair Hege seconded the motion which passed unanimously.}}

**Agenda Item – Case Management System**

Mr. Nisley reminded the Board that this system had been discussed at the Budget Committee meeting. He stated that at least half of the District Attorney’s in Oregon have adopted this system with more coming on board. He said he has been looking at this for 4-5 years and has talked with other prosecutors using this and other systems. He stated that e-Court is coming and many courts want only digital documents; as things become more complex District Attorney’s offices will need the ability to be more responsive. He said that New Dawn and Karpel are the companies providing these kinds of systems and Office Manager Elizabeth Osborne has gone onsite to see both systems in use.

Mr. Nisley thanked Ms. Morris for finding an error in their plans based on a $60,000 budget for this system; the true budgeted amount is $55,000. In response to that correction, they have removed one module they hope to add back in future budget.

Mr. Nisley went on to say that they have worked closely with Information Systems for ease of installation and use and Interim IS Director Paul Ferguson is more comfortable with Karpel. In addition, since Karpel is being used by so many of the DA’s in Oregon, using that system will make for easier sharing of information. He
said that New Dawn offers more flexibility but is more time consuming and work intensive. He added that the annual support costs are comparatively inexpensive but could be defunded if necessary leaving the County with a working system that would function but not get system updates. He said that they will increase discovery fees by $1 to defray some of the cost.

Ms. Osborne said that she has spent a lot of time with Mr. Ferguson for a thorough review of the system. Karpel is usable out of the box and they will come in for five days of training with a guarantee that staff will know how to use the system by the time they leave. Mr. Ferguson noted that they also looked at Tyler Tech which provides the County’s finance system but their focus is more on the Courts with just an add-on module for the DA’s – they do not have a stand-alone product.

Chair Hege asked if it is a hosted system. Mr. Nisley replied that there is a hosting agreement; the County could self-host but it would be more expensive and more work for staff.

Chair Hege asked what would happen if the County does not pay the annual fee. Mr. Ferguson responded that it can be brought onto the County system at any time.

Chair Hege asked if they had obtained other quotes. Mr. Ferguson stated that they do have a quote from New Dawn and had attended presentations from them as well as making an onsite visit to Lynn County where they use that system.

Ms. Morris stated that Ms. Osborne and Mr. Ferguson had brought the finance processing form to her and they had a discussion, although there was not yet a contract to review. She said that she had reminded them that with the recent Manatron system there had been many issues that the County wants to avoid with future system purchases and implementations. She pointed out that the Board had requested a more robust implementation plan and discussions with the vendor for training and support. She said she has now reviewed the contracts, shared them with Mr. Stone and has some questions and comments.

Mr. Stone reported that he had requested a meeting with Mr. Nisley to address questions and comments regarding the contracts but Mr. Nisley had declined to meet with him.
Chair Hege asked Mr. Ferguson if he is comfortable with the system, adding that the Manatron system has been a real problem that he wants to avoid repeating. Mr. Ferguson observed that the Assessor had not involved the IS department when making the decision to engage with Manatron. He said that he has encouraged the District Attorney to move forward with this system now to be ahead of the curve for e-Court.

Mr. Stone stated that it seems the module they have eliminated is one they will need. Ms. Morris asked if they could reduce the number of users to reduce costs and perhaps have enough to include the eliminated module. Mr. Ferguson replied that it is important to have the extra users – one is for Information Systems to be able to access and work in the program and another is to allow the flexibility to not close out one user who is leaving while training a new user who is coming onboard.

Mr. Stone stated that he believes this contract will finalize the initial investment, but he wants to know what the long-term cost will be. Mr. Ferguson replied that he had that same question and found that the price is locked in for the term of the contract. Ms. Morris asked if there is an end-date. Mr. Ferguson stated that it runs for as long as they have the contract.

Mr. Stone asked if the County will be paying for interfaces with other agencies. Mr. Nisley replied that we will be paying for our own interface. Mr. Stone asked if we add others will that be an additional cost to us. Mr. Ferguson stated that if the County hires the planned-for data base programmer, the interface can be done for free; that is why the interface modules were not added to this contract.

Mr. Stone asked if costs had been negotiated. Ms. Osborne replied that they had had a good conversation and the quotes for some of the pieces have gone down. Mr. Stone said he would like to see the original cost document. He added that he would not recommend the 50% up-front payment. He said that he had learned from Manatron that it is important to hold back a significant amount of the payment as leverage to help insure adequate installation and training. He added that if the costs in the contract are just the first brush at pricing, it may be possible to negotiate for better numbers. Ms. Osborne replied that she does not think they are interested in negotiating. Mr. Stone stated that he would recommend a payment process with
post-implementation payment to guarantee leverage. Mr. Ferguson said that he thinks that would be doable.

Mr. Nisley pointed out that Manatron cost hundreds of thousands of dollars and this is only $25,000. He observed that Karpel is used in the entire states of Alaska and Missouri and throughout most of Oregon – he does not believe there will be an issue.

Ms. Osborne added that Karpel listens to customers and uses their feedback when doing biannual upgrades. She added that Karpel prides themselves on never having had a failed implementation. Ms. Morris said that the training will provide a lot for staff to take in within the span of a week; she asked what happens if staff hits snags post-training. Ms. Osborne said they have IT support and she can call other counties using the system. Ms. Morris asked if training following implementation is free of charge. Mr. Ferguson replied that there is an option for more training at a cost. Ms. Morris stated that realistically they should know that upfront so the expense can be anticipated.

Mr. Nisley stated that he might be concerned if Wasco County were the first one with Karpel. Ms. Morris pointed out that Wasco County was not the first for Manatron.

Mr. Ferguson observed that in the Assessor’s Office, staff was moving from one system to another; the District Attorney does not currently have an e-filing system – implementation will be much less complicated.

Chair Hege asked about data conversion. Mr. Ferguson replied that there are approximately 40,000 flat data records which will be converted by Karpel into their format.

Mr. Stone asked if there are two additional RFQs. Mr. Ferguson responded that those will be attached to the purchase order when processing. Mr. Stone asked if they had negotiated a cap for future increases. Mr. Ferguson stated that they had not.

Chair Hege asked if other counties have used this system for a long time. Mr. Nisley replied that he believes Clackamas County has had it for ten years. He added that
everyone he has talked to is very satisfied and have no issues.

Chair Hege asked how they would produce professional documents in the new system. Ms. Osborne replied that templates currently used by staff will be recreated by Karpel; others will be created in a fill-in-the-blank format.

Chair Hege noted that the company is small and he is concerned about sustainability. Mr. Ferguson stated that he has looked at their client base and found that they have a huge base and are growing. He said that he thinks they would be bought by a larger company before they would go out of business.

Commissioner Runyon said that the DA’s office knows what kind of program they want; he just wants to make sure the process is followed – questions are good and there should be no tension around asking or answering them.

Mr. Nisley said that file cabinets will disappear as documents get archived. He predicted that there will come a time when everything is digital and all documents will go away.

Ms. Morris asked if there is little to no conversion work will the work be covered within normal working hours. Mr. Ferguson responded affirmatively. Chair Hege said that he is comfortable with the contract.

Mr. Stone reiterated that he believes it to be a mistake to not hold more of the funding back until the end of the process.

Chair Hege asked when final payment is due. Mr. Ferguson said it is due when the County decides that the process is complete. Chair Hege said that seems to be a little unclear. Chair Hege asked Mr. Stone how he would change that.

Mr. Stone replied that he would hold the last 25% until the County determines satisfaction and releases the vendor. He reminded the Board that with Manatron, the County paid the bill and then went live only to find many issues in the process – the County had to fight to get those issues resolved.

Chair Hege stated that he believes this is a little different in that it is just a database
and the County can define that they are not done until we are satisfied that they are done. Mr. Ferguson stated that part of the Manatron issue was that the Assessor signed-off before we were done.

Chair Hege suggested that the motion include that the DA’s office, County Administrator and Information Systems agree fully that the implementation is complete before final payment is sent. He asked Mr. Nisley if he believes the County has that level of control. Mr. Nisley replied that he believes so.

{\{Commissioner Runyon moved to approve the Contract for Prosecutor by Karpel and the Contract for Hosted by Karpel with the understanding that the DA’s Office, County Administrator and Information Systems will agree fully that the implementation of the system is complete prior to final payment being made to Karpel. Chair Hege seconded the motion which passed unanimously.\}}

Chair Hege noted that on page 6 of the 9.3.2014 minutes, the numbers do not agree – one says $2,000,000 and the other $200,000,000. In addition, Commissioner Runyon asked that Ms. White review the recording for accuracy in the final paragraph of page 6.

{\{Commissioner Runyon moved to approve the Consent Agenda with the noted corrections to the 9.3.2014 Minutes. Chair Hege seconded the motion which passed unanimously.\}}

Chair Hege adjourned the session at 11:41 a.m.

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### Summary of Actions

#### Motions Passed

- To approve the VSAC ByLaws.
- To approve the Manufacturing Day Proclamation.
- To approve the Wasco County Contract for the Purchase of Services –
Courthouse Exterior Clean/Paint Project for a total of $62,712 pending review by County Counsel. $22,000 of funding for the project is to come out of General Fund and the remainder from Capital Reserve.

- To approve the GASB 45 Actuarial Services Agreement with addition of a termination clause to be worked out between CIS and County Counsel.

- To approve the Contract for Prosecutor by Karpel and the Contract for Hosted by Karpel with the understanding that the DA’s Office, County Administrator and Information Systems will agree fully that the implementation of the system is complete prior to final payment being made to Karpel.


Consensus

- To send the Town Hall flyer to the Tygh Valley organizers for distribution throughout their community.
DISCUSSION LIST

ACTION AND DISCUSSION ITEMS:

1. VSAC ByLaws – Donna Lawrence
2. Manufacturing Day Proclamation
3. Treasurer’s Report
Discussion Item
VSAC ByLaws

- [Introductory Email](#)
- [Revised ByLaws](#)
Kathy,  

Just so you know some stuff has happened as of late and so I wanted to give you a run down and will provide the documentation later today (hopefully)  

1) We changed the bylaws to read 7 instead of 6 voting members.  
2) We changed the language to read that the VSO officer is an Ex-offico member instead of a regular member.  
3) We have at least one opening at this time.  
4) Mark Fortin is the new chairman, no vice chairman yet, and I am still the secretary  

Best,  
Andretta
WASCO COUNTY
VETERANS SERVICES ADVISORY COMMITTEE
BYLAWS

ARTICLE I

NAME

The name of the Advisory Committee shall be the Wasco County Veterans Services Advisory Committee.

ARTICLE II

PURPOSE

The purpose of this Advisory Committee shall be to act as an advisory body to the Wasco County Board of Commissioners regarding veterans issues: to focus public attention on the history, preservation, services and needs of Veterans and their family members; to seek funds and resources necessary to accomplish and implement the intent and purposes of the County’s commitment to provide services to Veterans and their families and to accomplish the goals of this Advisory Committee.

ARTICLE III

MEMBERSHIP

Section 1. Membership of this Advisory Committee shall be as follows:

a. Seven members shall be appointed by the Wasco County Board of Commissioners and shall serve 2-year terms, with no limit on the number of terms served subject to application and approval of the Wasco Board of Commissioners. Each of these members shall be entitled to one vote.
b. Up to two ex-officio, not-voting members may be appointed by the Wasco County Board of Commissioners and shall serve for a 2-year term with no limit on the number of terms served.

c. The Wasco County Veteran Service Officer shall be appointed as a regular non-voting member.

ARTICLE IV

OFFICERS AND COMMITTEES

Section 1. The officers shall be a Chairman, a Vice Chairman, and a Secretary. The term shall be for one year. With the exception of the Secretary, no person shall serve for more than two consecutive one year terms in office.

Section 2. The officers and members of the Advisory Committee shall serve as the governing body of the Advisory Committee.

Section 3. The direction of affairs of this organization shall rest with the Advisory Committee, subject to approval by the Wasco County Board of Commissioners or their designee. A majority of the members of this Advisory Committee shall constitute a quorum for the transaction of business.

Section 4. The Chairman shall be an ex-officio member of all Subcommittees, with the exception of the Nominating Committee.

Section 5. The Nominating Committee shall consist of three members appointed by the Chairman of the Advisory Committee. Nominations for officers shall be presented by the Nominating Committee. Nominations from the floor will be invited. No one shall be nominated without his/her consent.

Section 6. Officers shall be elected at the September meeting or the first meeting thereafter if there is no September meeting.

Section 7. Vacancies arising on the Advisory Committee shall be filled by appointment made by the respective Board of Commissioners.
ARTICLE V

DUTIES OF OFFICERS

Section 1. CHAIRMAN: To set and distribute meeting agendas, chair over and conduct meetings and to appoint all Subcommittees and be an ex-officio member thereof, except as limited herein.

Section 2. VICE-CHAIRMAN: To perform the duties of the Chairman and to preside over meetings of the Advisory Committee in the absence of the Chairman.

Section 3. SECRETARY: To provide Public Notice of meetings, to ensure compliance with Oregon Public Meetings Laws, to record attendance at all meetings, to take the minutes of all meetings and provide copies to the Wasco County Board of Commissioners and members of the Committee, to keep a list of membership together with their addresses, to notify the members of the time and place of meetings, and to conduct the correspondence of the committee.

ARTICLE VI

MEETINGS

Section 1. The Advisory Committee shall hold its September meeting for the purpose of election of officers, to receive various reports and to enact any other business.

Section 2. The Advisory Committee shall determine a schedule that best serves the Advisory Committee members. The Advisory Committee shall meet monthly.

Section 3. A special meeting may be held as directed by the Chairman or Advisory Committee, provided the membership and public are properly notified.

ARTICLE VII

AMENDMENTS

The Bylaws may be amended, subject to the approval of the Wasco County Board of Commissioners, at any regular meeting of this Advisory Committee by two-thirds of the members present, provided that notice of the proposed amendment shall have been read at one meeting and voted on at the next meeting.
ARTICLE VIII

PARLIAMENTARY AUTHORITY

All meetings shall be conducted according to Robert’s Rules of Order, Revised, except when in conflict with these Bylaws or with the laws of the State of Oregon.

ADOPTED by the Wasco County Veterans Advisory Committee this day _______ of ______________, 2014.

____________________________________
Chairman

____________________________________
Vice - Chairman

____________________________________
Secretary

ADOPTED by the governing body of Wasco County, Oregon, this day 17th of September, 2014.

WASCO COUNTY BOARD
OF COMMISSIONERS

____________________________________
Scott Hege, Commission Chair

____________________________________
Rod L. Runyon, County Commissioner

____________________________________
Steve Kramer, County Commissioner
Discussion Item
Manufacturing Day Proclamation

- Introductory Email
- Memo
- Manufacturing Day Proclamation
Hi Kathy,

I am now working with Andrea Klaas at the Port of The Dalles as the port’s marketing and communication specialist. I am getting my feet wet by coordinating ways to observe Manufacturing Day, the first Friday in October (Oct. 3). I’d like to see if the Wasco County Board of Commissioners will approve a proclamation of that nature at their meeting prior to that date, given that we have 770 people in our local community who work in manufacturing.

Can you fill me in on the process and timeline to make that happen?

Best regards,

Kathy Ursprung
Marketing and Communications Specialist
Port of The Dalles
541-298-4148 ext, 202
Kathy.Ursprung@PortofTheDalles.com
MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS
FROM: KATHY WHITE
SUBJECT: MANUFACTURING DAY PROCLAMATION
DATE: 8/27/2014

BACKGROUND INFORMATION

Kathy Ursprung, Marketing & Communications for Port of The Dalles, will not be able to attend today’s session. The following passage from the MFG DAY website explains their mission:

THE MFG DAY MISSION

MFG DAY addresses common misperceptions about manufacturing by giving manufacturers an opportunity to open their doors and show, in a coordinated effort, what manufacturing is — and what it isn’t. By working together during and after MFG DAY, manufacturers will begin to address the skilled labor shortage they face, connect with future generations, take charge of the public image of manufacturing, and ensure the ongoing prosperity of the whole industry.

Supported by a group of industry sponsors and co-producers, MFG DAY is designed to amplify the voice of individual manufacturers and coordinate a collective chorus of manufacturers with common concerns and challenges. The rallying point for a growing mass movement, MFG DAY empowers manufacturers to come together to address their collective challenges so they can help their communities and future generations thrive.
2014 Proclamation for Manufacturing Day

WHEREAS, an estimated 840 people in The Dalles and Wasco County are employed by manufacturing firms; and

WHEREAS, the average annual salary nationally for manufacturing workers is more than $77,000; and

WHEREAS, each manufacturing job creates 2.9 more jobs in other sectors and each dollar of goods produced generates an additional $1.43 for the economy; and

WHEREAS, the existing shortage of qualified workers available to fill manufacturing jobs is expected to grow as Baby Boomers continue to retire.

NOW, THEREFORE, we, the Wasco County Board of Commissioners, hereby proclaim October 3, 2014, and the first Friday of October every year to be:

“MANUFACTURING DAY”

in Wasco County and encourage all residents to join in this observance.

APPROVED AND DATED THIS 17th DAY OF SEPTEMBER, 2014 WASCO COUNTY BOARD OF COMMISSIONERS

Scott C. Hege
Commission Chair

Rod L. Runyon
County Commissioner

Steven D. Kramer
County Commissioner
Discussion Item
Treasurer’s Report

• August 2014 Report
• September 2014 Report
• September 2013 Report
AUGUST 11, 2014

TO: Wasco County Board of Commissioners
FROM: Chad Krause, Wasco County Treasurer
RE: Monthly Financial Statement

As of August 1, 2014, Wasco County had cash on hand of $20,684,808.54

Funds on deposit at US Bank (a qualified depository for public funds under ORS 295):

$ 1,211,214.04

Funds available to earn interest do so at the annualized rate of 0.005%

Funds on deposit in the Local Government Investment Pool:

$ 19,473,594.50

Funds available to earn interest do so at the annualized rate of 0.5400%

Total outstanding checks of Wasco County: $347,428.44
September 10, 2014

TO: Wasco County Board of Commissioners
FROM: Chad Krause, Wasco County Treasurer
RE: Monthly Financial Statement

As of September 1, 2014, Wasco County had cash on hand of $20,169,682.35

Funds on deposit at US Bank (a qualified depository for public funds under ORS 295):
$ 1,798,646.03
Funds available to earn interest do so at the annualized rate of 0.005%

Funds on deposit in the Local Government Investment Pool:
$ 18,371,036.32
Funds available to earn interest do so at the annualized rate of 0.5400%

Total outstanding checks of Wasco County: $374,112.50
September 10, 2013

TO:  Wasco County Board of Commissioners
FROM: Chad Krause, Wasco County Treasurer
RE:  Monthly Financial Statement

As of September 1, 2013, Wasco County had cash on hand of $17,427,393.81

Funds on deposit at US Bank (a qualified depository for public funds under ORS 295):

$ 1,193,410.85

Funds available to earn interest do so at the annualized rate of 0.005%

Funds on deposit in the Local Government Investment Pool:

$ 16,233,982.96

Funds available to earn interest do so at the annualized rate of 0.5400%

Total outstanding checks of Wasco County: $233,896.02
WASCO COUNTY BOARD OF COMMISSIONERS
REGULAR SESSION
SEPTEMBER 17, 2014

CONSENT AGENDA

1. Minutes
   a. 8.12.2014 Special Session
   b. 8.20.2014 Regular Session
   c. 9.3.2014 Regular Session
At 10:10 a.m. Chair Hege opened Special Session of the Board of Commissioners with the Pledge of Allegiance.

Chair Hege framed the conversation by saying that some issues have been discovered with some of the scenarios being considered and they expect more information soon. The question before the Board is whether or not to place something on the November ballot and if so, to determine exactly what that should be.

Commissioner Runyon stated that he has supported the process and was surprised when the city elected to not participate in the proposed Road District – that changed everything. He said he believes that $2.03 is excessive and there are other options that can be developed. He observed that this does not diminish the work of the Roads Advisory Committee, but The Dalles opting out is a game changer. He added that the Board has heard from the public who have made it clear that the tax is excessive. He stated that he is not in favor of placing the Road District on the ballot.
Commissioner Kramer disagreed saying that funds for roads are going to run out and Wasco County will not have the road system necessary for public safety, emergency services, farm-to-market activities, etc. He said he believes it should move forward to the voter for their decision which will give everyone a chance for their voice to be heard. He said that he would also like to see what is coming forward as an alternative to the Road District. He concluded that it is tough rate, but the people should decide – he supports the recommendation from the RAC.

Chair Hege said that he is somewhere between his fellow Commissioners. He agreed that the RAC has done a lot of valuable work and everyone believes the roads are important and need to be addressed. He said he is hopeful that a solution can be found – it is clear that people do not want the Road District.

Mr. Stone said that regardless of the Board’s decision; he has already been exploring other possible sources of revenue to help ease the burden to the taxpayer. He said he has reviewed expenses and revenue within the County budget – while there are possibilities each will come with consequences that will have to be weighed for benefits and detriments.

He continued by saying that the Google taxes will come into the budget at some point and the County is working with the Department of Revenue to determine how much that will be. He advised that the Google funds will not entirely fix the problem but will help in 6 or 7 years – in the meantime, Wasco County roads will continue to decline. He said that cutting expenses will mean cutting services – Public Health, Corrections, Sheriff’s Department, etc. The money will have to come from some place or places; he expressed confidence that funds can be identified but it will require difficult decisions. He said that he believes they can tap approximately $400,000 in expenses which might reduce the rate for a taxing district. He said that if additional revenues can be identified, that will also help but will be more difficult. He concluded that something must be done to keep the roads from deteriorating.

Commissioner Runyon noted that there have been some good questions brought to the forefront through this process. He said some money for roads is better than none and there are other viable alternatives – for instance, the registration idea. He stated that the Road District will place all the burden on property owners and without the City of The Dalles, it is very difficult.

Chair Hege asked Mr. Stone to talk about the sources of potential revenue outside of
future Google taxes and asked is there some money in the current Google payments that might be used.

Mr. Stone agreed that the money from the two Google enterprise zones will be helpful. He added that consolidation of 9-1-1 and increasing landfill fees could be helpful, but the Board will still have to take action to raise further funds.

Further discussion ensued regarding more exact figures. Mr. Stone warned that any figures discussed today have not been vetted for consequences which means they may or may not be realistic.

Commissioner Runyon noted that the items mentioned – Google enterprise zone funds, 9-1-1 consolidation, and increasing landfill fees – will not impact other County departments. Mr. Stone agreed but pointed out that other organizations will feel an impact – MCEDD, CGCC, etc. Commissioner Runyon added that property tax moneys cannot go for roads, but enterprise zone funds can.

Commissioner Kramer said that looking at new numbers today, he thinks that perhaps the Board could have something more solid ready for a May ballot. He noted that the costs for a special election are not high; he does not want to make a decision without accurate numbers.

Chair Hege agreed that their decision should be based on information that is as accurate as possible. He pointed out that the numbers cannot be exact and that any solution may bring in more or less than anticipated but a little variance will not derail the attempt to shore up funding for roads – anything that is brought in will put the budget ahead of where it was last year.

Commissioner Kramer said that he agrees with all of what Chair Hege said but thinks more time will be needed – this cannot all be vetted by the Friday morning deadline.

Chair Hege noted that the RAC is hoping to move forward now. He said that he thinks another solution can be crafted by Friday, but he does not want to put something out there that is destined to be slammed by the voters. He said that he wants to determine a number that is reasonable for the proposed district – he believes the Board can solve the issue.

Interim Assessor Director Tom Linhares said that throughout this process there have been many numbers discussed; the system is complex and in many cases requires
estimations. He said that the numbers he previously provided to Public Works had not been thoroughly scrutinized; there are new numbers. He explained that what he had been asked to do was to estimate what the rate would need to be to get to certain dollar amounts. He stated that, for instance, a levy of $600,000 will not yield $600,000 for various reasons – those must be factored in when determining a rate. He provided a spread sheet with a variety of taxing scenarios (attached).

Further discussion ensued regarding the various scenarios. Commissioner Runyon noted that the rate with The City of The Dalles opting in is up quite a bit from the original estimate. Mr. Linhares explained that the compression estimate had been woefully underestimated. Chair Hege pointed out that that scenario is not under consideration since The Dalles has opted out of the proposed road district.

Chair Hege said that there is no easy solution; a lower rate would at least bring in part of the money but the Board would have to commit to it in order for it to pass. He stated that an increase in the licensing fee would be a separate vote and people seem to like it better because it is tied to the vehicles that are on the roads.

Commissioner Runyon agreed that the rate in scenario b is more palatable but reminded everyone that it will still be a tax on only the rural residents of the County. He said that he does not see anything going forward until more information is available.

Chair Hege stated that they will have to pull the trigger sometime on a solution; there will never be perfect information with exact numbers. He agreed that property owners should not bear the entire cost saying that he is convinced there is a way to find some of the funding from other sources.

Mr. Stone reminded the Board that there are not enough expense savings or current revenue sources to raise the entire amount – whatever cuts are to be made will require some tough decisions regarding service cuts and there will still be a shortfall.

Chair Hege said that those will need to be vetted to know more accurately what the savings and/or additional revenue can be found.

Commissioner Runyon stated that there are just too many unanswered questions to move forward at this time. He said that the RAC has brought them part of the way there, but the Board will need to examine other options seriously. He suggested that the Board look toward the spring to allow time to come up with the best solution. He
concluded that the Board has to do something but needs to make sure it is the right something.

Commissioner Runyon made a motion to not take the Road District to the ballot at this time. Chair Hege seconded the motion.

DISCUSSION:

Keith Mobley said that the RAC was looking forward to broadening the conversation in the public venue – these are public roads and the public needs to decide. He said that we can have that conversation if the Board moves it forward to the ballot.

Commissioner Runyon stated that if in the spring the Board decides to send an increase to the vehicle registration fee to the ballot it would raise the same amount of money as a lowered tax district rate without placing the burden on only one segment of the population. He said that the County needs to continue to work with the City of The Dalles toward other cooperative solutions.

Sherry Holliday said that she believes the $2.03 taxing rate to be excessive but through the hearings process the conversation has been opened. Placing the taxing district on the ballot will continue and broaden the conversation – there is an opportunity for more ideas to be developed through the larger conversation. She said that she fears that if the Board does not go forward with the taxing district and a registration fee fails in the spring, the Board will have no place else to go for a solution.

Commissioner Runyon observed that they could always bring the taxing district back to the ballot, noting that Tillamook County had to go to the voters 3 times, educating the public all along the way.

Chair Hege asked City Manager Nolan Young if he saw any scenarios in which the County and City could work together on a solution – for instance a joint gas tax. Mr. Young said he had not had time to explore that option but that any gas tax that would try to fund both the City and County streets/roads would be far too high to pass.

Georgia Murray interjected that a combination of the increased registration fee and a city/county gas tax increase would make sense. She added that the City should also be looking at alternate sources of revenue along with cutting expenses; that would
mean everyone would be participating for a more equitable solution.

Commissioner Kramer said he would not support the motion; he believes that most people will not research and discuss the issue until it reaches the ballot. He added that a ballot gives everyone the opportunity to be heard.

Commissioner Runyon said that he does not disagree but the current proposed district places the burden on only one segment of the population which is not fair.

Commissioner Kramer stated that no matter how the vote on the current motion goes, the Board is unified in finding a solution.

Chair Hege agreed adding that the Board appreciates all the work that has gone into this process.

Mr. Stone stated that no matter what the vote, the Board will have an opportunity to go forward with other solutions.

Chair Hege recalled that former Commissioner Sherry Holliday had recommended that each member of the Board needs to vote their conscience. Ms. Holliday added that if the recommendation does not have the support of the Board, it cannot pass.

Commissioner Runyon stated that no matter what the vote of the Board, they each support the RAC.

Chair Hege called for a vote on the motion. Commissioner Runyon voted “aye.” Chair Hege voted “aye.” Commissioner Kramer voted “nay.” The motion passed two to one.

Chair Hege stated that he doesn’t think there is anyone who doesn’t believe this is a very critical issue on which the Board will have to make a decision. He said they need to work hard to find a more equitable solution.

Mr. Young announced that the City Council will be meeting to discuss this subject at 5:30 p.m. on Thursday.

Discussion List – Gorge Commission Funding Letter of Support

{{{{After a brief discussion the Board was in consensus to sign a letter of support for additional State funding for the Gorge Commission. They asked}}}
that where “support” was used twice in one sentence, one be changed to “provide.”}

Chair Hege adjourned the session at 11:19 a.m.

### Summary of Actions

#### Motions Passed

- To not take the Road District to the ballot at this time.

#### Consensus

- To sign a letter of support for additional State funding for the Gorge Commission.

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WASCO COUNTY BOARD
OF COMMISSIONERS

[Signatures]

Scott Hege, Commission Chair

Rod Runyon, County Commissioner

Steve Kramer, County Commissioner
At 8:00 a.m. Chair Hege opened an Executive Session of the Wasco County Board of Commissioners.

At 9:00 a.m. Chair Hege opened the Regular Session of the Board of Commissioners with the Pledge of Allegiance. Chair Hege announced that Commissioner Kramer had been delayed. Ms. White asked that the Timber Products Manufacturers Association letter, APHIS Contract and MCFR Report be added to the Discussion List.

Mike Bertrand asked why the County didn’t use at least some the initial Enterprise Zone funds for roads. Chair Hege explained that the issue for roads is not a capital problem but an ongoing revenue source problem. He explained that the decision as to where to use the funds was not solely a County decision but was made in cooperation with the City of The Dalles.

Chair Hege went on to say that a one-time infusion of funds would not solve the
ongoing road maintenance funding problem faced by the County. He went on to outline where the funds had been allocated for the initial Google Enterprise Zone fee. He said that not everything that was considered could be funded.

Mr. Bertrand noted that the old armory site has been leveled and he had been told that there is an agreement made by a previous County Court that sale funds from that property would go to CGCC at the rate of $15,000 per year for 50 years. Chair Hege stated that, that is a legal question about which there has been some discussion.

Mr. Bertrand reported that he had attended about an hour of the recent public hearing held in Dufur. He commented that he thought it was well done.

