

Hundreds of residences and some hotels were evacuated

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in there, including a new \$10 million cherry line we just completed a month ago," Gonsalves said.

Stemilt Growers Inc. sustained major losses to its pear and Rainier cherry packing plant.

Northwest Wholesale Inc., at 1567 N. Wenatchee Ave., was gutted, and nearby Michelsen Packaging Co.'s stack of apple trays and pads and pallets was reduced to large mounds of ash. Company president Dan Beddeson estimated the loss at \$200,000.

All four businesses were located in a triangular area bordered by North Wenatchee Avenue, Hawley Street and Miller Street. The wind apparently blew embers over a wide portion of town from Broadview and Horse Lake Road downhill and across North Wenatchee Avenue to ignite the pallets, pads and trays and then spread the fire to the plants, said Mike Burnett, chief of Chelan County Fire District No. 1.

The Sleepy Hollow fire started about two miles northwest of town near the Sleepy Hollow Heights subdivision, Burnett said. The fire was reported at 2:15 p.m. By 8 p.m. it had traveled eastward along hillsides south of the Wenatchee River to reach Broadview and Horse Lake Road.

Hundreds of residences and some hotels at the north end of town were evacuated and more were under temporary evacuation the next morning because of an ammonia leak at one of the burning warehouses, Moore said.

"Wenatchee Fire Department was spread pretty thin.

Tax relief available for fire victims

OLYMPIA — Businesses in Wenatchee impacted by the June 28 Sleepy Hollow Fire can receive tax relief, the state Department of Revenue says.

Businesses may ask for: more time to file and pay taxes; waiver of a late payment penalty; extension on expiring reseller permits, business licenses and registrations; and rescheduling of audits.

Taxes are due on July 25 for businesses that report monthly. Quarterly filers must file and pay by July 31.

Individuals and businesses that own property in declared disaster areas may be eligible for property tax relief. Prop-

erty owners may visit Revenue's disaster relief page for links to forms to file with county assessors.

Businesses may request extensions or penalty waivers by sending secure emails or calling the department at 1-800-647-7706.

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The state is offering businesses in Wenatchee impacted by the June 28 Sleepy Hollow Fire tax relief. The ash is the remains of apple trays and pallets owned by Michelsen Packaging Co. The gutted building is Northwest Wholesale Inc.

June 29, Moore said. Skies were clear of smoke over town the morning of June 30. Firefighters were working to tie fire lines together in the hills on the west and southern edges, said Rick Scriven, a fire spokesman. Firefighters were working with the state Department of Ecology to "tear walls apart" to get into the Stemilt packing plant for final containment there, he said.

The warehouse fires were knocked down by 8 a.m. June 29 but were not under control, said Glen Widener, a Wenatchee Fire Department battalion chief. "Stemilt lost a lot of cherries," he said.

Firefighters were still pouring water on Stemilt's Miller Street plant. The roof was in danger of caving in, Widener said.

"We're in a defensive mode," he said.

The fire at the Stemilt plant burned through the next day, making it impossible for company personnel to get inside and assess damage to packing lines, said Brianna Shales, company spokesperson. The roof and structure were damaged, she said. The buildings and packing lines are insured, she said.

The Stemilt plant is on the west side of Miller Street. The company's red cherry plant, east of the street, was not damaged, Shales said.

"We will be fully operational by Wednesday or Thursday (July 1 or 2) morning, getting help from our neighbors. It impacts less than 2.5 percent of our packing plan on cherries," said West Mathison, company president.

The Rainier crop is about done and Stemilt was down to packing 10 to 20 tons per day



A helicopter fights the wildfire on a ridge at the north end of Wenatchee, Wash., at 8:18 p.m. June 28. A dozen homes and several agriculture-related businesses were lost to the fire.

compared to hundreds of tons of red cherries elsewhere, said Roger Pepperl, Stemilt marketing director. The balance of Rainiers will be packed elsewhere and the workers will be moved with them, he said.

Mathison declined to comment on the fate of his home in Broadview and those next door of his vice president of sales and marketing, Mike Taylor, and Pepperl. Aerial photos published by The Wenatchee World newspaper showed Mathison's and Pepperl's houses standing but Taylor's destroyed.

