



Locust Mobile Village owner Nancy Shaw speaks with resident Jose Diaz on Tuesday at the trailer park in Milton-Freewater.

Staff photo by E.J. Harris

WATER: Shaw says she does not have the \$100K it would cost to build a new well

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of upkeep or disrepair. The 40 people living at the park are poor, Shaw said.

She said testing and monitoring the water is expensive, and she is facing state fines each day the water is unfit to consume. But raising the rent to pay for water improvements, such as connecting to the city's main water line, would drive tenants out onto the streets.

Jose Diaz and his wife and 1-year-old child live at the park. He said he buys drinking water from the grocery store for 40 cents a gallon.

"I'm used to it by now," he said.

His toddler, though, broke out in red welts after taking a shower, he said, which upset his wife. A doctor recommended they rub an antihistamine on the baby.

Diaz called the situation frustrating and said he would volunteer his time to build new tanks or tackle another solution.

In May, staff with the Oregon Health Authority went door-to-door at the park to notify residents they must boil their water before consuming it.

"The chlorination system that treated the well water failed," read the notice. "Repairs have not been completed. We will inform you when tests show no bacteria and you no longer need to boil your water. We have no firm date for resolving the problem."

The health authority in June sent Shaw a seven-page administrative order, listing eight violations of

the Oregon Drinking Water Quality Act and the immediate actions she needs to take to correct problems in the disinfection system, including daily measurements of the chlorine and repairs to the disinfection system no later than July 31.

Not meeting the requirements results in a fine of \$50 per day per violation.

Shaw confirmed the state continues to fine her.

Bill Goss is the regional engineer in Pendleton for the Public Health Division of the Oregon Health Authority, which last week re-published the boil water notice to remind the park's residents. He said if Shaw repaired the disinfection system, the state could lift the boil water notice.

"But that doesn't resolve the long-term issues of the contaminated well itself," Goss said. "At this stage, a new well would be the long-term solution."

Building a new well would cost about \$100,000, Goss said, which is money Shaw says she doesn't have.

The state has a revolving fund that provides low-cost loans for community water systems, and in some cases the state can forgive some of the loan amount. Goss said Shaw submitted a letter expressing interest in a loan.

"We're in the process of looking at the letter," he said, which will undergo scoring and ranking before an invitation to Shaw for a full application.

Robert Peachey said he lived at the park before and has spent the last four months there. The chlorine smell is strongest on the east side of the park, he said, but

it varies day to day. He said he has not had any problems with the water and attributed that to using a food-quality hose to drink from.

Goss advised against that.

"Only specific types of filtration systems would remove E. coli from the water, not a hose," he said. "In fact, disinfection systems kill bacteria so they won't make you sick, but do not physically remove them from the water."

The park's most recent water test sample of Sept. 29 passed, according to the state's website for drinking water data.

"However, we can't lift the boil water [notice] on the basis of that test result because we know the disinfection system has problems," said Goss.

Shaw in 2013 tried to use a state abatement law to compel Milton-Freewater to annex the trailer park and other property because of the harmful bacteria in the wells. City officials at the time argued connecting the park to the city's infrastructure would be more than the city could afford or local property owners wanted to pay. State Sen. Bill Hansell, R-Athena, stepped in and pushed legislation in 2015 that allowed Milton-Freewater to stop the annexation, but continue to address the lack of drinking water at the trailer park.

Shaw said the park's value is probably close to zero, given the water problem, and she is paying back three years of property taxes after she tried to sell the park and had to take it back. Umatilla County tax records show that total comes to \$12,500.

MEASURE 97: One of the most expensive ballot measure battles in the state's history

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Lawmakers could make small fixes to the law, such as repealing exemptions for benefit companies, or a complete overhaul such as replacing the gross receipts tax with a different corporate tax scheme.

As long as none of those proposals raise more money than Measure 97, the Legislature needs only a simple majority to approve any changes, lawmakers said.

As written, the ballot measure would bolster state revenue by nearly 30 percent, or an estimated \$3 billion annually, and avert a projected \$1.35 billion state budget shortfall for 2017-19.

Proponents say the measure would help reverse a trend in which Oregon residents pay an increasing share of state revenue, while businesses pay less.

Opponents argue the tax plan raises prices for consumers and creates inequity in what different kinds of corporations are required to pay in taxes. The measure would tax only "C" corporations with an excess of \$25 million in annual sales, while leaving "S" corporations with the same amount of sales untouched.

If the measure passes, lawmakers in 2017 can expect "a cavalcade of 10,000 lobbyists from every industry with valid stories about why their rates should be lower," Hass said.

The legislation required to redesign the tax measure will likely "be the biggest bill you've seen in your life" because of the complicated fixes that might be needed, said Sen. Brian Boquist, R-Dallas.

Lawmakers will have to decide whether they want to consider each of those requests and possibly design different rates for different industries.

Some lawmakers favor overhauling the tax by reducing the rate and expanding the base of businesses that would have to pay.

