

DISPUTE: ODOT is now demanding return of \$800,000

Continued from page 1

grant funds allocated for specific airport improvement projects. (See "ODOT demands repayment of grant funds," *The Nugget*, March 29, 2017, page 1.)

Since then, the airport and ODOT have been engaged in negotiations over the repayment demand. Now, the dispute is headed to court.

"They've reached an impasse and they're seeking outside guidance from the legal system to reach a fair and equitable resolution," said Matthew Bowler, a partner in the Mandala Agency public relations and brand management firm in Bend. "The negotiations don't appear to have been fair in the eyes of the Sisters Airport... It's disappointing, but it really is the next step that they feel they need to take."

On Thursday, March 15, Sisters Airport, LLC, (SAP) filed a complaint in Marion County Circuit Court seeking a jury trial to determine and adjudicate facts in the dispute. Bowler said that the complaint was filed in Marion County because that is where the original contract for the airport work was granted. Over the weekend, ODOT filed a counterclaim, demanding repayment of the entirety of the ConnectOregon V grant. (The complaint and counterclaim can be found with the online version of this story at www.nuggetnews.com.)

In a statement, the agency said: "In March 2017, the Oregon Department of Transportation (ODOT) requested repayment of just over \$390,000, based on compliance review findings and terms of the project agreement. After making this request, ODOT entered into a full year of good faith, complex and confidential negotiations with the owners of the Sisters Airport in order to reach a settlement regarding the grant.

"Those negotiations failed to reach a settlement. As a result, ODOT has filed claims in Marion County Circuit Court for Sisters Airport to return the entire grant. Moving to court resets the claim to the full grant amount, as an issue to be decided in litigation."

Sisters Airport Property LLC and ODOT entered into a grant agreement in May 2015 in which the airport was to receive an amount not to exceed \$733,259 to be used for construction of a taxiway, pavement of aircraft parking and ramp areas, installation of runway lighting, and improvements associated with those

projects.

An ODOT review concluded that, "ODOT paid invoices submitted by the grant recipient (the airport) that are ineligible project costs totaling \$377,152." The demand letter lists eight categories of allegedly ineligible project expenses, including work on a hangar and \$57,976 in construction associated with a drainage runout area that was constructed on property not belonging to the airport. (That construction has since been removed at the expense of Sisters Eagle Air Estates Homeowners Association; See "HOA removes airport runway runout," *The Nugget*, December 13, 2017, page 1.)

The Bensons and ENERGYneering Solutions, Inc. (ESI) were project managers for the grant-funded work. The letter demands repayment of funds paid to them.

The Sisters Airport, LLC complaint asserts that "all expenses for which SAP sought reimbursement were reasonable expense reimbursable under the grant agreement and were adequately documented." The complaint further asserts that "the grant agreement does not prohibit reimbursements of expenses

associated with Benjamin Benson's professional services to ESI."

The Bensons argue that ODOT is not entitled to repayment unless ODOT can show that it was injured by SAP's acts, and that ODOT was not injured, since SAP performed its obligations in completing the project.

The complaint seeks to stop ODOT from demanding repayment and also seeks attorney's fees and other plaintiff's costs.

The ODOT counterclaim asserts that "plaintiff's use of ConnectOregonV grant funds at issue in this case was fraught with self-dealing, profiting from public funds, unreasonable expenses, accounting problems and multiple violations of the governing grant agreement."

The Jewel SISTERS 541-549-9388
Blue Moonstone & Diamond



PHOTO BY JIM CORNELIUS

The owners of Sisters Eagle Airport are going to court to stop ODOT from demanding repayment of grant funds for airport improvements.

ODOT spokesman David Thompson told *The Nugget* that ODOT will have no further comment until the issue is resolved.

"We do not wish to negotiate this through the media," he said. No court date has yet been set.

Veterans' Services
Serving those who've served.
541-585-VETS (8387) | www.deschutes.org/vets

Why Buy A Quality Pre-Owned RV From Larry's RV?

- ★ 27 years as Central Oregon's consignment experts
- ★ Save thousands of dollars compared to new model retail
- ★ No high-pressure sales
- ★ All RVs pass our 128-point inspection
- ★ Year-round service on-site
- ★ Financing available

SEE OUR COMPLETE INVENTORY AT LARRYSRV.COM

541-923-4564
3000 S. Hwy. 97 Redmond

LARRY'S RV
PARTS SERVICE SALES

SALES: Mon.-Sun. 9 a.m. to 6 p.m.
PARTS & SERVICE Mon.-Sat. 9 a.m. to 6 p.m.

LAKE CREEK LODGE *Easter Brunch*
Sun., April 1 • 11 a.m. - 2 p.m.
\$28 per person • \$14 for kids 5 to 12 • Kids under 4 eat free

— Served Buffet Style —
Maple-glazed Ham
Wild Salmon with Apple Chutney
Chicken Apple Sliders
Deviled Eggs • Fresh-baked Rolls
Assorted Fresh Fruits & Vegetables
Macaroni Salad • Walnut Pear Salad
Green Bean Casserole
Garlic Mashed Potatoes
Roasted Root Vegetables
Dutch Apple Crumble

Easter Egg Hunt at noon (weather permitting)
Reservations: Call 541-516-3030
www.lakecreeklodge.com

Smile, Sisters!
We're committed to your dental health!

Exceptional Health, Prevention & Aesthetics For Your Family!

Trevor Frideres D.M.D.
Ben Crockett, D.D.S.
p 541-549-9486 / 541-549-9110
410 E. Cascade Ave. ■ P.O. Box 1027 ■ Sisters
Hours: Mon., 10 a.m.-7 p.m.; Tues.-Wed., 8 a.m.-4 p.m.; Thurs., 7 a.m.-3 p.m.

SISTERS DENTAL

TWIGS Gallery
4th Friday Art Stroll: March 23, 4-7pm
Featuring the One-of-a-Kind Fiber Art Clothing of Leotie Richards

WILD FLAX
ONE OF A KIND APPAREL

311 & 331 W. Cascade St.
Sisters, Oregon • (541) 549-6061
stitchinpost.com • twigs-sisters.com