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EAST OREGONIAN

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140th Year, No. 117

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BOARDMAN

PGE sues former gas plant contractor



Contributed photo by Michael Durham

Transformers surrounded by blast walls are shown during construction of the Carty Generating Station in August 2015.

Utility claims serious defects, unpaid workers

By **GEORGE PLAVERN**
East Oregonian

Portland General Electric says it might cost \$156 million more than expected to finish building the Carty Generating Station south of Boardman after it claims the original project contractor did shoddy work and failed to pay some employees.

PGE took over construction of the 440-megawatt natural gas plant on Tower Road after firing the contractor, Abeinsa, in December. Abeinsa is a subsidiary of the Spanish energy firm Abengoa, which is trying to avoid becoming the largest bankruptcy ever

in Spain.

Since then, PGE claims it has found "serious, and potentially deadly" defects at the plant that could pose severe safety hazards if they aren't fixed. Abengoa also was unable to pay numerous subcontractors, according to PGE, who have filed liens against Carty and asserted nearly \$30 million in claims.

Those allegations are laid out in a lawsuit PGE filed March 23 against Liberty Mutual Surety and Zurich North America, the companies that backed a \$145.6 million performance bond on the plant. They have denied liability under the bond because Abengoa

insists their contract was wrongfully terminated. PGE is now seeking \$180 million — and possibly more — in total damages.

If PGE can't recover the insurance money, it will likely ask ratepayers to shoulder the rising costs of Carty. The plant was approved by the Oregon Public Utility Commission for \$514 million last year, though the utility now estimates the final bill will run somewhere between \$635-\$670 million. Though Carty is being built in Morrow County, most PGE ratepayers live around the Portland metro area.

Steve Corson, a spokesman for the utility, said there is no guarantee the

See PGE/3A

PENDLETON HOUSING STUDY



Staff photo by E.J. Harris

Maintenance man Mark Tabaka paints the interior of a rental Monday at the South Hills Apartments in Pendleton.

HERMISTON Basement an option at senior center

Council looks at schematics for \$2 million project

By **JADE MCDOWELL**
East Oregonian

Plans for a new senior center in downtown Hermiston are taking shape, but the city council isn't sure yet whether it wants to spring for a basement.

The council held a work session Monday night to look at preliminary schematics, but

requested more concrete budget information before making a decision on whether to pay an estimated \$480,000 for a basement.

Construction of the main level will be paid for with a \$2 million Community Development Block Grant from the state.

Krista Appleby of Ascent Architecture shared drawings of an 8,000 square foot senior center based on input from current senior center members. They included a great hall that is about one and a half times the size of the current senior center's dining area, a reception area, two large breakout rooms, an office and a kitchen that is larger than the one the seniors currently use. The plans also included green space outdoors and a parking area with 92 spaces and a circular drive to drop people off at the front door.

Appleby said the plans as drawn would cost \$200 to \$250 per square foot to build, which would equal \$1.6 million to \$2 million before paying

See CENTER/8A

"We get one shot to put a basement in and that's now."

— **Larry Fetter**,
Hermiston Parks and Recreation director

Landlords reject rental crunch

By **ANTONIO SIERRA**
East Oregonian

While several Pendleton organizations have teamed up to fund an updated housing study, local landlords say their money is better spent elsewhere.

The Pendleton Housing Committee will hold its second meeting Friday to discuss ongoing ideas related to a \$10,000 housing study, including establishing a

revolving loan fund for builders and expanding the urban growth boundary.

But not everyone is a fan, especially landlords of existing rentals. Kristy Neubo and her husband own 180 units across three apartment complexes — South Hills, Pendleton Point and Edgewater.

Being one of the larger landlords in Pendleton — the Lake Oswego-based couple has operated South Hills for 11 years

and bought Pendleton Point and Edgewater last year — Neubo said they started to notice significantly more vacancies within the past year.

Whereas South Hills units would rent immediately after hitting the market, some units stay vacant for weeks and many applicants earn too little money to pay rent.

"Jobs are the issue, not housing," Neubo said.

Rather than staying in Pendleton, Neubo said most of her former tenants tell her that they're moving to other parts of Oregon or California to work better jobs.

Add in the general availability of foreclosed houses, and Neubo said her situation proves that Pendleton is suffering from a sluggish job market rather than a housing shortage.

See HOUSING/8A

PENDLETON

Rusty Black, Chinook take reins of Westward Ho!

Woman and horse named as parade co-grand marshals

By **KATHY ANEY**
East Oregonian

They come as a pair — Rusty Black and a paint horse named Chinook.

Woman and horse will preside as grand marshals over the 2016 Westward Ho! Parade during the Pendleton Round-Up.

The two have contrasting personalities. Chinook embraces the spotlight. During the Happy Canyon Night Show and Professional Bull Riding, he clomps up a steep wooden ramp onto a pedestal. The horse stands as if carved in stone above the open-air Happy Canyon arena during the singing of the national anthem, ignoring the flapping of the flag held by his rider, the pop of fireworks and lights knifing the sky.

In contrast, Black likes to stay behind the scenes. The trainer waits in the wings for her horse, ready to trouble-shoot and then to transport the star back home after the show.

In characteristic Black fashion, she has decided not to ride Chinook during the parade. She would rather the paint and rider Bryson Bronson, clad in characteristic feather bonnet and leather leggings, mesmerize the crowd as they tend to do.

"That's what people want to see," Black said. "That's what they love."

The trio of Black, Chinook and Bronson are frequent traveling partners. In December, they traveled to Las Vegas so Bronson and Chinook could hold the American flag during the national anthem at the National Finals Rodeo. In April, they did the same at the Federation Equestre

See CHINOOK/8A



EO file photo

Rusty Black pets her horse Chinook at her ranch south of Pilot Rock in 2013. Black and Chinook were named the grand marshals for the 2016 Westward Ho! Parade during the Pendleton Round-Up.

