

MALHEUR COUNTY COURT MINUTES
May 3, 2017

County Court met with Judge Dan Joyce presiding with Commissioner Don Hodge and Commissioner Larry Wilson present. Staff present was Administrative Officer Lorinda DuBois.

Also present was Larry Meyer of the Argus Observer and John Braese of the Malheur Enterprise.

DISTRICT ATTORNEY'S OFFICE

District Attorney Dave Goldthorpe met with the Court and explained that the vacant Management Assistant would be filled internally starting May 15th. As such, there is now a vacant Legal Assistant position. Mr. Goldthorpe requested authorization to post the Legal Position vacancy notice internally (Malheur County employees) as soon as possible. The Court agreed to the request.

COURT MINUTES

Commissioner Hodge moved to approve Court Minutes of April 26, 2017 as written. Commissioner Wilson seconded and the motion passed unanimously.

SUPPLEMENTAL BUDGET

Commissioner Hodge moved to approve Supplemental Budget Resolution R17-16: In the Matter of Fiscal Year 2016/2017 Supplemental Budget by Resolution Under Local Budget Law ORS 294.471. Commissioner Wilson seconded and the motion passed unanimously. The purpose of the supplemental budget resolution is to allocate insurance funds that were received, but not anticipated when the adopted budget was prepared; funds are insurance proceeds to be used to remove and rebuild a picnic shelter that was damaged by heavy snow. See instrument #[2017-1813](#)

IGA - OSU AND EXTENSION TAX SERVICE DISTRICT

The Court met as the Governing Body of the Malheur County Agricultural Educational Extension Service District. Commissioner Wilson moved to approve Intergovernmental Agreement between Oregon State University and the Malheur County Agricultural Educational Extension Service District. Commissioner Hodge seconded and the motion passed unanimously. The Agreement expires June 30, 2022. See instrument #[2017-1820](#)

FAIR UPDATE

Fair Manager Lynelle Christiani met with the Court and provided a monthly update of activities. Ms. Christiani met with Ontario City Council and requested they reconsider the V&C Grant allotment; the Council was not willing to reconsider it. However, a couple of council members have since approached Ms. Christiani and encouraged her to keep the council updated quarterly and come back with her grant request next year. The arena was recently ripped and a water pipe was snagged so that repair project has been happening. The Malheur Enterprise will be publishing the Fair Book this year. There are lots of events scheduled at the fairgrounds throughout the summer. Ms. Christiani recently completed a grant application to update the flooring and lighting in the Commercial Building. The debris removal project is completed and the surveying is done. The roof on the hog barn should be removed in the next week or two; and

it is hoped to have the bids out for the horse barn in the next couple of weeks. A Preserved Food Superintendent for the Red Barn is needed for this year's Fair.

CALICO RESOURCES GRASSY MOUNTAIN PROJECT UPDATE

Paramount Gold Nevada/Calico Resources Project Manager Nancy Wolverson; Consultant Andy Bentz; and EM Strategies President Richard DeLong met with the Court. (Mr. DeLong is handling the permitting process for the project.) Ms. Wolverson gave a status update on the project.

County Counsel Stephanie Williams joined the meeting.

There have been some changes to the project permitting scheduled based on state requirements. The Prefeasibility Study should be completed in the first quarter of 2018; and the consolidated permit applications should be submitted to the state in the first quarter of 2018 also. Calico is currently in the middle of a 29 hole drilling program to upgrade the resource to prefeasibility level and is in the process of doing geotechnical for rock stability, metallurgical tests, working on the grade of the deposit, and hydrologic studies.

- Exploration Drilling Program - approximately 19 holes completed; less than 10 holes remaining; and planned completion of exploration drilling is by mid-June
- Geotechnical Studies (being done by consulting group Golder) - Geotech holes (for rock stability) are complete; additional Geotech evaluations on all exploration holes are ongoing
- Metallurgical Testing (being done by Ausenco) - Should begin in the next 2 weeks and will last approximately 6-8 weeks
- Water Testing (being done by SPF) - the Monitor Well Program should begin in the next few weeks; the Vibrating Wire Piezometer program was delayed and will begin possibly this week or next week
- Drone Survey of Access Road (being done by TCI)- project has been delayed but hope to complete it in the next 2 weeks if weather permits
- Site Layout (being done by MDA) - is in progress, will be completed in time for submittal of the Plan of Operations in July 2017
- Geochemistry (being done by SRK) - work has been ongoing for the last year - it has been recommended to the state and BLM that the testing stop (results are in), but until the state and BLM responds to the recommendation the work will continue

The drilling has been positive and has confirmed what has been seen in the past. Core drilling is now taking place.

