

**PENDLETON SENIORS
DOMINATE OPENER
CROSS COUNTY/1B**



**Faith-based
concert in
Baker City 7A**

EAST OREGONIAN

FRIDAY, AUGUST 28, 2015

139th Year, No. 226

WINNER OF THE 2015 ONPA GENERAL EXCELLENCE AWARD

One dollar

Your Weekend



- **Bikers Against Child Abuse Bug Run**
- **IMAC fundraiser breakfast in Ione**
- **The Jim Pepper Project at Tamastlikt**

For times and places see **Coming Events, 5A**

Catch a movie

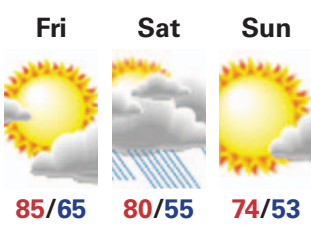


The Weinstein Company via AP

A white American family tries to escape a violent coup in an unnamed Asian country in "No Escape."

For showtime, **Page 5A**
For review, **Weekend EO**

Weekend Weather



Judge halts Obama's new 'clean water' rule

BISMARCK, N.D. (AP) — A federal judge in North Dakota on Thursday blocked a new Obama administration rule that would give the federal government jurisdiction over some smaller waterways just hours before it was set to go into effect.

U.S. District Judge Ralph Erickson in Fargo issued a temporary injunction requested by North Dakota and 12 other states halting the U.S. Environmental Protection Agency and Army Corps of Engineers from regulating some small streams, tributaries and wetlands under the Clean Water Act. The rule, which has prompted fierce criticism from farmers among others, was scheduled to take effect Friday.

North Dakota Attorney General Wayne Stenehjem, who filed the injunction request, said his reading See **WATER/10A**



Staff photo by E.J. Harris

Local artist Jason Hogge paints one of the backdrops for the Happy Canyon Night Show on Wednesday at the Happy Canyon Arena in Pendleton. Hogge's repainting project will span from now until next summer in preparation for next year's Happy Canyon Centennial.

Repainting a classic

Local artist goes for realism on new Happy Canyon backdrops

By **JONATHAN BACH**
East Oregonian

Paint roller in hand, Jason Hogge kneels under a stretch of shade on the Happy Canyon set's second level.

The sun burns overhead, and Hogge, 43, paints a large, contoured rock onto the wooden façade, one part of a foothill that rolls almost the length of the famous arena's background.

Without two painted-on metal extrusions that jut out from both sides of the Wild West town scene, the set runs about 160 feet from side to side, according to Rebeca Waggoner, who is authoring a book on Happy Canyon's history. With them, the distance is right at 200 feet, laterally.

At summer's start, Hogge began a project to give this set a makeover for



Staff photo by E.J. Harris

Jason Hogge uses reference photos of scenic shots he has taken from throughout the area for guidance to give his backdrops a more authentic appearance.

next year's centennial Happy Canyon Night Show. How will he do it? With an emphasis on shadow and perspective, in order to lend realism to the old murals. As a guide for the portion he's coating this Wednesday afternoon,

he traveled around and photographed foothills of Eastern Oregon.

"I want to try to pull it together and give it a more realistic feel," he said.

Some paintings on the pasto- See **PAINT/10A**

• **\$1.5M**
• **mezzanine**
• **project**
• **complete**

By **JONATHAN BACH**
East Oregonian

• The Happy Canyon board emphasized three things with the completion of its \$1.5 million mezzanine project at the famous nighttime show's arena: safety, access and the potential for other groups to more readily take advantage of the space.

• The addition of a long, stadium-style walkway part way up the grandstands allows for more seating options for patrons with limited mobility, so those in wheelchairs can be next to their companions, said Happy Canyon Publicity Director Corey Neistadt. Previously, there were 32

• See **MEZZANINE/10A**

IRRIGON Teacher-student affair began on graduation day

By **SEAN HART**
East Oregonian

A former Irrigon High School student told detectives she had sex on the morning of her graduation with a teacher who is now being investigated by the Teacher Standards and Practices Commission.

Jake McElligott, who taught at Armand Larive Middle School and coached the Hermiston High School boys basketball team last year, is on paid administrative leave during an unspecified commission investigation, according to school district officials. The 35-year-old teacher previously worked for Morrow County School District and was the subject of a Morrow County Sheriff's Office investigation involving a possible sex crime that did not result in criminal charges.



McElligott

See **TEACHER/10A**

Well-connected firm got tax credit rules changed

By **HILLARY BORRUD**
Capital Bureau

SALEM — It's not every business that can convince state government to change regulations on its behalf.

But that is what a small Portland firm called Blue Tree Strategies did earlier this year.

The well-connected green energy consultancy developed a lucrative business brokering sales of Oregon energy tax credits, and its clients wanted to sell the credits below the state-mandated price. When an employee at Oregon Department of Energy objected, agency director Michael Kaplan stepped in.

"Effective immediately, please begin honoring all request (sic) for transfers of

"We didn't seek it out. Our experience was our clients had a problem. And their problem was (Oregon Department of Energy) wasn't selling their credits for them."

— **Aaron Berg**, Blue Tree Strategies founder

tax credits where the parties have negotiated the transaction price," Kaplan wrote in a Feb. 17, 2015 email to employees at the energy agency. The department would sort out the details later, including changing its rules to retroactively eliminate price regulations.

That change gave Blue Tree and its clients a competitive advantage over others selling the credits, an analysis of public records and emails by EO Media Group and Pamplin Media Group reveal.

Oregon issues tax credits to renewable energy and efficiency projects to help offset capital costs. Recipients can use them to reduce taxes, or sell them to raise cash.

The Legislature has passed laws intended to ensure sellers receive close to the full value of the tax credit. At the time of Kaplan's email, state rules still called for one of the tax credits to be sold for nearly 91 cents on the dollar, not 79

See **CREDITS/8A**



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