Gonsalves said Blue Bird's buildings and lines are fully insured. The remaining 50 percent of the company's cherry crop yet to be picked, packed and shipped will be packed at Monson Fruit Co. in Selah. Monson and Blue Bird are co-owners of the Washington Cherry Growers packaging company.

"We will get organized, continue on harvest, get ready for apples and pears

and strategize on rebuilding," Gonsalves said.

About 300 cherry packing employees are displaced and organic apple packers will be in the fall, he said.

A representative Northwest Wholesale Inc., an ag-chemical and orchard equipment supplier, declined to talk to the media. Its warehouse was gutted. The company also has offices in Cashmere and Tonasket.

Michelsen Packaging Co., 1105 Hawley St., lost its trays, pads and pallets but its building, rented from Northwest Wholesale, was OK, Beddeson said. The trays, pads and pallets were insured and will be replaced from the company's headquarters plant in Yakima, he said. The company makes apple packing trays and other packaging from recycled paper. It also has facilities in Auburn and Fresno, Calif.



Hospital cooks Ramiro Gonzalez, left, and Julieta Capuia fry tofu in four production kitchens at Oregon Health & Science University in Portland.

'We want to buy everything regionally'

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rounds, 100 pounds of steaks and 200 pounds of bones for soup and broth.

Cory Carman, a fourth generation cattle rancher, said the relationship has been "phenomenal." OHSU accounts for 20 to 25 percent of the ranch's annual sales and is by far the ranch's biggest account, she said. The business would be "much smaller" without OHSU's consistent demand for quality and quantity.

She said producers pursuing such relationships must understand they require patience, collaboration and flexibility on both ends.

"The biggest lesson is having that anchor customer," Carman said.

Carman said OHSU approached her out of the blue when it was looking for grass-fed beef to serve the thousands who are at "Pill Hill," as the campus overlooking Portland is known, every day.

Complex system

Fernando Divina, OHSU's executive chef, said the complex counts about 10,000 food transactions a day at nine outlets within the facility, including cafe and snack kiosks sales and 1,200 meals delivered to patients' rooms. OHSU's annual budget for food and beverages is about \$5 million, and the hospital made a conscious decision to walk its health talk by seeking out local producers, preferably organic.

"We want to buy everything regionally, if possible," Divina said. "That's our goal." It isn't a simple process.

Scott Cochrane, OHSU's food purchasing agent, said large institutions such as schools often have tight budgets. It's often cheaper for them to buy the volume they need from large distributors. To purchase in bulk locally at a competitive price point, institutions may have to ask multiple growers to aggregate their production.

"I know they all want to, but there's a point where they can't cut their own throat," Cochrane said. "There's a lot of willing participants on the outside of the circle who can't get in."

Eecole Copen, OHSU's sustainable foods program coordinator, acknowledged it takes more work to buy food from smaller producers.

"You have to commit to being OK with dealing with multiple vendors," she said. "The whole system is based on willingness."

She and others refer to this type of purchasing as a larger version of Community Supported Agriculture, or CSA. It's ISA in this case: Institutional Supported Agriculture.

Copen said the payoff is a strengthened regional food system.

"We need more farmers," she said. "That's about food security, growing the local economy, jobs, income."

OHSU's first foray into the local food scene was estab-

lishing a farmers' market on campus. It's now in its ninth year and serves as an incubator for growers who eventually reach the point where they can sell wholesale to OHSU's food services department.

The idea isn't just a Portland foodie thing. Good Shepherd Medical Center in Hermiston, about 180 miles east of Portland, buys vegetables from Finley's Fresh Produce, berries from another local grower, and pork and chicken from suppliers across the border in Washington. All of the beef purchased by the hospital is raised within 50 miles.

Nancy Gummer, Good Shepherd's nutrition services and diabetes education director, said she began buying locally about 10 years ago.

Gummer said she wanted to quit buying meat from animals treated with antibiotics or raised in confined feeding operations. It took 10 years to find chicken she felt comfortable feeding hospital patients, staff and visitors.

In addition to buying local, Gummer avoids purchasing products that contain artificial colors, flavors or other additives. Her food budget is about \$500,000 annually.