**Discussion List – Annual Tax Collector’s Report**

Wasco County Tax Collector Jill Amery stated that the report included in the Board Packet is a summary of what was certified – what was collected and the outstanding balance. She reviewed the numbers and stated that they are historically consistent. She said that her office is in the middle of foreclosures – the process for a foreclosure takes five years.

Ms. Amery reported that she has received a lot of support from around the State; other counties and their Assessors are very willing to help. She said that the new system is challenging but staff is working through that. She expressed her gratitude for Mr. Linhares’ continued presence in the office to help with the transition.

Mr. Stone commended Ms. Amery and her staff for the work they have been able to do under challenging circumstances.

Ms. Amery reminded the Board that her office not only lost the Assessor at the beginning of the year but also recently lost the Chief Tax Deputy at the same time as a new system was being implemented. She stated that during the busy times they have focused on the task at hand with no time to work on the system. She said they have plans to spend some time in Lane County and get more training from Thompson Reuter.

Chair Hege asked if they had hired the temporary data entry staff that had been budgeted. Ms. Amery replied that they will do that after the roll is done when there will be more time to work with that person. She said they are talking with the temporary staffer from planning who seems to be a good candidate for the position.
Conservation Planner Shilah Olson reviewed the proposal included in the Board Packet. She pointed out that a variety of landowners and partners, all stakeholders in the project, are contributing resources. She stated that there are more water shortages and less money in the area of the County covered by the project. She added that this will also help wildlife in the area. For the County, the fairgrounds ditch will be converted to surface water rights and the fair will get a well which will eliminate the current flooding problem.

Mr. Stone explained that he and Conservation Planner Josh Thompson have been working on the flooding issue for five years. He said that the proposed project will help a number of watersheds as well as alleviating the fairgrounds flooding problem which is destroying 4-H buildings and eroding fencing. He said he supports the project and believes it is well worth a County commitment of $5,000. He stated that a $5,000 match from the Soil and Water Conservation District has been approved in the past and he anticipates they will approve it for this as well. He said that the County piece of the project is scheduled for the 2017 fiscal year.

Commissioner Runyon stated that he thinks it is a worthy project that will have multiple beneficiaries.

Chair Hege observed that this appears to be a project comprised of multiple smaller projects. He asked if it will be approved as a single project or might some of the projects be eliminated through the approval process. Ms. Olson replied that it is a single project with a variety of components and will be approved or rejected as a whole.

Chair Hege asked how the ditch would be shut down. Mr. Stone responded that there are flood gates at the creek and at the fairgrounds point of diversion; the flood gate will be shut down and the ditch filled.

Chair Hege asked if there are any property issues. Ms. Olson replied that there are none.

Further discussion ensued regarding the letter of support.

***The Board was in consensus to provide the letter of support for RCPP with possible modification to the language regarding the County financial
commitment. Ms. White will consult with Mr. Thompson for preferred language before providing the letter.***

Agenda Item – M.O.R.E. IGA

Public Works Director Marty Matherly explained that this is a multi-agency agreement to share materials, equipment and staff and replaces the PMAP IGA which has proved to be useful tool for all involved. This agreement includes 33 entities with no expiration and is to be used in times of emergency.

Commissioner Runyon asked how the PMAP agreement had been used by Wasco County in the past. Mr. Matherly replied that Wasco County has used it sparingly but have borrowed some equipment. For instance, once in the middle of a job a piece of equipment broke down; rather than compromise the job, they rented equipment and an operator from a partner. He explained that each entity has its own rates. The IGA has a clause that says if an entity cannot spare the requested equipment, they are not obligated to provide it.

{{Commissioner Runyon moved to approve the Managing Oregon Resources Efficiently IGA. Commissioner Kramer seconded the motion which passed unanimously.}}

Agenda Item – Supplemental Budget

Mr. Stone stated that the Supplemental Budget will add $5,000 of capital to both the Fair and Hunt Park. In exchange for Fair sponsorship, Bryant Pipe agreed to work with the County to purchase an irrigation reel at cost. He said that no capital had been budgeted for that. In addition, it appropriates the dollars that Hunt Park received as a result of housing firefighters.

{{Commissioner Kramer moved to approve Resolution #14-022 in the matter of the Fiscal Year 2014-2015 Supplemental Budget for additional unexpected funds generated by wildfire personnel camping fees. Commissioner Runyon seconded the motion which passed unanimously.}}

City of The Dalles Codes Compliance Officer Nikki Lesich reported that she had met the new Wasco County Codes Compliance Officer Joe Ramirez. She said she found him to be professional and open to working with her to manage codes compliance in the urban growth areas. She stated that she looks forward to working with him.
Mr. Stone explained that there is a request from HAL to deed the current property and building to them with a reversionary clause in order for them to leverage that property for capital improvements. Mr. Stone reviewed his memo outlining options for working with HAL regarding the County property and building they occupy (included in packet).

Mr. Stone recommended working with HAL for a long-term lease agreement and shorter-term management agreement. He explained that the County does not want to lose the ability to have input into the operations of the animal shelter. He pointed out that the building is used for a public service by both the City of The Dalles and Wasco County and we need to continue to have a say in that. He stated that the County does not currently provide direct financial support to HAL but did move the dog licensing program to HAL to provide them with a revenue source; in addition, they are not charged for the use of the building and property.

Mr. Stone responded to the HAL letter by saying that he does not believe that County ownership of the property causes HAL to be subject to prevailing wage laws; he is working to confirm that.

HAL Treasurer Bob Francis stated that the shelter is 38 years old and was built for animal control rather than animal preservation which is HAL’s mission. He explained that the County has grown and the building is now obsolete – too cramped for staff and animals. In addition the building is deteriorating. He stated that whether the lease is short or long-term, HAL would like to negotiate more timely repairs.

Mr. Francis said that a short-term lease is not a good fit; 90 days is not enough time to relocate the animals and the short-term hinders their ability to obtain grant funding. He added that HAL recommends deeding the property with a reversionary clause – operational control could be written into the deed and they could use the property for grant applications and to secure short-term loans. Mr. Francis added that HAL would consider a long-term lease of at least 25 years but reasserted that BOLI prevailing wages would still be an issue.

Finally, Mr. Francis offered a fourth option – if the County owns another piece of property within The Dalles or the UGB and gave HAL that property with five years to build and move, the County would be able to retain the more commercially valuable current site.
Commissioner Kramer asked if any alternate properties have been identified. Mr. Francis replied that they have not and noted that this is probably the first time Mr. Stone has been presented with this option.

City Manager Nolan Young said he would look at what The City may have.

Commissioner Kramer asked how much the County uses HAL. Mr. Stone estimated that the County has one or two animals in the shelter at any given time. Mr. Francis said he thinks it may be a little more than that.

Mr. Stone stated that he believed that most of the maintenance has been done in a timely fashion and will look into HAL’s concern. Mr. Francis added that he would like to see the County do an assessment of the building for safety, conditions and capacity.

Commissioner Runyon expressed some interest in the alternate property option and asked if it would be possible to have a long-term lease with a six or twelve-month termination clause.

Mr. Stone replied that the County recognizes the need for the shelter. More than a year ago the County presented HAL with a long-term lease which included extensions and termination compensation for capital improvements – the lease was rejected by the HAL board. He reminded the Board that as recently as 2010 there were some concerns regarding HAL’s stability.

Mr. Francis stated that there is no one currently on the HAL board that remembers the long-term lease. Mr. Stone stated that he could provide that documentation. Mr. Francis replied that the HAL Board could review that but would still prefer option 2 or 4 with operational guidelines.

Mr. Young stated that the City benefits from the shelter and would hope that the County would include safeguards that the City would always be able to have a relationship with whomever is operating the shelter. He stated that the City pays reasonable costs including the capacity to meet their needs; any changes to the lease would need to protect the City’s rights. If the County chooses alternate property, it should be within a reasonable distance or the City.

Carol Roderick of The Dalles stated that from her experience, HAL would have to
pay prevailing wages as long as the County owns the property/building. She said she cannot see any real reason to not deed the property to HAL.

Ms. Lesich stated that HAL is important to Codes Enforcement and reminded the Board that the City, County and HAL have always been strong partners despite the 2010 issues.

Bridge Bailey asked how many bidders the County had when they were seeking another organization to run the shelter. Mr. Stone said he would have to review the file, but the response was fairly limited. Ms. Bailey said that it would be difficult to find someone else to operate the shelter; she is in support of HAL.

HAL Board member John Hutchison said that HAL did research on the relationship between funding sources and ownership; basically, the research demonstrated that HAL could not get the necessary funding without owning the property.

Commissioner Runyon observed that several questions have arisen during today’s discussion. Chair Hege suggested that a small task force be formed to look into the questions.

Mr. Francis responded that HAL already has people in place who could participate in a task force. Chair Hege observed that the County does not want to go back to operating a shelter which is a necessary service. He suggested that the task force, made up of a Commissioner, a county staffer and a HAL representative, take the next month or two to vet all the options and return to the Board with information. Commissioner Kramer volunteered to serve on the task force.

***The Board was in consensus to form a task force consisting of a HAL representative, Commissioner Kramer and a County staffer as designated by Mr. Stone in order to examine the options for partnering with HAL for shelter improvements.***

**Agenda Item – Sherman County Contract Proposal**

Youth Services Director Molly Rogers and Prevention Coordinator Debby Jones came forward to explain the Sherman County proposal. Ms. Rogers explained that the actual contract is still under final review in Sherman County but she can explain the background and basic tenets of the agreement.
Ms. Rogers stated that the County receives prevention dollars for promotion and prevention. Ms. Jones added that Wasco, Sherman and Hood River Counties fall within the parameters for the minimum federal block grant funding – it is stable funding as long as the grant requirements are met.

Ms. Rogers said that one of the requirements is to have a Prevention Specialist. Sherman County’s Prevention Specialist has left and they need a replacement in order to receive funding. They have approached Wasco County to partner with them to provide that expertise. The proposed contract is for up to $30,000.

Ms. Jones explained that she needs about $100,000 annually to operate; Youth Think currently receives $67,000 in grant funding and another $13,000 from the City of The Dalles. This partnership would help to bridge the funding gap while at the same time double what goes into programs for Sherman County. She said that at the end of this contract they may find other avenues to solve this issue; she does not expect this to be a permanent solution. She said she hopes to find a prevention champion for them who can work under her umbrella of certification.

Ms. Jones went on to say that although they have not met as a group, she has spoken to the Youth Think Board members individually and they seem to be supportive – they will meet in September for a formal vote. She said the only concern she has heard is that she will not be able to continue the work level in Wasco County. She stated that some of what will be done in Sherman County will just be an extension of what she is doing in Wasco County – it will cost more money, but will require no more time. Outside of those projects, she hopes to find someone who can be the “boots on the ground” in Sherman County.

Ms. Rogers said that the Sherman County Court has already moved the contract forward with an approval pending the legal review. She said she hopes to have the contract to be placed on the Discussion List for approval at the 9.3.2014 Board session.

**Discussion List – Childhood Cancer Awareness Month Proclamation**

***The Board was in consensus to sign the Childhood Cancer Awareness Month Proclamation.***
The Board discussed the full-time predator control option at $86,000 and decided to continue with the emergency response option at $5,000.

{{{{Commissioner Runyon moved to approve the USDA APHIS Wildlife Services Work and Financial Plan for $5,000. Commissioner Kramer seconded the motion which passed unanimously.}}}}

Mr. Stone explained that City Manager Nolan Young had provided the report and is seeking Board approval to move forward with the process.

Commissioner Kramer asked where the additional $120,000 would be found. Chair Hege explained that the deficit is based on the architect’s estimate which will not necessarily be the bid price. He said that MCFR has been encouraged to delay the bidding process until the end of building season when prices should be better. He stated that, in any case, MCFR will have to find the money – neither the City nor the County will fund the deficit.

Mr. Stone added that MCFR is seeking grant funding and is also considering eliminating the back-up 9-1-1 which is not an option. He said that the back-up 9-1-1 was discussed when the Enterprise Zone distribution was determined and it will need to remain. He said he thinks that going out for bid is fine.

Chair Hege agreed, saying that they may have to adjust their plans based on the contract.

Commissioner Runyon noted that ISO ratings could fall if the project does not go forward. Mr. Stone agreed, adding that not having a back-up 9-1-1 will also negatively impact the ISO rating.

***The Board was in consensus to move forward with the bidding process for MCFR with the awareness that the 9-1-1 back-up cannot be dropped without further consultation.***
Commissioner Runyon said that the 2014 County Fair was very successful and commended the Fair Board on their work.

***The Board was in consensus to direct Ms. White to draft a letter of thanks to the Fair Board.***

Chair Hege said he would like to have a report from the Fair Board, including financials.

Ms. White said that it is time to begin planning for the AOC Product Tasting event. After brief discussion both Commissioners Runyon and Kramer said they would participate.

Chair Hege called for a break at 11:13 a.m.

At 11:16 a.m. Chair Hege recessed the regular session and moved back into Executive Session.

Chair Hege reconvened the regular session and adjourned the session at 11:51 a.m.

**Summary of Actions**

**Motions Passed**

- To approve the Managing Oregon Resources Efficiently IGA.

- To approve Resolution #14-022 in the matter of the Fiscal Year 2014-2015 Supplemental Budget for additional unexpected funds generated by wildfire personnel camping fees.

- To approve the USDA APHIS Wildlife Services Work and Financial Plan for $5,000.

**Consensus**

- To provide the letter of support for RCPP with possible modification to the language regarding the County financial commitment.

- To form a task force consisting of a HAL representative,
Commissioner Kramer and a County staffer as designated by Mr. Stone in order to examine the options for partnering with HAL for shelter improvements.

• To sign the Childhood Cancer Awareness Month Proclamation.

• To move forward with the bidding process for MCFR with the awareness that the 9-1-1 back-up cannot be dropped without further consultation.

• To direct Ms. White to draft a letter of thanks to the Fair Board.

WASCO COUNTY BOARD
OF COMMISSIONERS

________________________________________
Scott Hege, Commission Chair

________________________________________
Rod Runyon, County Commissioner

________________________________________
Steve Kramer, County Commissioner
At 9:00 a.m. Chair Hege opened the Regular Session of the Board of Commissioners with the Pledge of Allegiance.

**Public Comment – Noise Ordinance**

Dr. David Wherly read a prepared statement regarding a noise ordinance for Wasco County (attached).

Chair Hege asked Dr. Wherly if he would categorize his 2014 WTF experience as better, worse or the same as 2013. Dr. Wherly replied that he is located downwind from the WTF venue. Although the organizers did end the amplified sound at midnight as they had committed to do, the level of noise and four-letter epithets carried on the wind to the ears of local resident families was just as punishing as last year.

**Public Comment – MCCOG**

Wayne Lease stated that it has been nearly a year since MCCOG requested a 40% increase and passed a 20% increase in fees. He said that MCCOG is using fees for
discretionary purposes which makes them taxes. He said that the Board is responsible to Wasco County and not the other counties participating in MCCOG. He said that he does not believe the constituency is aware of what is going on. He added that he believes that The Dalles Chronicle is irresponsible in their reporting.

Commissioner Runyon reminded that the BOCC did not approve the increase; that was the MCCOG Board. He added that he got them to come down from 40% to 20% and then he voted against the 20%. Mr. Lease replied that the County needs to put MCCOG out of the business of building permits, suggesting that they privatize that function.

Commissioner Runyon added that auditors have reviewed MCCOG and signed off on them.

Chair Hege noted that what Mr. Lease is alleging has not happened recently and asked Mr. Lease if he believes privatization is the solution. Mr. Lease replied that he thinks it should be considered.

### County Departments - Planning

Planning Director John Roberts announced that Senior Planner Joey Shearer is leaving. He stated that they have developed a phase out plan for Mr. Shearer in which he will work in The Dalles two days a week and telecommute for the remaining days. They would like to have him work through September and into October; after that, they would like for him to work as a part-time employee or contract planner.

Finance Director Monica Morris stated that she has not had time to review this; adding that the telecommuting policy is an older policy that has been employed only once.

Mr. Stone said that in general we try not to telecommute which is why this is being brought to the Board for discussion. He stated that he sees this as a stop-gap measure to get through the training period for a new planner. He noted that due to Wasco County’s location in the National Scenic Area, planning is more complicated. He said that he supports the request.

{{After a brief discussion, the Board was in consensus to allow Mr. Stone to move forward with the plan to have Mr. Shearer continue to telecommute for}}
Public Works Director Marty Matherly announced that Lyle Stevens will be retiring January 1, 2015. He explained that they have been aware of his retirement and developed a plan which included hiring a replacement this fall to allow for training and a smooth transition; they are ready to move forward with advertising for that position.

Mr. Stone stated that there have been discussions about the possibility of combining the County and Road Surveyor positions into one position. As they continue to examine that possibility, Mr. Matherly has suggested that skills be included in the advertised job description that would help to identify a candidate who could take on both functions when County Surveyor Dan Boldt retires. He said that the reduced time for each function will add some level of stress to Public Works but there is ebb and flow to each which will help in managing the work.

Ms. Morris noted that this is an excellent opportunity to look at the structure and modify positions.

***The Board was in consensus to move forward with a plan to find a candidate that may be able to fill a position that combines both county and road surveying.***

Tax Collector Jill Amery stated that this is an annual agreement with the Oregon Department of Administrative Services and proposes a rate similar to last year’s rate. She noted that Wasco County’s quantity has increased slightly but the cost will be similar. She explained that the cost is determined per piece and varies by type so there is not a way to predict an exact cost.

Chair Hege asked if Ms. Amery has had a chance to determine if this is the most efficient means of accomplishing this process. Ms. Amery said that with all the staff changes in the Assessor’s Office this year along with the implementation of the Manatron system, she has not had the time to look into this but plans to do so next year. She said that Lane County may be an option.
Agreement #248-14 for Document Publishing, Processing and Delivery. Commissioner Runyon seconded the motion which passed unanimously.

Ms. Morris reported on the July PERS meeting saying that school rates will be going down and the rest of the rates will be going up less than 2% on average. She stated that it is much less than had been anticipated.

Chair Hege said that he has seen that Tier one is currently 18% return but has not made much headway against previous losses. Ms. Morris replied that it is a huge system and has not recovered all that was lost; it is bringing in less than what it is paying out. She added that the Social Security Administration predicts that if no action is taken it their funds will be depleted in 2033.

Ms. Morris went on to announce that there will be a new reporting form as a result of the Affordable Care Act; she has seen the draft form. She explained that the form requires a listing of everyone in each employee’s family including their social security numbers. The information must be gathered annually. She said that currently the insurer maintains that information and she cautioned that employees may be reluctant to provide the information to the County.

Watershed Coordinator Anna Buckley explained that Mosier has not previously had official appointments to their Watershed Council. One of the requirements of the recently formed Coordinating Board is that each Council is required to appoint members. There are ten actively participating members to be appointed; the Chair and Vice-Chair have already been appointed. She added that all ten appointments carry the recommendation of the Soil and Water Conservation District.

Ms. Buckley reported that three of the five Wasco County watershed councils have approved the bylaws which will be presented to the final two councils in the next couple of weeks. She said she that once all have approved the bylaws she will submit them to the state. The next step will be to develop an action plan; she has $25,000 in funding for the development of that plan which will include all five councils and must be submitted by May, 2015.

Ms. Buckley announced that she has also received $95,000 in funding for the Mill
Creek project and will be hiring a contractor to do that work. In addition, she stated that they are looking for a contractor to execute a feasibility study to be completed by June, 2015, for 15-Mile Watershed water storage.

Commissioner Kramer moved to approve Order #14-069 appointing Kathleen Fitzpatrick to the Mosier Watershed Council. Commissioner Runyon seconded the motion which passed unanimously.

Commissioner Runyon moved to approve Order #14-070 appointing Todd Stevens to the Mosier Watershed Council. Commissioner Kramer seconded the motion which passed unanimously.

Commissioner Kramer moved to approve Order #14-071 appointing Wade Root to the Mosier Watershed Council. Commissioner Runyon seconded the motion which passed unanimously.

Commissioner Runyon moved to approve Order #14-072 appointing Susan Gabay to the Mosier Watershed Council. Commissioner Kramer seconded the motion which passed unanimously.

Commissioner Kramer moved to approve Order #14-073 appointing Kenneth Lite to the Mosier Watershed Council. Commissioner Runyon seconded the motion which passed unanimously.

Commissioner Runyon moved to approve Order #14-074 appointing Peter Dalke to the Mosier Watershed Council. Commissioner Kramer seconded the motion which passed unanimously.

Commissioner Kramer moved to approve Order #14-075 appointing Jim Reed to the Mosier Watershed Council. Commissioner Runyon seconded the motion which passed unanimously.

Commissioner Runyon moved to approve Order #14-076 appointing Philip Evans to the Mosier Watershed Council. Commissioner Kramer seconded the motion which passed unanimously.

Commissioner Kramer moved to approve Order #14-077 appointing Karen Bailey to the Mosier Watershed Council. Commissioner Runyon seconded the motion which passed unanimously.

Commissioner Runyon moved to approve Order #14-078 appointing Mike
Igo to the Mosier Watershed Council. Commissioner Kramer seconded the motion which passed unanimously.

Discussion Item – Sherman County Prevention IGA

Ms. White reviewed her memo included in the Board Packet.

Commissioner Runyon moved to approve the Intergovernmental Agreement for Contracting Services providing for a Certified Prevention Coordinator. Commissioner Kramer seconded the motion which passed unanimously.

Agenda Item – Corporate Community Responsibility

Mike Bertrand stated that he had only one day’s notice to weigh in on the second Google Enterprise Zone. He noted that there had been three publicly noticed meetings for the roads issue and said there should have been hearings for the Enterprise Zone. Chair Hege replied that they had advertised at least a week prior to the decision.

Mr. Bertrand asked if the negotiations had been based on a figure of $2,000,000. Chair Hege said that he is bound by a non-disclosure agreement for the next several years. He went on to say that what they did know is that it would be similar to the existing project but there was not an exact figure. He explained that a public records document was filed which met the State requirement of a minimum investment of $200,000,000 and 10 jobs.

Mr. Bertrand asked if Chair Hege is saying that the negotiating team did not know what they were negotiating for. Chair Hege responded that he is not saying that, but is bound by a non-disclosure agreement which will not allow him to share details.

Mr. Bertrand asked why the School District gets 35%. Commissioner Runyon corrected him saying that the District gets 30%. Mr. Bertrand asked if it had been voted on in open session. Chair Hege replied that it was, saying that it had been published for a week and then they had a hearing on the matter.

Mr. Bertrand asked why, if the money is to benefit the County and the City, the School District gets part of it. Chair Hege replied that had there not been an agreement and funds had come in through the tax rolls, each taxing district, including schools, would have gotten some of that money. He said that since this fee is in lieu
of taxes this approach makes sure that the taxing districts get some of those funds. He went on to say that the City of The Dalles has already made an agreement for their $280,000 to go to entities such as the School District, Parks and Recreation District and the Fire District as they felt these entities would be impacted by the project. He noted that the first Enterprise Zone Agreement did not address the districts whose service levels increase as a result of the project. He added that there is language in place that assures that the money going to the Schools will pay for projects not already supported by State funds as they did not want to alleviate the State of their responsibility to the School District.

Mr. Bertrand said that on June 24th he had provided the Board with a letter outlining an idea he had for Google to support the planned pool project. He stated that his intent was for the Board to gather partners – Parks and Recreation, Chamber of Commerce, Senior Center, etc. – to make a unified request. He said that instead, a letter was sent directly to Google asking for their response. He asked who granted permission for the letter to be shared; had he wanted to contact them directly, he could have done that.

Chair Hege replied that he thought it was a fine idea but it is challenging to go to the business that is already giving millions to the community. He said that he understands Mr. Bertrand’s position that he believes Google could give more based upon their corporate earnings.

Commissioner Runyon said that it was his impression that Mr. Bertrand wanted the Board to get the information to Google and that when the letter was presented in a public session it became a public document. Mr. Bertrand said that there is a disagreement about what he was requesting; he said he is leaving the Board with some reading material (attached).

Chair Hege said that he believes the County and City got a fair deal from Google. Mr. Bertrand replied that Google is paying fees, not taxes – it is not the same.

Agenda Item – Road Management & Decommissioning Project

Barlow District Ranger Kameron Sam and Hood River District Ranger Janeen Tervo explained that their districts are working cooperatively to manage the road system. Mr. Sam explained that they look at many criteria when making road decisions. He stated that an earlier analysis that encompassed all possible criteria resulted in a plan that would have closed a great many Forest Service roads within the two districts and
negatively impact access and the level of recreational uses.

Mr. Sam went on to explain that a decision had been made to re-evaluate the roads based on a priority criteria – aquatic habitat risk which includes fish passage, erosion and sediment deposits. Using a map, he identified the areas of aquatic risk and the proposed actions for each – outlined in the USDA Increment 3 Plan included in the Board Packet.

Ms. Tervo explained that Clear Lake is unique in that it is a free use site where campers can drive right on to the beach to camp. She stated that it is an incredible recreation opportunity that needs to be managed to mitigate the aquatic risk factors associated with recreation. She said that in Alternative 3 of the Plan it is proposed to repair and maintain many of the Clear Lake roads rather than decommission them. She added that the user-built roads would have to be decommissioned. She stated that they have been sharing and gathering information with campers and would like to develop a comprehensive plan.

Mr. Sam stated that they wanted to inform the Board of the plans and process before it goes to the public; they want to answer any questions and understand the Board’s position on their proposed plan.

Commissioner Kramer asked for further explanation regarding the “user built” roads. Ms. Tervo explained that users go off-road and continued traffic creates a “road” where there was none before. She said they hope to rehabilitate those roads, bringing them back to their natural state. She said that process is not included in the plan as it stands now.

Chair Hege asked if the changes to the Clear Lake system will restrict handicapped access. Ms. Tervo replied that there is a developed campground with access and overflow access that would be decommissioned under the proposed plan but would be repaired and maintained under Alternative 3. She said that it is a heavily used area and the public interest will be heard through the hearings process.

Commissioner Kramer asked if the Forest Service has met with any other outside partners. Mr. Sam replied that they have met with Soil and Water and are building an understanding about the water uses in the County – for instance, Clear Lake is used for both irrigation and recreation. He said that he has also met with Public Works Director Marty Matherly and plans to meet with Sheriff Eiesland. Ms. Tervo
reported that she has met with Sheriff English.

Chair Hege said that generally speaking, he has an issue with reductions to public land access but understands that when the public is destroying a resource, action must be taken.

Mr. Sam pointed out that most of the roads proposed for decommissioning are going right up waterways and causing sediment to be deposited into streams. He said there are other roads in the area that allow more limited access to prevent damage.

Further discussion ensued. Mr. Sam assured the Board that they will be back to talk about this again; they want to build an alliance.

**Public Comment – Corporate Community Responsibility**

City Manager Nolan Young said he had hoped to be present for the earlier discussion. He explained that he has some new information that may be useful (attached). He reviewed the numbers included in the documents, saying that the Enterprise Zone fees paid by Google far exceed per acre what other businesses are paying in that area.

Chair Hege thanked Mr. Young for the information and asked if Mr. Bertrand also attends City Council meetings. Mr. Young replied that he has not seen Mr. Bertrand at a City Council meeting for quite some time. He said they had recently responded to a public records request from Mr. Bertrand regarding job creation in the first Google Enterprise Zone. He reported that the requirement had been for 35 jobs which Google has exceeded by creating 85 jobs. They also far exceed the requirement to exceed median income by 150%. He added that the fact that the moneys have been distributed by both the County and the City has been well received.

**Discussion List – Tygh Valley Town Hall**

***After a brief discussion, the Board was in consensus to hold the Tygh Valley Town Hall on the evening of Thursday, October 16th in conjunction with the South Wasco County Alliance meeting.***

**Consent Agenda – 8.6.2014, 8.7.2014, 8.11.2014 Minutes**

{{Commissioner Kramer moved to approve the Consent Agenda. Commissioner Runyon seconded the motion which passed unanimously.}}}
Chair Hege adjourned the session at 11:19 a.m.

Summary of Actions

Motions Passed

- To approve the Intergovernmental Agreement #248-14 for Document Publishing, Processing and Delivery

- To approve Order #14-069 appointing Kathleen Fitzpatrick to the Mosier Watershed Council.

- To approve Order #14-070 appointing Todd Stevens to the Mosier Watershed Council.

- To approve Order #14-071 appointing Wade Root to the Mosier Watershed Council.

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- To approve Order #14-076 appointing Philip Evans to the Mosier Watershed Council.

- To approve Order #14-077 appointing Karen Bailey to the Mosier Watershed Council.

- To approve Order #14-078 appointing Mike Igo to the Mosier Watershed Council.
Watershed Council.

- To approve the Intergovernmental Agreement for Contracting Services providing for a Certified Prevention Coordinator.


Consensus

- To allow Mr. Stone to move forward with the plan to have Mr. Shearer continue to telecommute for all of September and part of October.

- To move forward with a plan to find a candidate that may be able to fill a position that combines both county and road surveying.

- To hold the Tygh Valley Town Hall on the evening of Thursday, October 16th in conjunction with the South Wasco County Alliance meeting.

WASCO COUNTY BOARD
OF COMMISSIONERS

_________________________________
Scott Hege, Commission Chair

_________________________________
Rod Runyon, County Commissioner

_________________________________
Steve Kramer, County Commissioner
Agenda Item
Integrated 3-D Enterprise Zone

- City of The Dalles Staff Report
- Integrated 3-D Draft Agreement
- Resolution #14-023 Approving Tax Abatement Agreement
Agenda Staff Report – Wasco County

TO: Wasco County Commissioners

FROM: Dan Durow; Enterprise Zone Manager

DATE: September 3, 2014

ISSUE: Decision on the Enterprise Zone, (4) four or (5) five-year “extended abatement” for Integrated 3D LLC, 3721 Klindt Drive, The Dalles, Oregon, 97058.

BACKGROUND: Integrated 3D LLC has applied for an “extended abatement” period of five (5) years under the Enterprise Zone program. The standard three-year abatement period can be extended to four or five years if certain qualifications are met and with the approval of the zone sponsors; City of The Dalles and Wasco County. Beside all the regular qualifications, during each of the five years starting with the first year of qualification, the average annual compensation for new employees must be at least 150 percent of the county average wage. The 2012 Wasco County average annual payroll rate (latest available) is $33,005, of which 150 percent equals $49,508.

