STEDCO Commission Meeting April 11, 1992

MEETING: STEDCO Commission Meeting
DATE: April 11, 1992
PLACE: STEDCO Conference Room
TIME: 9:00 a.m.

STEDCO COMMISSIONERS PRESENT:
Bud Shoemake, Chairman
Tim Viles, Vice-Chairman
Ed Sondenaa, Secretary
John Miller
Jack Retasket
Lillie Butler
Dan Van Otten
Joe Lane
Dan Rilatos

OTHERS PRESENT:
Mike Dowsett, Tami Miner, Jay Christensen, Jeff Valentine, Wayne Case, Daryllyne Carey and Lisa Brown

The meeting was called to order at 9:00 a.m. by Commission Chairman, Bud Shoemake.

Bud stated the first item on the agenda is the roll call.

A quorum was established with 9 Commission members present and no Commission members absent.

Bud stated the next item on the agenda is the approval of the minutes dated 3/14/92. Bud asked if there was a motion to approve these.

MOTION #1 - Tim Viles moved to approve the STEDCO Commission meeting minutes dated 3/14/92. Seconded by Dan Van Otten. Motion approved 9 - yes, 0 - no, 0 - abstain.

Bud stated the next item on the agenda is the Forest Products Enterprise Report by Jay Christensen.

Sam Creek Sale Update:

Jay reported we are looking at 3-4 weeks to finish this sale, and then they will move on to the Reload sale.

Jay reported the cutters will probably move on to the Reload sale in a couple of weeks.

Jay reported on what we are planning to do about the damaged bridge. Jay reported he hired Hockema to go up in there and put some supports underneath it, to support the bridge, this way it would not delay our logging. Jay reported he contacted Simpson Timber Company, George McKibben, and asked him about cost sharing on it, since this bridge was an understrengthed bridge in the first place. Jay reported George said he is not sure how much he is willing to cost share, but he would be willing to look at a proposal from Jay, and would give him an answer based on this. Jay reported he also contacted Dick Knudson and asked him if he would be willing to share the cost, by at least bringing his equipment down to lift the bridge.

Bud asked how long the bridge is.

Jay stated he thought it was about 37 feet.

Mike stated it is a flat bed rail car.

Ed asked Jay what he is going to do, replace it.

Jay stated yes, George McKibben says we have to replace the bridge.

Ed stated you shouldn't have to.

Mike stated the question he had for Jay was, and we are investigating, what kind of responsibility does the logger have.

John stated they have already taken that tower across there twice.

Jay stated this is a different tower than the one Knudson had up there before.

Ed asked what he has up there now.

Jay stated he has a skagit tower with a ninety foot tube, it is very old and heavy.

Ed asked what the model number of the tower was.

Mike asked Ed what his concern is. Ed said he feels we have a forester here that don't know what kind of yarder we got up there.

Jay stated this is right, he does not know the model number of that tower.

Bud related to Jay that he was in contact with a guy that has some railroad cars in Eugene.

Mike stated his question is, that when a guy brings a piece of equipment across there, should be taking precautions. Mike stated he does not know what the customary practices for a logger is, are they responsible.

Ed said he feels, the railroad car should have handled any equipment that goes over it. Ed stated that as far as he is concerned we can go in halves with Simpson on the repairs.

Mike asked the Commission if they felt the logger has any responsibility in the damages. The Commission felt the logger does not.

John stated we are supposed to provide a stable road bed for him to move his equipment on.

Ed stated we pay road use fees on that road, and that bridge should have held up for any kind of tower they bring in there.

Business Plan Update:

Jay stated that as far as the business plan update goes, Mike & he have met with ECO Northwest, and they still had questions that needed to be answered, which has since been provided to them. Jay reported he has requested to have a document from ECO Northwest by May 2nd for Commission review.

Jay reported he met with Keoki Carter and Stan Neimeic on Thursday, and reviewed with them the equipment needed, and what products we are going to go for.

Jay reviewed with the Commission the commitment letter from North Douglas Wood Products for alder. Jay reported he also received the current alder prices.

Ed stated what's to say these guys are going to be in business 6 months down the road. Ed stated to Jay that he does not have anything on production yet, but he is already looking at markets.

Jay stated we have to look at the markets before we do production.

Ed stated he feels this is having the cart before the horse.

Jay reviewed with the Commission the drawing plan of the equipment set up for the production line, and the functions of the equipment.

Lillie stated she thought we were going to start small, that Gene presented us with a plan at three million, and at that time we said to start slow.

Tim stated the only thing that is missing is the time phase, this plan is perfectly acceptable five years out.

Mike stated you have to make sure you understand, Jay is talking about a $500,000 mill and that 1.5 million of that cost is an infrastructure cost of site development.

Jay stated the prices on that are high, and he feels there can be money saved on the site development.

Ed asked Jay where he plans on getting all his raw product, the logs.

Jay stated he is hoping to compete with Coastal Fibre for alder logs.

Ed stated that GP is going to start logging nothing but pulp. Ed stated this is their next game plan, they have that sawmill out there, and they are going to log nothing but pulp for this pulp mill. Ed stated you are not going to have any alder coming in, it is all going to go to GP. Ed stated you are not going to be able to compete with them.

Jay stated we would not be able to buy their logs, but he is hoping we would have other people around here, such as the small woodland owners.

Ed stated he still don't think there is that much left.

Jay stated that Leslie Powell of ECO Northwest is specifically working on resource availability right now, and this is a very big part of this business plan.

Lillie stated that what you are telling us now is that we are going to get a business plan with a supply and market, and you want us to make a decision, but all we have been getting is the construction and everything. Lillie stated that in just a short period of time you're going to want us to make a decision.

John stated one of the things we have to remember is that these guys can't even apply for a grant unless we make a decision.

Bud stated this is right, and we can make it subject to approval of the business plan.