"We feel what you eat has the biggest impact on your health," she said. "Food that's really healthy for humans is going to be grown in healthier soil, and handled and processed in a way that has less impact on the environment."

Gummer said.

Flexible partnerships

Increased institutional buying of locally grown and processed food can reshape the food system, said Amanda Osborne, vice president of food and farms for Ecotrust and the lead author of the "Ag of the Middle" report.

Producer and buyer have to make some adjustments, however, Osborne said.

Institutions have to be flexible enough to partner with farmers and "take what they've got when they've got it" and pay promptly, she said.

They also should increase their frozen storage space so they can buy in bulk when things are in season and use them over time.

Farmers "have to be able to think like a bigger operation," she said. They need proper insurance coverage and must comply with food safety regulations.

"Those are barriers for institutional buyers," Osborne said. "That liability related stuff has to be in order."

Institutions can't afford to have employees standing around chopping, slicing and dicing vegetables, she added, and producers should look for creative ways to provide some of that minimal processing.

To fill big institutional orders, farmers can coordinate crop planning and combine production with neighbors, she said.

"This is a partnership and we problem solve together," she said. "That's the mindset to bring to it."

Latest order affects 16 water rights held by 11 owners

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water board issued curtailment notices June 26 for the city's four appropriative water rights on the Tuolumne River dating back to 1903, though the order represents only a small portion of San Francisco's water supply.

The city's rights were included as the state curtailed pre- and post-1914 appropriative water rights on the upper San Joaquin River as well as senior rights on the Merced River dating back to 1858.

The latest order affects 16 water rights held by 11 owners, bringing the total number of senior right holders to receive shutoff notices to 297. No more curtailment orders were imminent as of June 30, but that could change quickly, water board spokesman Tim Moran said.

Workers in the board's Division of Water Rights "are analyzing water conditions in watersheds throughout the state, and when they determine there is not enough water in a stream or river to protect more senior water rights, they issue the curtailment notices," Moran said in an email.

In all, 8,721 junior right holders throughout the Sacramento and San Joaquin valleys have been told there is insufficient water to serve their rights, according to the water board.

"The need for further curtailment of more senior rights and curtailments in other watersheds is being assessed weekly" by the water board, the Almond Board of California advised growers in a newsletter.

State officials said the water board uses monthly diversion data in each watershed to determine availability as well as daily natural flow data from the Department of Water Resources. As supplies continue to decline through the summer, more senior right holders will be affected, the water board cautioned.

The state issued its first widespread curtailment orders to senior right holders since 1977 on June 12, affecting 277 rights held by 114 right holders. As of last week, less than one-third of the farmers, water districts and communities

affected by the shutoffs had met a deadline to confirm they stopped pumping, the water board reported.

The Banta-Carbona Irrigation District in Tracy is challenging the curtailment order in court, arguing the water board overstepped its authority. The board's chair, Felicia Marcus, has said she welcomes litigation to solve longstanding questions over the board's powers, The Associated Press reported.

State officials have maintained they have the authority to restrict water use in a drought under a state constitutional amendment passed by voters in 1928 requiring all water use to be "reasonable and beneficial."

The water board issued two letters earlier this year warning all water right holders that water may be unavailable to them this year because of drought conditions. Last year, the board issued curtailment notices to more than 5,000 diverters in five watersheds, nearly all of whom have junior rights.

In May, the board approved a plan for senior right holders in the Delta to voluntarily cut their water use by 25 percent from 2013 levels to avoid more drastic cuts later. In all, 229 applications from farmers to participate in the plan were received by a June 1 deadline.

Still, a consortium of mostly urban water districts called the State Water Contractors complain that Delta farmers are diverting too much.

"These landowners in the Delta have long-standing water rights that entitle them to water when nature provides it, but those rights do not entitle them to stored water paid for by others and intended for the environment," said Stephanie Morris, the State Water Contractors' acting general manager.

"If nature ran its course, the Delta (water) would not be suitable for drinking or farming this summer," Morris said in a statement.

The complaint drew a sharp rebuke from Barbara Barrigan-Parilla, executive director of Restore the Delta, who argued the water contractors are only concerned with having enough water to export and are unconcerned about the environment.