The zone sponsors can require additional local requirements for the additional 4th and 5th years. The Oregon Revised Statutes (ORS’s) and the Oregon Administrative rules (OAR’s) provide the guidelines by which these additional requirements can be placed on the applicant. One important provision is that the sponsor must be consistent with all businesses in its application of the additional requirements as well as the pattern of approving or not approving the extended abatement period. However, the requirements may be differentiated among relevant business firms; for example, the size of the investment or the firm’s type of industry. The differentiation must be based upon definable characteristics, consistently used, and explained in terms of a public purpose.

The City and County did approve one, five-year extended abatement agreement in the first ten-year Enterprise Zone Designation from 1986 to 1996, which was for Northwest Aluminum Specialties. In the second ten-year Enterprise Zone Designation from 1996 to 2007, there was again one business approved for a five-year extended abatement agreement, which was Homeshield Corporation. However, Homeshield Corporation was not able to qualify for the additional 4th and 5th years because they did not meet the 150 percent wage requirement in the first year of the exemption. They did qualify for, and took advantage of, the standard 3-year exemption.

In the third, and current, ten-year Enterprise Zone Designation, from 2007 to 2017, there has been one business approved for a five-year extended abatement agreement, Columbia Phytotechnology, LLC. However, they were also not able to qualify for the extended abatement because they did not meet the 150 percent wage requirement during the first year.
Design LLC, was approved twice under a different category of extended abatement called “long-term”, which is a 7 to 15-year abatement period. In the agreements with Design LLC, they are required to contribute annually for all fifteen years to support local institutions and projects. Although the Design LLC development is unusual and the firm is clearly definable and different from Northwest Aluminum Specialties, Homeshield Corporation, and Columbia Phytotechnology, it does indicate that some requirement for supporting community needs would be fair and equitable.

After the Columbia Phytotechnology, LLC application was received, a few City and County staff and elected representatives met to discuss a suggested policy of additional requirements for extended abatements. This was done in order to give the Enterprise Zone Manager some direction as to what would be acceptable for a standard approach to future extended abatement agreements.

During the City and County Enterprise Zone Designation application process in 2007, School District-21 asked that they be included in any negotiations when a business is asking for an extended abatement. This requirement was then added to the E.Z. Designation Order from the State. School District-21 was invited to participate in discussions with Columbia Phytotechnology but was unable to be at the initial meeting. The school district’s superintendent did submit comments later through emails and phone calls. There was general agreement on this approach.

Any “cash contribution” provided by a business through the Extended Abatement Agreement would be divided equally between the City and County. This money would be discretionary and could be spent as provided for in the Agreement. In addition, the City and County could spend it on goods or services provided by another taxing district.

The following table and chart of Tax Savings and Cash Contribution for the additional 4th and/or 5th years shows what the direction was for any future extended exemptions agreements.

<table>
<thead>
<tr>
<th>Tax Savings for each of years 4 and 5</th>
<th>Tax Savings Per Year</th>
<th>Total Cash Contribution Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.00 to $29,999</td>
<td>15 percent of tax savings</td>
<td></td>
</tr>
<tr>
<td>$30,000 to $69,999</td>
<td>20 percent of tax savings</td>
<td></td>
</tr>
<tr>
<td>$70,000 to $119,999</td>
<td>25 percent of tax savings</td>
<td></td>
</tr>
<tr>
<td>$120,000 to $189,999</td>
<td>30 percent of tax savings</td>
<td></td>
</tr>
<tr>
<td>$190,000 to $299,999</td>
<td>35 percent of tax savings</td>
<td></td>
</tr>
<tr>
<td>$300,000 to $489,999</td>
<td>40 percent of tax savings</td>
<td></td>
</tr>
<tr>
<td>$490,000 to $unlimited</td>
<td>45 percent of tax savings</td>
<td></td>
</tr>
</tbody>
</table>

However, Integrated 3D LLC has proposed alternative extended abatement requirements that would be implemented in the 4th and 5th years:

“Integrated 3D™ LLC is committed to being a catalyst to educational and entrepreneurial growth in The Dalles, Oregon. As a start-up with very limited resources and profit during its initial 5 years of business, Integrated 3D™ LLC will perform the following
"sweat equity" form of cash contribution valued at $3,000 - $5,000 per "class" of students in time and materials:

In the fourth and fifth calendar years of the extended exemption period and prior to December 1st of those fourth and fifth years, the Firm shall contribute to the Zone Sponsors by holding three (3) annual STEM (science, technology, engineering, and mathematics) open houses for one (1) class each from each of the middle and high schools in Wasco County, and with the Columbia Gorge Community College in which the students and teachers visit the Firm's operations and have instruction on the 3D printing machines and 3D CAD engineering and modeling. They will then go back to their classrooms and using a student version of SolidWorks, on which they have had and continue to have classroom instruction, create a 3D design that the Firm will print for free. To qualify, the STEM teacher and students must agree to obtain free SolidWorks software, have some preliminary instruction and continue instruction before submitting a design to print.”

This alternative proposal would be unique to Integrated 3D LLC. It is important to note that the Statutory provisions noted above about being consistent among businesses when approving extended abatements must be met. The City and County could find that although the contribution differs in form from the standard approach, the monetary value of the Integrated 3D LLC alternative approach actually exceeds the cash contribution required by the standard approach, which is acceptable by the company and therefore equitable with any future extended abatement requests that would use the standard approach. The tax savings on $1,000,000 AV, (the amount of new tax value suggested in the Enterprise Zone Exemption Application) would be about $22,000 per year not considering any depreciation value on the equipment. [$1,000,000 AV x $22.00 / $1,000 AV]. The amount of the ‘cash contribution’ based upon the standard approach in the table would be 0.15 percent of the tax savings, or in this case about $3,300 per year. The applicant’s alternative contribution value (determined by them) would be between $9,000 and $15,000 per year. [3 classes x $3,000 to $5,000/class]

The County Commission and City Council as sponsors will need to approve the Agreement in consultation with SD-21 and pass respective resolutions containing the identical requirements. School District-21 was notified of these proposed requirements and asked to provide input. Staff will provide their comments at the meeting or a representative of SD-21 will be there to present verbal comments.

BUDGET IMPLICATIONS: The Enterprise Zone program is intended to be another tool to encourage economic development and jobs. Allowing an additional two years of tax exemption does provide greater incentive for those businesses that pay higher wages to expand or locate in Wasco County. Budget impacts will depend on the value of investments for each business.

STAFF RECOMMENDATION:

Approve Resolution No. 14-028, approving the proposed Extended Abatement Agreement with Integrated 3D LLC, for (5) five years, and recommend approval to the City Council of The Dalles.
**Suggested motion:** ...move to approve Resolution #14-023, approving the Extended Abatement Agreement with Integrated 3D LLC for (5) five years.

**ALTERNATIVES:**

1. Approve the Agreement with Integrated 3D LLC for a (4) four-year extended tax abatement period. If this is the course of action, then the standard approach to any future requests would be to only allow a 4th year.

2. Modify the proposed Agreement in some other way and recommend that the County Commission approve the modified agreement.

3. Do not approve any extended abatement period. If this is the course of action, then the standard approach to any future requests would be to not allow any additional years of exemption.
THE DALLES/WASCO COUNTY ENTERPRISE ZONE III

EXTENDED ABATEMENT AGREEMENT

WITH

INTEGRATED 3D LLC

WRITTEN AGREEMENT WITH THE SPONSORS OF THE DALLES/WASCO COUNTY ENTERPRISE ZONE III AND INTEGRATED 3D LLC, TO EXTEND PROPERTY TAX EXEMPTION TO FIVE (5) CONSECUTIVE YEARS IN TOTAL FOR CAPITAL INVESTMENT AND JOB CREATION.

The sponsors of The Dalles/Wasco County Enterprise Zone III comprising the governing bodies of the City of The Dalles and Wasco County, Oregon, hereinafter the “Zone Sponsors” and Integrated 3D LLC, hereinafter the “Firm” do hereby enter into the Integrated 3D LLC, Extended Abatement Agreement, hereinafter the “Agreement”; an Agreement for extending the period of time in which the Firm shall receive an exemption on its proposed investments in qualified property in The Dalles/Wasco County Enterprise Zone III contingent on certain special requirements, under ORS 285C.160.

The Zone Sponsors and the Firm jointly acknowledge that, subject to approval of the application for authorization submitted on November 19, 2013, and the satisfaction of other requirements under ORS 285C.050 to 285C.250, the Firm is eligible for three years of complete exemption on its qualified property; that nothing in this Agreement shall modify or infringe on this three-year exemption or the requirements thereof, and that this Agreement becomes null and void if the Firm does not qualify for these three years of the exemption.

The Zone Sponsors extend the Firm’s property tax exemption an additional two (2) years on all property that initially qualifies in The Dalles/Wasco County Enterprise Zone III in the assessment year beginning on January 1, 2015, and thereby sets a total period of exemption of five (5) consecutive years during which statutory requirements for the standard three-year enterprise zone exemption must also be satisfied and maintained.
CONFIRMATION OF STATUTORY PROVISIONS

In order to receive the additional two (2) years of enterprise zone exemption granted herein, the Firm agrees herewith under 285C.160(3)(a)(A) that for each year of the entire five-year exemption period, all of the Firm’s new employees shall receive an average level of compensation equal to or greater than 150 percent of the county average annual wage, in accordance with the specific definitions and guidelines in Oregon Administrative Rules (OAR), Chapter 123, Division 65 (123-065-41), which provides that:

1. Such compensation may include non-mandatory benefits that can be monetized;

2. The county average annual wage is set at the time of authorization, except as pursuant to ORS 285C.160(4), according to the 2012 Wasco County average annual payroll rate of $33,005, of which 150 percent equals $49,508 (current rate until 12-31-14). [The actual rate will be based upon when the first year of exemption occurs and the latest rates published by the State.]

3. Only employees working at jobs filled for the first time after the application for authorization but by December 31st of the first full year of the initial exemption and performed within the current boundaries of The Dalles/Wasco County Enterprise Zone III are counted; and

4. Only full-time, year-round and non-temporary employees engaged a majority of their time in the Firm’s eligible operations consistent with ORS 285C.135 & 285C.200(3) are counted, regardless if such employees are leased, contracted for or otherwise obtained through an external agency or are employed directly by the Firm.

LOCAL ADDITIONAL REQUIREMENTS

For the Firm to receive the additional two (2) years of enterprise zone exemption granted herein, the Zone Sponsors and the Firm agree that the Firm shall do the following, in addition to statutory requirements, as reasonably requested by the Zone Sponsors under ORS 285C.160(3)(a)(B).

Integrated 3D™ LLC is committed to being a catalyst to educational and entrepreneurial growth in The Dalles, Oregon. As a start-up with very limited resources and profit during its initial 5 years of business, Integrated 3D™ LLC will perform the following "sweat equity" form of community contribution valued at $3,000 - $5,000 per "class" of students in time and materials:

In the fourth and fifth calendar years of the extended exemption period and prior to December 1st of those fourth and fifth years, the Firm shall contribute to the Zone Sponsors by holding three (3) annual STEM (science, technology, engineering, and mathematics) open houses for one (1) class each from each of the Wasco County middle and high schools, and Columbia Gorge Community College in which the students and
teachers visit the Firm's operations and have instruction on the 3D printing machines and 3D CAD engineering and modeling. They will then go back to their classrooms and using a student version of SolidWorks, on which they have had and continue to have classroom instruction, create a 3D design that the Firm will print for free. To qualify, the STEM teacher and students must agree to obtain free SolidWorks software, have some preliminary instruction and continue instruction before submitting a design to print.

ACCEPTING FOR THE SPONSORS

City of The Dalles
Stephen E. Lawrence, Mayor

___________________________________  Dated, ____________________, 2014
Signature

Wasco County Board of Commissioners
Scott C. Hege, Commission Chair

___________________________________  Dated, _______ September 17, 2014
Signature

Approved as to Form:

___________________________________

Eric J. Nisley
Wasco County District Attorney

ACCEPTING FOR INTEGRATED 3D LLC

___________________________________, Owner
Title:_________________________________

___________________________________  Dated, ____________________, 2014
Signature
IN THE BOARD OF COMMISSIONERS OF THE STATE OF OREGON
IN AND FOR THE COUNTY OF WASCO

IN THE MATTER OF APPROVING THE ENTERPRISE ZONE EXTENDED TAX ABATEMENT AGREEMENT BETWEEN THE SPONSORS OF THE DALLES/WASCO COUNTY ENTERPRISE ZONE III AND INTERGRATED 3D LLC.

NOW ON THIS DAY, the above entitled matter having come on regularly for consideration, said day being one duly set in term for the transaction of public business and a majority of the Board of Commissioners being present; and

WHEREAS, the Oregon Legislative Assembly has adopted the provisions of ORS 285C.050 to 285C.250 to provide tax incentives to certified business firms that invest in a qualifying facility located within a non-urban enterprise zone in a county with chronically low income or chronic unemployment: and

WHEREAS, the City of The Dalles and Wasco County jointly sponsor a non-urban
enterprise zone known as The Dalles/Wasco County Enterprise Zone III; and

WHEREAS, Integrated 3D LLC proposes to make investments in a production facility and to operate said production facility on real property located inside The Dalles/Wasco County Enterprise Zone III, which will employ a number of persons that will be compensated on average at a rate of at least 1.5 times that of the County average annual wage; and

WHEREAS, to facilitate the investment in the production facility by Integrated 3D LLC within The Dalles/Wasco County Enterprise Zone III, it is necessary for a written Agreement between Integrated 3D LLC and the City of The Dalles and Wasco County to be executed, and for the governing bodies of the City and County to adopt resolutions approving the property tax exemption for Integrated 3D LLC; and

WHEREAS, the County Commissioners have reviewed the terms of the proposed Enterprise Zone Extended Tax Abatement Agreement between the City of The Dalles, Wasco County, and Integrated 3D LLC, and the County Commissioners find that approval of the Agreement is in the best interests of the citizens of Wasco County.

Now, therefore, the County Commissioners of Wasco County resolves as follows:

Section 1. Agreement Approved. The County Commissioners hereby approve the Enterprise Zone Extended Tax Abatement Agreement between the City of The Dalles, Wasco County, and Integrated 3D LLC. The Chair of the County Commission is authorized to execute the agreement on behalf of the County.
Section 2. **Effective Date.** This Resolution shall be considered effective as of September 22, 2014.

Dated this 17TH DAY OF SEPTEMBER 2014.

WASCO COUNTY BOARD
OF COMMISSIONERS

_______________________________
Scott C. Hege, Commission Chair

_______________________________
Rod L. Runyon, County Commissioner

_______________________________
Steve Kramer, County Commissioner

APPROVED AS TO FORM:

_______________________________
Eric J. Nisley
Wasco County District Attorney
Agenda Item
Economic Development Council

• Quarterly Report
Broadband
One of the strategic priorities for the EDC has been supporting expansion of broadband in our rural communities and promoting adoption of those services for businesses and residents. Application submitted

- Staff received notice that their proposal for a $25,000 Google Community Grant to support expansion of broadband work, with particular impact to South Wasco County, has been funded. Primary components of the proposal include:
  - Work with an under-served South Wasco County community seeking to increase broadband access. South Wasco Alliance volunteers are working with staff related to the demand and asset study that will start this work.
  - Expand the “Web Works: Anywhere!” Forums. Host an additional four forums throughout the year, including two to be held in The Dalles and the Maupin/South Wasco County area. Staff are working with Q-Life to begin these efforts. The first forum will likely be held in The Dalles area this fall.
  - Host the Gorge Broadband Consortium to further regional collaboration to address local broadband challenges throughout the Gorge.
  - Host semi-annual meetings with entities interested in improving broadband service in un-and under-served areas and for our business community.
  - Maintain gorgebroadband.org

- Staff have been participating in the Regional Solutions Advisory Council’s conversations related to broadband access in order to provide information from the Q-Life/Wasco County Broadband Strategic Plan and additional conversations with stakeholders in our region in Sherman and Hood River Counties.

- Oregon Connections registration is open. While the event takes place in Hood River, it is a great opportunity to network and learn more about broadband and telecommunications. MCEDD acts as the host for the event which will take place October 23-24, 2014. The conference program will explore the emerging Internet of Things, strategies for cyber-security in the age of Big Data, and the status of Broadband in Oregon. Our keynote speaker will be Daniel Obodovski, a technologist and co-author of the recent book, The Silent Intelligence: The Internet of Things. For more information or to register, visit www.oregonconnections.info

Community Enhancement Projects
Updates on Community Enhancement Projects:

- Volunteers from the Mid-Columbia Senior Center approached staff regarding support in submitting an additional grant application for their elevator project. They have raised over $100,000 in funds already and are continuing to identify additional sources.

- Staff have been working with the Tygh Valley Rural Fire Protection District to help identify potential funding sources for their new fire house. The project is eligible for USDA Community Facilities grant funds, and staff are working with the TVRFPD project lead to determine if this is a good fit.

- The Dufur Fire Hall is being constructed with a private foundation donation currently. The City accepted the offer in March.

South Wasco Alliance
Staff attended South Wasco Alliance meetings held July 3rd and August 21st in Tygh Valley.

- At the July 3rd meeting, the group identified the need for strategic planning and organizational development to ensure that as the group considers potential projects they can continue to focus their efforts around key vision areas. As a result, in addition to the project committees (Internet Access, Economic Development/Business Enterprise Zone Team, Pine Hollow Boat Ramp) a Strategic Plan and an Organizational Governance team were formed. Wasco EDC staff provided support for the Governance team, which encouraged the group to work with other non-profits and governmental entities to establish relationships and complete projects until such time that there were efforts that would require a full non-profit entity.

- The August 21st meeting in Tygh Valley focused on reviewing a draft strategic plan for SWA and discussing governance models. The plan focuses on supporting community and economic development activities in South County. Staff provided feedback on the draft plan and activities to help identify areas where roles might overlap with existing entities and encouraged partnerships that ensure that the SWA is engaged with these groups to avoid duplication of efforts, utilize current resources efficiently and effectively, and to build the capacity of these existing entities where appropriate. Staff sees potential for partnership beyond the current efforts related to broadband, and increased utilization of resources like the Community Enhancement Projects List to inform efforts throughout the County. The vision portion of the plan is attached for reference.

**Investing in Manufacturing Communities Partnership (IMCP)**

A report is available providing information from the IMCP Gorge UAS Manufacturing Workshop held in May (attached).

There are several upcoming meetings focused on information gathering and sharing related to the IMCP project that could create outcomes that have significant impact in Wasco County related to the tree fruit, value added

- **UAS Applications for Tree Fruit:** MCEDD, OSU, and WSU are organizing a forum on UAS Applications for Tree Fruit. It will focus on ways that unmanned systems (both aerial and ground based) can be integrated into efforts to solve agricultural issues and identifying potential research topics. The forum will be September 26, 2014 from 1:30pm to 4:30pm at CGCC in The Dalles. EDC members are welcome to attend. RSVP is requested to jessica@mcedd.org.

- **Composite Firms:** As part of the effort through IMCP to develop a regional strategy to support manufacturing firms in the region, two researchers from Washington State University Composite Materials and Engineering Center will be in the region working with major firms engaged in manufacturing using composite materials. They will be here October 8th to gather information and to gain an understanding of the composite materials and production processes being used, local firms key products, growth trends and any key obstacles to future development.

- **Value Added Food Manufacturing:** Girsh Ganjyal, a Food Processing Specialist with WSU, will be
visiting the region in late September in preparation for an anticipated value added
forum scheduled for October 28. The visit will also help him better understand of
the needs of the existing value-added processors in the region and the
needs/hurdles for the new processors who want to get into value-added agriculture
businesses. The forum is still in planning stages, but the expected outcome will
begin to formalize the industry cluster through understanding of economic
benefit, and the roles for development and exploration of growth opportunities.

**General EDC Activities:**
EDC staff provided the following support services:

- The July Meeting of the EDC was held at the Port of The Dalles. Mayor Steve
  Lawrence welcomed the group and discussed ongoing efforts in town related to
  the Civic, bicycling, and the City dock. The meeting focused on gathering input
  from EDC Commissioners related to priorities for the upcoming year. Areas
  identified were broadband, working with the SWA, and continuation of the
  Industrial Lands Committee. No meeting was held in August. The next meeting
  is scheduled for September 18th, 2014.

- Staff completed an update of the County Major Employers list in July. This list is
  attached for your reference, along with information on the average wages by
  industry so that a better understanding of the economic impact of these jobs is
  provided.

- Business Oregon’s new Director, Shawn Robbins, came to The Dalles as part of a
  statewide tour he conducted in July and August. The group attended a bus tour of
  the region that travelled to Hood River, and stopped at the Port of The Dalles
  before traveling through town to the Readiness Center for an afternoon
  conversation on economic development opportunities and challenges in the Mid-
  Columbia. Staff put together a regional overview to provide to attendees of the
  bus tour (attached.)

- Staff have been meeting with community leaders in areas throughout Wasco
  County to gather information about community priorities, challenges, and
  successes that will inform opportunities for the Economic Development
  Commission to work in partnership with these communities. Staff visited Dufur
  on September 3rd, and Maupin on September 9th. Additional visits are being
  scheduled.

- Staff are working with the communities of Dufur and Maupin and their economic
  development entities to create business siting guides specific to each community.
  Currently, business siting guides are available for the unincorporated areas of the
  County as well as the City of The Dalles.

**Activities of Interest to the EDC**

- MCEDD supported Klickitat County and City of The Dalles in submission of an
  EDA Public Works application for the Airport Flex space project in Dallesport.
  This facility is critical to local employers, including MCMC.

- The Regional Solutions Advisory Committee has been working to identify one or
  two regional priorities for the coming biennium. The group has narrowed down
to attainable housing and broadband infrastructure. They will move forward with
  refining potential proposals for addressing these challenges in the coming months.

- The Dalles Main Street Organization is hosting an “All About Energy” day at
  the Civic Auditorium on September 22nd at 8am. Main Street is bringing together
  experts from Energy Trust of Oregon, Oregon Department of Energy, and Restore
  Oregon to talk about incentives available to upgrade buildings that will cut energy
costs. A morning of conversation will be followed by a walk around Downtown The Dalles to talk about projects and see what goes into an energy audit. Suggested $5 donation to attend.

- **Columbia Gorge Bi-State Renewable Energy (CGBREZ):** Wasco EDC staff has been participating in discussions with CGBREZ and meeting with energy staff regarding the future opportunities for markets for renewable energy and a proposed pumped storage project in Klickitat County. Staff has a meeting with Oregon energy staff in late September and will provide further information at the October EDC meeting.

- **Agora Investment Platform:** Further roll out of the platform continues, with the anticipation to bring on another three economic development districts in Oregon this year. We anticipate using the Platform for the Wasco County Community Enhancement Process again this year.
South Wasco Community Vision

We are a collective community of South Wasco County citizens with a shared vision of a vibrant and sustainable economy. Our communities are integrated and supportive of each other, with improved living standards supporting happy and healthy lives.

**VISION AREAS**

**Sustainable Economy**

*Vision:* We have a diverse base of small industries and businesses that provide a sustainable and durable economy to support families and our diverse population.

*Objectives:*
- 10 new businesses employing 10 people each within 10 years
- Businesses are compatible with the natural resources of our area
- Natural resources are used sustainably in the creation of jobs and in the generation of sustainable power options

**Strong Communities**

*Vision:* Our rural communities are safe, clean, and attractive. Each embodies its unique pioneer heritage, spirit and pride, and offers visitor enjoyment and hospitality.

*Objectives:*
- Our communities thrive from shared values and shared resources and knowledge
- Schools are strong, healthy and provide education to all age and ethnic groups
- Communities value the voices, visions and diversity of their citizens. Citizens actively help and support one another with gratitude and harmony.
- Community facilities and parks are developed, upgraded, and enjoyed by all citizens

**Improved Living Standards**

*Vision:* Our living environments and experiences are improved and healthy. Our living experience is continually nurtured, benefiting all residents.

*Objectives:*
- Affordable housing is available, accessible and strong
- Stable health care and public safety services are available
- Businesses in our communities offer sustainable living wage jobs, which attracts and retains younger families
Largest Employers in Wasco County, Oregon  
July 2014

Over 500 Employees
Mid-Columbia Medical Center

251-500 Employees
Northern Wasco County School District 21
Oregon Cherry Growers
State of Oregon
Fred Meyer

101-250 Employees
Oregon Veteran’s Home
Columbia Gorge Community College
Azure Standard
Google
U.S. Army Corps of Engineers
Safeway
Wasco County

50 to 100 Employees
Cousin's Country Inn
Home Depot
City of The Dalles
Orchard View Farms
Columbia Basin Care Facility
Sunshine Mill
K-Mart
NORCOR
Mill Creek Point Assisted Living
Crestline Construction
Flagstone Senior Living
Northwest Aluminum Specialties
Mid-Columbia Producers
Powder Pure
Younglife/Big Muddy

*Employee count is based on non-seasonal, full time workers

Prepared by the Wasco County Economic Development Commission July 2014. For more information, contact us at 541-296-2266 or visit https://co.wasco.or.us/county/wcedc/
Memorandum  
Employment and Wages  
Summary Report - Wasco County - 2013  
from OLMIS based on NAICS codes

To: Wasco County Economic Development Commissioners  
From: Carrie Pipinich, Staff  
RE: Wages by Industry

After provision of the Major Employers List at the last EDC meeting, staff received a request for payroll information on those employers so that the EDC could better understand impacts on the local economy. However, due to confidentiality requirements, payroll data is not available for specific employers in the OLMIS database. As a substitute, below is the total payroll by industry, the average annual pay, and the amount of employment. These provide a guide for better understanding the economic impact of the major employers (list attached) in Wasco County.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Ownership</th>
<th>Firms</th>
<th>Employment</th>
<th>Payroll</th>
<th>Avg. Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total All Ownerships</td>
<td>All</td>
<td>936</td>
<td>11,570</td>
<td>$381,341,618</td>
<td>$32,960</td>
</tr>
<tr>
<td>Total Private Coverage</td>
<td>Private</td>
<td>854</td>
<td>9,498</td>
<td>$289,973,256</td>
<td>$30,530</td>
</tr>
<tr>
<td>Total All Government</td>
<td>All Govt.</td>
<td>82</td>
<td>2,072</td>
<td>$91,368,362</td>
<td>$44,097</td>
</tr>
<tr>
<td>Education &amp; Health Services</td>
<td>Private</td>
<td>94</td>
<td>2,055</td>
<td>$87,009,599</td>
<td>$42,340</td>
</tr>
<tr>
<td>Health &amp; Social Assistance</td>
<td>Private</td>
<td>87</td>
<td>1,969</td>
<td>$85,210,342</td>
<td>$43,276</td>
</tr>
<tr>
<td>Trade, Transportation. &amp; Utilities</td>
<td>Private</td>
<td>185</td>
<td>1,950</td>
<td>$59,010,729</td>
<td>$30,262</td>
</tr>
<tr>
<td>Natural Resources &amp; Mining</td>
<td>Private</td>
<td>104</td>
<td>1,950</td>
<td>$34,381,748</td>
<td>$17,632</td>
</tr>
<tr>
<td>Retail</td>
<td>Private</td>
<td>128</td>
<td>1,644</td>
<td>$43,244,079</td>
<td>$26,304</td>
</tr>
<tr>
<td>Total Local Government</td>
<td>Local Govt.</td>
<td>45</td>
<td>1,450</td>
<td>$55,506,070</td>
<td>$38,280</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>Private</td>
<td>93</td>
<td>1,177</td>
<td>$17,804,472</td>
<td>$15,127</td>
</tr>
<tr>
<td>Accommodations &amp; Food Services</td>
<td>Private</td>
<td>77</td>
<td>1,061</td>
<td>$15,928,198</td>
<td>$15,012</td>
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<tr>
<td>Manufacturing</td>
<td>Private</td>
<td>35</td>
<td>702</td>
<td>$22,033,763</td>
<td>$31,387</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>Private</td>
<td>86</td>
<td>478</td>
<td>$16,493,399</td>
<td>$34,505</td>
</tr>
<tr>
<td>Other Services</td>
<td>Private</td>
<td>88</td>
<td>391</td>
<td>$8,623,557</td>
<td>$22,055</td>
</tr>
<tr>
<td>Total State Government</td>
<td>State Govt.</td>
<td>18</td>
<td>334</td>
<td>$12,849,676</td>
<td>$38,472</td>
</tr>
<tr>
<td>Construction</td>
<td>Private</td>
<td>71</td>
<td>300</td>
<td>$12,562,946</td>
<td>$41,876</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>Private</td>
<td>79</td>
<td>300</td>
<td>$10,282,919</td>
<td>$34,280</td>
</tr>
<tr>
<td>Total Federal Government</td>
<td>Federal Govt.</td>
<td>19</td>
<td>288</td>
<td>$23,012,616</td>
<td>$79,905</td>
</tr>
<tr>
<td>Admin. &amp; Support, Waste Mgmt &amp; Remediation Svs</td>
<td>Private</td>
<td>32</td>
<td>215</td>
<td>$5,096,876</td>
<td>$23,706</td>
</tr>
<tr>
<td>Professional, Scientific &amp; Technical Svs</td>
<td>Private</td>
<td>48</td>
<td>203</td>
<td>$8,708,781</td>
<td>$42,900</td>
</tr>
<tr>
<td>Information</td>
<td>Private</td>
<td>19</td>
<td>194</td>
<td>$21,770,124</td>
<td>$112,217</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>Private</td>
<td>38</td>
<td>191</td>
<td>$7,773,032</td>
<td>$40,697</td>
</tr>
<tr>
<td>Wholesale</td>
<td>Private</td>
<td>34</td>
<td>154</td>
<td>$8,666,984</td>
<td>$56,279</td>
</tr>
<tr>
<td>Transportation, Warehousing &amp; Utilities</td>
<td>Private</td>
<td>24</td>
<td>153</td>
<td>$7,099,666</td>
<td>$46,403</td>
</tr>
<tr>
<td>Arts, Entertainment &amp; Recreation</td>
<td>Private</td>
<td>16</td>
<td>116</td>
<td>$1,876,274</td>
<td>$16,175</td>
</tr>
<tr>
<td>Real Estate Rental &amp; Leasing</td>
<td>Private</td>
<td>42</td>
<td>109</td>
<td>$2,509,887</td>
<td>$23,026</td>
</tr>
<tr>
<td>Education</td>
<td>Private</td>
<td>7</td>
<td>86</td>
<td>$1,799,257</td>
<td>$20,922</td>
</tr>
<tr>
<td>Management of Companies</td>
<td>Private</td>
<td>5</td>
<td>60</td>
<td>$2,687,742</td>
<td>$44,796</td>
</tr>
</tbody>
</table>
The Mid-Columbia Region spans Hood River, Wasco and Sherman counties in Oregon and Klickitat and Skamania counties in Washington and encompasses 7,289 square miles and encompasses parts of the National Scenic Area. The region is home to approximately 82,000 residents who often travel across state and county lines for employment, creating a truly regional dynamic. With a central location in the Pacific Northwest, the region acts as the “Center of the Hub” with direct access to metro areas and the ability to do business on an international scale with approximately a 6,000 mile area from the West Coast to the East Coast to Asia, all within one regular business day.