Hass proposed an alternative to Measure 97 in the

2016 session that would have raised \$500 million annually by lowering the tax rate and applying it to a broader group of businesses. However, business and union groups refused to negotiate on an alternative, and Hass said he did not have the needed support in the House of Representatives to advance the proposal.

Other lawmakers are suggesting eliminating the gross receipts tax entirely and replacing it with a different corporate taxation scheme.

While five other states have gross receipts taxes, the one proposed in Oregon imposes the highest rate on the smallest number of corporations.

Our Oregon, a public employee union-backed group, wrote the measure with the intent to target large, out-of-state corporations such as Walmart and Comcast. But the tax also affects nearly 200 Oregon corporations — including the iconic Powell's Books, Nike, Columbia Sportswear and Intel. Because the tax applies to sales, rather than profits, it would hit high-volume, low-profit outfits particularly hard, said Sen. Ginny Burdick, D-Portland.

Burdick, who is part of a group of lawmakers looking at potential Measure 97 changes, said she would prefer to do away with the gross receipts tax and replace it with something else that would raise equal or less revenue. Burdick said she has no particular kind of tax in mind.

"I'm really trying to keep an open mind at this point," she said.

Lawmakers also could try to devise a law that would prevent Measure 97 from taxing the same item or service more than once, another problem associated with a gross receipts tax, Boquist said.

Brown recently has been mum about what changes she would make to the measure, saying she is focused on getting the measure passed.

She suggested Wednesday, Oct. 12, at a meeting of the Pamplin

"People can't really be sure what they're voting on if the Legislature is planning on changes."

— Pat McCormick, spokesman for the "No on Measure 97" campaign

Media Group and EO Media Group editorial boards that an exemption in the measure for benefit companies is problematic. Businesses can register as a benefit company with the Secretary of State's Office to show customers they have higher standards of transparency and accountability.

The designation was not meant to give businesses a tax advantage, Brown said.

Pat McCormick, spokesman for the "No on Measure 97" campaign, said the problems with the measure has "created a platform for a lot of lobbying activity" in the 2017 session.

"People can't really be sure what they're voting on if the Legislature is planning on changes," McCormick said. "We don't know what the changes will be."

The Yes on Measure 97 campaign opposes "any attempt to let big corporations off the hook to pay their fair share, especially if the business lobby attempts to make our small businesses and consumers pay more," said Katherine Driessen, spokeswoman for Our Oregon.

The controversial proposal has fueled one of the most expensive ballot measure battles in the state's history. Businesses opposed to the major have raised an arsenal of more than \$16 million and counting, and both campaigns for and against the measure have bombarded voters with advertising spots on social media and airwaves.

If the measure doesn't pass, lawmakers will face the prospect of either making cuts in services or coming up with their own tax package to boost revenue, lawmakers said.

DEPOT: Originally planned to receive land in 2015

Continued from 1A

Smith said. "44 percent seems excessive."

He said it appeared they thought that since the National Guard was getting 44 percent of the acreage in the depot for its training facility, they should get 44 percent of the water.

"This is coming from folks who do not understand Oregon water law or how it is distributed," Smith said.

The Columbia Development Authority board has said in the past it doesn't make sense to accept the land unless it had enough water rights to make it viable for a range of industrial uses.

Smith said Tom Lederle, U.S. Army's Base Realignment and Closure division chief, was helpful in pushing back against the 44 percent idea, and Congressman Greg Walden and his office has "just been phenomenal" in working to explain Oregon water rights to officials in Washington. But the issue has not been resolved.

Michele Lanigan from the Base Realignment and Closure's Umatilla office gave an update on steps being taken to complete the Army's checklist for transfer, noting that the archeology report and environmental reports have been completed and first drafts of other reports, such as the asbestos assessment and radiation study, are done.

She noted that the CDA has requested equipment such as trucks, which it will inherit with the property but does not have the current authority to touch, be moved indoors to protect them.

However, she said the BRAC office does not have the staff to move them. When CDA board member Bill Tovey asked about contracting that work to the CDA, she said it was something that BRAC would consider.

Lanigan told the board that the army has been "tracking a transfer date of December 2017 and that hasn't changed."

The CDA originally planned to receive the land in 2015. That year, the Army told them to instead plan on final conveyance by Nov. 2016. This spring they were told it wouldn't happen until May 2017.

Smith told the board he would do what he could to speed up the timeline, in light of Governor Kate Brown's call for a major transportation funding package during the 2017 legislative session. If the Army conveys the land to the CDA in time, the package of bills could result in the millions of dollars needed to redesign the hairpin turns leading into the depot into something that fleets of commercial trucks could use to move.

"There is no way the Oregon Legislature is going to allocate millions of dollars to the U.S. Army," Smith said.

During the public comment period, Morrow County weed control supervisor Dave Pranger told the board that there was a significant amount of rush skeletonweed, a class A noxious weed, on the depot land and asked that the board keep weed control efforts in mind when it takes custody

of the land.

The board ended the meeting with an executive session on litigation filed or likely to be filed. It did not take any action after the session.

Contact Jade McDowell at jmcdowell@eastoregonian.com or 541-564-4536.

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