Mr. DeLong explained that the baseline data collection program is taking place in order to collect sufficient information for the state applications; the baseline data will also be used with the BLM when they do the processing of the Plan of Operations and the right-of-way application. The goal is to submit the Plan of Operations and right-of-way application July 1, 2017 which will start a process that will be the critical path to completing the permitting process.

Jon Westfall and Andrea Bowden from BLM joined the meeting.

Mr. DeLong explained that the access road - Twin Springs Road - needs to be upgraded to accommodate the type of vehicles and amount of traffic that will be using it for mine activities. Most of the road is located on public land administered by BLM. In order to complete the necessary upgrades to the road a right-of-way application needs to be submitted and approved by BLM. Mr. DeLong explained that from the company's perspective they would like to build the road and then leave it in place for the public's use; and Calico Resources is requesting the County be the applicant for the right-of-way application. Calico would build and maintain the road for the life of the project and then the County would be responsible for the road after the Grassy Mountain Project is completed.

Surveyor/Engineer Tom Edwards and Road Supervisor Richard Moulton joined the meeting.

Ms. Williams explained that herself and Mr. Mouton have been working on the Twin Springs Road issue since 2011 and BLM has maintained that the road had to be built to BLM specifications as it was built by them in 1970 and put on the federal land transportation program. The road is not in the County's transportation system plan; it is a secondary road not included in the plan. Currently Twin Springs Road is assigned a County road number as well as a BLM road number; and there is a shared maintenance agreement between the County and BLM. The route to be included in the right-of-way application is from the pavement of Russell Road to the turnoff to the mine project. The right-of-way application would be made to the Vale BLM; Calico would complete the SF299 right-of-way application along with the Plan of Development for submittal by the County. If the right-of-way application is approved it is a 30 year easement and would define that section as a County road; it is possible to renew the right-of-way agreement. (Note** after the meeting it was determined that once the right-of-way agreement expires the road would be a County road and the responsibility of the County.)

Ms. Williams explained the County would need to take action to add the road to its transportation system plan. Additionally, the County and Calico would need to enter into a road maintenance agreement. Ms. Williams also explained that Calico will have to apply for a conditional use permit for its project through Planning and Zoning and that public input will be gathered; the access road will be a part of the conditional use permit process and the Planning Commission will have the discretion to make changes based on public comment.

The Court indicated they were agreeable with moving forward as presented by Calico.

ROAD DEPARTMENT/BULLY CREEK PARK

Road Supervisor Richard Moulton met with the Court and presented the 2017 fund exchange agreement for their consideration. Commissioner Wilson moved to approve 2017 Fund Exchange Agreement No. 32128, Chip Seal on Various County Roads, Malheur County. Commissioner Hodge seconded and the motion passed unanimously. Funds are to be used for chip sealing projects on various roads in the County (including road districts). A copy will be returned for recording.

Environmental Health Director Craig Geddes joined the meeting.

Mr. Moulton explained that the tank at the RV dump station at Bully Creek Park had failed. Mr. Geddes explained it is recommended that (2) 1500 gallon infiltrator tanks be installed along with a float and light alarm system and two risers. Estimated costs for the tanks and supplies is approximately \$3,050. (Does not include any piping or installation costs.) Additionally, permit fees are \$227 (\$100 DEQ/\$127 County). Commissioner Wilson requested the County fee be waived; by consensus the Court approved waiving the County fee, however, the DEQ fee will need paid. Mr. Moulton said he will do the installation of the tanks. The Marine & Park budget does not have sufficient funds to pay for the costs of the project; by consensus the Court authorized the necessary funds be taken from County General Contingency.

Mr. Moulton also presented (4) Crossing Permits for the Court's consideration. Commissioner Hodge moved to approve Crossing Permit #21-17 to Romans Precision Irrigation to bury pipe across Hill Road #681; Permit #22-17 to Idaho Power to install inline pole and bank of transformers for a pump on Clark Blvd. #857; Permit #23-17 to Idaho Power to install bank of transformers on existing pole on Clark Blvd. #857; and Permit #24-17 to Idaho Power to install inline pole and transformer for new pump on Owyhee Lake Road #846. Commissioner Wilson seconded and the motion passed unanimously. Original permits will be kept on file at the Road Department.

COURT ADJOURNMENT

Judge Joyce adjourned the meeting.