Several key industry clusters have taken root in the Mid-Columbia over the last several decades, but agriculture continues to be a strong factor in the Mid-Columbia’s economy.

- **Agricultural Production**: With $300 million worth of crops produced and approximately 480,000 acres in production throughout the region, these crops are a key base to build upon with other industries. The region is known for its sweet cherries, wheat, apples, and pears.

- **High Tech/Advanced Manufacturing**: Centered around the unmanned aerial systems cluster, but diversifying rapidly, the tech sector and related manufacturing operations bring high wage jobs throughout their supply chains.

- **Value Added Agriculture/Food Production**: Adding value to products grown here, businesses produce everything from tortillas to jams to pickles. This cluster includes our fermentation businesses with a growing number of wineries, cideries, breweries, and distilleries creating both exportable products and experiences for visitors.

---

**Hood River County, OR**

- Population: 22,675
- Area: 522 sq. miles
- Median Household Income: $55,355
- Unemployment: 5.2%
- Major Crops: Pears, Apples
- Key Industries: activewear, outdoor and agri-tourism, high tech

**Wasco County, OR**

- Population: 25,477
- Area: 2,381 sq. miles
- Median Household Income: $43,601
• Health Care: As a significant and growing industry in our region, health care is an emerging cluster with growing payroll and employment in addition to the vital role it plays in creating a health workforce.

• Renewable Energy: The Mid-Columbia is characterized by its strong breezes created by the east-meets-west climates, and investment in wind and other renewable energy to take advantage of natural assets has been significant.

• Arts & Culture: With a variety of museums, galleries, and cultural experiences enjoyed by residents and visitors alike, arts and culture is a growing industry sector.

Transportation and Infrastructure. The region is well connected.  
• Located along the I-84 and SR-197/97 corridors  
• Multi-modal options including the Columbia River, two railroads, and two airports offer easy ways in and out for goods, business, tourists, and residents.  
• Small communities with limited resources leverage opportunities to bring in additional support for needed infrastructure projects.  
• Power is abundantly, reliably and affordably available through hydro-electric and wind energy creation

Date Created: August, 2014
IMCP-Columbia Gorge Unmanned Aerial Systems Manufacturing Workshop May 2014

Summary Report of Workshop Findings

Compiled By: Bill Fashing (MCEDD), Alexis Holzer and Jacob Leachman (WSU)

A Partnership between

[Logos for MCEDD and Washington State University]

Funded by Investing in Manufacturing Communities Partnership

[Logo for U.S. Economic Development Administration]
Forward
On May 20th 2014 the Mid-Columbia Economic Development District (MCEDD) and Washington State University (WSU) organized an Unmanned Aerial Systems (UAS) Manufacturing workshop for the Columbia Gorge region. The workshop was part of an Investing in Manufacturing Community Partnerships (IMCP) planning grant jointly awarded to MCEDD and WSU. The goal of the workshop was to identify the key opportunities and challenges for the Gorge UAS Manufacturing community. Almost 70 participants attended the all day workshop representing industry, agriculture, public organizations, and higher education. Everyone participated in the information sharing process through the panel and breakout sessions, as well as provided written feedback. This report includes a comprehensive written record of the forum and provides an executive summary of key findings. Ultimately, the report should be used not only as a record of proceedings, but for its recommendations to continue development of this important regional manufacturing industry. It will serve as a base for the final recommendations forwarded as a result of the overall process and will help towards increased competitiveness in future manufacturing development opportunities.

Executive Summary
Potential workshop participants were identified from conversations with local economic development staff and general web searches. Participants from academia, primarily, WSU, Oregon State University (OSU), and Columbia Gorge Community College (CGCC) were identified based on research preferences and interest in the program. Farmers in the region with interest in UAS were also invited. Flyers advertising the workshop were e-mailed to organizations with potential participants. Table 1 provides a breakdown of attendees by county within the IMCP region and industry.

Figure 1: Almost 70 attendees participated in the event at the Best Western Hood River Inn.
### Table 1: Breakdown of workshop attendees by County and Organization

<table>
<thead>
<tr>
<th>Organization</th>
<th>Washington</th>
<th>Oregon</th>
<th>WA/OR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Klickitat County</td>
<td>Skamania County</td>
<td>Other County</td>
</tr>
<tr>
<td>Private Industry</td>
<td>5</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Public employee</td>
<td>3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Higher Education</td>
<td>1</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12</td>
<td>2</td>
<td>21</td>
</tr>
</tbody>
</table>

### UAS Manufacturing Conversation notes

A number of themes emerged from discussions at the forum, both through direct written comment cards, as well as group discussions throughout the day. The Appendix in this document details the comments from the cards as well as notes from the small group discussions. Below, we have extracted and outlined the main themes, as related to four of the six areas of the Investing in Manufacturing Communities Partnership addressed at the forum.

#### Workforce and Training

1. The region loses many of its youth due to limited options for employment in the region which reinforces the importance of a concerted effort to support and build the existing manufacturing base which provides a diverse set of jobs throughout the region.
2. There is a need to ‘inspire the next generation’ to pursue careers in the STEM disciplines. Discussion of creating a skills center, or a series of centers, was central to these comments.
3. The topic of organizing efforts to provide high quality internships in the region came up a number of times. Companies seem to have a desire to grow the number of interns, but are unclear on the regulations around this and how to recruit them.
4. There is disconnect in communicating what workforce skills industry needs, what skills students are learning, as well as what sort of employees are missing in the area. UAS industry personnel needs appear to primarily lie in experienced autonomous software developers and skilled fabricators/prep/finishers.

#### Supply Chain

1. Need better understanding of the supply chain to more strategically address gaps. As an example, Insitu, the largest UAS company in the region sources about 50% of its parts from the area; is there an opportunity to increase that? A supply chain map would allow the region to see how parts and
finances flow across county and state lines. A depiction of these relationships would provide insight into how well the counties and states are truly collaborating and supporting each other, and perhaps show gaps and barriers to optimal supply chain relationships.

2. Certifications are important to build out a supply chain. These aerospace certifications are challenging to obtain, especially for small and medium sized companies, as they require significant resources in company time and money to pursue. Is there an opportunity to develop an industry-wide resource for assisting companies in navigating these processes? Would a concentrated region of businesses with industry standard certifications serve as a recruiting tool for additional supply chain or OEM manufacturers?

Research and Development

1. Is there opportunity to expand the cluster to include grounded-unmanned vehicles? Why focus only on aerials?
2. Need to consistently and persistently bring UAS industry and agricultural industry together to share ideas on how to develop technologies for agriculture applications. There needs to be more planning and brainstorming workshops with targeted groups, such as grower commissions and universities, and to facilitate more brainstorming/challenges between to work together to solve tough challenges and win grants.
3. Sponsoring university student teams for research projects allows students to work on real world projects, with industry mentorship, while industry get to preview potential employees and interns, as well as have a problem solved for them at a cost competitive rate.

Infrastructure and Site Development

1. Infrastructure needs include affordable summer intern housing.
2. Makerspace development for the community’s use would help sustain and increase entrepreneurial and business growth in the region. It may be possible to co-locate intern housing and a makerspace to encourage interns to return to the area and further develop ideas.
3. Additional broadband access to rural gorge communities and higher capacity for high demand users.

Recommendations for Continued Work

Based on the themes that emerged from the forum, combined with past knowledge of regional priorities, four main recommendations for building the UAS manufacturing sector are included in this report.

1. Identify Leadership to Sustain the Conversation

   In order to effectively and efficiently develop the UAS manufacturing industry toward new civilian market applications, increase manufacturing capacity, innovation, and job creation, attendees at the forum recognized additional meetings would need to take place, and be sustained over the
long-term. To that end, it is recommended that a lead organization be identified to persistently communicate, call meetings, organize events, recruit new partners, and begin to execute on the needs identified by industry. Given that there is an existing organization with a strong industry membership base, and already brings together the technology industry in The Gorge through events, it is recommended that the Gorge Technology Alliance (GTA) be elevated to this role. It is recognized that additional funding to support these activities and staff would need to be raised through industry and grant support. Codifying this leadership role for GTA is essential for setting a strong foundation for work going forward.

2. Develop a Columbia Gorge Manufacturing Cooperative

The desire to create one or more locations where businesses can use specialized and expensive equipment cooperatively, receive support in manufacturing, and support workforce skills development was made very apparent at the forum. Many participants identified makerspaces as a solution; however this recommendation is focused on adult business and professional uses. Cooperative uses including educational programs for students from grades 7-14 may be appropriate but should be reviewed independently. There is strong support for programs supporting students to pursue careers in STEM and Columbia Gorge Community College, Clark College and others are developing concepts and spaces to address this need (See item 3). Rather, a Manufacturing Cooperative should be focused primarily on current industry needs for innovation and collaboration. Firms may also take advantage of the facilities for incumbent workforce development. This effort will require sustained leadership in order to manage industry contracts, safety standards, recruit and organize stakeholders, raise money, purchase and maintain equipment, organize skill-building workshops, steward collaboration, idea sharing, and higher education involvement. Given the bi-state and multi-county nature of the region, it may require development of more than one location to support all UAS-related businesses and other manufacturing interests in the region. In line with the other two recommendations, this will require additional conversations, analysis, and industry input to ensure appropriate and targeted development. Responsibility for moving this initiative forward will be determined over time. The final program design and intent will assist in identifying the most appropriate lead agency or agencies.

3. Develop a Coordinated Set of Skills Centers to Provide Youth Training for Manufacturing Careers

The Clark County Skills Center is an example several participants pointed out as a need to meet long-term needs of the regional employers. The Center was established as a partnership between eight school districts to prepare students for the work force. A Gorge skill center or network of centers would potentially play a key role in the technical education of the regions’ youth.
The Makerspace term is sometimes being used for this concept and synergistic with the Manufacturing Cooperative concept outlined under item 2. The IMCP effort will continue to separate the two concepts with the understanding that some level of cooperation and coordination between the two concepts would be helpful and appropriate. Lead agencies on this initiative include Clark College, Columbia Gorge Community College and the local workforce development boards.

4. **Build a Strong Information Base Regarding the UAS Supply Chain**

Through discussions at the forum, it has become apparent that there is broad interest in developing a better understanding of the UAS supply chain, i.e. what companies and services are currently missing, and what will be needed in the future. Developing a better definition of the supply chain was one of the original goals of the IMCP planning grant project. Although an in-depth analysis of the supply chain would be ideal, development of the information network is challenged by private business concerns of possibly jeopardizing security of supply chain operations. However, work will continue to develop a supply chain analysis that will add value in crafting an economic development strategy for the region. For instance, it was identified through discussion at the forum that software and data management businesses, as well as the people with the skills, will need to be grown or recruited to the area to develop UAS technologies for the civilian markets. This will require more discussion, organization and cooperation between counties, states, industry, ports, and economic development organizations as well as the buy-in of industry. It is recommended that MCEDD lead efforts to convene stakeholders throughout the region to develop, execute and manage a unified and cooperative strategy.

Apart from the above, there are two additional areas that were recognized as central to the region building its manufacturing capacity: a formalized internship program, and access to affordable housing. OSU is taking the short-term lead in organizing efforts to move forward with a regional internship initiative. MCEDD and others will continue to address affordable housing issues impacting manufacturers’ ability to attract and maintain an adequate workforce. Both of these issues have received significant community discussion and have initiatives underway. The IMCP process will not directly address the issues in an attempt to avoid any chance of weakening existing efforts.

**Agenda and Notes from the Forum**

**Opening Remarks – Senator Chuck Thomsen**, 26th District, Hood River, OR; Owner, Thomsen Orchards

- Pear grower – great to have technology come out of this area – good for the region to have WSU and OSU working together. Partnerships are a positive thing.
• 5 years ago people were not talking about drones – these are the positive things we are talking about – privacy does remain an issue.
• Question from the audience: what technology are you using?
  o Mechanical harvesting would be great, but pears bruise easy. Automated tractors that drive the orchard themselves are already in use.

**University-Industry panel: Disruptive Innovation**
- Erin Stone – CEO, Integrated 3D
- Jake Leachman – Mechanical and Materials Engineering, Washington State University & IMCP Lead
- Javier Calvo – Industrial and Manufacturing Engineering, Oregon State University
- Mark Zanmiller – Director of Business Development, Sightline Applications, LLC

(picture left) Panel participants (left to right) Zanmiller, Calvo, Leachman, and Stone give their thoughts on civilian applications and growth for UAS manufacturing in The Gorge. (picture right) Representatives from business, ports, economic development organizations, and higher education listen to the panel.

These representatives from manufacturing and the two states’ universities gave short presentations on their experience with innovation in UAV manufacturing and visions for the future. This was followed by a discussion with all the attendees about what is happening, and what is possible in civilian UAS and how can this area can benefit. The audience was extremely engaged, asking questions of the panel and each other and brought out a number of themes, which resonated throughout the day.

*Unfortunately, Gabe Dahle, the agriculture representative on the panel did not show up, due to a scheduling mix up.*

**Notes from panel discussion:**
Erin Stone:
• 3D printing moved out of development a long time ago. Technology is happening now, in metal printing, all types of reverse engineering and analysis.
• Design and testing is quicker and cheaper.
• 3D manufacturing can help in research and development, creating the one-off parts that are needed to test.
• UAV industry has been using plastic 3D printing for a long time for weight reduction, no waste from carving. When we look at making lots of UAVs for civilian use, this will be key in reducing the waste stream.

Jake Leachman:
• Universities are discovering new technologies. Technologies are available today for the market. Hydrogen fuel cell powered vehicles is one technology conversion on horizon.
• Look at cost-prohibitive issues for companies and crowd-source problem to universities/students to solve and train future employees.
• Cost savings to sponsor a project and get a product and the top student.

Javier Cavlo-Amodio:
• Sustainable manufacturing and environmental issues manufacturing
• Design new processes that reduce environmental impacts.
• Student design projects are a great way to get a preview of potential future employees and get a good product. But you also have to work, help the team understand what you need and help them engineer it that way. The faculty help, but the real value comes from the industry interaction with students(?)

Mark Zanmiller:
• The agricultural community is just beginning to adopt the UAV technology – there are great resources in the Gorge to work together on this.
• Seen a lot of growth just over the last year.
• Still need to better understand what tools farmers/ranchers/orchardists need.
• Need to better understand to supply chain of the Tier 1 and Tier 2 suppliers, figure out what is missing.

Discussion with all attendees:
• Innovation:
  o GPS systems, radio interference controls, detect and avoid, computer driven flight
  o Optics and image capability and bringing on different image capabilities to small UAS; video is not possible right now for the type of information and data needed; but the electronics market is moving fast. UAS needs to be able to carry more weight for heavier equipment.
  o Nano 3D printing – research and commercialization in integrating nanotech in 3D printing. Need to bring the technology to small and medium sized businesses.
• Workforce:
- Need integrated workforce programs starting in high school -> community college -> university
- Housing for summer interns is a major problem. There are limited affordable housing options in the area, and students would have to live far away, but there is no connectivity (broadband) in the areas where there is affordable housing. This is a big deterrent for interns.
- Skill Center in Clark County could be a good example of a program that could be replicated in The Gorge, and target many areas of workforce
- Need better understanding of what the skills are that companies are looking for – CAD, machinists, finishers e.g. metal polishers material prep etc. (Finishers are not in the area, companies have to outsource this work to Bend, OR)
- Need to help students coming out of higher education look at some of the smaller companies for job opportunities. They need to be educated about opportunity beyond the large brand-recognition companies.

• Supply Chain:
  - There is a strong supplier network, with about ½ the supply chain in the region. What will it take to get companies here that are in the supply chain, but outside the region? Business, academia, legislature? Big challenge resides in workforce recruitment. Ports are helpful in business location and growth.
  - Do we have the critical mass of technologists in the Gorge to recruit more companies? It could be possible that if more companies come they will bring some initial talent with them in locating from elsewhere. They will also help to build upon that critical mass and make it easier to attract needed skill sets and their significant others.

Brett Faike from Hover Labs gave a presentation over lunch about the civilian uses of multicopters.
Regional Opportunity Identification and Discussion

After the panel discussion, Jake Leachman introduced an interactive exercise, in order to tease out and record community input on the opportunities, and challenges, facing the UAV manufacturing industry. Forum attendees were asked to write on 5x7 index cards, one opportunity, challenge, or big idea for new UAV applications. These cards would inform the afternoon small group discussions. During lunch, Jake and Alexis Holzer grouped the cards together in four categories, which correspond to four categories of IMCP: workforce and training, supply chain, infrastructure and site development, and research and development. Most of the cards fell into research and development (primarily around UAV uses and new applications in agriculture and other civilian uses), and workforce training.

Local economic developers took charge as facilitators for the small group discussions, encouraging conversations that had not before take place between public organizations, education representatives, researchers, and industry. This information can be used in the future to identify areas where the community to best aligned to take action to improve any one of these areas of manufacturing. The most immediate outcomes observed are around workforce, primarily how to create more internships opportunities, overcome the challenge of scarce housing options for summer interns (and a growing number of lower to mid-level workers), and K-12 programs to inspire local youth to seek out opportunities in the region instead of leaving the area for school and not returning. This necessitates the need to continually develop manufacturing sector jobs to support this skill level of workers. This includes the creation of additional ‘makerspaces’ and ‘Skills Centers’ to foster and focus interest at an early age for STEM disciplines. Additionally, there seems to be opportunity around creating closer relationships between industry and Washington State University and Oregon State University. These two groups can work more closely on federal funding opportunities for technology development, senior design projects sponsored by industry, and create relationships with new users for UAV, primarily in agriculture.

(picture left) Small group discussions helped to drill down on the cards participants submitted and record more in depth discussion on challenges and opportunities in UAS manufacturing. (picture right) Oregon Small Business Development Center Business Advisor Jeff Nicol gives the research and development small group discussion report out.
Conclusion

We count this event as a success and believe that the meeting brought together industry, education, agriculture and public organizations to start talking about challenges and opportunities around the UAS manufacturing industries. Conversations at the forum, and afterward in follow-up meetings, helped to solidify existing perceptions about barriers and challenges, as well as flush out ideas and subsequent questions about how the industry can grow into civilian markets. The IMCP team will continue efforts to connect with interested parties and to sift through information to identify the most critical needs and opportunities to assist in supporting the regional manufacturing sector.
Appendix A

Below are recaps of the four areas discussed at the forum. The information from the cards is listed as written. Following the individual information submitted through the cards is the input gathered through the breakout sessions and the summary reports from those breakout sessions.

Workforce and Training

Cards from participants:

- Bi-State skills center; bi-state skills center; OR does not fund these, WA does. Can there be a Gorge Skills Center with funding from both states?
- How can we engage our region’s middle and high school students with UAV industry opportunities to inspire through career choices?
- We are forming a work group to establish regional internship network by end of calendar year 2014. We need industry guidance on how this should function. Volunteers are welcome!
- How can we integrate UAV and traditional civilian aviation training? What FAA requirements will drive this integration?
- Explore – skills center at each high school that are coordinated; magnet approach
- How do we keep our youth in the area?
- Education, jobs; we need to provide jobs and education for youth and adults to stay in the area.
- Attract and retain skilled labor.
- Everyone defines quality of life differently. The Dalles will not attract people who prefer Portland.
- Until local labor force is developed, how can we attract a diversity of employees?
- How do we take advantage of the skills veterans have?
- Makerspace!
- Need industry collaboration – strong regional ties.
- We don’t know what we don’t know – how do we stay ahead of the curve?
- Keep students involved
- Software training

Group Meeting notes:

- Goal: K-12 Skills Center, integrated with industry
- Current capabilities
  - Robotics – middle, high school
  - IAV industry presence
- TD CGCC welding lab
- Hood River Valley High School shop program
- CGCC
- Strong grades 6-8 STEM
- Hoverlabs

**Programs to improve capabilities**
- Mathematics Engineering Science Achievement program (MESAWashington; serving primarily underrepresented students in STEM fields, including African Americans, Native Americans, Hispanic/Latinos, Pacific Islanders and women.)
- Leveraging bi-state – HOW?
- Need to ignore boundary and utilize bi-state groups/non-profits
- Companies donating old equipment to schools and makerspace
- Utilize employees to train students on equipment
- Internships – regional organization
- Maker programs
- Grant writing assistance to schools
- CTE center for UAV industry in our high schools with multiple sites or one?
- Accelerated programs
- Year-round school?
- Summer focused program STEAM with industry involvement
- Scholarships – NASA academy, Gerald Soffen award

**Gaps**
- Need strong P-5 STEM education
- Industry involvement
- Strong 9-12 STEM in all schools

**Infrastructure and Site Development**

**Cards from participants:**
- Housing issues – what role can private sector play?
- Increase working relationships between community and academia
- Makerspace co-located with summer intern housing
- Makerspace – How do we tie CGCC/Gorge OEN/Gorge Technology Alliance into a process
- Makerspace – for profit or non-profit
- How to start up and test the makerspace
- Cooperative or collective ownership/operation of high value equipment or processing capacity.
- Makerspace/community college
- Regional Industry collaboration
- Makerspace
**Group meeting notes:**

- **Current capabilities**
  - Makerspace for middle school

- **Programs to improve capabilities**
  - Makerspace in Clark, Bingen, White Salmon
  - CGCC Hood River Campus – advanced tech center – have money to make this a reality, but need matching dollars
  - SOAR Oregon – overarching organization for test ranges and integration
  - What can be done now: work with university for COAs, labor, IP issues, access to farmers to identify needs for UAS
  - Start-ups (have help from SBDC, SBA, Economic developers, AUVSI Cascade Chapter, Oregon test-site, Washington and Oregon Departments of Agriculture

- **Gaps:**
  - Need someone knowledgeable to run the makerspace:
    - Machine shop foreman, technician
    - Make affordable for start-ups yet self-sustainable
    - Equipment – woodshop, machine shop, 3D printer, electronics lab, computers
    - Classroom, dining area
    - Business incubator space
  - Makerspace in Clark (partnerships for constellation of skills centers), including White Salmon/Bingen
  - Barriers to entry for business:
    - Certificates of Authorization and flight regulations
    - Certifications for quality assurance
    - Insurance
    - Need help changing perception of UAV from just military drones
    - Help in understanding both state and federal regulations
    - Need central, one-stop, for information and assistance on regulations, COAs, certifications of trained operators

**Supply Chain**

**Cards from participants: 3 cards identified with supply chain:**

- Need to know what supply chain companies are in the region

**Group meeting notes:**

- Insitu – purchases 50% services and supplies regionally, where are others? Is this a recruitment opportunity?
- Electric vehicle – is there technology here around UAV that match?
- What is here? Is there an inventory of what’s being produced here?
• List needs to be kept up to date
• Carbon fiber – Moses Lake – raw materials, composites
• Certifications; if we had a large concentration of certified companies, across the whole supply chain, is that a marketing tool for business recruitment
  o AS9100: opportunities here, expensive to certify, complicated, time consuming
• Free trade zone? – Port of Portland, Port of Vancouver
• Need to understand current/future supply chain trends
• How do goods and services get here/leave here – transportation, fiber etc.
• Supplier capabilities – certifications (AS9100, minimum)
• Disconnect about how companies find each other; Northwest Connectery is one resource– website and company directory
• Need to better map the supply chain
• Identify tech companies to recruit – Gorge Team to do this
• Regional business survey by OSU – what’s needed? What’s the same across industry
• Oregon – SOAR, $800K to businesses in UAV – matching dollars; Drive OR – Electrical vehicle $250,000 awarded.
• Washington – Joint Center for Aerospace Technology Innovations – awarded $2.4 million to date to industry/university research collaborations
• Opportunity to explore the non-aerial systems, unmanned vehicles in general, such as grounded unmanned vehicles
• Need to attract more System Providers. We have lots of suppliers- need more customers.
• Regulatory hurdles
• Public worry presents market uncertainty
• End user application that allows focused product development
• What suppliers do we need in the region and what can we do to recruit them?

Research and Development

Cards from participants: (UAS applications)
• Applied infrastructure inspection and monitoring/e.g. dams, bridges, power lines, wind turbines, radio towers etc.
• Why focus on “Aerial”? Maybe expand to Unmanned Vehicles generally; some applications could be land based
• Pest monitoring – will decrease costs by less spray applications; improve our environment
• Soil moisture monitoring to use less water, work toward more irrigated acreage
• Wildland Fires – map area, ICS tool to quickly fight fire
• Search and Rescue
• Natural resource mapping (pine beetle damage etc.)
• Law enforcement (especially in rural areas where there are few officers)
• Fish counts in Columbia (could this be possible given technologies?)
• Start with mission and how the product improves productivity enables a new
capability, and cuts the cost of an operation, etc.; otherwise it’s just a cool
gadget.
• Also think about unmanned vehicles in air, water, on land and what sensor
capability is required to do #1 above [bullet point above]; e.g. can we
miniaturize current technology like chromatography spectrophotometry to
create a capability?
• Think swarm UAV for bird deterrent and an approach to elk herding away
from crops and fences.
• Utility monitoring – high voltage power lines, dams, pipelines, wind farms.
• Ground water levels, rises and falls – magnitude of drought
• Forestry – disease and control
• What is best way to counter the negative image that military drones have
burdened this industry with?
• Submersible UAVs development – gap? Already happening?
• Applied solar film and aerial regeneration – is this a gap?
• Economic Development -> business -> market/customer -> Tech/potential
tech (what’s missing) -> research outcome and commercialization ->
integrated/involved in research
• Product <-> Market
• Tech transfer -> understand not only tech but more on consumers-> what do
they really want
• Residential (fire hot spots) and building thermal imaging audits, (equipment
heat surveys), energy consumption
• Photogrammetry surveys for small areas/acreages
• Remoting surveys for small area/acreages
• 3D survey’s and 3D analysis
• Crop and forest surveys – timber surveys
• Aerial videography
• Aerial asset management – Power lines, remote equipment, inaccessible
areas, condition surveys, pipelines
• Search and rescue – nighttime searches, infrared surveys, dangerous and
hazardous areas
• Environmental audits
• Species inventory – plant, animal, crops
• Emergency operations – Colorado flood, hurricane/tornado damage, land
slide in Oso, avalanche survey
• Magnetic surveys [?]
• Control the birds in vineyards and orchards
• Early detection of pests or disease in ag fields, vineyards and orchards
• Detection of ‘status or irrigation’ – too much/too little
Crop pest management using UAS systems
Use of UAS to inspect irrigation lines, fence lines, weed ID, etc.
Market UAS technologies in Ag sector
Low cost, reliable, sensing capability, payload ratio, light weight, endurance, data processing and communication
Modularity [?
UAV's should be able to bring/carry larger pay loads compared to self weight, be able to bring different types of camera, with variable load

Group meeting notes:

Current capabilities
- Robust abilities in sensor – try to stay local
- Research grants are the answer we just need to tap into them
- At or near critical mass on university, industry, community
- OSU Ag research station in Hood River and dry land
- OSU Ag research station in Sherman county
- We have some big ag associations here in the area and we need to work to get face-to-face meetings with them

Gaps:
- How to pull together integrated research a la agriculture with potatoes
- Getting attention of university staff (historically) and maintaining persistent connections/conversations
- Universities have developed needed applications – how to commercialize with industry?
- Software development in area. Getting better. Key is advanced autonomous software expertise and overcoming labor shortage with this expertise.
- Software programs 2 year – PhD for autonomous software is burden.
- Housing for interns, researchers, and et al. collocated with makerspace would benefit
- Broadband in the rural Gorge areas – affordable housing
- Enough broadband capacity for big companies – what is the current capacity and what is needed for growth?
- Some trade skills, e.g. machinists, finishers, etc.
- Business case or model to get industry to want to fund R&D (JCATI?)
- Need a DARP-A like challenge to drive local tech to work together on common goal but faster timeline
- Getting ag and other researchers together with all of Gorge tech people to talk on a regular basis--- Basically have focus meetings similar to this one regularly.
- Growing strains on the local supply of ag labor will continue to increase interest in automation = good local interest in automation (spray, harvest, etc.)
OR & WA collect money for respective wine producer groups, but gap in that the money is not co-mingled.

Startup makerspace in White Salmon
Agenda Item
Court House Painting Project

• Facilities Memo
• Contract Proposal
September 11, 2014

To: Wasco County Board of Commissioners  
Re: Courthouse cleaning and window frame painting

As you know we have budgeted for the cleaning of the exterior of the Courthouse and for the painting of the exterior window trim. We have requested quotes from several sources but have received only two. One was $24,870.00 for washing plus $70,572.00 for painting from D&R Masonry. The second was for $63,712.00 maximum bid from Adams Construction. Both these quotes exceed the prevailing wage requirement level of $50,000 and as such would be increased above the provided quotes. Our budgeted amount for this project was $22,000.

Other capital projects that could be deferred are:

- Painting the 606 Court Street building………………….. $7,500
- Painting the 610 Court Street building…………………. $8,500
- Flooring in Sheriff’s Office…………………………….…. $7,200 (not recommended)
- Engineering for Courthouse main electrical panel...$10,000

Additionally the Facilities Capital Reserve fund has $1,158,800 for situations like this.

Adams Construction is also reviewing the variables for painting only the windows that are in the worst condition (those on the south and west sides) this year and doing the others in the next year or two. It is not unheard of to have a cycle of rotation for exterior trim painting. He estimates the reduced project at $38,726.00 Maximum Bid.

We are still in the process of applying BOLI supplied information to the quote options and negotiating with Adams. They will provide some revised numbers and suggested project execution options in time for the Commission meeting.

NOTE: The washing of the building falls under maintenance and is not considered a Public Work and as such does not fall under the prevailing wage laws. Any and all preparation work for painting is considered a Public Work if the cost exceeds $50,000.

The significant considerations are:

- Does the Commission want to proceed with the original scope of work and paint all the window trim of the Courthouse? What funding option is preferable?
- If half the windows are to be painted what option is preferable for the additional funding?
We Hereby submit specifications and estimate for: Pressure wash building exterior and paint windows

**Equipment**
- Mob 125' man lift.
- Rental (5) week 125" man lift.
- Insure protection of man lift for rental duration.
- Operating fuel for lift and pressure washer.
- PUD to protect power lines.
- Pressure washer for building exterior with 3800 psi customer supplied water.
Total.....$23,062

**Materials**
- Sherwin-Williams Primer RX (peel bond primer) all bare, wood cracked and chipped paint.
- Sherwin-Williams Supper paint (2) coats, color TBD.
- Tarps, brushes, and misc. painting supplies.
Total…..$2,450

**Labor**
- Estimated 800 man hours @ $47.75 per man hour (Includes over time pay), labor will be bill at actual hours worked, not to exceed 800.
- Does not include prevailing wages or BOLI rates.
- Includes Lead certified painter on site at all times and Lead paint pollution liability insurance.
Total.....$38,200........................Add....$9,550 for Prevailing Wage rates to total below.

**Total Project Cost: $63,712.00 Maxium Bid**

Any alterations or deviations from work to be performed will involve extra cost of materials and labor above the sum mentioned in this contract which does not include the cost of any permits that may be involved, plumbing, or electrical unless specifically stated in the above proposal. All agreements must be in writing. Note: This proposal may be withdrawn by us if not accepted within 30 days.

**TERMS**
Cash or check payments require 50% due at time of acceptance, 50% due at time of substantial completion. For convenience purposes Credit Card payments are accepted and require 100% down at time of acceptance.

**Total Down $**

**Check #**

**Verification**/

**ACCEPTANCE**
You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which

agrees to pay the proposed amount, according to the terms above.

Authorized by

_____________________________

Date_______________________

(541) 296-4242
1215 E. 18th Street • The Dalles, OR 97058
CCB# 160249 • WA# ADAMSCL956JL
September 17, 2014

Attention:

Re: Request for quote to clean exterior and paint exterior window frames.
Location: Wasco County Courthouse

Please see Exhibit A of the enclosed contract document for basic information; additional important details are given in the contract document. All enclosed information should be considered when developing a quotation. When submitting a quote please use your own standard quotation form and submit it to the location listed above. It must be received at the address above no later than 4:00 PM on August 30th, 2014. It will be reviewed, considered and rated. We will contact all those that submit a quote and provide the results on or before September 4th, 2014.

Thank you.

Fred Davis
CONTRACT FORM

WASCO COUNTY
CONTRACT FOR THE
PURCHASE OF SERVICES
(“Contract”)
COURTHOUSE EXTERIOR CLEAN/PAINT PROJECT

This Contract is between Wasco County ("County") and ____________________ (CCB #______) ("Contractor"). This Contract is effective at full execution (the date it has been signed by all parties). This Contract expires 60 days after execution. The parties may extend the term of this Contract provided that the total Contract term does not extend beyond 90 days after contract execution. This contract also includes Exhibit A: Request for quote and Exhibit B: Contractor’s Quote.

Contractor agrees to perform, and County agrees to pay for, the services and deliverables described in section 1 (the “Services”). Contractor also agrees to deliver the goods described in section 1 (the “Goods”). Contractor will be completed with all work no later than August 31st, 2014.

1. STATEMENT OF SERVICES.
Contractor shall perform Services as described below.

A. GENERAL INFORMATION

The construction of the Wasco County Courthouse was completed in 1914 and it stands very much the same as it did at occupancy. The building has seventy-five (75) windows of varying sizes all in need of surface maintenance in the form cleaning, preparation and painting. The building has four stories including the basement and will require a mobile elevated work surface that is capable of reaching one-hundred (100) feet in order to reach the work area over the elevated porch area of the Washington Street entrance. All necessary equipment, material and labor shall be provided to meet the scope of work expressed in the RFQ and any additional items listed in the quote submitted by the contractor (both included herein and to be considered as fully part of this contract) as well as any labor or materials needed to comply with current codes and regulations. The County values quality workmanship and materials.

B. REQUIRED SERVICES, DELIVERABLES AND DELIVERY SCHEDULE.

i. Clean exterior Courthouse walls and architectural surfaces using controlled clear water pressure washing with a fan tipped nozzle. Minimal direct, close spraying is to be employed to protect all surfaces from impact damage. Ladders, if used, shall be padded at all points of contact with the building.

ii. All surfaces to be painted shall be prepared for painting in a workman like manner common and appropriate to the trade including filling of large (1/8” and wider) cracks in the woodwork.

iii. Apply high quality paint as described in the Minimum Scope of Work found in the Request for Quote (Exhibit A).

iv. Define warranty, meeting or exceeding the requirements described in the Minimum Scope of Work found in the Request for Quote.

v. Contractor shall notify County of any significant failures in exiting seal/caulking between window frames and building structure. Contractor must be trained and able to deal with the current lead paint abatement requirements in any and all aspects of the project.

Exclusions are recognized as follows:
The contractor will not be responsible to perform repairs to woodwork -other than simple filling of any cracks as mentioned above.
C. ACCEPTANCE CRITERIA AND PROCESS.

ACCEPTANCE OF DELIVERABLES AND GOODS: Contractor shall submit within the quote: specifications of the paint to be supplied; (list separately) material costs, labor costs and rental cost, if any. Any additional deliverable paint products not specified in the quote will require approval prior to application of the product. Approval shall be at the County’s sole discretion. If County does not provide written notice of acceptance or rejection of the deliverable of Goods to Contractor within ten (5) calendar days following the date of delivery, County is deemed to have accepted the deliverable or Goods. If County rejects the deliverable or Goods, then County’s written notice of rejection shall, at a minimum, itemize the apparent defects and include:

i. a description of nonconformance between the deliverable or Goods and the Contract requirements and specifications for that deliverable or Goods, including warranties;

ii. a description of any other nonconformance of the deliverable or Goods (including late delivery); and

iii. a statement indicating whether Contractor may cure the nonconformance and if so, the method in which and time period within which Contractor shall cure.

Contractor’s failure to deliver the deliverables and Goods in accordance with the requirements of this Contract is a material breach of this Contract.

D. SPECIAL REQUIREMENTS.

i. Performance Bond - A Performance Bond equal to the full contract price conditioned upon the faithful performance of the contract in accordance with the plans specifications and conditions thereof will be required from the successful bidder. Said performance bond shall be issued by a company currently licensed to do business in the State of Oregon, of standard form, drawn in favor of Wasco County. Said bond shall be delivered to the Contract Administrator(s) prior to the commencement of work and no later than fifteen (15) calendar days after the notification of award of bid.

2. COMPENSATION. The total amount available for payment to Contractor under section 2.A is $___________.00. This is a guaranteed maximum price.

A. METHOD OF PAYMENT FOR SERVICES.

County shall pay Contractor the amounts specified for each of the deliverables and Goods that County has accepted in accordance with section 1.C:

B. BASIS OF PAYMENT FOR SERVICES.

Full completion. County shall pay Contractor all amounts due under this Contract in one payment upon County’s approval of Contractor’s invoice to County but only after County has determined that Contractor has completed, and County has accepted, all Services and Contractor has delivered and County has accepted all Goods required under this Contract in accordance with section 1.C.
C. EXPENSE REIMBURSEMENT.

County will not reimburse Contractor for any expenses under this Contract.

D. GENERAL PAYMENT PROVISIONS.

i. County’s Payment. County shall pay Contractor for Services performed and Goods delivered at the rates and prices specified in section 2. Contractor shall look solely to County for payment of all amounts County owes to Contractor. Contractor shall not be compensated by any County or department of State other than County for Services performed and Goods delivered.

ii. If Contractor is a nonresident alien as defined in 26 USC § 7701(b)(1)(B), then Contractor shall, upon execution of this Contract, deliver to County a completed and signed W-8 form, 8233 form, or W-9 form, as applicable, from the Internal Revenue Service (“IRS”), as evidence that County is not required by 26 USC 1441 to withhold part of Contractor’s payment. Such forms are currently available at http://www.irs.gov. County may withhold payments to Contractor pending County’s receipt from Contractor of the applicable, completed and signed form.

If County does not receive the applicable, completed and signed form from Contractor, or if the IRS provides notice to County that Contractor's information on the form provided is incorrect, County will withhold as federal income tax 30% of all amounts County owes to Contractor under this Contract.

iii. Funds Available and Authorized; Payments. Contractor understands and agrees that County’s payment of amounts under this Contract is contingent on County receiving funding, appropriations, limitations, allotments or other expenditure authority at levels sufficient to allow County, in the exercise of its reasonable administrative discretion, to make payments under this Contract.

E. INVOICES.

i. (Unless required by State or Federal grants) Contractor shall send invoices to County no more often than monthly for Services completed and Goods delivered and accepted by County in accordance with Section 1. Contractor shall include in each invoice:

a. The Solicitation number if any, the Contract number if any;

b. A detailed description of Services performed, including the name or names of the individuals who performed Services and prepared the deliverables to which the invoice applies, the dates Services were performed, all deliverables delivered during the period of the invoices, the rate or rates for Services performed, and the total cost of Services;

c. Itemization and explanation of all expenses for which Contractor claims reimbursement authorized under this Contract;

d. The quantity of Goods ordered, the quantity of Goods delivered, the date the Goods were delivered, the price per unit, the total amount due and the payment address.

ii. Contractor shall send all invoices to County’s Contract Administrator at the address specified in section 7 or to any other address as County may indicate in writing to Contractor. Contractor’s claims to County for overdue payments on invoices are subject to ORS 293.462.
3. GENERAL TERMS AND CONDITIONS.

A. INTELLECTUAL PROPERTY & OPEN SOURCE; TITLE TO GOODS.

i. Definitions. As used in this Contract, the following terms have the meanings set forth below:

a. “Contractor Intellectual Property” means any intellectual property owned by Contractor and developed independently from Services.

b. “Open Source Elements” means any Work Product subject to any open source initiative certified license, including Work Product based upon any open source initiative certified licensed work.

c. “Third Party Intellectual Property” means any intellectual property owned by parties other than County or Contractor.

d. “Work Product” means all Services and Goods Contractor delivers or is required to deliver to County pursuant to this Contract.

ii. New Works. All intellectual property rights in the Work Product created by Contractor under this Contract shall be the exclusive property of County. All Work Product authored by Contractor under this Contract shall be deemed "works made for hire" to the extent permitted by the United States Copyright Act. To the extent County is not the owner of the intellectual property rights in such Work Product, Contractor hereby irrevocably assigns to County any and all of its rights, title, and interest in such Work Product. Upon County’s reasonable request, Contractor shall execute such further documents and instruments reasonably necessary to fully vest such rights in County.

Contractor forever waives any and all rights relating to such Work Product created under this Contract, including without limitation, any and all rights arising under 17 USC §106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

iii. Contractor Intellectual Property. If intellectual property rights in the Work Product are Contractor Intellectual Property, Contractor hereby grants to County an irrevocable, non-exclusive, perpetual, royalty-free license to use, make, reproduce, prepare derivative works based upon, distribute copies of, perform and display the Contractor Intellectual Property, and to authorize others to do the same on County’s behalf.

iv. Third Party Intellectual Property. To the extent Contractor has the authority, Contractor shall sublicense or pass through to County all Third Party Intellectual Property. Contractor represents and warrants that it has provided written disclosure to County of all Third Party Intellectual Property that must be independently licensed by County to fully enjoy the benefit of the Work Product. If Contractor failed to provide such written disclosure, Contractor shall secure on the County’s behalf and in the name of the County, an irrevocable, non-exclusive, perpetual, royalty-free license to use, make, reproduce, prepare derivative works based upon, distribute copies of, perform and display the Third Party Intellectual Property, and to authorize others to do the same on County’s behalf.

v. Open Source Approval and Notice. Any Open Source Elements in the Work Product must be approved in advance and in writing by County. If County approves the use of Open Source Elements, Contractor shall:

a. Notify County in writing that the Work Product contains Open Source Elements;

b. Identify the specific portion of the Work Product that contain Open Source Elements; and

c. Provide a copy of the applicable license for each Open Source Element to County.

vi. Title to Goods. Title to Goods passes to County in accordance with ORS 72.4010.
B. OTHER REPRESENTATIONS AND WARRANTIES.

i. All express and implied warranties that are applicable to goods under ORS Chapter 72 apply to the Goods delivered under this Contract. Contractor represents and further warrants that:

   a. Contractor has the authority to enter into and perform in accordance with this Contract and that this Contract, when executed and delivered, is a valid and binding obligation of Contractor that is enforceable in accordance with its terms;

   b. Contractor has the skill and knowledge possessed by well-informed members of its industry, trade or profession and Contractor will apply that skill and knowledge with care and diligence and perform Services in a timely, professional and workmanlike manner in accordance with standards applicable to Contractor's industry, trade or profession;

   c. Contractor is and shall be, at all times during the term of this Contract, qualified, professionally competent, and duly licensed to perform Services; and

   d. When used as authorized by this Contract, no Work Product infringes nor will County's use, duplication or transfer of the Work Product infringe any copyright, patent, trade secret or other proprietary right of any third party.

ii. The warranties specified in this section are in addition to, and not in lieu of, any other warranties provided. All warranties are cumulative and shall be interpreted broadly to give County the greatest warranty protection available.

C. COMPLIANCE WITH APPLICABLE LAWS AND STANDARDS.

i. Contractor shall comply with all federal, state and local laws, regulations, and ordinances applicable to this Contract or to Contractor's obligations under this Contract, as those laws, regulations and ordinances may be adopted or amended from time to time.

ii. County's performance under this Contract is conditioned upon Contractor's compliance with the obligations intended for contractors under ORS 279B.220, 279B.225 (if applicable to this Contract), 279B.230 and 279B.235 (if applicable to this Contract), which are incorporated by reference herein. Contractor shall, to the maximum extent economically feasible in the performance of this Contract, use recycled paper (as defined in ORS 279A.010(1)(ee)), recycled PETE products (as defined in ORS 279A.010(1)(ff)), and other recycled plastic resin products and recycled products (as “recycled product” is defined in ORS 279A.010(1)(gg)). This project is considered maintenance and is not subject to prevailing wage requirements.

D. AMENDMENTS.

i. All amendments to this Contract are Unanticipated Amendments unless subsections ii and iii of this section D are completed for Anticipated Amendments. OAR 125-246-0560 applies to all Contract amendments.

ii. Circumstances Requiring Amendments. County may request Contractor to provide additional quantities of Work in the event the parties expend the maximum, not-to-exceed compensation payable to Contractor, and additional quantities of Work must be performed to meet County program needs. County may also request Contractor to provide additional quantities of Work that may be required to meet County program needs or may determine a need for Contractor to perform new Work within the scope of the solicitation, to the extent permitted by applicable statutes and administrative rules.
Also, County may request a change in the Statement of Work to conform to legislative, administrative rule requirements or to meet an operational or practice change. In addition, County may decrease the quantity of Work or delete Work, and correspondingly decrease the maximum, not-to-exceed compensation payable to Contractor if County program needs are less than originally anticipated by County, and/or if legislative action so requires in the exercise of County's reasonable administrative discretion. County may also increase the rate payable to Contractor to meet legislative action, changes in applicable rules, operations and practice, changes in the market place or increases in County standard payment rates.

iii. Amendment Method. Amendments shall be made by written instrument and shall not be in effect until signed by all parties to this Contract.

E. TIME IS OF THE ESSENCE.

Contractor agrees that time is of the essence in the performance of this Contract.

F. FORCE MAJEURE.

Neither County nor Contractor shall be responsible for any failure to perform or for any delay in the performance of any obligation under this Contract caused by fire, riot, acts of God, terrorism, war, or any other cause which is beyond the breaching party's reasonable control. Contractor shall, however, make all reasonable efforts to remove or eliminate the cause of Contractor's delay or breach and shall, upon the cessation of the cause, continue performing under this Contract. County may terminate this Contract upon written notice to Contractor after reasonably determining that the delay or breach will likely prevent successful performance of this Contract.

G. INSURANCE.

Contractor shall obtain the insurance required under section 4 prior to performing under this Contract and shall maintain the required insurance throughout the duration of this Contract and all warranty periods.

H. INDEPENDENT CONTRACTOR STATUS; RESPONSIBILITY FOR TAXES AND WITHHOLDING.

i. Contractor shall perform all Services as an independent Contractor. Although County may (a) determine and modify the delivery schedule for Services to be performed and (b) evaluate the quality of the completed performance, County cannot and will not control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing any Services required under this Contract. Contractor certifies, represents and warrants that Contractor is an independent contractor of County under all applicable State and federal law. Contractor is not an "officer", "employee", or "agent" of County as those terms are used in ORS 30.265.

ii. If Contractor is currently performing work for State or the federal government, Contractor by signature to this Contract represents and warrants: Contractor's performance of this Contract creates no potential or actual conflict of interest as defined by ORS 244 and that no rules or regulations of Contractor's employing County (state or federal) would prohibit Contractor's performance of this Contract.

iii. Contractor is responsible for all federal and state taxes applicable to compensation or payments paid to Contractor under this Contract, and County will not withhold from compensation or payments to Contractor any amount(s) to cover Contractor's federal or state tax obligations unless Contractor is subject to backup withholding. Contractor is not eligible for any social security, unemployment insurance or workers' compensation benefits from compensation or payments paid to Contractor under this Contract.
I. INDEMNIFICATION.

i. GENERAL INDEMNITY. CONTRACTOR SHALL DEFEND, SAVE, HOLD HARMLESS, AND INDEMNIFY COUNTY, ITS AGENCIES, OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY NATURE WHATSOEVER (“CLAIMS”) RESULTING FROM, ARISING OUT OF, OR RELATING TO THE ACTS OR OMISSIONS OF CONTRACTOR OR ITS OFFICERS, EMPLOYEES, SUBCONTRACTORS, OR AGENTS UNDER THIS CONTRACT.

ii. INDEMNITY FOR INFRINGEMENT CLAIMS. WITHOUT LIMITING THE GENERALITY OF SECTION 3.1.i, CONTRACTOR SHALL DEFEND, SAVE, HOLD HARMLESS AND INDEMNIFY COUNTY, ITS AGENCIES, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, SUITS, ACTIONS, LOSSES, DAMAGES, LIABILITIES, COSTS, AND EXPENSES, INCLUDING ATTORNEYS FEES, ARISING OUT OF OR RELATING TO ANY CLAIMS THAT THE WORK, THE WORK PRODUCT OR ANY OTHER TANGIBLE OR INTANGIBLE ITEM DELIVERED UNDER THIS CONTRACT BY CONTRACTOR THAT MAY BE THE SUBJECT OF PROTECTION UNDER ANY STATE OR FEDERAL INTELLECTUAL PROPERTY LAW OR DOCTRINE, OR COUNTY’S REASONABLE USE THEREOF, INFRINGES ANY PATENT, COPYRIGHT, TRADE SECRET, TRADEMARK, TRADE DRESS, MASK WORK, UTILITY DESIGN, OR OTHER PROPRIETARY RIGHT OF ANY THIRD PARTY (“INFRINGEMENT CLAIM”); PROVIDED, THAT COUNTY SHALL PROVIDE CONTRACTOR WITH PROMPT WRITTEN NOTICE OF ANY INFRINGEMENT CLAIM.

iii. COUNTY SHALL REASONABLY COOPERATE IN GOOD FAITH, AT CONTRACTOR’S REASONABLE EXPENSE, IN THE DEFENSE OF CLAIMS AND INFRINGEMENT CLAIMS, AND CONTRACTOR SHALL SELECT COUNSEL REASONABLY ACCEPTABLE TO THE WASCO COUNTY DISTRICT ATTORNEY TO DEFEND SUCH CLAIMS AND INFRINGEMENT CLAIMS AND SHALL BEAR ALL COSTS OF SUCH COUNSEL.

COUNSEL MUST ACCEPT APPOINTMENT AS A SPECIAL ASSISTANT, DISTRICT ATTORNEY UNDER ORS CHAPTER 180 BEFORE COUNSEL MAY ACT IN THE NAME OF, OR REPRESENT THE INTERESTS OF, COUNTY, ITS AGENCIES, OFFICERS, EMPLOYEES OR AGENTS. COUNTY MAY ELECT TO ASSUME ITS OWN DEFENSE WITH AN ATTORNEY OF ITS OWN CHOICE AND AT ITS OWN EXPENSE AT ANY TIME COUNTY DETERMINES IMPORTANT GOVERNMENTAL INTERESTS ARE AT STAKE. SUBJECT TO THE LIMITATIONS NOTED ABOVE, CONTRACTOR MAY DEFEND SUCH CLAIMS AND INFRINGEMENT CLAIMS WITH COUNSEL OF ITS OWN CHOOSING PROVIDED THAT NO SETTLEMENT OR COMPROMISE OF ANY SUCH CLAIMS AND INFRINGEMENT CLAIMS SHALL OCCUR WITHOUT THE CONSENT OF COUNTY, WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED.

J. ASSIGNMENT OF ANTITRUST RIGHTS.

i. CONTRACTOR IRREVOCABLY Assigns TO COUNTY ANY CLAIM FOR RELIEF OR CAUSE OF ACTION WHICH CONTRACTOR NOW HAS OR WHICH MAY ACCRUE TO CONTRACTOR IN THE FUTURE BY REASON OF ANY VIOLATION OF 15 U.S.C. § 1-15 OR ORS 646.725 OR ORS 646.730, IN CONNECTION WITH ANY GOODS OR SERVICES PROVIDED TO CONTRACTOR FOR THE PURPOSE OF CARRYING OUT CONTRACTOR’S OBLIGATIONS UNDER THIS CONTRACT, INCLUDING, AT COUNTY’S OPTION, THE RIGHT TO CONTROL ANY SUCH LITIGATION ON SUCH CLAIM FOR RELIEF OR CAUSE OF ACTION.
ii. CONTRACTOR SHALL REQUIRE ANY SUBCONTRACTORS HIRED TO PERFORM ANY OF CONTRACTOR’S DUTIES UNDER THIS CONTRACT TO IRREVOCABLY ASSIGN TO COUNTY, AS THIRD PARTY BENEFICIARY, ANY RIGHT, TITLE OR INTEREST THAT HAS ACCRUED OR WHICH MAY ACCRUE IN THE FUTURE BY REASON OF ANY VIOLATION OF 15 U.S.C. § 1-15 OR ORS 646.725 OR ORS 646.730, IN CONNECTION WITH ANY GOODS OR SERVICES PROVIDED TO THE SUBCONTRACTOR FOR THE PURPOSE OF CARRYING OUT THE SUBCONTRACTOR’S OBLIGATIONS TO CONTRACTOR IN PURSUANCE OF THIS CONTRACT, INCLUDING, AT COUNTY’S OPTION, THE RIGHT TO CONTROL ANY SUCH LITIGATION ON SUCH CLAIM FOR RELIEF OR CAUSE OF ACTION.

K. EVENTS OF BREACH.

i. Breach by Contractor. Contractor breaches this Contract if:

a. Contractor institutes or has instituted against it insolvency, receivership or bankruptcy proceedings, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis;

b. Contractor no longer holds a license or certificate that is required for Contractor to perform its obligations under this Contract and Contractor has not obtained the license or certificate within fourteen (14) calendar days after County delivers notice of breach to Contractor or a longer period as County may specify in the notice; or

c. Contractor commits any material breach of any covenant, warranty, obligation or certification under this Contract, fails to perform its obligations under this Contract within the time specified or any extension of that time, and Contractor fails to cure the breach within fourteen (14) calendar days after County delivers notice of breach to Contractor or a longer period as County may specify in the notice.

ii. Breach by County. County breaches this Contract if:

a. County fails to pay Contractor any amount pursuant to the terms of this Contract, and County fails to cure its failure to pay within fourteen (14) calendar days after Contractor delivers notice of breach to County or a longer period as Contractor may specify in the notice; or

b. County commits any material breach of any covenant, warranty, or obligation under this Contract, fails to perform its obligations hereunder within the time specified or any extension thereof, and County fails to cure the breach within fourteen (14) calendar days after Contractor delivers notice of breach to County or a longer period as Contractor may specify in the notice.

L. REMEDIES.

i. County's Remedies. If Contractor is in breach under section 3.K.i, then in addition to the remedies afforded elsewhere in this Contract, County shall be entitled to recover for any and all damages suffered as the result of Contractor's breach of this Contract, including but not limited to direct, indirect, incidental and consequential damages. County may, at County’s option, pursue any or all of the remedies available under this Contract and at law or in equity, including, but not limited to:

a. Termination of this Contract under section 3.M.ii.;

b. Withholding payment of all amounts in Contractor’s invoices for Services that Contractor is obligated to but has failed to deliver or perform within any scheduled completion dates or has performed inadequately or defectively;
c. Initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief; or

d. Exercise of the right of setoff, and withholding of amounts otherwise due and owing to Contractor in an amount equal to County's setoff right, without penalty.

These remedies are cumulative to the extent the remedies are not inconsistent, and County may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever. If it is determined for any reason that Contractor was not in breach under section 3.K.i, the rights and obligations of the parties shall be the same as if this Contract was terminated pursuant to section 3.M.ii.a.

ii. Contractor's Remedies. If County terminates this Contract for convenience under section 3.M.ii.a, or if County is in breach under section 3.K.ii and whether or not Contractor elects to exercise its right to terminate this Contract under section 3.M.iii, Contractor's sole remedy is one of the following, as applicable:

a. For Services compensable on an hourly basis, a claim against County for unpaid invoices, hours worked but not yet invoiced, and authorized expenses for Services completed and accepted by County less any claims County has against Contractor.

b. For deliverable-based Services, a claim against County for the sum designated for completing the deliverable multiplied by the percentage of Services completed and accepted by County, less previous amounts paid and any claims County has against Contractor.

If previous amounts paid to Contractor for Services and Goods exceed the amount due to Contractor under this section 3.L.ii, Contractor shall pay the excess amount to County immediately upon written demand.

iii. Attorney's fees.

Except for defense costs and expenses pursuant to section 3.I, neither County nor Contractor is entitled to recover attorney's fees, court and investigative costs, or any other fees or expenses associated with pursuing a remedy for damages arising out of or relating to this Contract.

M. TERMINATION.

i. MUTUAL CONSENT. This Contract may be terminated at any time by mutual written consent of the parties.

ii. County:

a. County may, at its sole discretion, terminate this Contract for its convenience upon 30 days written notice by County to Contractor.

b. County may, in its sole discretion, terminate this Contract, immediately upon notice to Contractor, or at a later date as County may establish in the notice, upon the occurrence of any of the following events:

A. County fails to receive funding, appropriations, limitations, allotments or other expenditure authority at levels sufficient to pay for Services;

B. Federal or state laws, regulations, or guidelines are modified or interpreted in a way that either the purchase of Services by County under this Contract is prohibited, or County is prohibited from paying for Services from the planned funding source; or
C. Contractor is in breach under section 3.K.i.

D. County has sufficient funds currently available and authorized for expenditure to finance the costs of this contract. Contractor understands and agrees that County’s payment of amounts under this contract attributable to work performed is contingent on the County’s budgetary limitations and other expenditure authority sufficient to allow County, in the exercise of its reasonable administrative discretion, to continue to make payments under this contract. County may terminate this contract without penalty or liability to County, effective upon the delivery of written notice to Contractor, with no further liability if County determines that there are insufficient funds available to make payments under this contract.

Contractor shall stop performance under this Contract as directed by County in any written notice of termination delivered to Contractor under this section 3.M.ii.

iii. Contractor: Contractor may terminate this Contract immediately upon written notice to County, or at a later date as Contractor may establish in the notice, if County is in breach pursuant to section 3.K.ii.

N. ACCESS TO RECORDS.

Contractor shall retain, maintain, and keep accessible all records relevant to this Contract (“Records”) for minimum of six (6) years, or a longer period as may be required by applicable law, following Contract termination or full performance, the period required by applicable law following Contract termination or full performance, or until the conclusion of any audit, controversy or litigation arising out of or related to this Contract, whichever ending is later. Contractor shall maintain all financial Records in accordance with generally accepted accounting principles. During this Record-retention period, Contractor shall permit County, its duly authorized representatives, and the federal government access to the Records at reasonable times and places for purposes of examination and copying.

O. NOTICES.

All notices required under this Contract shall be in writing and addressed to the party's authorized representative. For County, the authorized representative is the County contact person identified in section 7. Contractor's authorized representative is the contact person identified in section 6. Mailed notices are deemed received five (5) days after the post mark date when properly addressed and deposited prepaid into the U.S. postal service. Faxed notices are deemed received upon electronic confirmation of successful transmission to the designated fax number. Notices delivered by personal delivery are deemed received when delivered to the address specified for the receiving party’s authorized representative.

P. GOVERNING LAW.

The Contract is governed by and construed in accordance with the laws of State, without regard to principles of conflicts of laws. To the extent not modified by the terms of this Contract, the Uniform Commercial Code as codified in ORS Chapters 71 and 72 governs the Goods sold under this Contract.
Q. VENUE; CONSENT TO JURISDICTION.

Any claim, action, suit or proceeding (collectively, “Proceeding”) between County and Contractor that arises from or relates to this Contract shall be brought and conducted solely and exclusively within the Circuit Court in the State of Oregon for Wasco County; provided, however, if a Proceeding must be brought in a federal forum, then unless otherwise prohibited by law, it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

CONTRACTOR HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF THESE COURTS AND WAIVES ANY OBJECTION TO VENUE IN THESE COURTS AND ANY CLAIM THAT THE FORUM IS AN INCONVENIENT FORUM. Nothing in these provisions shall be construed as a waiver of County's sovereign or governmental immunity, whether derived from the Eleventh Amendment to the United States Constitution or otherwise, or a waiver of any defenses to Proceedings or jurisdiction based thereon.

R. SUBCONTRACTS; ASSIGNMENT; SUCCESSORS.

i. SUBCONTRACTS. Contractor shall not enter into any subcontracts for any of Services required under this Contract without County's prior written consent. In addition to any other provisions County may require, Contractor shall include in any permitted subcontract provisions to ensure that County will receive the benefit of subcontractor's performance as if the subcontractor were Contractor with respect to sections 1.C, 3.A, 3.B, 3.E, 3.I, 3.J, 3.N, 3.P and 3.R. County’s consent to any subcontract shall not relieve Contractor of any of its duties or obligations under this Contract.

ii. Contractor shall not assign, delegate or transfer any of its rights or obligations under this Contract without County’s prior written consent. County’s written consent does not relieve Contractor of any obligations under this Contract, and any assignee, transferee, or delegate is considered Contractor’s agent.

iii. The provisions of this Contract are binding upon, and inure to the benefit the parties and their respective successors and permitted assigns, if any.

S. THIRD PARTY BENEFICIARIES.

County and Contractor are the only parties to this Contract and are the only parties entitled to enforce the terms of this Contract. Nothing in this Contract gives, is intended to give, or shall be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, to third persons unless the third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Contract. County is an intended beneficiary of the terms of this Contract.

T. SEVERABILITY.

If any provision of this Contract is declared by a court of competent jurisdiction to be illegal or otherwise invalid, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Contract did not contain the particular provision held to be invalid.

U. COUNTERPARTS.

This Contract may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Contract so executed shall constitute an original.
V. INTEGRATION AND MERGER.

This Contract constitutes the entire agreement between the parties on the subject matter thereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Contract.

W. AMENDMENTS; WAIVER.

This Contract may be amended to the extent permitted by applicable statutes and administrative rules and as the amendment scope and process may be further described in section 1, Statement of Services. No waiver, consent, or amendment of terms of this Contract shall bind either party unless in writing and signed by County and Contractor, and all necessary approvals have been obtained. Waivers and consents shall be effective only in the specific instance and for the specific purpose given. The failure of County to enforce any provision of this Contract shall not constitute a waiver by County of that or any other provision.

X. SURVIVAL.


4 INSURANCE.

A. REQUIRED INSURANCE. Contractor shall obtain the insurance specified in this section prior to performing under this Contract and shall maintain it in full force and at its own expense throughout the duration of this Contract and all warranty periods. Contractor shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in State and that are acceptable to County.

i. WORKERS COMPENSATION. All employers, including Contractor, that employ subject workers who work under this Contract in County shall comply with ORS 656.017 and provide the required workers' compensation coverage, unless the employers are exempt under ORS 656.126(2). Contractor shall require each of its subcontractors, if any, to comply with, and shall ensure that each of its subcontractors, if any, complies with, these requirements.

ii. PROFESSIONAL LIABILITY

☐ Required by County  ☒Not required by County.

Professional Liability Insurance with a combined single limit, or the equivalent, of not less than $1,000,000.00 each claim, incident or occurrence. This is to cover damages caused by error, omission or negligent acts related to the professional services to be provided under this Contract.

iii. COMMERCIAL GENERAL LIABILITY.

☒ Required by County  ☐ Not required by County.

Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to County. This insurance shall include personal and advertising injury liability, products liability and completed operations liability. Coverage may be written in combination with Automobile Liability Insurance (with separate limits). Combined single limit per occurrence shall not be less than $1,000,000.00 for each job site or location. Each annual aggregate limit shall not be less than $1,000,000.00.
iv. AUTOMOBILE LIABILITY INSURANCE: AUTOMOBILE LIABILITY.

☑ Required by County ☐ Not required by County.

Automobile Liability Insurance covering all owned, non-owned, and hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance. Combined single limit per occurrence shall not be less than the Oregon Financial Responsibility Law (ORS 806.060) each accident for bodily injury and property damage.

v. EMPLOYERS' LIABILITY.

☑ Required by County ☐ Not required by County.

If Contractor is a subject employer, as defined in ORS 656.023, Contractor shall obtain employers' liability insurance coverage with combined single limit per occurrence of not less that $500,000, and annual aggregate limits of not less than $1 million.

vi. POLLUTION LIABILITY.

☑ Required by County ☐ Not required by County.

Pollution Liability Insurance covering Contractor's liability for bodily injury, property damage and environmental damage resulting from either sudden or gradual accidental pollution and related cleanup costs incurred by Contractor, all arising out of the Goods delivered or Services (including transportation risk) performed under this Contract. Combined single limit per occurrence shall not be less than $[enter amount], or the equivalent. Annual aggregate limit shall not be less than $[enter amount].

B. ADDITIONAL INSURED.

The commercial general liability insurance and automobile liability insurance required under this Contract shall include County, and its agencies, departments, divisions, commissions, branches, officers and employees as Additional Insureds with respect to Contractor's performance obligations under this Contract. Contractor shall ensure that coverage is primary and non-contributory with any other insurance and self-insurance.

C. "TAIL" COVERAGE.

If any of the required liability insurance is on a "claims made" basis, Contractor shall either maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous “claims made” coverage is on or before the effective date of this Contract, for a minimum of 24 months following the later of (i) Contractor's completion of all Services and County's acceptance of all Services required under this Contract, or (iii) the expiration of all warranty periods provided under this Contract. Notwithstanding the foregoing 24-month requirement, if Contractor elects to maintain “tail” coverage and if the maximum time period “tail” coverage reasonably available in the marketplace is less than the 24-month period described above, then Contractor shall maintain “tail” coverage for the maximum time period that “tail” coverage is reasonably available in the marketplace for the coverage required under this Contract. Contractor shall provide to County, upon County's request, certification of the coverage required under this section 4.C.

D. NOTICE OF CANCELLATION OR CHANGE.

There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without sixty (60) days' written notice from this Contractor or its insurer(s) to County. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract by County.
E. CERTIFICATE(S) OF INSURANCE.

Contractor shall provide to County Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) must specify all entities and individuals who are endorsed on the policy as Additional Insured (or Loss Payees). Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.

5. CERTIFICATIONS AND SIGNATURE OF CONTRACTOR’S AUTHORIZED REPRESENTATIVE.

THIS CONTRACT MUST BE SIGNED IN INK BY AN AUTHORIZED REPRESENTATIVE OF CONTRACTOR.

The undersigned certifies under penalty of perjury both individually and on behalf of Contractor that:

A. The undersigned is a duly authorized representative of Contractor, has been authorized by Contractor to make all representations, attestations, and certifications contained in this Contract and to execute this Contract on behalf of Contractor;

B. The undersigned is authorized to act on behalf of Contractor and that Contractor is, to the best of the undersigned’s knowledge, not in violation of any Oregon Tax Laws. For purposes of this certification, “Oregon Tax Laws” means a state tax imposed by ORS 401.792 to 401.816 (Tax For Emergency Communications), 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 320 (Amusement Device and Transient Lodging Taxes), 321 (Timber and Forestland Tax), 323 (Cigarettes and Tobacco Products Tax), and the elderly rental assistance program under ORS 310.630 to 310.706; and any local taxes administered by the Department of Revenue under ORS 305.620.

C. To the best of the undersigned’s knowledge, Contractor has not discriminated against and will not discriminate against minority, women or emerging small business enterprises certified under ORS 200.055 in obtaining any required subcontracts.

D. Contractor and Contractor’s employees and agents are not included on the list titled “Specially Designated Nationals and Blocked Persons” maintained by the Office of Foreign Assets Control of the United States Department of the Treasury and currently found at http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf;

E. Contractor’s Federal Employee Identification Number or Social Security Number specified below is correct;

G. Contractor is bound by and will comply with all requirements, terms and conditions contained in this Contract; and

H. Contractor ___ is / ___ is not a nonresident alien as defined in 26 USC § 7701(b)(1) (check one). See section 2.D.ii.
Contractor (print Contractor’s name): __________________________________________

Authorized Signature: ________________________________________________

By (print name): _____________________________________________________

Title: _______________________________ Date ________________

FEIN ID# or SSN# (required): __________________________________________

Contact Person (Type or Print): _______________________________________
Contact Telephone Number: (______) ______________________
Contact Fax Number: (_______) ___________________________
Contact E-Mail Address: _____________________________________________

vi. SIGNATURE OF COUNTY’S AUTHORIZED REPRESENTATIVES.

ADOPTED this _____ day of _____________, 2013.

WASCO COUNTY BOARD OF
COUNTY COMMISSIONERS

________________________________
Scott Hege, Chair of Commission

________________________________
Rod Runyon, County Commissioner

________________________________
Steve Kramer, County Commissioner

APPROVED AS TO FORM:

__________________________
Eric J. Nisley
Wasco County District Attorney

County Contact Person (Type or Print): Fred Davis
Contact Telephone Number: (541) 506-2553
Fax Number: (541) 506-2551
E-Mail Address: fredd@co.wasco.or.us
Exhibit A
(Request for Quote)
September 17, 2014

Attention: Adams Construction

Re: Request for quotes

Wasco County is seeking a competitive written quote for the labor and materials to pressure wash the Wasco county Courthouse and prep and paint the exterior window sills and frames. This building is in the historical zone and requirements of the Historical Landmarks Commission shall be followed as well as all current EPA and safety standards.

- All quotes shall be received no later than 4:00 PM on Sept 18th 2014
- The work must be completed no later than October 31st 2014.
- The quote shall show guaranteed maximum pricing.
- The project shall be covered by a warranty lasting a minimum of five (5) years manufacturer’s warranty on product; two (2) year Contractor’s warranty for repairs and application of contractor supplied paint at no cost to the County. The specifications of the guarantee are to be stated within the quote and shall meet these stated requirements.
- All product information submittals shall be included with the quotation.

**NOTE:** All working windows shall remain operational at the completion of the project.

**Minimum Scope of Work**

Provide all equipment, materials, labor, services and permits (if any) needed to facilitate the following:

**CLEANING:**

1. Clean by pressure washing, all exterior walls and upper porch surfaces (not including the walking surfaces) of the courthouse with water (use no cleaners or chemicals). No damage by water abrasion to masonry or wood work will be permitted. The cleaning work shall begin at the top of each area and shall remove spider webs, dirt and droppings rinsing it to the ground below. Excess debris is to be bagged and placed into County dumpster.
2. Protect interior window frames and surfaces from excess water penetration. Towel dry inner surfaces of all water that does penetrate.
3. Remove any nesting materials and debris from exterior building walls and surfaces.
PAINTING:

4. Properly prepare window sills and frames by scraping and brushing – the existing wood shall be impacted as little as possible to maintain all original shapes.

5. Paint is to be highest quality; the color will be chosen by Wasco County to match original non-faded color.

6. Paint is to be brush applied.

7. Paint shall not be applied to any masonry surfaces. Any paint dripped or brushed onto masonry will be removed by contractor.
   Surfaces shall receive one coat of approved primer and two top coats of satin finish paint.

8. This work will require the use of a 125’ lift in order to reach some areas of the courthouse exterior.

9. Authorized County staff may require transport on the lifting device to elevations for the purpose of inspection, assessment and/or repairs and shall be reasonably accommodated by the contractor.

10. Areas over entrances will be cleaned and painted after business hours or during weekends.

11. Because this is an active public building, the Facilities Operations Manager will be provided with a schedule relating the anticipated working times and locations and will be given daily updates as to the progress of work.

For quote submittal or questions please use the contact information found at the top of the first page.
Exhibit B
(Contractor’s price quotation)
We Hereby submit specifications/estimate for: Pressure wash building exterior and paint windows

PRESSURE WASHING:
Equipment
> MOB 125’ man lift…. $675.00
> Rental (1) week 125” man lift…. $6,322.00
> Insure protection of man lift for rental duration.
> Operating fuel for lift and pressure washer….. $400.00
> PUD to protect power lines.
> Pressure washer for building exterior with 3800 psi customer supplied water….. $350.00
Total….. $7,747.00

Labor
> Set-up labor….. $1,050.00
> Labor to pressure wash building….. $4,970.00
Total….. $6,020.00

Sub-Total: $13,767.00

PAINT
Equipment
> MOB 125’ man lift.
> Rental (5) week 125” man lift.
> Insure protection of man lift for rental duration.
> Operating fuel for lift and pressure washer.
> PUD to protect power lines.
> Pressure washer for building exterior with 3800 psi customer supplied water.
Total….. $15,315.00

Materials
> Sherwin-Williams Primer RX (peel bond primer) all bare, wood cracked and chipped paint.
> Sherwin-Williams Supper paint (2) coats, color TBD.
> Tarps, brushes, and misc. painting supplies.
Total….. $2,450.00

Labor
> Estimated 800 man hours @ $47.75 per man hour (Includes over time pay), labor will be bill at actual hours worked, not to exceed 800.
> Does not include prevailing wages or BOLI rates.
> Includes Lead certified painter on site at all times and Lead paint pollution liability insurance.
Total….. $32,180.00 .................................. Add….. $9,550 for Prevailing Wage rates to total below.

Sub-Total: $49,945.00

Total Project Cost: $63,712.00 Maximum Bid
Any alterations or deviations from work to be performed will involve extra cost of materials and labor above the sum mentioned in this contract which does not include the cost of any permits that may be involved, plumbing, or electrical unless specifically stated in the above proposal. All agreements must be in writing. Note: This proposal may be withdrawn by us if not accepted within 30 days.

Authorized by
____________________

TERMS
Cash or check payments require 50% due at time of acceptance, 50% due at time of substantial completion. For convenience purposes Credit Card payments are accepted and require 100% down at time of acceptance.

Total Down $_____________  Check #_____________  Verification_______/_______

ACCEPTANCE
You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which
_______________________________________ agrees to pay the proposed amount, according to the terms above.

A  ______________________________________________________________________  Date________________________
Agenda Item
CIS Contract

• Processing Form

• 2014 CIS Member Agreement Form
Wasco County Contract Processing Form
To be completed prior to submission to the Board of Commissioners

Date: 9/5/2014  Title of Contract/Agreement: GASB 45 Member Agreement
Department: Finance  Responsible Staff: M. Morris

Information Systems

Will computer rotation be necessary? ☐ Yes ☒ No
Will this include ☐ Software Purchase ☐ Installation ☐ Maintenance Agreement?
Will this include a licensing fee? ☐ Yes ☒ No ☐ One-time ☐ Recurring
☐ Information Systems has reviewed this agreement ☒ N/A

Notes: ______

Facilities

Will this agreement require any ☐ maintenance work ☐ new construction?
☐ Facilities has reviewed this agreement. ☒ N/A

Notes: ______

Finance

Is this ☐ a new service or ☒ increasing an existing service? ☒ maintaining an existing service
Dollar Value of Agreement: $3,784
Is there a match requirement? ☐ Yes ☒ No  ☐ Cash ☐ In-kind
Are these funds ☒ already budgeted ☐ need a budget adjustment? ☐ Other – Explain below ______
Can this agreement be altered as work progresses? ☐ Yes ☒ No
Beginning date of agreement: date signed
Ending date of agreement: work will be accomplished before Jan 2015

Notes: ______
☒ REVIEWED BY FINANCE
GASB 45 ACTUARIAL SERVICES AGREEMENT

This Agreement is entered into between Wasco County (“Client”) and Citycounty Insurance Services (“CIS”) as of 9.17.2014. CIS has engaged Milliman, Inc. (“Milliman”) to perform GASB 45 retiree health actuarial services for its members and qualifying non-members.

Client is a member of CIS for purposes of this agreement.

Client hereby engages CIS to provide the services described in Schedule A, which is incorporated as part of this Agreement, and understands and agrees such services will be performed by Milliman pursuant to the terms of a Consulting Services Agreement between CIS and Milliman. Client has expressed a desire to obtain Services, as described in Schedule A-1, under the terms of the agreement between CIS and Milliman.

In consideration for receiving such services, Client agrees as follows:

1. Client will provide to CIS in a timely manner all required information about the non-CIS OPEB (Postemployment Benefits Other than Pension) benefits it provides to its employees and retirees; its retiree premium subsidies; and such other information necessary to accurately produce the OPEB valuation described in Schedule A-1. Requests for such information will be provided by CIS or Milliman to Client, and CIS in turn will transmit to Milliman in a timely manner the information provided by Client. To the extent possible, such information will be provided in the format requested by CIS, and will be complete and correct to avoid additional costs to Client for data clean-up. Upon receipt of all information necessary to provide the services described in Schedule A-1, and a signed copy of this contract, Milliman will provide for confirmation by Client, a standard set of assumptions upon which the valuations will be based. Standard assumptions include expected termination, mortality and retirement rates, as well as medical cost trends, age trending for expected claims, and investment rates of return. Development of customized assumptions may be requested but will incur additional costs.

2. Client acknowledges that CIS is obligated to pay Milliman for Services provided to Client under this Agreement. Client agrees to pay CIS the fees associated with the Services that are (a) incurred for evaluation of benefits, and/or (b) incurred by Client on a time and expense basis, such as for additional actuarial studies, data clean-up, or for other Services requested by Client.

Fees under this agreement are listed in Schedule B.

CIS anticipates payment for Services in two installments. The first installment will be 50% of the estimated cost for Client, that will be invoiced based on CIS’ understanding of Client’s benefits in (2)(a) above, and is due upon signing of the contract. The second installment is due upon receipt of the invoice that will be issued upon completion of the Actuarial Report for Client. In addition, if any fees are incurred on behalf of Client on a time and expense basis, such fees will be invoiced and payable on a monthly basis.
CIS and Milliman reserve the right to stop work on behalf of Client if any invoice is unpaid after 30 days.

3. Client agrees to be bound by the following terms with respect to the services provided by Milliman:

A. Limitation of Liability: Client agrees that Milliman, its officers, directors, agents and employees, shall not be liable to Client, under any theory of law including negligence, tort, breach of contract or otherwise, for any damages resulting from, or alleged to have resulted from, the actuarial or consulting services provided pursuant to this contract in excess of $50,000. In no event shall Milliman be liable for lost profits of the Client or any other type of incidental or consequential damages. The foregoing limitations shall not apply in the event of the intentional fraud or willful misconduct of Milliman, its officers, directors, agents, or employees.

B. Disputes:
   (a) Mediation. In the event of any dispute between Client and CIS arising out of this Agreement, or any dispute arising out of or relating to the services provided by Milliman, if the parties in dispute cannot resolve the dispute among themselves, the parties agree first to try in good faith to settle the dispute voluntarily with the aid of an impartial mediator who will attempt to facilitate negotiations. A dispute will be submitted to mediation by written notice to the other party or parties. The mediator will be selected by agreement of the parties. If the parties cannot agree on a mediator, a mediator will be designated by the American Arbitration Association at the request of a party.

   The mediation will be treated as a settlement discussion and therefore will be confidential. Any applicable statute of limitations will be tolled during the pendency of the mediation. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

   (b) Arbitration. If the dispute has not been resolved within 60 days after the written notice beginning the mediation process (or a longer period, if the parties agree to extend the mediation), the mediation will terminate, and the dispute will be resolved by final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The arbitration will take place in Portland, Oregon before a panel of three arbitrators. Within 30 days of the commencement of the arbitration, each party shall designate in writing a single neutral and independent arbitrator. The two arbitrators designated by the parties shall then select a third arbitrator. The arbitrators will have a sufficient background in either employee benefits, actuarial science, or law to reasonably prepare them to decide a dispute. The arbitrators will have the authority to permit limited discovery, including depositions, prior to the arbitration hearing, and such discovery will be conducted consistent with the Federal Rules of Civil Procedure. The arbitrators will have no power or authority to award punitive or exemplary damages. The arbitrators may, in their discretion, award the cost of the arbitration, including reasonable attorney fees, to the prevailing party. Any award made may be confirmed in any court having jurisdiction. Any arbitration shall be confidential, and except as required by law, neither party may disclose the content or results of any arbitration hereunder without the prior written consent of the other parties, except that disclosure is permitted to a
party’s auditors and legal advisors. By mutual agreement of all parties to such dispute, the provisions of this sub-section ("Arbitration") may be waived or modified.

C. Choice of Law: The construction, interpretation, and enforcement of the terms of this agreement shall be governed by the substantive contract law of the State of Oregon without regard to its conflict of laws provisions. In the event any provision of this agreement is unenforceable as a matter of law, the remaining provisions will stay in full force and effect.

D. No Third Party Distribution: Milliman's work is prepared solely for the internal business use of Client and CIS. Except as required by law including any applicable public disclosure regulations, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of its work product, even if Milliman consents to the release of its work product to such third party.

AGREED:

For Client: For CIS:

Scott C. Hege Authorized Signature

Chair, Wasco County Board of Commissioners Printed name and title

Date: September 17, 2014 Date: ____________________________

Approved as to Form:

Eric J. Nisley

Wasco County Board of Commissioners
Schedule A - Services

CIS will provide to Client a report prepared by Milliman, Inc. (Milliman) that will include information on the actuarial value of benefits (OPEB liability), GASB 45 accounting information including the Annual Required Contribution (ARC), annual Other Postemployment Benefits (OPEB) Cost, and Reconciliation of the Net OPEB Obligation (NOO). A ten-year payout projection, an ARC determined using an amortization period specified by Milliman, and general discussion of the liability will be provided in the report.

The actuarial valuations will be performed as of August 1, 2014 and August 1, 2016. These valuations will project accounting for the Net OPEB Obligation for the fiscal years ending June 30, 2015 through June 30, 2018, and other required disclosure items.

An actuarial certification, including indication of compliance with Actuarial Standards of Practice No. 41 "Actuarial Communications" and American Academy of Actuaries "Prescribed Statement of Actuarial Opinion" will be provided.

The report to Client will be provided on a time frame mutually acceptable to Client, CIS, and Milliman. Milliman will need no less than 12 weeks after receipt of data determined by Milliman to be sufficient to prepare the information described above.

The report to Client will not include valuation of any retiree benefits sponsored by Oregon PERS.

If any CIS Client participates in a community-rated product, for which their retirees pay the full cost, Milliman may provide a statement that the GASB 45 actuarial results are zero with regards to the information provided to CIS and Milliman. This statement may however need to be revised in the event that either Actuarial Standards of Practice or GASB 45 are revised.
### Schedule B - Fees

The following is the schedule of fees through June 30, 2015. Fees are subject to a cost-of-living increase annually thereafter based on the west region CPI-U for the preceding 12 months, plus one percent.

<table>
<thead>
<tr>
<th>Item</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base fee for each valuation</td>
<td>$2,600 (up to 100 participants)</td>
</tr>
<tr>
<td>Fee per covered participant *</td>
<td>$12 per each participant over 100</td>
</tr>
<tr>
<td>$3 per each participant over 350</td>
<td></td>
</tr>
<tr>
<td>Fee for each arrangement **</td>
<td>$500</td>
</tr>
<tr>
<td>Additional fees for cities and counties that are members of LOC or AOC but do not participate in CIS benefits</td>
<td>$1,600 if no CIS medical or dental coverages</td>
</tr>
<tr>
<td></td>
<td>$800 if a mix of CIS and non-CIS medical and dental coverages</td>
</tr>
<tr>
<td>Additional fees for Milliman work that does not meet specifications</td>
<td>Generally $120 - $200/hour, depending on services required</td>
</tr>
<tr>
<td>Additional fees for Milliman OPEB actuarial work requested by Client</td>
<td>Lead Consultants:</td>
</tr>
<tr>
<td></td>
<td>$300 - $450 per hour</td>
</tr>
<tr>
<td></td>
<td>Project Manager / Lead Technical Actuary:</td>
</tr>
<tr>
<td></td>
<td>$200 - $300 per hour</td>
</tr>
<tr>
<td>(Milliman will provide a not-to-exceed fee estimate, if requested, once the scope of services is clearly defined.)</td>
<td>Actuarial and Support Staff:</td>
</tr>
<tr>
<td></td>
<td>$ 50 - $200 per hour</td>
</tr>
</tbody>
</table>

* Participants are active employees, retirees, and dependents who remain on the Client’s plan after the retiree is no longer eligible.

** An “Arrangement” is a separately valued benefit structure in Milliman’s valuation.

Implicit subsidies for separate employee classifications with different health care coverages may be valued as separate arrangements at Milliman’s discretion. It is anticipated that most Clients will have one or two such arrangements.

Client-paid benefits constitute different arrangements if they require separate valuation or data processing. For example, a Client sponsoring a premium reimbursement for AFSCME employees hired prior to July 1, 1995 and a premium reimbursement and life insurance for Management employees hired prior to July 1, 1998 would have three arrangements. Milliman reserves the right at its sole discretion to reduce the number of arrangements billed under the schedule above in certain cases, such as multiple one-person arrangements for current retirees.
Agenda Item
Case Management System

• 2014 PBK Contract
• Hosted by Karpel Agreement
DISTRICT ATTORNEY’S OFFICE
WASCO COUNTY, OREGON

CONTRACT FOR

PROSECUTOR®
A Hosted Solution
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<td>8. MASTER TERMS AND CONDITIONS</td>
<td>14</td>
</tr>
</tbody>
</table>
This agreement between Karpel Computer Systems Inc., a Missouri corporation, doing business as Karpel Solutions (hereinafter referred to as “Karpel Solutions”) and Wasco County, a political subdivision of the State of Oregon (hereinafter referred to as “Client”) is for the purposes of reviewing this proposal and to enter into this contract including the Master Terms and Conditions set forth below wherein Karpel Solutions agrees to sell licenses for its copyrighted software program known as PROSECUTORbyKarpel® (hereinafter referred to as “PbK”).

1. CONFIDENTIALITY STATEMENT

This document is the intellectual property of Karpel Solutions. Client agrees that the information contained within this proposal is proprietary information and that it shall not disclose, reproduce in any format, or use any of the terms, data, or any other material contained herein outside of Wasco County or for any other purposes other than to evaluate this contract. If the Client is required by statute or case law to disclose any information in this agreement then Client shall notify Karpel Solutions three (3) business days prior to the release. This agreement does not limit Client the right to use information contained within this contract if it is obtained from another source without restriction. Any subsequent revisions, addendums, or amendments to this document shall be covered under the terms of this confidentiality agreement by reference.
2. **SCOPE OF WORK**

The following Scope of Work represents the services required to reach the proposed solution and a successful project. Karpel Solutions will perform all work in accordance with the descriptions, scopes and specifications hereafter described.

<table>
<thead>
<tr>
<th>Deadline</th>
<th>Task Description</th>
<th>Days out</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>October 12, 2014</strong></td>
<td>Final Contracts, Implementation Agreement signed and Project Kickoff Meeting. Review this schedule. Minimum Server and Workstation requirements are explained. Legacy Application Analysis and Legacy Database is given to Karpel to begin the data conversion.</td>
<td>120</td>
</tr>
<tr>
<td><strong>November 11, 2014</strong></td>
<td>Server &amp; PC assessment completed and any necessary hardware or software ordered to meet PBK Installation Prerequisites.</td>
<td>90</td>
</tr>
<tr>
<td><strong>December 11, 2014</strong></td>
<td><strong>First 4 hr webinar with System Administrators. PBK Overview WITH the 1st data conversion complete!</strong> Project Team is selected including Karpel Staff and Customer System Administrators. (One Customer System Administrator must be a Policy Setting Attorney). PBK Pre-load configuration is explained and initial Document Templates are received. 4-hour workflow pre-configuration is conducted.</td>
<td>60</td>
</tr>
<tr>
<td><strong>December 11, 2014</strong></td>
<td>Server Connection Credentials to the Sever are given to Karpel. Installation of PBK on the hosted server by Karpel. Karpel Support installation and application testing on each workstation should begin at this time.</td>
<td>60</td>
</tr>
<tr>
<td><strong>December 26, 2014</strong></td>
<td>Additional Legacy Data, additional Legacy Documents and a fully complete PBK Pre-Load Spreadsheet is received by Karpel.</td>
<td>45</td>
</tr>
<tr>
<td><strong>December 26, 2014</strong></td>
<td>Training Schedule is completed with assignment of all office staff to specific training sessions. The Policy Setting Attorney must attend the initial Configuration, Case Initiation and Event Entry sessions at a minimum. Training room and equipment are verified.</td>
<td>45</td>
</tr>
<tr>
<td><strong>January 9, 2015</strong></td>
<td><strong>2nd Data Conversion Review Webinar</strong> - Karpel will install the preliminary data conversion on the Customer's production site for this Webinar including completed Document templates and Event Entry Configuration. Customer must validate the accuracy of Defendants, Co-Defendants, Cases, Court Dates, Events, Dispositions, and Financials over the next two weeks.</td>
<td>31</td>
</tr>
<tr>
<td><strong>January 26, 2015</strong></td>
<td><strong>Document template conversion review</strong>: customer will review converted templates for accuracy and report any inaccuracies to Karpel over the next two weeks.</td>
<td>14</td>
</tr>
<tr>
<td><strong>February 4, 2015</strong></td>
<td>Complete installation and testing of all workstations.</td>
<td>5</td>
</tr>
<tr>
<td><strong>February 6, 2015</strong></td>
<td>Final Legacy Data received by Karpel.</td>
<td>3</td>
</tr>
</tbody>
</table>
February 9, 2015  **3rd and Final Data Conversion is loaded on the production site.** Karpel trainers arrive at the Training Room. Final Configuration of PBK is performed with all System Administrators present. User Training begins. Customer begins using PBK in a live state.

This schedule will be modified as mutually agreed upon by Client and Karpel Solutions.

**DOCUMENT CONVERSION AND SCOPE OF WORK**

Document conversion consists of Karpel Solutions converting existing Microsoft Word®, Microsoft Works® and Corel WordPerfect® documents provided by Client up to the time of training as outlined in the Project Timeline listed above into a format that can be utilized by PbK on a best effort basis. Karpel Solutions does not support nor will convert customized macros, auto-text files or other custom programming items not a part of the ordinary functionality of Microsoft Word®, Microsoft Works® and Corel WordPerfect®

**HOSTING SERVICES**

Karpel Solutions will provide hosting of PbK subject to the terms and conditions set forth in the Agreement for PROSECUTORby Karpel Hosting.
3. **OTHER INFORMATION**

Any additional work requirements outside the scope of this proposal will be presented in the form of a change order and must be approved by client prior to start of such work. No additional charges will be incurred without prior written approval from client.

4. **GENERAL CLIENT RESPONSIBILITIES**

In order for the project to be completed on time and on budget, Client shall provide at a minimum:

1. Access to client facilities, computers, servers, network infrastructure and software as deemed necessary by the Karpel Solutions project manager.
2. Access to systems and equipment as required by Karpel Solutions including:
   a. Unlimited secure access to all PbK production servers, 24 hours a day, 7 days a week for overnight and weekend data conversions
   b. PbK application access using Karpel Solutions laptops and clients network for training and application testing
   c. Installation of the Karpel Solutions remote support tool on all desktops executing the PbK application.
3. Access to client data along existing servers and systems containing data if such data is to be converted and populated by Karpel Solutions into PbK.
4. Completion of the PROSECUTORbyKarpel Pre-Load Spreadsheet as directed in the above Scope of Work Timeline.
5. Data validation of converted cases from the legacy system as directed in the above Scope of Work Timeline.
6. Document Template validation of all converted templates as directed in the above Scope of Work Timeline.
7. Definition, client development and client testing of all external interfaces as directed in the above Scope of Work Timeline.
8. An authorized contact person to assist in the definition of any project unknowns and authorized to approve the completion of each task.

Karpel solutions will notify Client’s Project Manager and, if needed, the District Attorney of its failure to complete the required tasks set forth in the scope of work via email. Client will have 3 business days to resolve the designated failure(s). Client’s inability to resolve the stated issues will not delay the agreed upon go live date. Client failures will affect the quality and accuracy of PROSECUTORbyKarpel. Support will be limited to only areas where failures have not occurred. Failure of Client to provide the above secure access and assistance will render the Karpel Solutions support agreement null and void.
5. INVESTMENT SUMMARY

Karpel Solutions will perform according to all descriptions, scopes, and specifications herein described, in consideration for payment as set forth below,

<table>
<thead>
<tr>
<th>Software Products/Licensing</th>
<th>Qty.</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROSECUTOR by KARPEL</td>
<td>10</td>
<td>$2,250</td>
<td>$22,500</td>
</tr>
<tr>
<td><strong>Total Software</strong></td>
<td></td>
<td></td>
<td><strong>$22,500</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Installation Services</th>
<th>Qty.</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hosted SQL Database configuration</td>
<td>1</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Client Support Tool/Scanning tool and system compatibility check</td>
<td>10</td>
<td>$50</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Total Installation Services</strong></td>
<td></td>
<td></td>
<td><strong>$1,500</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Professional Services</th>
<th>Qty.</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Management</td>
<td></td>
<td>no cost</td>
<td></td>
</tr>
<tr>
<td>Data Conversion (Access)</td>
<td>1</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>On-line Pre-implementation Meetings (hrs)</td>
<td>12</td>
<td>$150</td>
<td>$1,800</td>
</tr>
<tr>
<td>Document Template Conversion (up to 100 documents)</td>
<td>1</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>OJIN interface (court date/minutes import)</td>
<td>1</td>
<td>$2,400</td>
<td>$2,400</td>
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<tr>
<td><strong>Total Professional Services</strong></td>
<td></td>
<td></td>
<td><strong>$9,200</strong></td>
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<table>
<thead>
<tr>
<th>Onsite Training Services</th>
<th>Qty.</th>
<th>Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training days</td>
<td>5</td>
<td>$1,200</td>
<td>$12,000</td>
</tr>
<tr>
<td>2 trainers</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total Onsite Training Services</strong></td>
<td></td>
<td></td>
<td><strong>$12,000</strong></td>
</tr>
</tbody>
</table>

*training includes Administration training

**Estimated Expenses**

Travel expenses include airfare, lodging and ground transportation

| Project Cost                     | $48,200 |

<table>
<thead>
<tr>
<th>Annual Support Services</th>
<th>Qty.</th>
<th>Price</th>
<th>Total</th>
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<tbody>
<tr>
<td>PROSECUTOR by KARPEL</td>
<td>10</td>
<td>$450</td>
<td>$4,500</td>
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<tr>
<td>Hosted Services ($5/user/month)</td>
<td>10</td>
<td>$60</td>
<td>$600</td>
</tr>
<tr>
<td>Oregon Statewide DA data sharing</td>
<td>10</td>
<td>$50</td>
<td>$500</td>
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</tbody>
</table>

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### Total Annual Support Services

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Annual Support Services</strong></td>
<td></td>
<td><strong>$5,600</strong></td>
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</table>

### Total 1st Year Cost

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Total 1st Year Cost</strong></td>
<td></td>
<td><strong>$53,800</strong></td>
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</table>

<table>
<thead>
<tr>
<th><strong>Other Services</strong></th>
<th><strong>Qty.</strong></th>
<th><strong>Price</strong></th>
<th><strong>Total</strong></th>
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</thead>
<tbody>
<tr>
<td><em>Data Exchange Interfaces:</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Law Enforcement/Jail RMS</td>
<td>1</td>
<td>$5,000 per agency</td>
<td>$5,000</td>
</tr>
<tr>
<td>Law Enforcement interface annual support</td>
<td>1</td>
<td>$1,000 per agency</td>
<td>$1,000</td>
</tr>
<tr>
<td>Court Interface (eFiling, Court Event Import)</td>
<td>1</td>
<td>$5,000 per agency</td>
<td>$5,000</td>
</tr>
<tr>
<td>Court Interface Annual Support</td>
<td>1</td>
<td>$1,000 per agency</td>
<td>$1,000</td>
</tr>
<tr>
<td><strong>External Agency view</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External Agency view</td>
<td>1</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>External Agency view Annual Support</td>
<td>1</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
<tr>
<td><strong>Hosted eDiscovery</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hosted eDiscovery</td>
<td>1</td>
<td>$1 per discovery submission</td>
<td>$1</td>
</tr>
<tr>
<td><strong>Adobe Acrobat Professional (10)</strong></td>
<td>1</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td><strong>Document Template Conversion (per document)</strong></td>
<td>1</td>
<td>$25</td>
<td>$25</td>
</tr>
</tbody>
</table>

*Data exchange interfaces quoted are based on Karpel Solutions configuration and testing of our current built-in interfaces. Separate quotation is required if Karpel Solutions builds the interface from the foreign RMS.

*Adobe Acrobat Professional is required for our integrated document redaction/bates numbering and is not provided by Karpel Solutions. It is recommended that users who work with and provide discovery have this software. The cost is based on average retail rate.

*Interfaces must conform to the appropriate PROSECUTOR® by Karpel Information Exchange Package Documentation (IEPD) for that interface. Interfaces that do not conform to the appropriate PROSECUTOR® by Karpel IEPD, will require Karpel development review before approval and will incur additional development and maintenance costs.

This fee does not include additional hardware, Microsoft licenses, or networking services that may be necessary to properly and legally operate PbK®. Said expenses are the Client’s sole responsibility.

Server installation includes application SQL database and configuration of SQL Server for PbK® and shall be performed by Karpel Solutions due to the complexity of the configuration.

Travel expenses include airfare, lodging and ground transportation.

As with any project, all prices are subject to change as new information arises or as workload increases. Karpe Solutions will seek approval from Client if more work will be necessary to make the changes along the way, as described above.
Payment Terms

Payment schedule to be 50% of Software User Licenses due upon signed contract agreement and the remaining cost due upon completion of implementation and training.
6. **ANNUAL SUPPORT**

6.1.1 **TECHNICAL SUPPORT FEES**

Client understands that technical support fees will be required annually, in order to receive software updates and technical support. The initial support period shall begin from the date of software installation as part of the initial licensing purchase. The Client may elect to purchase subsequent annual support, on a yearly basis at a fixed cost, and billed annually as referenced in Section 5 above. The option to purchase annual support is solely at the Client’s discretion. The Client’s license to use PbK is not dependent upon the Client purchasing annual support; however, if the Client discontinues annual support it will not be provided with updated versions of the software, unless it is purchased. Provided Client’s computers, network and systems meet recommended specifications set forth by Karpel Solutions and the Client is current with annual support payments then Karpel Solutions shall provide updated versions of their system and/or software as they become available during the terms of the contract.

6.1.2 **SUPPORT PROVIDED**

Karpel Solutions will provide support (e.g. software updates, general program enhancements and technical support) for all software provided, including ongoing unlimited telephone technical support problem determination, and resolution.

6.1.3 **HOURS OF OPERATION**

Karpel Solutions will provide technical support Monday through Friday, at a minimum of fifteen (15) hours a day. Technical support services shall be available between the hours of 7:00 a.m. through 10:00 p.m. Central time, via a toll free telephone number provided.

6.1.4 **INCLUDED SUPPORT**

Support services include the detection and correction of software errors and the implementation of all PbK program changes, updates and upgrades. Karpel Solutions shall respond to the inquiries regarding the use and functionality of the solution as issues are encountered by Authorized Users.

6.1.5 **RESPONSE TIMES**

Karpel Solutions shall be responsive and timely to technical support calls/inquiries made by the Client. The Client will first make support inquiries through their qualified system administrators to assure the policies and business practices of the Client are enforced prior to contacting Karpel Solutions. The timeliness of the response is dependent upon the severity of the issue/support problem, as defined below:
The severity of the issue/support problem shall determine the average problem resolution response time in any calendar month of the contract as follows:

**Severity Level 1** shall be defined as urgent situations, when the Client’s production system is down and the Client is unable to use PbK, Karpel Solutions’ technical support staff shall accept the Client’s call for assistance at the time the Client places the initial call; however if such staff is not immediately available, Karpel Solutions shall return the customer’s call within one (1) business hour. Karpel Solutions shall resolve Severity Level 1 problems as quickly as possible, which on average should not exceed two (2) business days, unless otherwise authorized in writing by the Client.

**Severity Level 2** shall be defined as critical software system component(s) that has significant outages and/or failure precluding its successful operation, and possibly endangering the customer’s environment. PbK may operate but is severely restricted. Karpel Solutions’ technical support staff shall accept the customer’s call for assistance at the time the customer places the initial call; however if such staff is not immediately available, Karpel Solutions shall return the Client’s call within four (4) business hours. Karpel Solutions shall resolve Severity Level 2 problems as quickly as possible, which on average should not exceed three (3) business days, unless otherwise authorized in writing by the customer.

**Severity Level 3** shall be defined as a minor problem that exists with PbK but the majority of the functions are still usable and some circumvention may be required to provide service. Karpel Solutions’ technical support staff shall accept the Client’s call for assistance at the time the customer places the initial call; however if such staff is not immediately available, Karpel Solutions shall return the Client’s call on average no later than the next business day. Karpel Solutions shall resolve Severity Level 3 problems as quickly as possible, which should not exceed the next available release of software, unless otherwise authorized in writing by the Client.

**General Assistance:** For general software support/helpdesk calls not covered by the above severity level descriptions, Karpel Solutions’ technical support staff shall accept the Client’s call for assistance at the time the Client places the initial call; however if such staff is not immediately available, Karpel Solutions shall return the Client’s call on average no later than the next business day.

**7. LICENSE TERMS AND USE**

This software, PbK is a proprietary product of Karpel Solutions. It is licensed (not sold) and is licensed to Client for its use only by the terms set forth below.

1. In consideration of payment of a sublicense fee, Karpel Solutions hereby grants Client a non-exclusive and non-transferable sublicense to use any associated manuals and/or documentation furnished.

2. Client cannot distribute, rent, sublicense or lease the software. A separate license of PbK is required for each user or employee. Each license of PbK may not be shared by more than one full time employee or user (40 hours per week), nor more than two (2) part-time employees or users, working no more than 40 hours per week together. The Client agrees that Karpel Solutions will suffer damages from the Client’s breach of this term and further agrees that as such Karpel Solutions shall be entitled to the cost of the license, installation and training costs associated for each violation, including Karpel Solutions’ reasonable attorneys’ fees and costs.
3. License does not transfer any rights to software source codes, unless Karpel Solutions ceases to do business without transferring its duties under this agreement to another qualified software business. Karpel Solutions will, at client’s expense, enter into escrow agreement for the storage of the source codes.

3. PbK and its documentation are protected by copyright and trade secret laws. Client may not use, copy, modify, or transfer the software or its documentation, in whole or in part, except as expressly provided for herein. Karpel Solutions retains all rights in any copy, derivative or modification to the software or its documentation no matter by whom made. PbK is licensed for a single installation of one full time employee. A separate license is required for each installation of PbK. Client shall not provide or disclose or otherwise make available PbK or any portion thereof in any form to any third party. Client agrees that unauthorized copying and distribution will cause great damage to Karpel Solutions and this damage is far greater than the value of the copies involved.

5. PbK was developed exclusively at private expense and is Karpel Solutions’ trade secret. For all purposes of the Freedom of Information Act or any other similar statutory right of “open” or public records the Software shall be considered exempt from disclosure. PbK is "commercial computer software" subject to limited utilization "Restricted Rights." PbK, including all copies, is and shall remain proprietary to Karpel Solutions or its licensors.
IN WITNESS WHEREOF, the parties have caused this Agreement subject to the Master Terms and Conditions set forth below to be executed on the date first above written. This proposal is offered as an all-inclusive turnkey solution and, unless noted otherwise, pricing is based on acceptance of both services and licenses. Any changes to this solution may result in additional costs. If not accepted within thirty (30) days, Karpel Solutions reserves the right to withdraw this proposal. Should any adjustments to this proposal become necessary, Karpel Solutions will draft and present a “Change Order” to Client for its review and approval. This offer is entire agreement between the parties, and no oral agreements or other written documents, exclusive of the attached exhibits are part of the agreement. Any modifications of this agreement must be in writing, and prior to acceptance of this offer, Karpel Solutions reserves the right to make modifications to this offer. The signatories warrant they have the authority to bind their respective party.

Wasco County
Board of Commissioners

__________________________   _______________________________
Scott C. Hege, Chair    Name

__________________________   _______________________________
Rod L. Runyon, County Commissioner    Title

__________________________   _______________________________
Steven D. Kramer, County Commissioner    Date

Date

Approved as to Form:

__________________________
Eric J. Nisely
Wasco County District Attorney
8. MASTER TERMS AND CONDITIONS

KARPEL COMPUTER SYSTEMS, INC. (dba “Karpe Solutions”),
MASTER TERMS AND CONDITIONS

GENERAL TERMS

1. ACCEPTANCE TERM. The proposal attached to these Master Terms and Conditions is tendered for acceptance in its entirety within thirty (30) days from the date of the proposal, after which it is to be considered null and void.

2. PAYMENT TERMS. A statement for services rendered will be submitted by Karpe Solutions at the completion of the service. The invoice is payable upon receipt. Terms are Net 30 (30) days. Interest shall be applied at the rate of one and one half percent (1.5%) per month on any amounts not received by Karpe Solutions within the due date. Karpe Solutions reserves the right to discontinue performing services for client in the event of nonpayment of services by client, and client agrees to reimburse Karpe Solutions for reasonable collection expenses on delinquent accounts, including attorney’s fees and costs.

3. ASSIGNMENT. This Agreement will inure to the benefit of and be binding upon Karpe Solutions and Client and Karpe Solutions’ respective successors and assigns. Notwithstanding the foregoing, Client may not assign or otherwise transfer this Agreement or Client’s rights and obligations under this Agreement without the prior written consent of Karpe Solutions, and any purported assignment or other transfer without such consent will be void and of no force or effect. Karpe Solutions may assign and/or transfer this Agreement or Karpe Solutions’ rights and obligations under this Agreement at any time.

4. MODIFICATION AND WAIVER. Any modifications of this Agreement must be in writing and signed by both parties. Neither party will be deemed to have waived any of its rights under the Agreement by any statement or representation other than (i) by an Authorized Representative and (ii) in an explicit written waiver. No waiver of a breach of this agreement will constitute a waiver of any prior or subsequent breach of this Agreement.

5. FORCE MAJEURE. Neither party shall be deemed in default of this Agreement to the extent that performance of its obligations or attempts to cure any breach thereof are delay or prevented by reason of any act of God, government, fire, natural disaster, accident, terrorism, network or telecommunication system failure, sabotage or any other cause beyond the control of such party (“Force Majeure”), provided that such party promptly gives the other party written notice of such Force Majeure.

6. INDEPENDENT CONTRACTORS. The parties will be deemed to have the status of independent contractors, and nothing in this Agreement will be deemed to place the parties in the relationship of employer-employee, principal-agent, or partners or joint ventures. Neither party has the authority to bind, commit or make any representations, claims or warranties on behalf of the other party without obtaining the other party’s prior written approval.
7. SOFTWARE ANOMALIES. New commercial software releases or upgrades, or any hardware and/or software owned by or licensed to Client, used in connection with Karpel Solutions services may have anomalies, performance or integration issues unknown to Karpel Solutions which can impact the timely, successful implementation of information systems. Karpel Solutions will inform the client promptly if this occurs and will attempt to analyze, correct and/or work around the anomalies or performance issues on a "best effort" basis. Karpel Solutions is not responsible for any delay or inability to complete its services if such anomalies or performance issues occur. Client is responsible for payment for all of Karpel Solutions’ services at the rate stated in the proposal whether or not a successful solution is achieved.

8. SOFTWARE AUDIT. Client agrees to allow Karpel Solutions the right to audit Client’s use of PbK and licenses of PbK at any time. Client will cooperate with the audit, including providing access to any books, computers, records or other information that relate to the use of PbK. Such audit will not unreasonably interfere with Client’s activities. In the event that an audit reveals unauthorized use, reproduction, distribution, or other exploitation of PbK, Client will reimburse Karpel Solutions for the reasonable cost of the audit, in addition to such other rights and remedies that Karpel Solutions may have. Karpel Solutions will not conduct an audit more than once per year.

9. CLIENT ENVIRONMENT. Client is responsible for the application, operation and management of its information technology environment, including but not limited to: (a) purchasing, licensing and maintaining hardware and software; (b) following appropriate operating procedures; (c) following appropriate protective measures to safeguard the software and data from unauthorized duplication, modification, destruction or disclosure; (d) following adequate backup contingency plans; and (e) employing qualified personnel to obtain the desired results. Karpel is not responsible for the loss of data in PbK or security breaches that result in the unauthorized dissemination of data contained in PbK that is the result of Client not following appropriate operating procedures, security and protective measures and/or following adequate backup contingency plans.

10. MATERIALS. Client will pay Karpel Solutions for materials purchased for the client’s use. Materials may include computer hardware, software, hosting, facility leases, other services, telecommunications charges, freight, shipping, mailing, document reproduction and any other such costs incurred in performance of services for client. Upon mutual agreement, client will reimburse Karpel Solutions for all out-of-town travel expenses, such as automobile/airline travel, hotel, meals, and cab fare. Billing for services rendered on-site on an as needed basis will include portal-to-portal time.

11. TERMINATION. Client may terminate the Annual Support portion of this Agreement thirty (30) business days after it is has provided Karpel Solutions with written notice that it believes that Karpel Solutions has failed to perform under, or materially breaches, the Annual Support portion of this Agreement and of the Client’s intent to terminate the Annual Support portion of this Agreement. Such written notice is to be sent Certified US Mail to Karpel Solutions at 5714 South Lindbergh Blvd., Suite 200, St. Louis, MO 63123. Thereafter, Karpel Solutions will have thirty (30) business days from the receipt of such notice to correct the stated problem. If at the end of such thirty (30) business day period, Karpel Solutions has not corrected the stated problem, then client may terminate the
Annual Support portion of this Agreement. Karpel Solutions may terminate the Annual Support portion of this Agreement on thirty (30) days written notice.

12. COPYRIGHT. Karpel Solutions reserves the right to seek damages if Client is responsible for a subsequent violation of Karpel Solutions’ copyright, and Client assumes responsibility for the acts and omissions of its agents acting in the course of their duties or otherwise with respect to the protection of Karpel Solutions’ copyright.

LIMITED WARRANTIES, LIMITATION OF LIABILITY, INDEMNIFICATION

1. LIMITED WARRANTY. Karpel Solutions warrants it will perform all services in a professional manner by qualified personnel. Karpel Solutions warrants it has the requisite power and authority to enter into and perform its obligations under this Agreement. Karpel Solutions warrants that the performance by Karpel Solutions of any services described in the Agreement shall be in compliance with all applicable laws, rules and regulations. No representations or warranties as to the use, functionality or operation of PbK are made by Karpel Solutions other than as expressly stated in this Agreement.

2. INTERNET AND NETWORK. Karpel Solutions makes PbK available to Client through the Internet and/or Client’s own network and systems, to the extent commercially reasonable, and subject to outages, communication and data flow failures, interruptions and delays inherent in the Internet and network communications on the Client’s own network and systems. Client recognizes that problems with the Internet, including equipment, software and network failures, impairments or congestion, or the configuration of Client’s own computer systems and network, may prevent, interrupt or delay Client’s access to PbK. Karpel Solutions is not liable for any delays, interruptions, suspensions or unavailability of PbK attributable to problems with the Internet or the configuration of Client’s computer systems or network.

3. PASSWORD PROTECTION. Access to PbK is password-protected. Karpel Solutions provides multiple authentication alternatives for access to PbK. KARPEL SOLUTIONS STRONGLY ENCOURAGES THE USE OF STRONG PASSWORD AUTHENTICATION. Karpel Solutions is not responsible for Client’s use of the PbK. Only the number of users set forth above may access the Service and Website. Client must inform their users that they are subject to, and must comply with, all of the terms of this Agreement. Client is fully responsible for the activities of Client’s employees and authorized agents who access to PbK. Karpel Solutions is not liable for any unauthorized access to PbK and data or information contained therein, including without limitation access caused by failure to protect the login and password information of users.

4. SYSTEM REQUIREMENTS. Karpel Solutions provides PbK based upon the system requirements as specified by Karpel Solutions for Client. Karpel Solutions has no liability for any failure of PbK based upon Client’s failure to comply with the system requirements of Karpel Solutions.

5. THIRD PARTY SOFTWARE. Karpel Solutions makes no express or implied warranties as to the quality of third party software or as to Karpel Solutions’ ability to support such software on an on-going basis.
6. LIMITED ENGAGEMENT. Due to the limited nature of Karpel Solutions' engagement by client, Karpel Solutions makes no express or implied warranties as to the quality of, or the ability of software developed by Karpel Solutions to operate with, any hardware, network, software, systems and/or external data flows already in place at client's facilities or as may be added by the client.

7. DISCLAIMER. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE MADE IN LIEU OF ALL OTHER WARRANTIES, EITHER EXPRESS AND IMPLIED, WHICH ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NONINFRINGEMENT, TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING OUT OF A USE IN TRADE OR COURSE OF DEALING OR PERFORMANCE. KARPEL SOLUTIONS DOES NOT WARRANT (i) THAT ACCESS TO OR USE OF ALL OR ANY PART OF PBK WILL BE CONTINUOUS, ERROR-FREE OR UNINTERRUPTED, (ii) THAT THE RESULTS ARISING OUT OF CLIENT’S USE OF PBK WILL BE ACCURATE, COMPLETE OR ERROR-FREE, OR (iii) THAT THE SERVICE, SOFTWARE, DOCUMENTATION OR WEBSITE WILL MEET CLIENT’S NEEDS.

KARPEL SOLUTIONS EMPLOYEES

Karpel Solutions has spent substantial sums of money and invested large amounts of time in recruiting, supervising and training Karpel Solutions employees. Client further agrees that it has a unique opportunity to evaluate Karpel Solutions employees’ performance, and has the potential to hire Karpel Solutions employees, and further agrees that such hiring away would substantially disrupt the essence of Karpel Solutions’ business and ability to provide its services for others, and as such Karpel Solutions cannot agree to such a hiring. The Client acknowledges that Karpel Solutions employees work for Karpel Solutions under a non-competition agreement; therefore, Client agrees it shall not solicit for employment or contract as an independent contractor, or otherwise hire or engage a Karpel Solutions employee during the term of this Agreement or for a period of 2 years after the completion/termination of the project, whichever is longer.

CONFIDENTIALITY

1. CONFIDENTIALITY. Neither party shall disclose or use any confidential or proprietary information of the other party. The foregoing obligations shall not apply to information which: (i) is or becomes known publicly through no fault of the receiving party; (ii) is learned by the receiving party from a third party entitled to disclose it; or (iii) is already known to the receiving party.

2. PERSONALLY IDENTIFIABLE INFORMATION. The parties recognize that certain data Client or Karpel Solutions may use in conjunction with the PbK may be confidential personally identifiable information of third parties. Karpel Solutions shall use all best efforts to protect the confidentiality of personally identifiable information of third parties. Karpel Solutions shall have no liability for disclosure of personally identifiable information caused by Client’s own negligence or misconduct.

3. DISCLOSURE REQUIRED BY LAW. In the event that any confidential or proprietary information is required to be disclosed pursuant to any law, code, regulation or court order from a court of competent jurisdiction, the receiving party shall give the disclosing party immediate written notice
of such requirement and shall use its best efforts to seek or to cooperate with the disclosing party in seeking a protective order with respect to the confidential information requested.

4. SIMILAR PROGRAMS AND MATERIALS. Provided Karpel Solutions does not violate the provisions of this section regarding confidentiality, the Agreement shall not preclude Karpel Solutions from developing for itself, or for others, programs or materials which are similar to those produced as a result of services provided to Client.

5. INJUNCTIVE RELIEF. Any breach of the confidentiality provisions of this Section will cause irreparable harm to the other party. The parties agree that the non-breaching party may enforce the provisions of this Section by seeking an injunction, specific performance, criminal prosecution or other equitable relief without prejudice to any other rights and remedies the non-breaching party may have.

MARKETING

1. Client agrees that Karpel Solutions may identify Client as a customer of Karpel Solutions in Karpel Solutions’ written promotional and marketing materials, as well as in any oral or visual presentations regarding the business of Karpel Solutions.

2. Provided Karpel Solutions does not violate the provisions of the foregoing section regarding confidentiality, Karpel Solutions shall have the right to demonstrate for other prospective clients any application developed by Karpel Solutions under this Agreement and shall have the right to include information about any such application in marketing materials and presentations.

MISCELLANEOUS

1. ELECTRONIC DOCUMENTS. To the extent possible, and under the terms required by Client, Client and Karpel Solutions may communicate by electronic means, including but not limited to facsimile documents. Both parties agree that: a signature or an identification code ("USERID") contained in an electronic document is legally sufficient to verify the sender’s identity and the document's authenticity; an electronic document that contains a signature or USERID is a signed writing; and that an electronic document, or any computer printout of it, is an original when maintained in the normal course of business.

2. SEVERABILITY. If any portion of this Agreement is held to be void, invalid or otherwise unenforceable, in whole or in part, then the remaining portions of the Agreement shall remain in effect. This is the complete and exclusive statement of the Agreement between the parties which supersedes all proposals, oral or written, relating to the subject matter of this Agreement.

3. ENTIRE AGREEMENT. This Agreement constitutes the sole agreement between client and Karpel Solutions with respect to the subject matter hereof. It may not be modified or assigned except by written agreement of Client and Karpel Solutions.
4. NOTICES. Any notices provided under this Agreement will be in writing in the English language and will be deemed to have been properly given if delivered personally or if sent by (i) a recognized overnight courier, (ii) certified or registered mail, postage prepaid, return receipt requested, or (iii) facsimile, if confirmed by mail. Karpel Solutions’ address for such notices is set forth below. Client’s address for such notices will be the address on file with Karpel Solutions as provided by Client. Such address or contact information may be revised from time to time by provision of notice as described in this Section. All notices sent by mail will be deemed received on the tenth (10th) business day after deposit in the mail. All notices sent by overnight courier will be deemed given on the next business day after deposit with the overnight courier. All notices sent by facsimile will be deemed given on the next business day after successful transmission.

Karpel Solutions
5714 S. Lindbergh Blvd, Suite 200
St. Louis, MO 62123
(314) 892-6300
karpel@karpel.com

5. GOVERNING LAW. The parties agree that Oregon law applies to all matters of interpretation of this agreement. The parties further agree that the prevailing party shall be entitled to a judgment for its reasonable attorneys’ fees and costs.
District Attorney’s Office
Wasco County, Oregon

HOSTEDbyKarpel Agreement

For

PROSECUTOR by KARPEL

A Hosted Solution

Prepared by: Jane Quick, Sales Executive
Date prepared: August 27, 2014
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AGREEMENT FOR PROSECUTORbyKarpel HOSTING

This agreement between Karpel Computer Systems Inc., a Missouri corporation, doing business as Karpel Solutions (hereinafter referred to as “Karpel Solutions”) and Wasco County, a political subdivision of the State of Oregon (hereinafter referred to as “Client”) is for the purposes of reviewing this proposal and to enter into the contract below wherein Karpel Solutions agrees to provide internet based software hosting through HOSTEDbyKarpel of the copyrighted software program known as PROSECUTORbyKarpel® that has been licensed to Client.

1. DEFINITIONS

   a. “Confidential Information” means information of either Karpel Solutions or Client which is disclosed under this Agreement in oral, written, graphic, machine recognizable, electronic, sample or any other visually perceptible form by one of us to the other, and which is considered to be proprietary or trade secret by the disclosing party. Confidential Information of Karpel Solutions expressly includes, without limitation, the Software and Documentation. The Confidential Information of Client includes, without limitation, Personally Identifiable Information and Client Content. Confidential Information shall not include information which the party receiving the information can document: (i) was in the possession of or known by it without an obligation of confidentiality prior to receipt of the information, (ii) is or becomes general public knowledge through no act or fault of the party receiving the information, (iii) is or becomes lawfully available to the receiving party from a third party without an obligation of confidentiality, or (iv) is independently developed by the receiving party without the use of any Confidential Information.

   b. “Client Content” means all data, information, documents, and file Client uploads or inputs into PbK on the Service through the website, including, without limitation, Personally Identifiable Information.

   c. “Documentation” means any operating instructions, specifications and other documentation related to the operation, description and function of PbK, the Service or Website provided by Karpel Solutions whether supplied in paper or electronic form.

   d. “Intellectual Property” means any patents, patent applications, copyrights, mask works, trademarks, service marks, trade names, domain names, inventions, improvements (whether patentable or not), trade secrets, Confidential Information, moral rights, and any other intellectual property rights.

   e. “Personally Identifiable Information” means any information that may be used to identify specific persons or individuals, which is collected by either Karpel Solutions or Client for use in conjunction with the use of PbK on HOSTEDbyKarpel. Personally Identifiable Information shall be considered Confidential Information.

   f. “PbK” means the PROSECUTORbyKarpel criminal case management system and specifically the Client’s licensed copy of PROSECUTORbyKarpel.

   g. “Service” means the HOSTEDbyKarpel hosting platform provided by Karpel Solutions which allows internet based hosting of the Client’s licensed copy of PbK through the Website.
h. “Service Level Requirements” means the technical service levels Karpel Solutions shall meet for Services as set forth below in the Service Level Commitments for the delivery of the Services.

i. “Software” means the Client’s licensed copy of the PbK application, and includes any and all updates, enhancements, underlying technology or content, law enforcement transfer interfaces, other Enhancements and any Documentation as may be provided the Client by Karpel Solutions.

j. “Website” means the content and functionality currently located at the domain www.hostedbykarpe.com on the internet, or any successor or related domain that provides access to the Software and Service

2. FEES AND TERMS
   a. FEES. Client will pay Karpel Solutions $5 per month for each user that has access to the Software through the Service and Website. A total of 10 users of Client are authorized access to the Service under this Agreement. Additional users can be added at any time by Client at a rate of $5 per month. Client will be billed on an annual basis.

   In the event Client or Karpel terminates this agreement, Client understands and agrees to pay $1,000 to Karpel Solutions for work in connection with the return of Client Content and Confidential Information.

   b. TERM. The term of this Agreement shall be for (1) year and will begin upon Karpel Solutions’ receipt of Client’s full payment of the applicable fees for a year. Such term shall be perpetual and automatically renew for subsequent terms of equal length, unless either Karpel Solutions or Client gives notice to the other party thirty (30) days prior to the expiration of the then-current term of intent not to renew. Prior to the expiration of the term, Karpel Solutions will send Client a renewal invoice, which must be paid in full within thirty (30) days from the date of the invoice. Pricing of subsequent annual terms may be subject to change at the sole discretion of Karpel Solutions.

   c. INTEREST AND LATE FEES. Past due accounts will be charged interest on a monthly basis, calculated at one and one-half percent (1.5%) per month of the unpaid balance or the maximum rate allowable by law.

3. SERVICE LEVEL COMMITMENT
   a. UPTIME. Karpel Solutions is committed to providing the Software, Website and Service in a consistent and reliable manner. Karpel Solutions will provide the Software, Website and Service to Client with a stated minimum uptime of 99.5% to Client.

   b. SCHEDULED MAINTENANCE. Karpel Solutions periodically performs scheduled maintenance including but not limited to outline, preventative or emergency maintenance of the Software, Website, and/or Service. Client understands that schedule maintenance may affect availability of the Service, Website, and/or Software. If schedule maintenance is to be performed Karpel Solutions will provide notice to Client three (3) days prior to the scheduled maintenance. Karpel Solutions will make every effort to schedule maintenance outside of normal business hours of the client between the hours of ten (10) p.m. and five (5) a.m. Central Standard Time.
c. **DATA RETENTION AND BACKUPS.** As a part of the Service and Website, Karpel Solutions will maintain under this Agreement consistent, regular and validated backups both onsite and offsite of the Client Content, Confidential Information and Software. Backups occur and will be maintained pursuant to Karpel Solutions internal backup policies. Upon written request, Karpel Solutions will make available to Client a copy of Karpel Solutions’ current backup policies and procedures.

d. **AUDITS AND SECURITY.** Karpel Solutions is committed to maintaining the security of Client Content, Confidential Information, and Software on Karpel Solutions’ Service and Website. Karpel Solutions will maintain the Software, Website and Service in a secure manner subject to the Customer Obligations outlined below. Karpel Solutions will perform annual security audits of the Website and Service to ensure the integrity and security of the Website and Service. Results of the Audits and Security Policy for Karpel Solutions will be made available to Client upon written request.

e. **DATA TRANSMISSION.** Karpel Solutions ensures that all data transmitted to and from the Service and Website is transmitted at a minimum level of 128-bit SSL encryption using digital certificates issued by an internationally-recognized domain registrar and certificate authority.

f. **DATA LOCATION.** Karpel Solutions will maintain the Service, Software, Client Content and Confidential Information of Client in a SAS 70/SSAE 16 certified data facility.

4. **CUSTOMER OBLIGATIONS**

a. **PASSWORD PROTECTION.** Access to the Software through the Service and Website is password-protected. Karpel Solutions provides multiple authentication alternatives for access to the Website and Software. **KARPEL SOLUTIONS STRONGLY ENCOURAGES THE USE OF STRONG PASSWORD AUTHENTICATION.** Karpel Solutions is not responsible for Client’s use of the Service, Website or Software. Only the number of users set forth above may access the Service and Website. Client must inform their users that they are subject to, and must comply with, all of the terms of this Agreement. Client is fully responsible for the activities of Client’s employees and authorized agents who access the Service and Website. Karpel Solutions is not liable for any unauthorized access to the Service and Website, including without limitation access caused by failure to protect the login and password information of users.

b. **RESTRICTIONS ON USE.** Client agrees to conduct all activities on the Service and Website in accordance with all applicable laws and regulations. Access to the Service, Website, Software and Documentation must be solely for Client’s own internal use. Client may not (and may not allow any third party to) (i) decompile, mirror, translate, disassemble or otherwise reverse engineer any part of the Software, source code, algorithms, or underlying ideas of the Software; (ii) provide, lease, lend, subcontract, sublicense, re-publish or use for timesharing, service bureau or hosting purposes any or all of the Software or Documentation; or (iii) reproduce, modify, copy, distribute, publish, display or create derivative works of any or all of the Software or Documentation or (iv) alter, remove, or obscure any copyright, trademark or other proprietary notices or confidentiality legends on or in the Software or Documentation.
c. **SUSPENSION.** Karpel Solutions reserves the right to immediately suspend access to Software without notice and at any time that Karpel Solutions suspects or has reason to suspect a security, data breach or if suspension is necessary to protect its rights, Client’s rights or the rights of a third party. Karpel Solutions will immediately contact Client upon suspension of the Service and Website.

5. **CONFIDENTIALITY**
   a. **CONFIDENTIALITY.** Confidential Information may not be, directly or indirectly, copied, reproduced, or distributed by the party receiving the Confidential Information except to the extent necessary for the receiving party to perform under the terms of this Agreement and only for the sole benefit of the party disclosing the Confidential Information. The party receiving Confidential Information may not, directly or indirectly, sell, license, lease, assign, transfer or disclose the Confidential Information of the disclosing party, except as allowed under the terms of this Agreement or upon written consent of the disclosing party.
   
   b. **PERSONALLY IDENTIFIABLE INFORMATION.** The parties recognize that certain data Client or Karpel Solutions may use in conjunction with the Software may be confidential Personally Identifiable Information. Karpel Solutions shall use all best efforts to protect the confidentiality of Personally Identifiable Information. Karpel Solutions shall have no liability for disclosure of Personally Identifiable Information caused by Client’s own negligence or misconduct.
   
   c. **DISCLOSURE REQUIRED BY LAW.** In the event that any Confidential Information is required to be disclosed pursuant to any law, code, regulation or court order from a court of competent jurisdiction, the receiving party shall give the disclosing party immediate written notice of such requirement and shall use its best efforts to seek or to cooperate with the disclosing party in seeking a protective order with respect to the Confidential Information requested.
   
   d. **INJUNCTIVE RELIEF.** Any breach of the confidentiality provisions of this Section will cause irreparable harm to the other party. The parties agree that the non-breaching party may enforce the provisions of this Section by seeking an injunction, specific performance, criminal prosecution or other equitable relief without prejudice to any other rights and remedies the non-breaching party may have.

6. **OWNERSHIP OF INTELLECTUAL PROPERTY**
   a. **KARPEL SOLUTIONS OWNERSHIP.** Karpel Solutions retains all right, title and interest in and to the Software, Documentation, Website, Service and related Intellectual Property. Any suggestions, solutions, improvements, corrections or other contributions Client provides regarding the Software, Documentation, Website or Services will become the property of Karpel Solutions and Client hereby assigns all such rights to Karpel Solutions without charge.
   
   b. **CLIENT OWNERSHIP.** Client retains all rights, title and interest in and to the Client Content, and all related Intellectual Property. Client hereby grants to Karpel Solutions and Karpel Solutions hereby accepts a non-exclusive, non-transferable, worldwide, fully-paid license to use, copy, and modify the Client Content solely to the extent necessary and for the sole purposes of providing access to the Software, Documentation, Website, and Services or otherwise complying with its obligations under this Agreement.
7. WARRANTY
   a. LIMITED WARRANTY. Karpel Solutions warrants it will provide the Services and Website in a professional manner by qualified personnel. Karpel Solutions warrants it has the requisite power and authority to enter into and perform its obligations under this Agreement. Karpel Solutions warrants that the performance by Karpel Solutions of any services described in the Agreement shall be in compliance with all applicable laws, rules and regulations. Karpel Solutions warrants it will provide access to and use of the Software, Service and Website in material accordance with the Service Level Commitment outlined above. No representations or warranties as to the use, functionality or operation of the Website, Software, or Service are made by Karpel Solutions other than as expressly stated in this Agreement.

   b. INTERNET. Karpel Solutions makes the Website, Software and Services available to Client through the internet to the extent commercially reasonable, and subject to outages, communication and data flow failures, interruptions and delays inherent in Internet communications. Client recognizes that problems with the Internet, including equipment, software and network failures, impairments or congestion, or the configuration of Client’s computer systems, may prevent, interrupt or delay Client’s access to the Service, Website or Software. Karpel Solutions is not liable for any delays, interruptions, suspensions or unavailability of the Website or Software attributable to problems with the Internet or the configuration of Client’s computer systems or network.

   c. SYSTEM REQUIREMENTS. Karpel Solutions provides the Services and Website based upon the system requirements as specified by Karpel Solutions for Client. Karpel Solutions has no liability for any failure of the Services or the Software based upon Client’s failure to comply with the system requirements of Karpel Solutions.

   d. WARRANT LIMITATION. The warranties set forth in this Agreement do not apply if non-compliance is caused by, or has resulted from (i) Client’s failure to use any new or corrected versions of the Software or Documentation made available by Karpel Solutions, (ii) use of the Software or Documentation by Client for any purpose other than that authorized in this Agreement, (iii) use of the Software or Documentation in combination with other software, data or products that are defective, incompatible with, or not authorized in writing by Karpel Solutions for use with the Software or Documentation, (iv) misuse of the Software or Documentation by, (v) any malfunction of Client’s software, hardware, computers, computer-related equipment or network connection, (vi) any modification of the Software not performed by or otherwise authorized by Karpel Solutions in writing, or (vii) an event of Force Majeure.

   e. DISCLAIMER. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE MADE IN LIEU OF ALL OTHER WARRANTIES, EITHER EXPRESS AND IMPLIED, WHICH ARE HEREBY DISCLAIMED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NONINFRINGEMENT, TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTIES ARISING OUT OF A USE IN TRADE OR COURSE OF DEALING OR PERFORMANCE. KARPEL SOLUTIONS DOES NOT WARRANT (i) THAT ACCESS TO OR USE OF ALL OR ANY PART OF THE SERVICE, SOFTWARE, DOCUMENTATION OR WEBSITE WILL BE CONTINUOUS, ERROR-FREE OR UNINTERRUPTED, (ii) THAT THE RESULTS ARISING OUT OF CLIENT’S USE OF THE SOFTWARE, DOCUMENTATION OR WEBSITE WILL BE ACCURATE, COMPLETE OR ERROR-FREE, OR (iii) THAT THE SERVICE, SOFTWARE, DOCUMENTATION OR WEBSITE WILL MEET CLIENT’S NEEDS.
f. **EXCLUSIVE REMEDIES.** If the Website, or Services provided under this Agreement does not materially comply with the requirements stated in the Limited Warranty Section outlined above, Karpel Solutions sole obligation shall be to correct or modify the Website or Services, at no additional charge. If Karpel Solutions determines it is unable to correct what is non-conforming, Client’s sole remedy will be to receive a refund of the fees paid for the non-conforming or Services, even if such remedy fails of its essential purpose. You may also terminate this Agreement as set forth in the termination provision of this Agreement.

8. **LIMITATION OF LIABILITY**

   KARPEL SOLUTIONS IS NOT RESPONSIBLE FOR ANY LOSS OF DATA, COST OF PROCUREMENT OF SUBSTITUTE GOODS, SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY BREACH OF THIS AGREEMENT, EVEN IF KARPEL SOLUTIONS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION, WHETHER ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), STATUTE OR OTHERWISE. UNLESS OTHERWISE SPECIFICALLY STATED, ALL REMEDIES AVAILABLE UNDER THIS AGREEMENT AND ALL REMEDIES PROVIDED BY LAW, WILL BE DEEMED CUMULATIVE AND NOT EXCLUSIVE. REGARDLESS OF THE FORM OF ANY CLAIM CLIENT MAY HAVE ARISING UNDER OR RELATING TO THIS AGREEMENT, KARPEL SOLUTIONS LIABILITY FOR ANY DAMAGES SHALL NOT EXCEED THE FEES CLIENT HAS PAID TO KARPEL SOLUTIONS PURSUANT TO THIS AGREEMENT IN THE PRIOR TWELVE (12) MONTHS.

9. **INDEMNIFICATION**

   a. **CLIENT’S INDEMNIFICATION.** Client will indemnify, defend, and hold harmless Karpel Solutions from and against any and all liability, damage, loss or expense (including reasonable attorneys’ fees) arising out of (i) any claim, demand, action or proceeding, statutory or otherwise, based on allegations arising as a result of use of the Website, Software, Documentation or Services in a manner not expressly described or permitted by this Agreement, (ii) use of the Website, Software, Documentation or Services in any unlawful manner or for any unlawful purpose, (iii) Karpel Solutions’ use of Client Content that infringes any third party Intellectual Property, or (iv) Karpel Solutions’ use of Client Content as permitted by this Agreement that violates the privacy rights or the rights to Personally Identifiable Information of a third party.

   b. **KARPEL SOLUTIONS’ INDEMNIFICATION.** Karpel Solutions will at its own expense (including payment of attorneys' fees) defend Client in the event that any suit is brought against Client based on a claim that the Software directly infringes any valid U.S. Intellectual Property right and shall indemnify Client from any amounts assessed against Client in a resulting judgment or settlement of such claims. Karpel Solutions will not be liable for any cost or expense of defense Client incurs in connection with any such suit or claim, without Karpel Solutions’ prior and specific authorization and consent.

   Notwithstanding the foregoing, Karpel Solutions has no obligations under this Section in the event any infringement claim is solely or in part based upon or arising out of any modification or alteration to the Software not made by Karpel Solutions, (ii) any combination or use of the Software with products, hardware or services not supplied by Karpel Solutions or approved in writing by Karpel Solutions in advance of such combination, (iii) Client’s continuance of allegedly infringing activity after being notified of such activity, or after being informed of modifications that would have avoided the alleged infringement, (iv) Client’s failure to use corrections or enhancements made available by Karpel Solutions, (v)
use of the Software not in accordance with the applicable Documentation or outside the scope of this Agreement, or (vi) the use of the Software in a manner for which it was neither designed nor contemplated.

Karpel Solutions’ aggregate liability and obligation under this Section will be will not exceed the fees Client has paid to Karpel Solutions under this Agreement in the previous twelve (12) months. The foregoing remedies constitute Client’s sole and exclusive remedies, and Karpel Solutions’ entire liability and obligation, with respect to any suit or claim for infringement or misappropriation of third party Intellectual Property or other right by the license and/or use of the Software.

c. NOTIFICATION. The indemnification obligations set forth above will apply only if and to the extent (i) the indemnified party gives prompt written notice to the indemnifying party of the assertion of any such claims, demands, action or proceeding, (ii) the indemnifying party has the right to select counsel and control the defense and all negotiations for settlement thereof and (iii) the indemnified party provides all reasonable information, assistance and cooperation required to defend such claim, demand, action or proceeding. The indemnifying party shall not settle or dispose of any such claim, demand, action or proceeding without written notification to the indemnified party provided the settlement or disposal materially adversely impacts the indemnified party.

10. TERMINATION

a. TERMINATION. Client may terminate this Agreement thirty (30) business days after it is has provided Karpel Solutions with written notice that it believes that Karpel Solutions has failed to perform under, or materially breaches, this Agreement and of the Client’s intent to terminate the Agreement. Thereafter, Karpel Solutions will have thirty (30) business days from the receipt of such notice to correct the stated problem. If at the end of such thirty (30) business day period, Karpel Solutions has not corrected the stated problem, then client may terminate this Agreement. Karpel Solutions may terminate this Agreement on thirty (30) days written notice. Either party may immediately terminate this Agreement in the event the other party (i) files for, or has filed against it, a bankruptcy petition, and such petition is not dismissed within sixty (60) days of the filing date; or (ii) ceases to conduct business in the normal course, (iii) makes an assignment for the benefit of its creditors, (iv) is liquidated or otherwise dissolved, (v) becomes insolvent or unable to pay its debts in the normal course, or (vi) has a receiver, trustee or custodian appointed for it.

b. RIGHTS AFTER EXPIRATION OR TERMINATION. Upon expiration or termination of this Agreement, Karpel Solutions will immediately terminate Client’s access to and use of the Website, Documentation, and Services. Upon expiration or termination of this Agreement, each party shall immediately cease to make use of any Confidential Information received from the other party. Within thirty (30) days of written request following termination or expiration of this Agreement, Karpel Solutions shall coordinate with Client a mutual agreeable manner for the return of Client Content and Confidential Information obtained or shared during the course of the Agreement. Client understands that upon any termination or expiration of this Agreement, Client must return to Karpel Solutions (or destroy and certify such destruction in writing) any Documentation or other materials provided by Karpel Solutions, whether in written or electronic form, regarding the Website, Software or Services provided under this Agreement. Termination is not an exclusive remedy.
11. MARKETING
Client agrees that Karpel Solutions may identify Client as a customer of Karpel Solutions in Karpel Solutions’ written promotional and marketing materials, as well as in any oral or visual presentations regarding the business of Karpel Solutions. Karpel Solutions may use any non-Confidential Information, such as aggregate statistical information as part of Karpel Solutions overall statistics for marketing or promotional efforts.

12. GENERAL PROVISIONS
a. ASSIGNMENT. This Agreement will inure to the benefit of and be binding upon Karpel Solutions and Client and Karpel Solutions’ respective successors and assigns. Notwithstanding the foregoing, Client may not assign or otherwise transfer this Agreement or Client’s rights and obligations under this Agreement without the prior written consent of Karpel Solutions, and any purported assignment or other transfer without such consent will be void and of no force or effect. Karpel Solutions may assign and /or transfer this Agreement or Karpel Solutions’ rights and obligations under this Agreement at any time.

b. MODIFICATION AND WAIVER; SEVERABILITY. Any modifications of this Agreement must be in writing and signed by both parties. A waiver by either party of a term or condition will not be deemed a waiver of any other or subsequent term or condition. Should any court of competent jurisdiction determine that any term or provision of this Agreement is unenforceable, or otherwise invalid, the offending term or provision will be modified to the minimum extent necessary to render it enforceable. If such modification is not possible, the term or provision will be severed from this Agreement with the remaining terms to be enforced to the fullest extent possible under the law.

c. FORCE MAJEURE. Except for a party’s payment obligations hereunder, neither party shall be deemed in default of this Agreement to the extent that performance of its obligations or attempts to cure any breach thereof are delay or prevented by reason of any act of God, government, fire, natural disaster, accident, terrorism, network or telecommunication system failure, sabotage or any other cause beyond the control of such party (“Force Majeure”), provided that such party promptly gives the other party written notice of such Force Majeure.

d. INDEPENDENT CONTRACTORS. The parties will be deemed to have the status of independent contractors, and nothing in this Agreement will be deemed to place the parties in the relationship of employer-employee, principal-agent, or partners or joint ventures. Neither party has the authority to bind, commit or make any representations, claims or warranties on behalf of the other party without obtaining the other party’s prior written approval.

e. NOTICES. Any notices provided under this Agreement will be in writing in the English language and will be deemed to have been properly given if delivered personally or if sent by (i) a recognized overnight courier, (ii) certified or registered mail, postage prepaid, return receipt requested, or (iii) facsimile, if confirmed by mail. Karpel Solutions’ address for such notices is set forth below. Client’s address for such notices will be the address on file with Karpel Solutions as provided by Client. Such address or contact information may be revised from time to time by provision of notice as described in this Section. All notices sent by mail will be deemed received on the tenth (10th) business day after deposit in the mail. All notices sent by overnight courier will be deemed given on the next business day after
deposit with the overnight courier. All notices sent by facsimile will be deemed given on the next business day after successful transmission.

Karpel Solutions, 5714 S. Lindbergh Blvd, Suite 200 St. Louis, MO 63123
Phone: (314) 892-6300 Fax: (314) 892-8035 Email: karpel@karpel.com

f. GOVERNING LAW AND DISPUTE RESOLUTION. This Agreement is to be construed and governed by the laws of the United States and the State of Oregon, without regard to conflict of law provisions. Any dispute arising out of or in connection with this Agreement, which cannot be settled amicably between the parties must be brought exclusively in the appropriate court located in Oregon, and Client expressly waives any and all objections regarding jurisdiction and forum non conviens. If either Karpel Solutions or Client employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party will be entitled to recover reasonable attorneys’ fees and costs.

13. ENTIRE AGREEMENT

By signing below, Client hereby agrees to the above Agreement. This document constitutes the entire agreement between Client and Karpel Solutions with respect to the subject matter discussed above. Any waiver of any provision of this Agreement will be effective only if in writing and signed by Karpel Solutions. This Agreement supersedes and replaces all prior or contemporaneous understandings or agreements, written or oral, regarding this subject matter. This Agreement will inure to the benefit of Karpel Solutions successors, assigns and licensees.

Wasco County
Board of Commissioners

Scott C. Hege, Chair

Rod L. Runyon, County Commissioner

Steven D. Kramer, County Commissioner

September 17, 2014

Karpel Solutions

Name

Title

Date

Approved as to Form:

Eric J. Nisely
Wasco County District Attorney
Manufacturing Day
Friday, Oct. 3 is National Manufacturing Day and the Port of The Dalles is working on developing our own local celebration of manufacturing jobs within Wasco County.

As of July 2014, the most current available figures for Wasco County show manufacturing jobs at 840. That makes it more than 10 percent of our private, non-farm employment and the third-largest nongovernment employment sector behind the trade, transportation and utilities sector and the leisure and hospitality sector.

As we’ve known for decades, manufacturing and similar industrial jobs are really the bedrock of a community’s economy and one of the best opportunities to provide significant number of living wage jobs. The paychecks from those jobs circulate in a community 2.9 times, according to national figures, helping to keep other economic sectors healthy. Each dollar filters through the community providing an additional $1.43 in revenue.

Business Oregon has encouraged a statewide effort to spotlight these economically important businesses and jobs. The Port of The Dalles has taken point on the effort here because this observance speaks directly to our core mission:

To support the creation, retention, expansion and recruitment of businesses and jobs that will enhance the economy of the port district.

It’s no surprise to any of you that the number one goal of the port is industrial development. You and we have done quite a bit of that, to the tune of about 1,500 jobs on port lands today — and that doesn’t even include the approximately 2,000 workers who have contributed to the Google expansion over the course of the project. We have a much more diversified economic base today than we did almost 30 years ago when voters approved the bond that provided original funding for port industrial lands, and that means a more resilient economy.

We use our financial and physical assets toward land development and redevelopment, and toward assuring an ongoing supply of buildable industrial land in the port district.

We also engage in strategic partnerships to pursue regional economic development.

I want to briefly share with you a number of efforts we are engaged in right now toward the goal of providing buildable land and filling that land with good-paying jobs:

- The most visible is the Chenoweth Creek Industrial Subdivision, locally known as the North Chenoweth property. The first phase of development is due for completion in October, providing 26 shovel-ready lots of 1-4 acres.
- We have more than a handful of businesses looking at this and other port property right now at various stages of progress and levels of interest. We look forward to being able to announce some of those to you all and the public very soon.
- We are going to be focusing much of our recruitment effort on targeted sectors including food processing, Unmanned Systems, and technology.
- We’re also working to assure the ongoing ability to develop industrial lands by coordinating the effort to create a Regional General Wetlands Permit intended to streamline the wetlands permitting process for future developers.
- TerraScience recently completed its wetlands delineation study on 300 acres of industrial land under five owners. And expect to complete soon the Oregon Wetlands Assessment Protocol, or the ORWAP, that assesses the functions, values, condition and sensitivity of wetlands.
- The next phase of work will be to begin evaluating the results of the consultant work with a goal of reaching consensus on which areas are the highest priority for aquatic resource protection and which parts of the sites are suitable for development.
- After that we will explore mitigation opportunities in the region to offset unavoidable impacts.
- Once those efforts are complete, we will work on assembling a request for approval of the Regional General Wetlands Permit or other mechanism.
The Columbia Gorge is poised for growth in the Unmanned Systems Industry

Established talent, expertise and workforce mean the Gorge is ready to respond to the demand of emerging civilian markets

- A broad foundation of expertise in unmanned and robotics sectors has emerged within the gorge, ranging from autopilots to circuit board assembly, software development to wind tunnel testing.
- Founding partners and early employees of Insitu continue to innovate, developing products and services for the Unmanned Systems Industry.
- The Unmanned Systems Industry is reaching a core level where quality employees are readily available within the region for most positions. The regional labor force is approaching 46,000.
- The region of 83,000 people is rich in recreation and offers a small-town lifestyle just over an hour away from the Portland Metropolitan Area.
- A regional team is developing a comprehensive strategy to promote and support the area’s unmanned system (US) manufacturing base.
- Planning work should be complete by the end of 2014 with the help of regional funding under the Investing in Manufacturing Communities partnership (IMCP).

Our goal is to be the first name in Unmanned Systems innovation and manufacturing.

RESOURCES

- MCEDD: The IMCP program challenges U.S. communities to coordinate resources for strategies on economic development. Planning grants and investments can help in developing initiatives to support manufacturing, attract investment and strengthen economies.
- Port of The Dalles: The port’s mission is to support creation, retention, expansion and recruitment of businesses and jobs that will enhance the economy.
- SOAR Oregon: A statewide, not-for-profit economic development organization focused on development of the UAS industry in Oregon. Its intent is to foster growth in evolving UAS sectors including aviation, advanced manufacturing, high-tech, software development and education. SOAR Oregon has awarded $327,000 in grants for UAS projects and facilitated another $1 million in private investment.

CONTACT:
Andrea Klaas
Executive Director
541.298.4148
andrea@portofthedalles.com
3636 Klindt Drive
The Dalles, Oregon 97058

Easy access to I-84 east-west
Hwy 197 to CA I-5,
and Hwy 197
to WA-Hwy 14
Sustainable, environmentally friendly businesses welcome!

- 26 riverside, shovel-ready lots in the beautiful Columbia River Gorge
- Just 75 minutes to Portland International Airport
- Quick, easy access to rail, river and highways on major north-south and east-west traffic routes
- Highest-speed internet, power, water and sewer to lots
- Business assistance and incentives available

Fast Facts:
Columbia Gorge
Population: 70,000-plus
Workforce: 46,000
Median home price: $175,000
- 300 days of sunshine
- 14 inches avg. annual rainfall
- Advanced health care options
- Two school districts, several private and charter schools
- 20 minutes to Hood River, 80 minutes to downtown Portland
- Near Oregon’s tallest mountain (Mt. Hood) and mightiest river (the Columbia)

The Dalles is a gorge-ous place to live, work and play

One of the longest-standing trading centers in the North America, The Dalles, Oregon is ideally located with a positive business environment and attractive lifestyle.

Live: The Dalles combines a small-town atmosphere with urban amenities, all just a short freeway drive away from the Portland Metropolitan Area.

Work: A substantial regional workforce, available land, high-speed internet and major transportation routes by rail, river and road make The Dalles an ideal place to do business. A can-do team of business, community and government leaders works to maintain a pro-business environment.

Play: At the east end of the Columbia River Gorge, The Dalles is a mecca for recreation with a sunny climate. Biking, hiking, windsurfing, skiing, fishing and so much more — the gorge is a world-class playground.
Recent Investment in The Dalles

1. Cherrvitz Business Park
   Fall 2014 - 28 1- to 4-seat lots

2. Google - $500 million data center addition 2013

3. Columbia PhytoTechnology 2012
   Fruit and vegetable dehydration plant

4. Mid-Columbia Council of Gov'ts
   $3.2 million Transit Ctr. 2015

5. Columbia Gorge Reg. Airport 2015
   Industrial subdivision, runway rehab

6. Mid-Columbia Producers 2010
   Two 50,000-bushel grain elevators

7. Griffith Motors 2011
   $7 million-plus new dealership

8. Marriott's Fairfield Inn and Suites
   2014 $5.2 million, 25 employees

9. Goodwill Industries 2013
   New facility employing as many as 36 workers

10. The Dalles WWTP
    New $5.5M Marine Terminal

11. Clock Tower Axes 2010
    Historic renovation

12. The Dalles Civic Auditorium
    $1.6 million in restoration

13. Oregon Cherry Growers
    Northpoint expansion

14. Sunshine Mill and Roundabout
    Expected $23M private investment

15. Water's Edge Health and Wellness
    2010 $15 million facility

16. Oregon National Guard Readiness
    2014 $24 million facility

17. Orchard View Farms multiple
    Investments, about 60 year-round staff

18. Pollock Farms new op
    2014 $24 million facility

19. Celilo Converter Station
    Fall 2014 nearly $4 billion renovation
Wasco County Board of Commissioners’

TOWN HALL

Thursday, October 16, 2014
5:30 p.m.
Tygh School Community Center
57594 Tygh Valley Road
Tygh Valley, OR

JOIN THE CONVERSATION!

The Town Hall will be followed by
A meeting of the South Wasco County Alliance
Beginning at 6:30 p.m.